

# Strategic Orientation and Perceived Performance in Malaysian Manufacturing Organizations Operating Under the ASEAN Regional Integration

Meisam Karami<sup>1</sup>, Agha Jahanzeb<sup>1</sup>, Saif-Ur-Rehman<sup>1</sup>, Ali Beigi Nasiri<sup>2</sup>, Mostafa Beigi Nasiri<sup>3</sup>, Homayoun feili<sup>4</sup>, Reza Banavand<sup>5</sup>,

<sup>1</sup>Faculty of Management (FM)

<sup>2</sup>Faculty of School of Management Studies (SMS)

<sup>3</sup>Faculty of Economic

<sup>4</sup>Faculty of Human Science

<sup>5</sup>Faculty of Business

<sup>1</sup>Universiti Teknologi Malaysia

<sup>2</sup>Jawaharlal Nehru Technological University Hyderabad, AP, India

<sup>3</sup>Shahid Chamran University, Ahvaz, Iran

<sup>4</sup>Islamic Azad University of Boroujerd, Boroujerd, Lorestan, Iran

<sup>5</sup>Dokuz Eylul University, Buca, Izmir, Turkey

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**Abstract:** Today governments and the private sector all over the world, recognize the influence of strategic orientation on perceived performance as a key strategy under entrepreneurship development. Firms are encouraged to become entrepreneurial in order to enhance their performance under regional integration regimes. Regionalization is the coming together of nations, to attain goals which cannot be achieved in isolation. Regionalization results in expanded markets, which is a challenge to manufacturing organizations, as the case of organizations in Malaysia. Strategic orientation is recognized as a remedy to the challenge. This paper adopted qualitative and quantitative exploratory research design and sample included of 138 organizations, in the field of five sub-sectors of manufacturing organizations located in Kuala Lumpur. The result represented that Malaysia's perceived organizations performance is significantly impacted by strategic orientation. This paper deduced that Malaysia's manufacturing organizations concentrated on improvement their performance urgently need through adopting strategic orientation.

**Keyword:** Malaysia, perceived performance, manufacturing organizations, strategic orientation, ASEAN regional integration.

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## I. INTRODUCTION

Strategic orientation is an important strategy under entrepreneurship discipline, considered important in enhancing perceived performance and socio-economic development of countries. Despite the immense contribution of strategic orientation, majority of prior research on entrepreneurship has been dedicated to the small businesses accomplishments and new business ventures within a domestic set-up, without much focus on its influence on perceived performance under a regional integration context. Strategic Orientation therefore, is the organization's planned and present resource interactions that indicate how a perceived will obtain its goals or desired level of performance. It reflects key areas of quality leadership, product specialization, marketing leadership, manufacturing leadership, and cost leadership [1].

According to [1], Regionalization deserves concentration from entrepreneurship researchers given the large number of Micro, Small and Medium Enterprises (MSMEs) venturing into regional and global markets to exploit existing opportunities of expanded markets and for profits. Besides its contribution to improvement, entrepreneurship is measured significant to the success of manufacturing organizations operating under regional integration regimes. The global trend is

for organizations operating under regional integration regimes, characterized by expanded markets, to embrace strategic orientation as important competitive strategy for enhanced perceived organizations performance.

The findings of the study on the experience of Canadian manufacturing organizations operating under North American Free Trade Agreement (NAFTA) as a regional trading area, reveals that manufacturing organizations operating in countries which are members of regional integration regimes are directly influenced by strategic orientation. The study concludes that, influence of strategic orientation is not only confined to organizations operating within NAFTA, but also to other regional integration areas. There exist Pros and Cons of regional integration. The Pros of regional integration includes: larger and diversified investment and production, access to wider market, political stability and socio-economic. It also involves movement of goods and services, capital and labor. However, the Cons of regional integration include: perceived increase in competition, varied tastes and preferences of consumers, and a sense of national sovereignty loss. Furthermore, for success, regional integration needs fair mechanisms to arbitrate disputes, powerful commitment in implementing the agreed arrangements, and equitable distribution of the gains and costs of regional integration.

Moreover, in Asia, the Association of Southeast Asian Nations (ASEAN) is one of the regional integration bodies including Malaysia [2]. Most of the characteristics of regional integration regimes in other parts of the world, are also found within the ASEAN regional integration area, such as: the expansion of market for manufacturing organizations, increased number of competing organizations, larger market and greater pressure on firms to regionalize, and more importantly, the moderating influence ASEAN regional integration has on performance of manufacturing firms. This therefore, calls for firms to adopt strategic orientation as a mitigating measure [1].

This study was undertaken within the context of establishing the influence of strategic orientation among manufacturing firms in Malaysia, and how the strategy influences their performance while operating under the moderating under the ASEAN regional integration. It is recognized by Malaysian Association of Manufacturers (MAM) that challenges abound for manufacturing firms accustomed to operating under domestic markets, when they venture or expand their operations to regional, international and globalized markets. Various research studies have confirmed that, strategic orientation greatly influences performance of manufacturing firms operating under regional integration regimes in other parts of the world, this is more pronounced for manufacturing firms operating under a regional integration configuration. Manufacturing firms in Malaysia face similar challenges associated with operating under the ASEAN regional integration regime, characterized by expanded market and increased competition. It is in this context that, manufacturing firms need to embrace and adopt strategic orientation as a mitigating measure; to overcome the challenges of operating under a regional integration area, for enhanced performance and competitiveness of their firms [3].

Malaysia is ranked first in so far as having the most developed manufacturing sector among the ASEAN member countries. However, despite this scenario, there exists a challenge from [3] neighboring countries such as Singapore, Thailand, and Indonesia which are venturing into the manufacturing sector, resulting in increased competition, lower production costs, and greater pressure for manufacturing firms to regionalize. This study was therefore, undertaken within the context of establishing the influence of strategic orientation as a means of overcoming the challenges of regional integration, and how the strategy influences performance of Malaysian's manufacturing firms operating under the moderating influence of ASEAN regional integration.

## **II. LITERATURE REVIEW**

Strategic orientation theories comprise a summation of various bodies of knowledge which form the gist of entrepreneurship. The theories advanced are critical for a clear understanding of how strategic orientation influences perceived performance, especially for firms operating under regional integration regimes. The theories which form the cornerstone of this study are anchored under strategic orientation themes.

### **A. Theory on strategic orientation**

[4] refer to strategic orientation (SO) as a firm's fundamental organizational strategy of planned and present resource deployment and environmental interactions that indicates how a firm plans to achieve its objectives. Strategic orientation therefore, reflects the subcontracts which are critical to a manufacturing perceived performance and competitiveness, while operating under a regional integration area, characterized by expanded market. Strategic orientation encompasses: quality leadership, marketing leadership, cost leadership, manufacturing leadership and product specialization [1].

#### **Aa. Marketing Leadership**

Marketing leadership is defined as a dynamic system of decisions regarding product development, pricing, promotion and distribution that are formulated and implemented over time. It is the innovative marketing techniques,

employment of highly skilled sales force, and careful control of distribution channels, which are the hallmark of market leadership, which lead to superior organizations performance [5].

According to [5], marketing leadership involves the identification of one or more sustainable competitive advantages a firm has, in the market it serves or intends to serve. It involves allocation of resources to fully exploit the competitive advantages, especially under the expanded market brought about by regionalization. It is also considered as a business approach or philosophy that focuses on identifying and meeting the stated or hidden needs or wants of customers, that catapults the products and services of a manufacturing firm to be the most preferred in the marketplace. Marketing leadership approach further involves improvement of competitive capabilities of firms to become market leaders, and contribute to enhanced manufacturing perceived performance [6]. For a firm to become a market leader, the firm must be able to develop new business models, innovatively introduce new products or services to the market, be on the cutting edge of new technologies, and undertake innovative business processes. The organization must offer superior products, services or solutions to customer's problems, the organization's products must also be differentiated and the firm should be able to move faster, in order to be ahead of competition [7],[1]. It is for these reasons that, manufacturing firms in Malaysia desirous of becoming market leaders, need to adopt market leadership strategies, to be sure of enhanced performance and competitive while operating under the ASEAN regional configuration.

#### **Ab. Quality Leadership**

Quality leadership is a key component of strategic orientation, which focuses on rendering of products and services of superior quality. It is a strategy important in increasing market share and profitability [8]. The strategy involves the adoption by manufacturing firms of total quality management (TQM) philosophy as espoused by Edward Deming [9]. To attain quality leadership, it is important that firms adopt the Plan-Do-Check-Act (PDCA) model. Quality leadership therefore, entails focusing on work force empowerment, process improvement, customer obsession and strategic planning [10]. Quality leadership involves the application of quantitative methods and knowledge of people to assess and improve materials and services supplied to the manufacturing firm. It involves all the significant processes within the manufacturing firm in meeting the needs of the end-users now and in the future. Furthermore, quality leadership practices must address processes central to a perceived performance, not those that are incidental to it. Therefore, Lumpkin and [10] indicate that emphasis on quality leadership avoids committing scarce manufacturing organization's resources to less important issues.

[11] Highlighted that quality leadership is therefore, the state where quality principles become the basis for guiding, offering support in excellence pursuit by the employees through the organization. Furthermore, emphasis is on developing the power of a trust environment, honest and openness communication to support the improvement of individual quality improvement of entrepreneurs. The leaders particularly have the responsibility to develop the system, by continuing basis for everyone to do a better work with greater fulfillment. According to [9], the leader is regarded as a colleague and counselor, in leading his followers on a day to day basis, and by means of that, learning from them and be with them. While these are the principles on which quality leadership is built, quality leadership is critical importance. Thus, [12] indicate that it is essential to apply the entire array of quality know-how such as quality discipline throughout the entire manufacturing firm, to all functions and to do so in a coordinated way. Juran further avers that quality does not happen by accident, but by embracing the quality trilogy of quality planning, quality control, and quality improvement. Organizations attain quality leadership by implementing company-wide internal and external strategies, create measures of quality, establish quality goals, and create processes capable of meeting quality goals. Deming and Juran's philosophies on quality have been reinforced by Kaizen, who avers that, to attain quality leadership, manufacturing firms have to adopt teamwork, personal discipline, improved morale, quality circles and suggestions for improvement and continual improvement.

Manufacturing organizations which implement the ideologies of quality gurus in implementing quality culture, techniques and tools are following procedures that tend toward quality leadership traits that include focus on people, empowerment, strategic viewpoint, vision, and disciplines integration. Other traits include strong integrity, and an awareness of social responsibilities. These quality leadership styles are what Malaysian's manufacturing firms operating under the ASEAN regional integration context needs to adopt, for enhanced performance and competitiveness [13].

#### **Ac. Product Specialization**

According to [14], product specialization is an important strategy adopted by organizations to enhance performance and beat competition. It emphasizes charging relatively higher prices, targeting narrow market segments, and specialty products. Product specialization is producing a particular product to target a particular buyer niche. Niche markets places more emphasis on the products rather than exclusivity. Product specialization is focused on serving buyers in a niche market through product specialization than rival competitors. It is more focused on addressing customer's

distinctive product preferences, special requirements and unique needs. Product specialization is achieved through lower costs than competitors in the market segment by adopting a low cost production strategy targeted at the segment only.

[10]avers that, manufacturing organizations that develop products should find ways to make it more attractive to buyers. Moreover, there are varicose manufacturing organizations in tight competition with other companies, and constantly seeking new product, new features and new designs to try. Besides, marketing can help distinguish a product from the crowd, but at the heart of the process is the product specialization itself. When used correctly, product specialization can be very efficient. If manufacturing organizations tries to produce too many products, or products that are outside its experience and resources, it will waste money and time that could be better spent focusing on its core value or specialty. [10] further posits that, with only one major product, factory floors can be streamlined and service quality can be easily improved. Product specialization also involves negotiating with suppliers for products and/or service at cost-effective prices.

However, it is observed that product specialization can also be a risky strategy if competitors are able to produce better or more attractive versions of the product or service that the manufacturing organization is involved in. The organization is likely to incur losses, and will not be able to easily switch focus to another product [1]. Time can also damage product specialization, if the product becomes unpopular or is replaced by new technology, the manufacturing organization can easily fall behind if it cannot adapt to the market. Manufacturing organizations can choose other types of specialization if product specialization holds little appeal. In some instances, manufacturing organizations prefer market specialization, or developing products for a specific, highly selected target market[15].

According to [14], a better option is to concentrating on niche market, your product specialization, and what your geographic territory resonates with. Moreover, some lines are not selling in the certain regions or retail categories. Diversifying to many lines, without product specialization will not fit in with a manufacturing organization's areas of concentration. Product specialization is therefore, a key strategy that Malaysian's manufacturing firms need to adopt, if they are to enhance their organization performance while operating under the ASEAN regional integration regime.

#### **Ad. Cost Leadership**

[16]advanced the view that, for manufacturing organizations to enhance their performance and be competitive, they need to adopt cost leadership. Cost leadership is characterized by tight controls of overhead and optimal use of production capacities, variable costs, and pricing below competitive price levels aimed at achieving superior results. [14]further avers that, cost leadership is being the low cost manufacturing organization in the industry for a given quality level. The organizations are selling its product at average industry prices to earn profit higher than that of competitors and below the average industry prices to achieve market share.

Cost leadership is attained by access to a large source of lower cost materials, process efficiencies, avoiding and outsourcing some costs. Moreover, if competing organizations are not able to lower their costs by a similar margin, then the organization may is able to sustain a competitive advantage based on cost leadership. Cost leadership firms therefore, have skills in designing products for efficient manufacturing, high level of expertise in manufacturing process engineering, access to capital needed to make consequential investment, and efficient distribution channels. This strategy is most appropriate for manufacturing organizations operating under expanded markets where competitors are many and firm survival is critical [13].

According to [1] manufacturing organizations should have a competitive advantage to survive in the marketplace. Manufacturing organizations can adopt different strategies to set themselves except for competitors and gain a healthy market share. Furthermore, one such strategy is cost leadership that looking for offers the lowest priced offering in a service/product category to buyers by sequentially lowering costs across the board. However, for cost leaders, striking a balance between quality and price is necessary as there comes a point where reduces in quality are no longer vindicated by lower prices in buyers' minds. According to [14], finding the right suppliers is of utmost importance in a cost-leadership strategy.

[17]avers that, cost leadership as a strategy, also takes into consideration vertical integration, which is the process of purchasing or building companies that supply or serve your main business. Vertical integration also involves buying businesses that you supply. Manufacturing organizations can restructure their operations to lower overhead and salary expenses. Simple process re-engineering can lower operational costs without cutting any jobs. Redesigning processes involves analyzing in-depth layouts of work processes to identify inefficiencies, slack time, areas of high waste or non-value-adding activities. According to [18], automation in the manufacturing sector gained widespread popularity throughout the 20th century. As a result, the use of automation spread to customer support, sales and a wide range of internal processing jobs. [19]posits that, outsourcing is a popular method of reducing costs while maintaining workforce size and productivity. Outsourcing involves moving jobs from a country with higher wage demands or weaker

competitive advantage to a country with lower costs or more highly skilled workers, especially among member countries of a regional integration regime.

#### **Ae. Manufacturing Leadership**

[20] posit that, manufacturing leadership can be attained by state-of-the-art plant and equipment, firms adopting innovative manufacturing processes, and emphasis on efficient production. To attain manufacturing leadership, manufacturing organizations need to adopt wholesome strategies, which include introduction of innovative products and processes in their manufacturing lines, undertake market leadership, and quality leadership to ensure being at the pinnacle of manufacturing among competitors in the industry.

According to [8], today's organizations compete in a market underpinned through huge leaps in technology and science processes and products, but which have no structured framework for them to implement and assess relevant leading-edge technologies to sustain a competitive edge. There is therefore, a demand and latent need for manufacturing leadership and development expertise. Manufacturing organizations face challenges created by regionalization, the fast pace of technological progress, and pressures for enhanced perceived performance. Manufacturing leadership can be attained through integrating cutting edge management and leadership theories within a manufacturing organization. [10] posits that, manufacturing leadership is influenced by customers, suppliers, competitors in related manufacturing organizations, and government regulations within the area of operations which must be taken into account whether at the domestic or regional level. [10] further avers that, experience shows that manufacturing leadership needs leaders to be equipped with up-to-date knowledge and skills needed to develop forward-looking, dynamic and innovative manufacturing organizations. The findings of a study carried out by [1], confirm that perceived performance is influenced by strategic orientation for firms operating under a regional integration set-up and that this influence is replicated in regional integration regimes in other parts of the world.

### **III. RESEARCH METHODOLOGY**

#### **A. Research Design**

The study adopted both quantitative and qualitative exploratory research design. Quantitative research design focused on the designs, techniques and measures that produced discreet numerical or quantifiable data [21]. Both approaches were used to determine the level of influence of strategic orientation on the perceived performance of manufacturing organizations in Malaysian operating under the ASEAN regional integration. The first step involved determining the level of adoption of the strategic orientation by the manufacturing organizations in Malaysia, followed by ranking (considered as weights) of the different aspects of SO in terms of perceived influence by the respondents. Finally, an analysis of the collected data using Spearman's Rank Correlation and Analysis of Variance (ANOVA) was undertaken to determine the findings on the level of influence and the significance of strategic orientation on manufacturing organizations in Malaysian operating under the ASEAN regional integration.

#### **B. Location, Population, Sample and Sampling Methods**

The research study was undertaken on manufacturing organizations based in Kuala Lumpur and surrounding area, where 525 of the 698 manufacturing organizations registered with the Bursa Malaysia (BM) are located [22]. Further, 5 sub-sectors were identified based on their high export potential and greater potential to enhance perceived performance within the ASEAN regional integration area. The identified sub-sectors contributed 69% of the total percentage export earnings from the manufacturing sector in Malaysia during the year 2004, and also contributed 8% and above to the sectors export earnings in the year 2004 [3]. The manufacturing sub-sectors which met the set criteria and considered under the study were: Food, Beverages and Tobacco; Metal and Allied; Building, Construction and Mining; Chemical and Allied; and Leather Products and Footwear. The sample for the study was identified by use of purposive sampling and simple random sampling techniques. A sample size of 138 was recommended for the study based on sample size determination formula, however, 150 manufacturing organizations responded to the study after 180 questionnaires were sent out.

#### **C. Measurement of variables and instrument**

The study involved measurement of Independent Variable, (strategic orientation), Moderating Variable (ASEAN regional integration), and Dependent Variable (Manufacturing perceived Performance). Independent variable measurement comprised of marketing leadership, product specialization, cost leadership, quality leadership, and manufacturing leadership; moderating variable measurement comprised of the characteristics of expanded market; dependent variable was measured in terms of sales, profits and employment opportunities. The measurements were in respect of three year period from 2008 to 2010, year 2007 being considered a base year in determining performance of the manufacturing organizations. A five point Likert scale of perceived adoption levels of the different strategies of



independent variables was used, and a further ranking of the strategies was undertaken. Questionnaires and observation techniques were used to collect data from the respondents.

**D. Research Questions**

The research questions under the study were:

1. To determine the level of adoption of strategic orientation by Malaysian’s manufacturing organizations operating under the moderating influence of ASEAN regional integration?
2. To explore the significance of the ASEAN regional integration as a moderator of strategic orientation on perceived performance of Malaysian’s manufacturing organizations?
3. To determine the significance of a relationship between perceived performance of manufacturing organizations in Malaysia and influence of strategic orientation for manufacturing organizations operating under the moderating influence of ASEAN regional integration?

**IV. Research Findings and Discussions**

**A. Empirical Research Findings on the adoption level of strategic orientation**

The findings on the level of adoption of strategic orientation are presented in table 1 below.

**TABLE 1: ADOPTION LEVEL OF STRATEGIC ORIENTATION**

Strategy	Never		Rarely		Sometimes		Usually		maximum level		Tot	Tot
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Marketing leadership	7	4.7	7	4.7	32	21.6	43	29.1	59	39.9	148	100
Quality leadership	2	1.4	8	5.4	12	8.1	39	26.4	87	58.8	148	100
Product specialization	8	5.4	11	7.4	23	15.5	40	27	66	44.6	148	100
Cost leadership	6	4.1	19	12.8	27	18.2	37	25	59	39.9	148	100
Manufacturing leadership	22	15	14	9.5	19	12.9	33	22.4	59	40.1	147	100
<b>Total</b>	<b>45</b>	<b>30.6</b>	<b>59</b>	<b>39.8</b>	<b>113</b>	<b>76.3</b>	<b>192</b>	<b>129.9</b>	<b>330</b>	<b>223.3</b>	<b>739</b>	<b>500</b>
<b>100%</b>		<b>6.12</b>		<b>7.96</b>		<b>15.26</b>		<b>25.98</b>		<b>44.66</b>		<b>100</b>

The findings indicate that 70.64% of the respondents have adopted strategic orientation usually and always to the maximum level, while 14.08% have never or have rarely adopted SO, and 15.26% of the respondents indicated that they sometimes adopt strategic orientation. The findings above clearly reveal that a majority of Malaysian’s manufacturing organizations have adopted strategic orientation for enhanced perceived performance and competitiveness. Strategic orientation are therefore, important and essential strategies which manufacturing organizations pursue on a continuous basis, and informs the pattern of present and future deployment of resources that points out how manufacturing organizations endeavor to achieve their objectives. Respondents were further asked to rank the different strategies under strategic orientation which were considered as weights on their perceived level of influence of strategic orientation under the study. The findings are presented under table 2 below:

**TABLE II: ADOPTION AND RANKING OF STRATEGIC ORIENTATION (RI=YES)**

Strategy	Adoption of Strategic Orientation					Ranking of Strategic Orientation				
	N	Min	Max	Mean	Std. Deviation	Rank	Min	Max	Mean	Std. Deviation
Marketing leadership	108	1	5	4.11	0.998	1	1	5	3	1.536

Quality leadership	108	1	5	4.48	0.814	2	1	5	4.03	1.185
specialization	108	1	5	4.04	1.159	3	1	5	2.92	1.298
Cost leadership	108	1	5	3.95	1.155	4	1	5	2.72	1.265
Manufacturing leadership	108	1	5	3.81	1.368	5	1	5	2.72	1.446
a. RI = Yes						a. RI = Yes				

The findings presented in table 2 above indicates that a majority of respondents with a Mean measure of 4.48 and a standard deviation of 0.814 perceived adoption of quality leadership as having the greatest influence among strategic orientation strategies, while respondents measuring a Mean of 3.81 and a standard deviation of 1.368 perceived adoption of manufacturing leadership as having minimal influence, or the least influencer of perceived performance. This demonstrates that manufacturing organizations in Malaysia attach greater importance on quality leadership as a competitive strategy. The findings also demonstrate that with the existence of regional integration, there is an increasing quality awareness of products and services among the consumers within the ASEAN regional integration area. The study findings also revealed that manufacturing leadership is perceived by respondents as a least influencer of perceived performance and competitiveness. This finding is explained by the fact the Malaysia is the leading manufacturing country within the ASEAN regional integration area. As a result, most manufacturing organizations do not perceive adoption of manufacturing leadership as a major influencer of manufacturing perceived performance under ASEAN regional integration.

**B. Empirical Research Findings on significance of ASEAN regional integration as a moderator of strategic orientation on performance of Malaysian’s manufacturing organizations**

**TABLE III ADOPTION OF SO FOR FIRMS WHERE RI=YES AND RI=NO**

Strategy	Adoption of Strategic Orientation					Ranking of Strategic Orientation				
	N	Min	Max	Mean	Std. Deviation	N	Min	Max	Mean	Std. Deviation
Marketing leadership	108	1	5	4.11	0.998	35	1	5	3.4	1.288
Quality leadership	108	1	5	4.48	0.814	35	1	5	3.94	1.187
specialization	108	1	5	4.04	1.159	35	1	5	3.83	1.317
Cost leadership	108	1	5	3.95	1.155	35	1	5	3.43	1.267
Manufacturing leadership	108	1	5	3.81	1.368	35	1	5	3.03	1.581
a. RI = Yes						a. RI = Yes				

The findings in table 3 above reveals that Malaysian’s manufacturing organizations which participate or are involved in the ASEAN regional integration area (RI=Yes) numbering 108 perceive adoption of quality leadership as the most influential strategy among the strategic orientation strategies with a Mean level of 4.48 and standard deviation of 0.814, while they perceive adoption of manufacturing leadership as having minimal influence with a Mean level of 3.81 and standard deviation of 1.368. For firms which are not involved in ASEAN regional integration trade or not integrated (RI=No) numbering 35, they also perceive adoption of quality leadership as the most influential strategy among the

strategic orientation strategies, with a Mean level of 3.94 and standard deviation of 1.187, while they also perceive adoption of manufacturing leadership as having minimal influence, with a Mean level of 3.03 and standard deviation of 1.581. The findings were based on considering the ASEAN regional integration as a moderating variable, and the measures were under a scale of minimum 1 to a maximum scale of 5 as depicted in the table 3 above.

**C. Empirical Research Findings on significance of relationship between perceived performance of manufacturing organizations in Malaysia and influence of strategic orientation**

**TABLE IV SIGNIFICANCE OF SO ON PERFORMANCE OF MANUFACTURING FIRMS**

			<b>SO</b>
<b>Spearman’s rho</b>	<b>Ye</b>	<b>Correlation Coefficient</b>	<b>.095</b>
		<b>Sig. (2-tailed)</b>	<b>.271</b>
<b>Yes</b>	<b>Yp</b>	<b>Correlation Coefficient</b>	<b>.122</b>
		<b>Sig. (2-tailed)</b>	<b>.16</b>
	<b>Ys</b>	<b>Correlation Coefficient</b>	<b>.219**</b>
		<b>Sig. (2-tailed)</b>	<b>.008</b>

\*\* . Correlation is significant at the 0.01 level (2-tailed). Performance Measurement. Y<sub>e</sub>= Employment; Y<sub>p</sub>=Profit; Y<sub>s</sub>=Sales

\*. Correlation is significant at the 0.05 level (2-tailed).

From table 4 above, using Spearman’s Rank Correlation and Analysis of Variance (ANOVA), the findings reveal that there exist a high level of significant relationship between strategic orientation and perceived performance of manufacturing organizations in terms of measuring (F= 0.219, p-value =0.008), followed by measuring (F= 0.122, p-value = 0.16), and finally measuring (F= 0.095, p-value = 0.271).

**V. CONCLUSION**

Following is a summary and conclusions drawn from the study findings

**A. Level of adoption of strategic orientation (SO)**

It is concluded that adoption of strategic orientation is important in influencing perceived performance of Malaysian’s manufacturing organizations operating under the moderating influence of ASEAN regional integration. Quality leadership is the highest perceived and ranked strategy adopted among the different strategies that comprise strategic orientation. It is therefore, important to recognize the important role that quality leadership plays in the performance of Malaysian’s manufacturing organizations operating under the moderating influence of ASEAN regional integration.

**B. Significance of ASEAN regional integration as a moderator of strategic orientation on perceived performance of Malaysian’s manufacturing organizations.**

From the study findings, conclusion is drawn that, regional integration is an important influencer of perceived performance of manufacturing organizations within the confines of the region. It is therefore, concluded that ASEAN regional integration regime influences perceived performance of Malaysian’s manufacturing organizations greatly in terms sales. ASEAN regional integration has provided a large market in terms of increased population of consumers total to over 130 million people within the region, which comprise of the following countries: Malaysia, Singapore, and Indonesia. The ASEAN regional integration therefore, has a moderating influence in providing expanded markets as reflected in the perceived performance of Malaysian’s manufacturing organizations in terms of sales, Profit and employment respectively. Manufacturing organizations in Malaysia desirous of enhancing their performance and competitiveness, therefore, need to adopt strategic orientation strategies to benefit from the ASEAN regional integration regime.

**C. Significance relationship between perceived performance of manufacturing organizations in Malaysia and influence of strategic orientation.**

From the study findings and summary, it is conclusive that perceived performance of Malaysian’s manufacturing organizations are significantly influenced by adoption of strategic orientation for Malaysian’s manufacturing organizations which operate under the ASEAN regional integration. The significance of adopting strategic orientation on



perceived performance of manufacturing organizations is significant when perceived performance of manufacturing organizations is measured in terms of sales, followed by profit, and less significant when measured in terms of employment. It is, therefore, important for Malaysian's manufacturing organizations desirous of enhancing their performance and competitiveness under the moderating influence of ASEAN regional integration to adopt strategic orientation.

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