



Scientia Research Library

ISSN 2348-0416
USA CODEN: JASRHB

Journal of Applied Science And Research, 2013, 1 (1):36-46

<http://www.scientiaresearchlibrary.com/archive.php>

Managerial Innovation and Financial Performance in Malaysian Automotive Industry

Farah Izzaida Mohd Zamri¹, Nurul Fadly Habidin², Siti Norhafizan Hibadullah¹,
Nursyazwani Mohd Fuzi¹, Auni Fatin Nadia Chiek Desa¹

¹Department of Accounting and Finance, Faculty of Management and Economics, Universiti Pendidikan Sultan Idris,
35900 Tanjung Malim, Perak, Malaysia

²Department of Management and Leadership, Faculty of Management and Economics, Universiti Pendidikan Sultan Idris,
35900 Tanjung Malim, Perak, Malaysia

ABSTRACT

Over two decades Malaysia has been competing in automotive industry market. However, there are many steps to be taken in order to compete with competitors. Automotive manufacturers have to try various methods which may attract customers with products and services that meet the demands of low cost but quality. This paper reveals how the Malaysian automotive industry to improve financial performance in a situation of strong competition among the regional automotive industry. Elements in the managerial innovation can provide a positive impact on the Malaysian automotive industry to strengthen the economy and in terms of financial perspective. Therefore, this study tried to achieve the relationship between managerial innovation and financial performance in Malaysian automotive industry. The structural relationship model of managerial innovation and financial performance was proposed using Structural Equation Model (SEM) technique. The paper culminates with suggested future research work.

Keywords: Managerial innovation, innovation management, financial performance, automotive, manufacture, structural equation model, organisation, profit, competitive advantage

INTRODUCTION

The supply chains in automotive industry are based on combination of two activities which are manufacturing and services. This industry has also made a substantial contribution to the national economy. Referred to previous study by Karki et al. (2005), countries such as China and India have used the business strategy in terms of cost savings from the use of raw materials and lower labour wages as a measure to maintain competitiveness. However, it have influenced the concept of

automotive production in country Association of Southeast Asian Nations (ASEAN) in which the area is identified as an area with strong economic growth.

To produce quality products at low prices, manufacturers have to expand the raw material supply network, enhance its expertise in the field of processing technology and create a systematic system of quality management practices (Lee and Zhou, 2000). Therefore, this certainly can achieve the organisation's goal as well as satisfy their consumers. However, there are few barriers to build and sustain competitive advantage. There are steps are considered desirable to build a practice or a new management strategy where it includes operations, organisation or strategy. Basically, the management field often facing pressure from the environment of industry in competing to achieve the best performance among others, especially in attract customers, market, technology and innovation (Verdu-Jover et al., 2008)

Innovation requires carrying out by the organisation through a process called managerial innovation (Oke, 2002). Good strategy is an effective measure to ensure that innovation can be implemented. While according to Bhasin (2008), financial performance should be prioritized improvement compared to fully focus on administering and developing the business, achievement of customer satisfaction and diversity skills. In addition, financial performance can be enhanced through the profitable sales of either gross or net which may also have a positive impact on manufacturing firms in Malaysia. It was proved that healthy competition among the automotive industry is able to motivate the organisation to improve marketing performance and income properly (Zakuan, 2009). Therefore, referring to many of the previous studies related to the diversity of this opinion, an organisation need to study the needs of customers and their perception that the products produced and the quality when they decides to innovate in every decision and action.

After getting an overview of the managerial innovation and financial performance, the study of literature is in the following section. It is the part where the practice is discussed and how it is so related to achieving the better performance. Next is to present the research methodology of the research instrument, reliability and validity of the instrument. Conclusions and further agenda of the study explained at the end of this paper.

MATERIALS AND METHODS

Managerial Innovation

Nowadays, innovation is considered as a tool implemented by the organisation for competitive advantage. This is because, the demanding challenges faced by organisations to innovate in new markets to be profitable and remain competitive in a market gets more attention (Soderquist, 1997). However, innovation comes in various categories with intended to assist organisations change to a better level (Johne and Davies, 2000). Among this category, usually the products innovations are in line with technological advances where they need to differentiate offerings and changed radically in order to remain in the market (Craig and Hart, 1992; Otero-Neira et al., 2009). During the implementation of the innovation process, it involves interior reconstruction organisation. It touched on management and operations to increase productivity and profitability of the organisation. However, to implement the innovation process, organisations need to ensure that the executor properly understand the consolidation process of change so that it runs in a structured manner. The other part of the innovation is on the market. Innovation market was related to the client's needs. Organisations need to study and understand the customer's request before deciding on the sales market changes that can be achieved in the future profits (Johne, 1999; Otero-Neira et al., 2009).

Organisation can implement changes according to the level or type that is suitable for their goals and achieve customer needs to ensure profitability (Marsili and Salter, 2005). Therefore, the process of innovation of the product, process or market should be relevant and unique compared to competitors. Continuing from the previous statement, innovation can be considered as a strategy implemented by an organisation in which it can be beneficial to financial performance. The goal is to take various views such as through new product or a new service is created, developed and introduced. In addition, it can be said that new procedures and processes of a product as an innovation (Birchall et al., 1996).

In order to improve the financial performance in Malaysian automotive industry, it is not enough to focus on financial item. This is because the efficiency of management also plays an important role to increase the profitability of the organisation. Continuous study of the automotive industry needs to be done on a consistent basis as various obstacles and challenges given the economy, competition or technology is increasing. According to Davis and Wilmott (1999), to meet the customers' needs and some of the characteristics specified in its production, the Malaysian automotive industry should prioritize the quality of product. Beside that, the reduction in the cost of production of affordable products, supply chain, grow technologically sophisticated and latest in every product and service also contribute to the factor of customer satisfaction (Hashim et al., 2012).

Over the years, the organisation has taken the initiative to change the structure of their material. There are a number of factors in production have been modernized. Among them is the information technology, communications and human resources. In addition, innovation extensively activation to assist the improvement in manufacturing processes such as raw materials, production facilities, labour, and property (Lev, 2001; Moeller, 2009; Teece, 1998). Hence, innovation is importance for organisation to reshape the product or service. There are several ways to make an innovation. Among them is to build the ability to connect to external sources of information, helping organisations assess the merits of the new technology and enhance the image of the organisation in the market. Managerial innovation can be supported and enhanced through the implementation of research and development (Soderquist et al., 1997).

One of the success factors of an organisation is that when they try to identify and create a product according to customer requirements and competitive in the market (Han et al., 1998; Oke, 2007; Otero-Neira et al., 2009). There is also an organisation that has changed the strategy from a product centric to knowledge centric. Because of this new strategy has become a critical success factor (Drucker, 1993; Iansiti and MacCormack, 1997, Nonaka, 1991; Saccani et al., 2006). In addition, one of the factors that make the organisation successful to make a difference among competitors is when the strategies and practices that are applied increasingly diverse (McAdam and Galloway, 2005). It can be said that, if an organisation successful in producing a wide range, it can meet the customer needs who have different tastes. This is because, the success of the production of various products identified due to good management system.

Based on previous studies, the implementation of managerial innovation in an organisation considered changes involving process, influenced by the ability of the organisation according to different steps (Verdu-Jover et al., 2008; Zajac et al., 2000). Therefore, a step recommended to implementing innovation by the organisation can be maintained or improved as well as to increase efficiency and put in place and the right time while dynamic capabilities can also be maintained (Teece et al., 1997). Process involving the integration and balance of resources is considered a dynamic capability in which it can be done by the organisation. Intangible Assets Working Group Schmalenbach Society Working Group Accounting and Reporting Intangible Assets (2005) have suggested there are several things that are required by an organisation in which they need each other

which are customers, suppliers, investors, processes, innovation and location and it is an approach that can be implemented as a whole.

Based on previous study by Das et al., (2003), business performance can be improved through the combination of market and demand. However, there are several other factors that can serve as a key role in achieving organisational goals such as knowledge management (KM), creativity skills (CS) applied by employee and customer perspective (CP) as shown in Table 1 where it had described the benefit of each element to support the managerial innovation implement in organisation.

Table 1. The benefits of elements in Managerial Innovation

Elements	Benefits of Elements
Knowledge Management	The process of learning and the knowledge in a structured and organized manner that includes the context of work, employment challenges in their respective fields and work design can motivate employees indirectly and promote innovation through the organisation to become innovative employee behaviour (Lideway, 2004).
Creativity Skills	Creativity requires a comprehensive knowledge of skills. Employees can master this skill when they can put in place an action and to diversify their efforts (Galbraith, 1982; Smeds, 1994).
Customer Perspective	Organisation that always does the interaction or cooperation with clients to make more meet the production features customers' needs. Indirectly, product and service design has been influenced by a lot of customers, which are beneficial to the performance of the organisation (Conding et al., 2013; Zhu et al., 2008).

It proves that innovation should be implemented not only in terms of technology alone, but should be in line with management implementation. There are various industries such as financial institutions, tourism or hotel believes that financial performance could be improved if they manage customer trust with quality services.

However, according to a study by Ahmad et al. (2004), failure of implementation of new practices implemented by an organisation can be influenced by several factors. The main factor is the lack of commitment given by each employee from each level. For example, senior management rely on subordinates to ensure successful new practices. Whereas there are problem among employees who lack motivation, knowledge or unable to understand the purpose of implemented changes in management practices as well as the estimated time period is quite short. This problem needs to be overcome. The commitment and cooperation between employer and employee need to be existed to ensure the managerial innovation can be implementing smoothly.

Service is considered as a medium between employees and customers (Sureshchandar et al., 2001). However, the implementation of new practices which are aimed to improve the company's structure failed because of the attention given over to the production or results and at the same time they do not try to improve on the process or management (Shaffer and Thomson, 1992). In addition, service is a difficult thing for quality evaluation and the manner of service range (Dong and Jeong, 2007; Schneider and Bowen, 1985). Therefore, an organisation should not consider all departments of the organisation is the same and take it easy for every instruction performed for each department done in parallel (Lansiluoto et al., 2004). Instead, the management must be more careful to respond to change by assessing the viability of strategy over time.

According to Oke (2007), two ways communication needed by the management to ensure that the strategies of innovation is successful in practices. Therefore, management should improve and support managerial innovation for increase total performance in order to improve desired achievement. For the implementation of the managerial innovation, there are some things that need to be considered and reviewed by the organisations that are really effective implementation. Some of these things are, plan on a regular basis about the strategy to implement the innovation, how to adapt to changes in organisational innovation, new product development, coinciding with the planned strategy, what are the obstacles strategy of new products, build an effective system and structure for innovation and the involvement of human resources in the innovation strategy.

Financial Performance

Business competition among companies can be evaluated through their financial performance. Apart from development of products or marketing strategy, company can evaluate their performance through financial benchmarks. This technique is a step consisting of quantitative financial ratios (Lansiluoto et al., 2004). Benchmark of financial performance allows management to build a good strategy to improve the quality of products and services as well as to saving the cost of raw materials. In addition, financial performance also serves as a source of motivation for the industry especially management to strive to remain competitive in a volatile market (Dong and Jeong, 2004; Sousa and Voss, 2002). As an impact, each implementation provides guidance to the organisation on the sales revenue, net profit and return on capital or equity.

Profit for an organisation can be achieved through a reduction in price but still good quality product and short delivery periods. However, the relevant sector always gets competition from a small organisation where they always offer the low price product line with a small capital (Otero-Neira et al., 2009). According to Lansiluoto et al. (2004), company should managed and improve their profit rate, as well as benchmarks to be achieved by other companies or competitors. Benchmark system is useful assist companies to identify new strategies in order to improve business profit. This is because, without a good structure and strategies, an organisation would not be able to escape from facing the risk of financial resources either in the middle or in the long run. Inadequate of financial flexibility, organisation stuck with debt where it can affect the organisation in the future until they can take steps to change the organisational structure and strategy (Verdu-Jover et al., 2008).

According Saccani et al. (2006), the movement of the profit volume can be influenced by market conditions in which it will affect the results and efficiency of resource management. While financial performance can be evaluated through several parts. Among them is the operating profit, return on assets and inventory. In other way, organisations need to take several steps in order to always remain amount spent over the competition. Among them is to reduce labour costs, reduce resources, improve efficiency in order to be a short production period and reduce cost of production (Chen et al., 2001). Therefore, there are several ways to evaluate the effectiveness of the profits or financial performance of the organisation through three factors which are profitability, asset turnover and inventory turnover. As refer to Table 2, the three factors as mentioned before will be state with their function.

Table 2. The description of factor and function in Financial Performance

Financial Factor	Function of Factor
Profitability Factor (PF)	This factor serves as a medium, managed to show the ability of an organisation where there is an increase in investment and fund management profit. Good organisation is when the maximum achievement in profits (Chen et al., 2001)

Asset Turnover Factor (ATF)	Asset turnover factor serves as a tool to evaluate the efficiency of financial flows within the organisation as well as reviewing the adequacy of the amount of investment assets. A certified organisation capable of collecting the appropriate funds when this factor to achieve high evaluation (Chen et al., 2001)
Inventory Turnover Factor (ITF)	These factors are able to demonstrate the effectiveness of the actions taken combined manufacturing and marketing in increasing profit organisation. It requires the right strategy by internal management to prevent losses (Chen et al., 2001).

The Relationship between Managerial Innovation and Financial Performance

To review the implementation of concept and the impact of innovation on profitability, organisations need to analyze a problem or case thoroughly and find the causes of the case (Eisenhardt, 1989; Otero-Neira et al., 2009). Changes in business level may affect the operating system related companies in the same business. Example of such changes is in terms of rules or laws, standards of the environment or the formation of a new work culture. As a positive effect, changes in these factors show the improvement in financial performance after the successful operations shift properly absorbing (Lansiluoto et al., 2004). This is because the financial performance involved the management of raw materials by innovative and effective approach.

Financial performance has a good relationship between structure and strategy. This is because, the structure and strategy using a variable index of flexibility. Financial performance showed good results when the structure and strategy are developed and built well (Parthasarthy and Sethi, 1993). It can be said that the management that covers the structure and strategy is an important factor to improve the financial performance other than too focused on the production or rather finding the appropriate features in making the product as a competitive advantage. Therefore, it proves that the managerial innovation has its own advantages to organisation.

Although the implementation of the innovation has a positive relationship with organisational performance, but it still not enough to improve the financial performance up to the maximum profit level (Johne and Davies, 2000). Therefore, to ensure product will last long in the market, an organisation need to implement the innovation. Managerial innovation assists organisation to success in the market as compared to those organisations that just focus at the early stage of production.

To implement and ensure that innovation can provide a positive impact on the total cost of use; practitioners must carry out each method carefully (Otero-Neira et al., 2009). Innovation measures should emphasize the costs and benefits. These include an assessment of the exact innovation, impact on the profitability, and the impact of innovation on organisation and customers. In relation to that, the implementation of managerial innovation requires commitment from various parties such as employees and customers. By a combination of both can produce a better system in the construction of the management structure.

According Ambec and Lanoie (2008), cost can be reduced by several things such as raw materials, energy and services, capital and labour costs as well as risks in collaboration with external stakeholders. Performance is said to be an important strategy in be appropriately managed because it is the beginning of the direction of the management process improvement. Therefore, to ensure that the organisation can carry out a good job of course, they have succeeded in applying the concept of transformation well. It does not calculate the size of the organisation, public or private

categories and total profit (Elbanna and Naguib, 2009). In addition, management or practitioners need to understand the improvements or innovations to be implemented only to identify areas that require problem solving and action taken to avoid the deviate.

Many companies are trying to shift to the service sector in view of the automotive industry to remain competitive in its production. This is to ensure that they remain in a stable financial position and profitable (Godlevskaja et al., 2011). Therefore, in the automotive industry there are several companies offering various fractions different services such as repair services, leasing, insurance, banking, auto and financial organizer. Furthermore, innovation in service or management is a right step to be taken by the automotive industry due to its dynamic nature (Kindstro et al., 2009). It aims to consistently meet customer demand, in line with advances in technology and fluctuation of market conditions.

Research Hypotheses

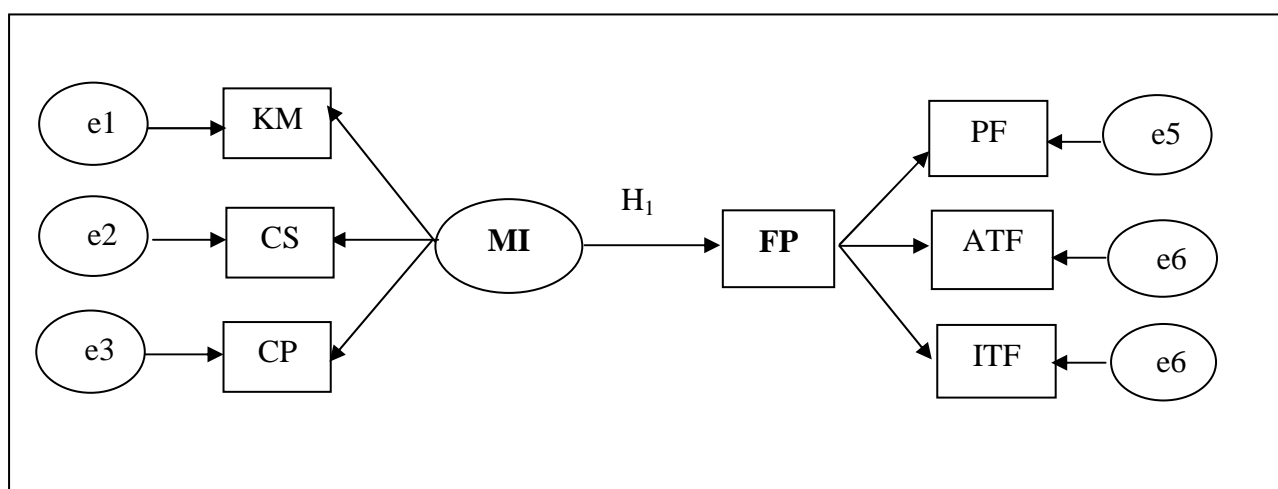
The goal of each research certainly is to achieve the objectives set at the beginning of the study. This study covers aspects that relevant to prove the relationship between managerial innovation (MI) and financial performance (FP) based on the Malaysian automotive industry. From the previous study, it was showed that financial performance are moves slowly when organisation does not make any innovation either in perspective of product or process. Therefore, the organisation arranges a strategy by implement a managerial innovation in an organisation process. It was clearly help this study to construct hypotheses as stated in numbering system from H₁.

There is a positive and direct significant relationship between managerial innovation H₁: practice financial performances in Malaysian automotive industry.

RESULT

A Proposed Research Model

The purpose of this study is to determine the relationship between managerial innovation and financial performance for Malaysian automotive industry. Therefore, to indicate the relationship, a research model was developed based on previous study discussed in literature review. A proposed research model is shows in Figure 1.



*Note: MI=Managerial Innovation, KM=Knowledge Management, CS=Creativity Skills, CP=Customer Perspective, FP=Financial Performance, PF=Profitability Factor, ATF=Asset Turnover Factor, ITF=Inventory Turnover Factor.

Figure 1 Proposed Model of the Study

Methodology

Structural Equation Modelling (SEM) techniques were utilized to perform the requirement statistical analysis of the data from the survey. Exploratory factor analysis, reliability analysis and confirmatory factor analysis to test for construct validity, reliability, and measurements loading were performed. Having analyzed the measurement model, the structural model was then tested and confirmed.

In general, a survey typed questionnaire approach is relatively low cost of money, time saving, and energy saving. A set of survey questionnaire was carefully designed to ensure most of the issues concerning both strategies which are managerial innovation and financial performance was included. The survey methodology is later explained consisting of question development, expert validation, pilot study, population and sampling of the study, data collection, reliability, validity, and statistical analysis.

Questionnaires distribute to respondents from the listing of automotive industry obtained from Malaysian Automotive Component Parts Association (MACPMA), Proton Vendors Association (PVA), and Kelab Vendor Perodua. To analyze the data, two statistical techniques were adopted.

The statistical Package for the Social Sciences (SPSS) version 17 was used to analyze the preliminary data and provide descriptive analyses about thesis sample such as means, standard deviations, and frequencies.

CONCLUSION

This study aims to review the relationship between managerial innovation and financial performance and to identify whether it suitable to be applying in Malaysian automotive industry. In related to that, the proposed model and hypothesis is developed based on literature review to indicate that managerial innovation are become most important practice to increase the performance of an organisation especially regarding financial. The quality of management may produce a better product and make employees of an organisation more motivated. As such, it is expected to give a positive effect for manufacturers in automotive industry.

ACKNOWLEDGEMENTS

The researchers would like to acknowledge the Ministry of Higher Education (MOHE) for the financial funding of this research thought Fundamental Research Grant Scheme (FRGS), and Research Management Centre (RMC), UPSI for Research University Grant (RUG).

REFERENCES

- [1] A Ahmad; S Mehra; M Pletcher; The perceived impact of JIT implementation on firms' financial/growth performance, *Journal of Manufacturing Technology Management*, **2004**, Vol. 15 No. 2, pp. 118 – 130.
- [2] S Ambec; P Lanoie; Does it pay to be green? A systematic overview, *Academy of Management Perspective*, **2008**, Vol. 22 No. 4, pp. 45-62.
- [3] S Bhasin; Lean and performance measurement, *Journal of Manufacturing Technology Management*, **2008**, Vol. 19 No. 5, pp. 670-684.
- [4] D Birchall; J Chanaron; K Soderquist; Managing innovation in SMEs: a comparison of companies in the UK, France, and Portugal, *International Journal of Technology Management*, **1996**, Vol. 12 No. 3, pp. 291-305.
- [5] L-H Chen; S-Y Liaw; YS Chen; Using financial factors to investigate productivity: an empirical study in Taiwan, *Industrial Management & Data Systems*, **2001**, Vol. 101 No. 7, pp. 378 – 384.
- [6] J Conding; NF Habidin; AFM Zubir; S Hashim; NASL Jaya; A review: the impact of green practices adoption on green performance in the Malaysian automotive industry, *Journal of Sustainable Development Studies*, **2013**, Vol.2 No.1, pp. 109-126.
- [7] A Craig; S Hart; Where to now in new product development research?, *European Journal of Marketing*, **1992**, Vol. 26 No. 11, pp. 1-49.
- [8] S Das; PK Sen; S Sengupta; Strategic alliances: a valuable way to manage intellectual capital?, *Journal of Intellectual Capital*, **2003**, Vol. 4 No. 1, pp. 10-19.
- [9] KY Dong; AP Jeong; Perceived service quality: Analyzing relationships among employees, customers, and financial performance, *International Journal of Quality and Reliability Management*, **2007**, Vol. 24 No. 9, pp. 908 – 926
- [10] K Eisenhardt; Building theories from case study research, *Academy of Management Review*, **1989**, Vol. 14 No. 4, pp. 532-50.
- [11] S Elbanna; R Naguib; How much does performance matter in strategic decision making?, *International Journal of Productivity and Performance Management*, **2009**, Vol. 58 No. 5, pp. 437 – 459.
- [12]JR Galbraith; Evolution without revolution: sequent computer systems, *Human Resource Management*, **1982**, Vol. 24 No. 1, pp. 9-24.
- [13] O Godlevskaja; J van Iwaarden; T van der Wiele; Moving from product-based to service-based business strategies: Services categorisation schemes for the automotive industry, *International Journal of Quality & Reliability Management*, **2011**, Vol. 28 No. 1, pp. 62 – 94.
- [14] JK Han; N Kim; RK Srivastava; Market orientation and organisational performance: is innovation a missing link?, *Journal of Marketing*, **1998**, Vol. 62, October, pp. 30-45.
- [15] JK Harter; FL Schmidt; TL Hayes; Business-unit-level relationship between employee satisfaction, employee engagement and business outcomes: a meta-analysis, *Journal of Applied Psychology*, **2002**, Vol. 87 No. 2, pp. 268-79.
- [16] S Hashim; NF Habidin; J Conding; NASL Jaya; AFM Zubir; Total productive maintenance and innovation performance in Malaysian automotive industry, *International Journal of Engineering Research and Development*, **2012**, Vol.3, No. 11, pp. 62-67.
- [17] M Iansiti; A MacCormack; Developing products on internet time, *Harvard Business Review*, **1997**, Vol. 75 No. 5, pp. 108-17.
- [18] A Johne; Successful market innovation, *European Journal of Innovation Management*, **1999**, Vol. 2 No. 1, pp. 6-11.
- [19] A Johne; R Davies; Innovation in medium-sized insurance companies: how marketing adds value, *International Journal of Bank Marketing*, **2000**, Vol. 18 No. 1, pp. 6-14.

- [20] S Karki; M Mann; H Salehfar; The influences of technology development on economic performance – the example of ASEAN countries, *Energy Policy*, **2005**, Vol. 33, pp. 499-509.
- [21] DJ Koy; The effects of employee satisfaction, organisational citizenship behavior, and turnover in organisational effectiveness: a unit-level, longitudinal study, *Personnel Psychology*, **2001**, Vol. 54 No. 1, pp. 101-14.
- [22] A Lansiluoto; T Eklund; B Back; H Vanharanta; A Visa; Industry-specific cycles and companies' financial performance comparison using self-organizing maps, *Benchmarking: An International Journal*, **2004**, Vol. 11 No. 3, pp. 267 – 286
- [23] CY Lee; X Zhou; Quality management and manufacturing strategies in China, *International Journal of Quality and Reliability Management*, **2000**, Vol. 17 No. 8, pp. 876-98.
- [24] B Lev; *Intangibles: management, measurement, and reporting*, Brookings Institution, Washington, DC, **2001**.
- [25] EC Lidewey van der Sluis; Designing the workplace for learning and innovation: Organisational factors affecting learning and innovation, *Development and Learning in Organisations*, **2004**, Vol. 18 No. 5, pp. 10 – 13
- [26] O Marsili; A Salter; Inequality of innovation: skewed distributions and the returns to innovation in Dutch manufacturing, *Economics of Innovation and New Technology*, **2005**, Vol. 14 No. 1/2, pp. 83-102.
- [27] R McAdam; A Galloway; Enterprise resource planning and organisational innovation: a management perspective, *Industrial Management and Data Systems*, **2005**, Vol. 105 No. 3, pp. 280-90.
- [28] K Moeller; Intangible and financial performance: causes and effects, *Journal of Intellectual Capital*, **2009**, Vol. 10 No. 2, pp. 224 – 245
- [29] C O'Reilly; ML Tushman; Using culture for strategic advantage: promoting innovation through social control, in Tushman, M.L. and Anderson, P. (Eds), *Managing Strategic Innovation and Change*, Oxford University Press, Oxford, **1997**.
- [30] A Oke; Innovation types and innovation management practices in service companies, *International Journal of Operations & Production Management*, **2007**, Vol. 27 No. 6, pp. 564 – 587
- [31] C Otero-Neira; MT Lindman; MJ Fernández; Innovation and performance in SME furniture industries: An international comparative case study, *Marketing Intelligence and Planning*, **2009**, Vol. 27 No. 2, pp. 216 – 232
- [32] IM Prieto; E Revilla; Learning capability and business performance: a non-financial and financial assessment, *The Learning Organisation*, **2006**, Vol. 13 No. 2 pp. 166 – 185
- [33] N Saccani; L Songini; P Gaiardelli; The role and performance measurement of after-sales in the durable consumer goods industries: an empirical study, *International Journal of Productivity and Performance Management*, **2006**, Vol. 55, Iss: 3 pp. 259 – 283
- [34] R Sousa; C Voss; Quality management revisited: a reflective review and agenda for future research, *Journal of Operations Management*, **2002**, Vol. 20 No. 1, pp. 91-109.
- [35] G Sureshchandar; C Rajendran; R Anantharaman; A conceptual model for total quality management in service organisation, *Total Quality Management*, **2001**, Vol. 12 No. 3, pp. 343-63.
- [36] DJ Teece; G Pisano; A Shuen; Dynamic capabilities and strategic management, *Strategic Management Journal*, **1997**, Vol. 18 No. 7, pp. 509-33.
- [37] AJ Verdú-Jover; J-M Gómez-Gras; FJ Lloréns-Montes; Exploring managerial flexibility: determinants and performance implications, *Industrial Management & Data Systems*, **2008**, Vol. 108 No. 1, pp. 70 – 86

- [38] J Weerawardena; Exploring the role of market learning capability in competitive strategy, *European Journal of Marketing*, **2003**, Vol. 37 No. 3/4, pp. 407-29.
- [39] WGARIA; Corporate reporting on intangibles – a proposal from a German background, *Schmalenbach Business Review*, **2005**, Vol. 2 (special issue, Working Group Accounting and Reporting of Intangible Assets), pp. 65-100
- [40] EJ Zajac; MS Kraatz; RKF Bresser; Modelling the dynamics of strategic fit: a normative approach to strategic change, *Strategic Management Journal*, **2000**, Vol. 21 No. 4, pp. 429-53.
- [41] Q Zhu; J Sarkis; K-H Lai; Confirmation of a measurement model for green supply chain management practices implementation, *International Journal Production Economics*, **2008**, Vol.111 No. 2, pp. 261-273.