

Environmental Dynamic Capabilities Framework for Higher Organizational Competitiveness and Performance

Boon Heng TEH, Tze San ONG

Abstract— Corporate environmental practices offer businesses with opportunities to create competitive advantage, which in turn enhances their performance. However, environmental practices are expensive, complex, time consuming to realise the expected benefits, and require effective implementation, thus making them a risky proposition with high failure rate. Despite massive investment made in environmental practices, little is known about how to identify truly environmental capabilities which able to drive organizational competitive capabilities. Thus, it is essential for the organization to identify the truly dynamic environmental capabilities, for enhancing the organizational environmental competitive and financial performance. This research aims to develop a dynamic environmental capabilities framework encompasses by strategic environmentalism, inter-firm environmental network and technology aiming to drive organizational performance. Essentially, this research discussion are built from the dynamic capabilities-based theory and stakeholder theory. This quantitative-based research will use cross-sectional sample survey field study to collect data at a single point in time. This study will focus on manufacturing industry which is an environmental sensitive industry. Self-administrated questionnaire via postal mail and online survey to improve the response rate. The main statistical analysis will be structural equation modelling via partially least square (PLS) to identify the path analysis and answer the hypotheses developed. Findings from the present study would identify the core capabilities fundamental to the manufacturers that enable them to derive competitive benefits while protect the natural environment on a voluntary basis. Such knowledge would aid regulators in crafting policies, measures and incentives in line with Eleventh Malaysia Plan particularly the cluster on pursuing green growth for sustainability and resilience. It will help to bring up those necessary capabilities needed by the manufacturers and successfully leading corporate voluntary proactive environmental behaviour, which is the core driving force in achieving green economies in Malaysia under Eleventh Malaysia Plan.

Keywords: Environment, Framework, Performance

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