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MALAYSIA

BUSINESS SENTIMENT 2019/2020

A PERSPECTIVE FROM
MALAYSIAN EXECUTIVES

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FOREWORD

In a world of constant upheaval and change, many industry sectors have had their existence challenged by disruptive competitors or struggled with the vagaries of uncertainty. The ongoing trade spats and ensuing economic uncertainty have contributed to the competitive turmoil. Having a sense of the prevailing outlook of business leaders in this environment provides insight into the readiness and capability of Malaysian firms to navigate emerging challenges and transform them into opportunities.



The Malaysian Business Sentiment Survey continues its tradition of identifying key issues that define competitive conditions and development trajectories of Malaysian firms. It highlights the capability and strategic postures of Malaysian firms in relation to key aspects of the environment that they face. The survey contextualizes business leaders' sentiments within the Malaysian setting to draw out implications for competitive development. It surfaces key aspects of the domestic, regional and international business ecosystems and shows how each enables or undermines Malaysian firms' competitive postures and strategies.

Global Asia in the 21st Century (GA21) of Monash University Malaysia continues to work hand in hand with CPA Australia. Through this partnership we are proud to present the Malaysian Business Sentiment Survey. In addition to CPA Australia, we are grateful to numerous parties for their unwavering support and commitment in this endeavor. Particularly, I would like to thank the respondents of the survey for giving us their time and valuable insights. Of course, I am also deeply grateful to the research team from Monash University Malaysia and CPA Australia who worked with passion and energy to produce this report. I hope that the report will not only provide insights but act as a fulcrum to spark discussion and thought that helps Malaysian firms and policy makers to configure strategies for future success.

Professor Pervaiz Ahmed

Director of Global Asia in the 21st Century
Deputy Head of School (Research)
School of Business
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FOREWORD



CPA Australia's connection with Monash University Malaysia continues to deepen as we collaborate once again on the Malaysian Business Sentiment Survey that provides a valuable repository of data gleaned from the senior business community. The survey has enabled senior leaders to reflect on key strategies and issues that have an impact on their businesses' ability to create value over the short, medium and long term. In turn, the report recognises the impact of the external environment on companies and gives us a window into decision making in a way that is both compelling and accessible and allows us to clearly see both the challenges and opportunities that businesses face.

As a global membership organisation with more than 164,000 members across 150 countries and regions, we recognise the size and influence of CPA Australia benefit our members by increasing the relevance and profile of their designation in the market place. Our heritage straddles over 130 years of experience and influence across diverse markets and our membership includes Monash alumni playing influential roles in both public and private sectors.

CPA Australia is proud of its longstanding relationship with Monash University Malaysia as part of its public presence in the Asia Pacific region. This is our fourth collaboration with the University on the Malaysian Business Sentiment that initially started as the Malaysian CEO Survey. We see this as an opportunity to engage with the University and connect with the business community in a meaningful way to add value.

We foresee the Malaysian Business Sentiment going from strength to strength with each passing year and I'd like to take this opportunity to thank Monash University Malaysia for giving us the opportunity to work alongside the University to provide tangible input into the report.

Priya Terumalay FCPA

Country Head – Malaysia
CPA Australia

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EXECUTIVE SUMMARY

Monash University Malaysia's Business Sentiment Survey 2019/2020 found that business leaders were typically "**Cautiously Proactive**" given the volatile global economic environment and rapid diffusion of disruptive technology. The "**Caution**" expressed by these leaders is due to three major forces and they are outlined below:

- The full fledged trade war between China and United States (US) has sent global markets into turmoil. This has impacted the global supply chain and the problem is further exacerbated by the "on and off" possible trade resolution by both governments.
- BREXIT issues have also created major uncertainties that have impacted global demand conditions.
- Rapid diffusion of new technologies is displacing traditional business models.



The above factors have resulted in major volatility and uncertainties in demand conditions. In view of this, many business leaders have become aware of the need to be "**Cautiously Proactive**" in addressing emerging challenges head-on and seeking new opportunities. Consequently, we observe many leaders adopting business strategies to improve operational efficiency, quality of the products and services, expand market reach and improve branding and market positioning.

The key strategies pursued by firms are as follows:

- Increase the use of Industry 4.0 (I4.0) technologies to enable them to move up the innovation value chain.
- Horizontal integration strategy to build their technological and innovative capabilities to enhance competitiveness.
- Due to the uncertain and competitive nature of the business environment, a number of small firms are opting to follow key exit strategies, whereby they sell their operations to larger players.
- Ensure the leadership of the organisation possess necessary capabilities to transform the firms to be agile, focussed, efficient and adhere to good governance practices – qualities that are critical to help them navigate the current volatile business environment and create new opportunities to expand market reach.
- Build strong "collaborative capital" with customers and suppliers to acquire necessary expertise and market intelligence to strengthen their innovative capability.

RESEARCH THEMES

1. Dampened Global Demand is Countered by Expansionary Keynesian Policies and Inflow of FDIs

The global markets have become more unstable due to the trade war between US and China over the past 12 months. This has been exacerbated by the economic uncertainties in Europe due to BREXIT. The measures taken by the government to revive major infrastructure projects and other fiscal expansionary policies have countered some of the negative global economic impact. This has resulted in not much change in the business sentiment in 2019 as compared to in 2018. The business outlook expressed by the business leaders is also shaped by the fact that trade tension between China and US and uncertainties in Europe have refocused global investment flows into the ASEAN region. Malaysia being part of the global supply network has benefitted from the trade flows into the region.

2. Liberalisation of Markets Have Intensified Competition in the Domestic and Regional Market

Over the past 12 months, greater liberalisation of the domestic and regional markets, and higher utilisation of new digital technology by firms and consumers have intensified competition for input resources and markets. Increasingly, foreign firms with better global market reach and technology have intensified competition in domestic and regional markets. The key challenge for many of the local firms, especially SMEs, is to build their capabilities quickly in order to move up the global value chain and take on competition.

3. Digital Economy and Innovation Have Intensified Competition and Competitiveness

Intensive awareness program by government and industry associations on Industry 4.0 (I4.0) technology¹ has increased the adoption rate of this technology. This has dual impact on the business ecosystems in the country. First, more firms are starting to adopt these new technologies, which enable them to not only extend their market reach within their own industries but also expand to other industrial sectors and markets. This has intensified competition in most sectors of the economy. Second, this new technology enables firms to improve operational efficiency, service quality, cost competitiveness, pursue a more diversified growth strategy, improve their market positioning and move-up the global supply chain. Interestingly, there is a significant reduction of small and medium sized firms adopting I4.0, while there is a significant increase in the adoption of this technology among large firms in 2019 as compared to 2018. Careful analysis reveals that some of the high performing small and medium sized firms have been acquired by larger firms or the talent in these firms has been poached by larger firms by offering more competitive remuneration packages and working environment. The strategies put in place by the larger firms are a quick and low-risk way of acquiring technological capabilities to strengthen their competitiveness.

¹ Industry 4.0 refers to the trend of automation and data exchange in manufacturing technologies. It is described as the fourth industrial revolution, smart manufacturing or digital factories.



RESEARCH THEMES

4. Mismatch in Supply and Demand of Talent Stock for the New Economy

The pace of technology diffusion in the local business ecosystem has intensified over the last few years. Nonetheless, business leaders expressed that there is lack of talent and training to enable them to adopt I4.0 transformation. Business leaders expressed that universities should work closely with industry to develop I4.0 capabilities of graduates and develop affordable training programs for industry. They also were of the view that close collaboration between universities and industry will enable graduates to build critical skills, strengthen self-motivation and enhance teamwork capabilities.

5. Leadership, Governance and Diversity Drive Innovation & Business Strategy

Business leaders are of the view that the business environment has become very volatile; and this is expected to continue over the next three years. To stay competitive in this uncertain economic environment, leaders must navigate their firms to achieve positive development. This requires them to develop strong understanding of good governance practices and develop capability to build an agile, lean, and outcome driven firms. The business leaders are also of the view that diversity and equal opportunities of talent are crucial for bringing in diverse ideas that will make the firms more resilient. While close to 47% of the firms have diversity and equal opportunities programs in place; only 17% of these organisations have women in C-Suite positions. This is significantly lower than firms in more developed economies, where close to 25% of C-Suite positions are held by women.²

6. Environment and Economic Sustainability – Government's Leadership is Critical

Environment and economic sustainability are increasingly being integrated into business strategies of firms in Malaysia. Business leaders acknowledge that environmental standards are going to be important non-tariff barriers in many advanced markets. Adherence to global environmental practices will be a source of competitive advantage for firms that aim to extend their reach to these advanced markets. Business leaders are of the view that for sustainable environmental initiatives to gain traction in Malaysia, government practices and policies must lead the way. In this context, government must ensure all its operations and procurement adhere to environmental best practices. This will have a positive 'knock-on' impact on the entire supply chain. The above-mentioned initiatives should be further complemented by stricter enforcement of environmental law. Another approach to mitigate risk of environmental degradation due economic activity is to introduce caps on pollution.

7. Moving SMEs up the Global Innovation Value Chain and Competitiveness

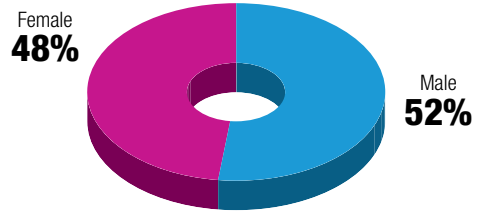
SMEs are an important engine of economic growth. Over the last 12 months, SMEs struggled to keep pace with the changing economic environment. Many business leaders are of the view that the business environment will deteriorate over the next 12 months (company prospects, growth and revenue will come under a lot of pressure). Key factors impacting businesses are dampened global demand (due to economic volatility in the global market and political uncertainties in the country) and intensive competition from new entrants (both new players and new technology disruptors). While many business leaders see new technology as a way to gain a competitive edge in improving their efficiency and market reach, acquisition of the technology and talent remains a challenge. One of the challenges faced by small firms is that their best talent is poached by bigger firms. Faced with these challenges quite a number of SMEs follow an exit strategy, whereby they sell their operations to large players with stronger financial positions. To tackle the range of these challenges, business leaders are of the view that stronger collaboration with universities is needed to develop Industry 4.0 training programs and improve the capabilities of new graduates.

² A recent survey of 1000 women in US show that close to 25% hold positions that are classified as C-Suite roles (<https://www.businesswire.com/news/home/20190417005204/en/Korn-Ferry-Analysis-Largest-U.S.-Companies-Shows/>).

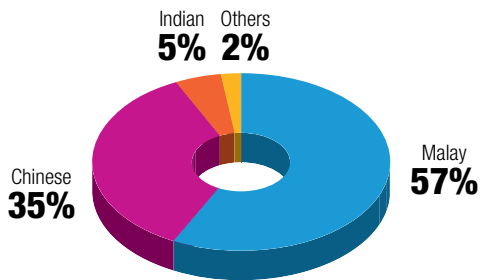
RESPONDENT PROFILE

Demographics (N=604)

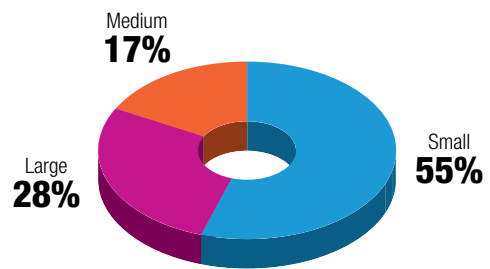
A sample of 604 questionnaires were completed by CEOs and senior managers from companies operating in Malaysia.



Around **45%** of the respondents were females and **52%** were males.



In terms of ethnic composition, **57%** were Malays, **35%** Chinese, **5%** Indians and **2%** were Others.

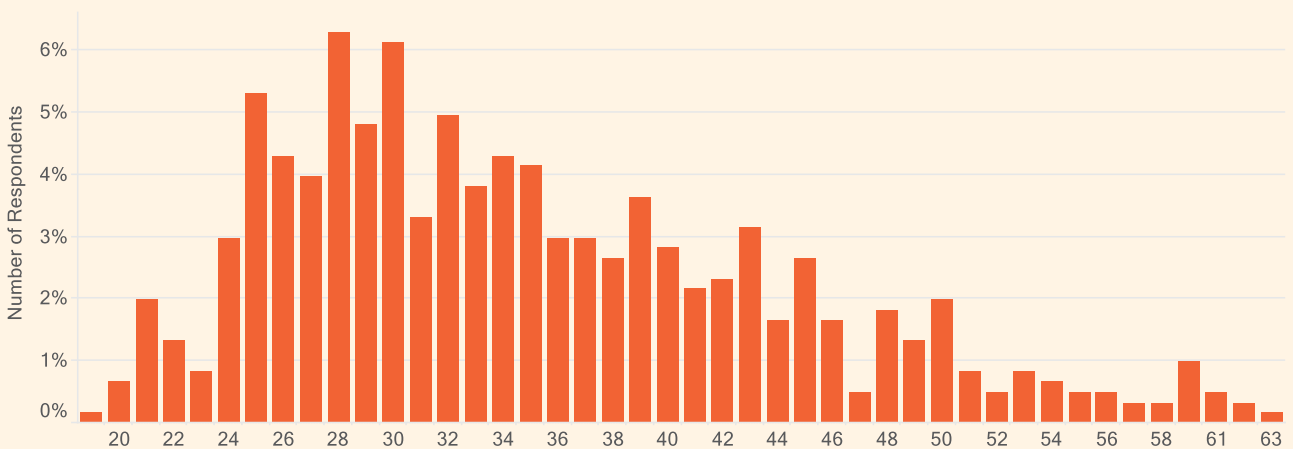


Note:

1. Manufacturing Sector: Large (< 200 employees), Medium (75 to ≤ 200 employees) and Small (5 to <75 employees).
2. Services Sector: Large (< 75 employees), Medium (30 to ≤ 75 employees) and Small (5 to < 30 employees).

Close to **55%** of the firms are small; **28%** are large and **17%** are medium sized firms.

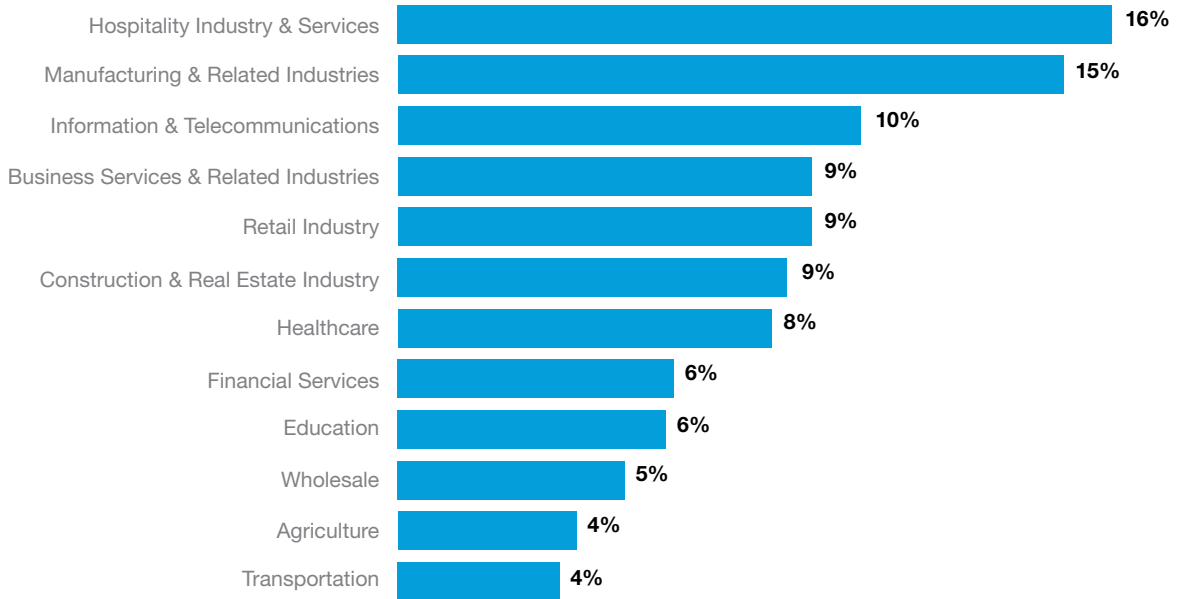
Age



The age profile of the respondents shows that a majority are in the age group between the late 20s and mid-thirties.

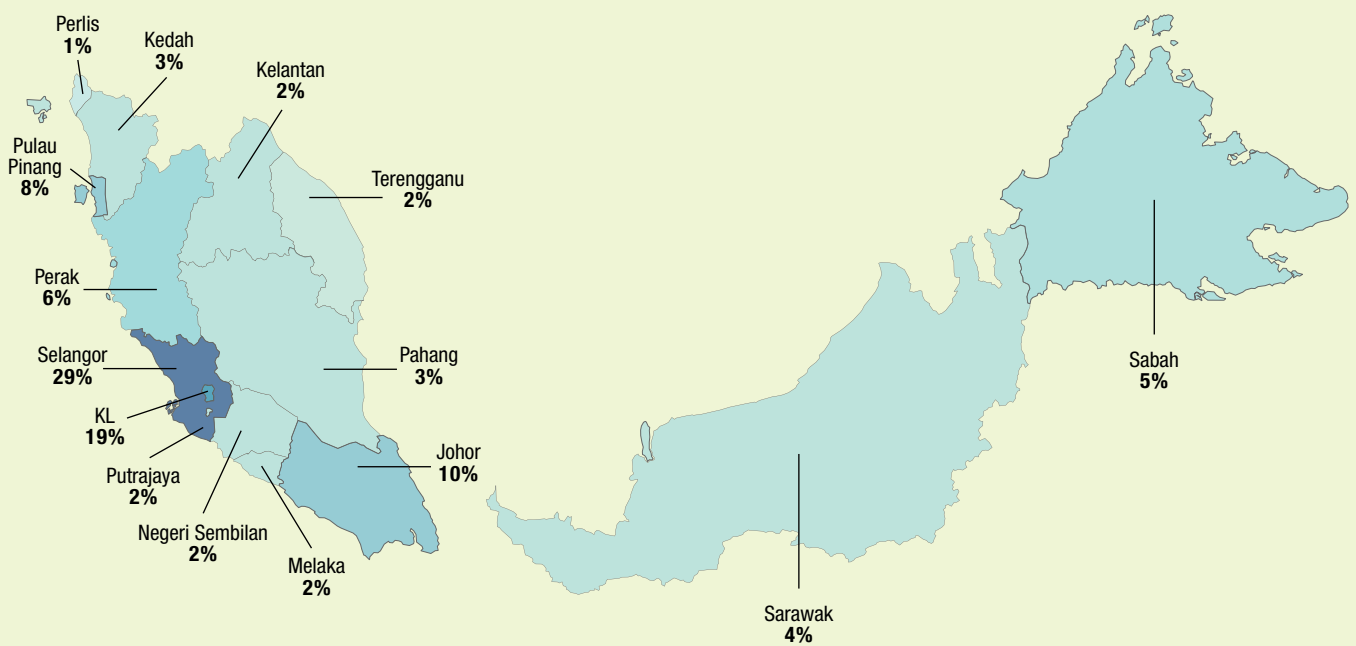
RESPONDENT PROFILE

Main Business Activity



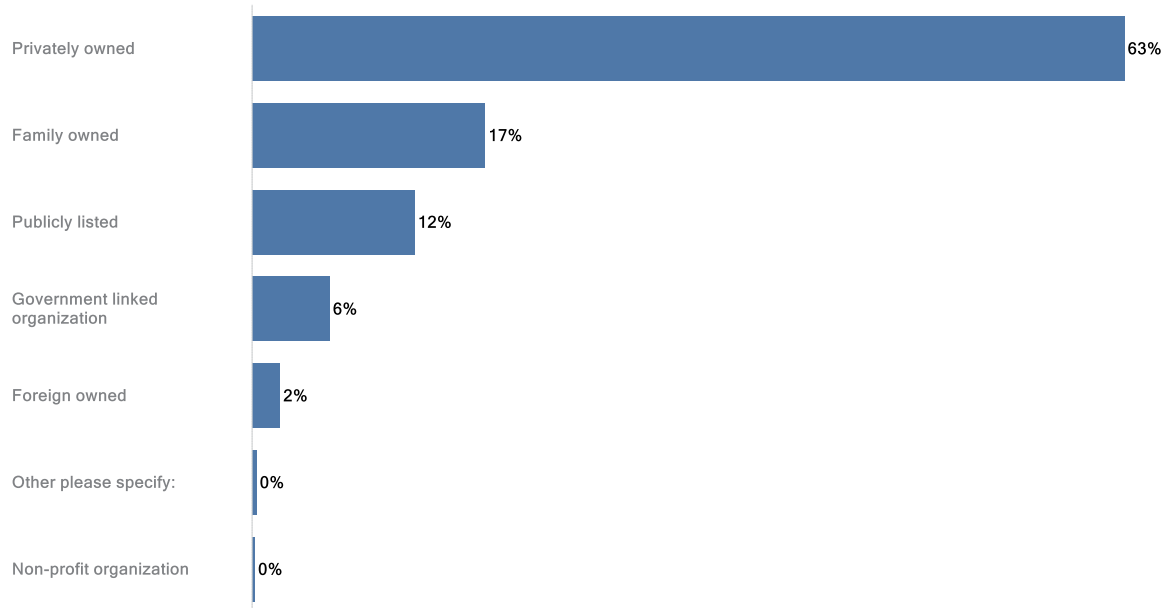
Senior management from 12 industry groupings participated in the survey; with hospitality industry & services comprising the highest number of sample respondents. This is followed by manufacturing & related industries; information & telecommunications; business services & related industries; retail industry and construction & real estate industry. Industries with the lowest sample size were agriculture and transportation.

State of residence

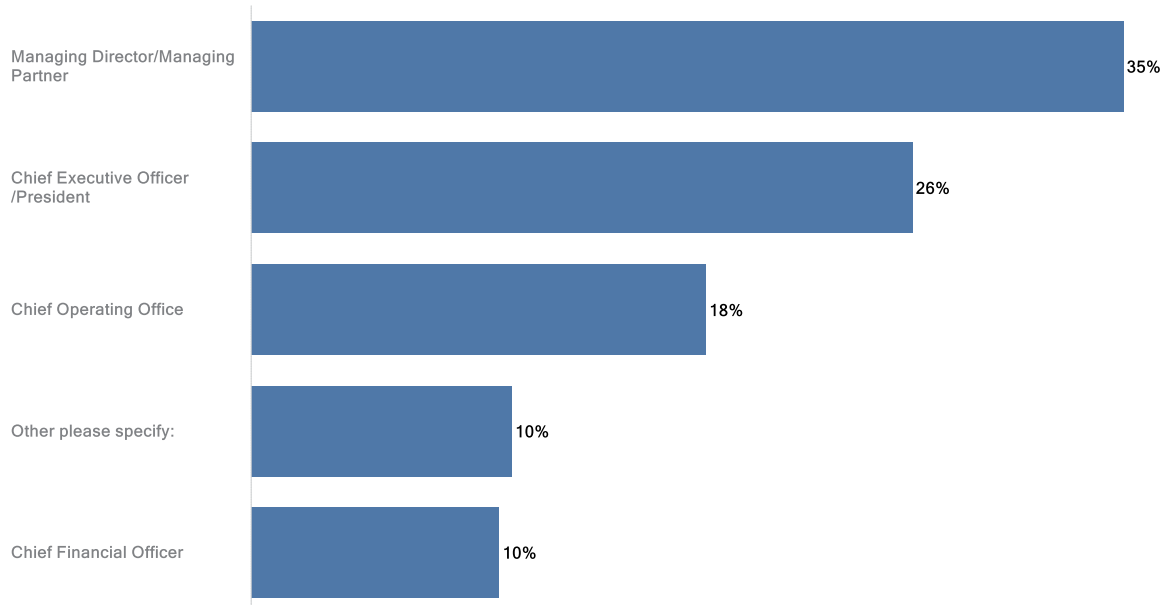


RESPONDENT PROFILE

Which of the following best describes your company or parent company?



A majority of firms that participated in this study were privately owned companies, making up 63% of the sample. Around 17% were family owned businesses, 12% were public listed firms, 6% were government linked companies, 2% were foreign owned companies.



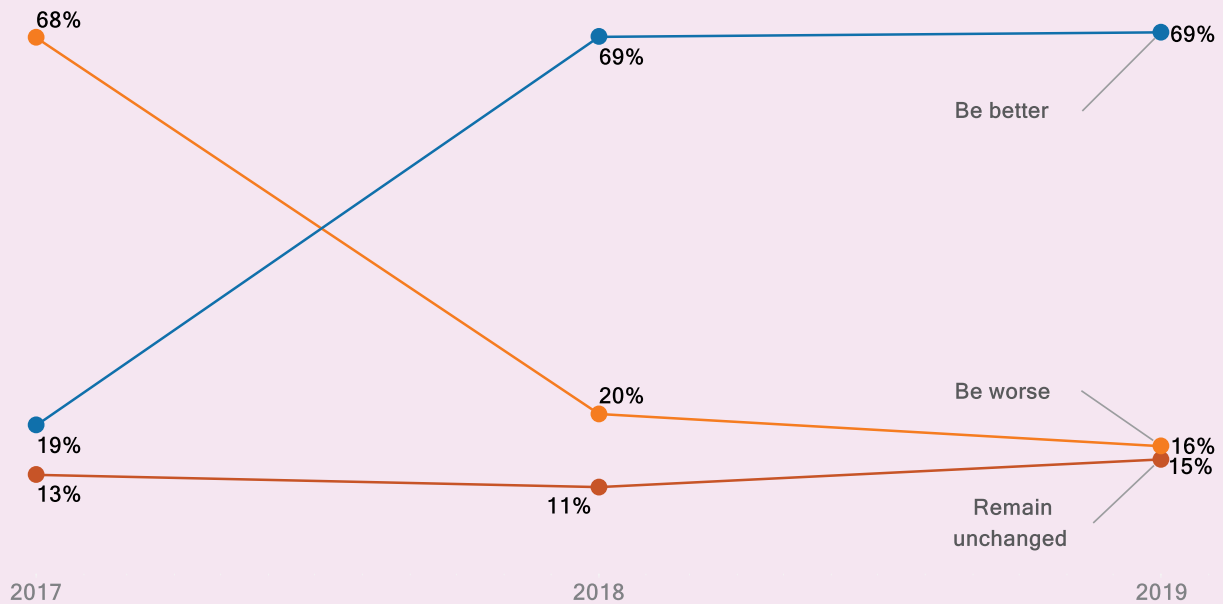
In terms of role of the respondents, close to 35% were Managing Directors or Managing partners; 26% were Chief Executive Officers/President; 18% Chief Operation Officer; 10% Chief Financial Officers; and 10% are others.

RESEARCH FINDINGS



BUSINESS ENVIRONMENT

In your opinion, do you think the business environment over the next 12 months will:

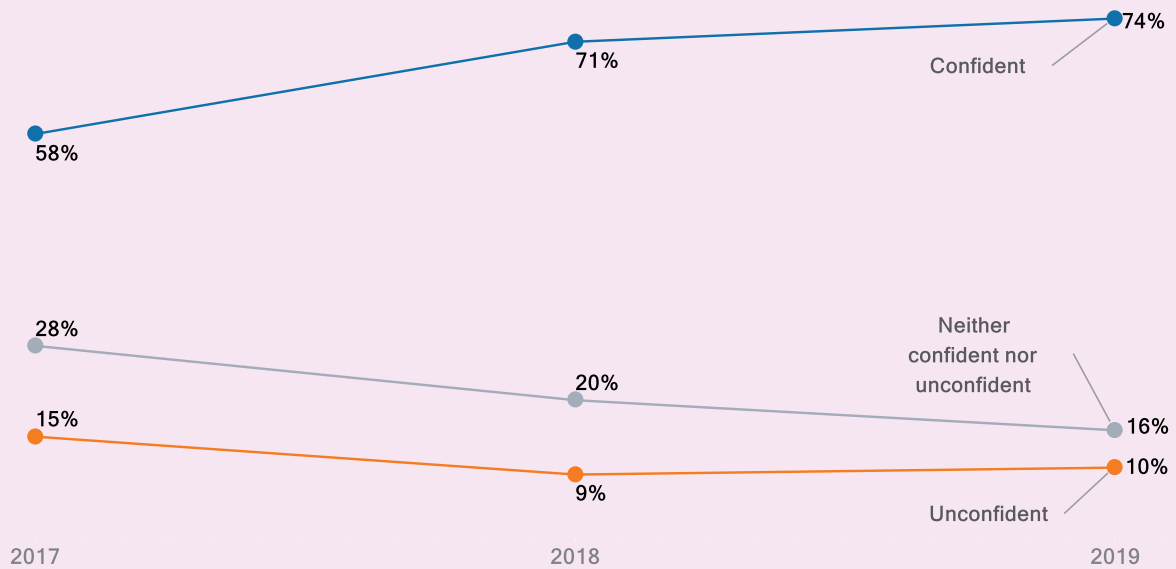


Overall, the outlook for the business environment remains favourable, with the majority of respondents indicating that the business environment in the next 12 months will be better at 69%; same as in 2018. Only 16% of respondents expect a worse year ahead while 15% believe things will remain unchanged.

This optimistic mood seems to run counter to global business sentiments, with constant reminders of an overdue recession dampening investors' appetite. From interviews with business leaders, this positivity stems from Malaysia being partly sheltered from current global economic headwinds, especially as South-East Asia sits in a unique position to benefit from the escalating trade war between the United States and China. The trade tension between the United States and China has resulted in many businesses turning their focus towards South East Asian markets (e.g. Vietnam, Thailand and Malaysia) as alternative foreign investment destinations. While the net effect of the trade war and weakening global consumption remains to be seen, Malaysia's strong domestic consumption and production could be an insulating factor in the coming year of economic uncertainty.

COMPANY PROSPECTS

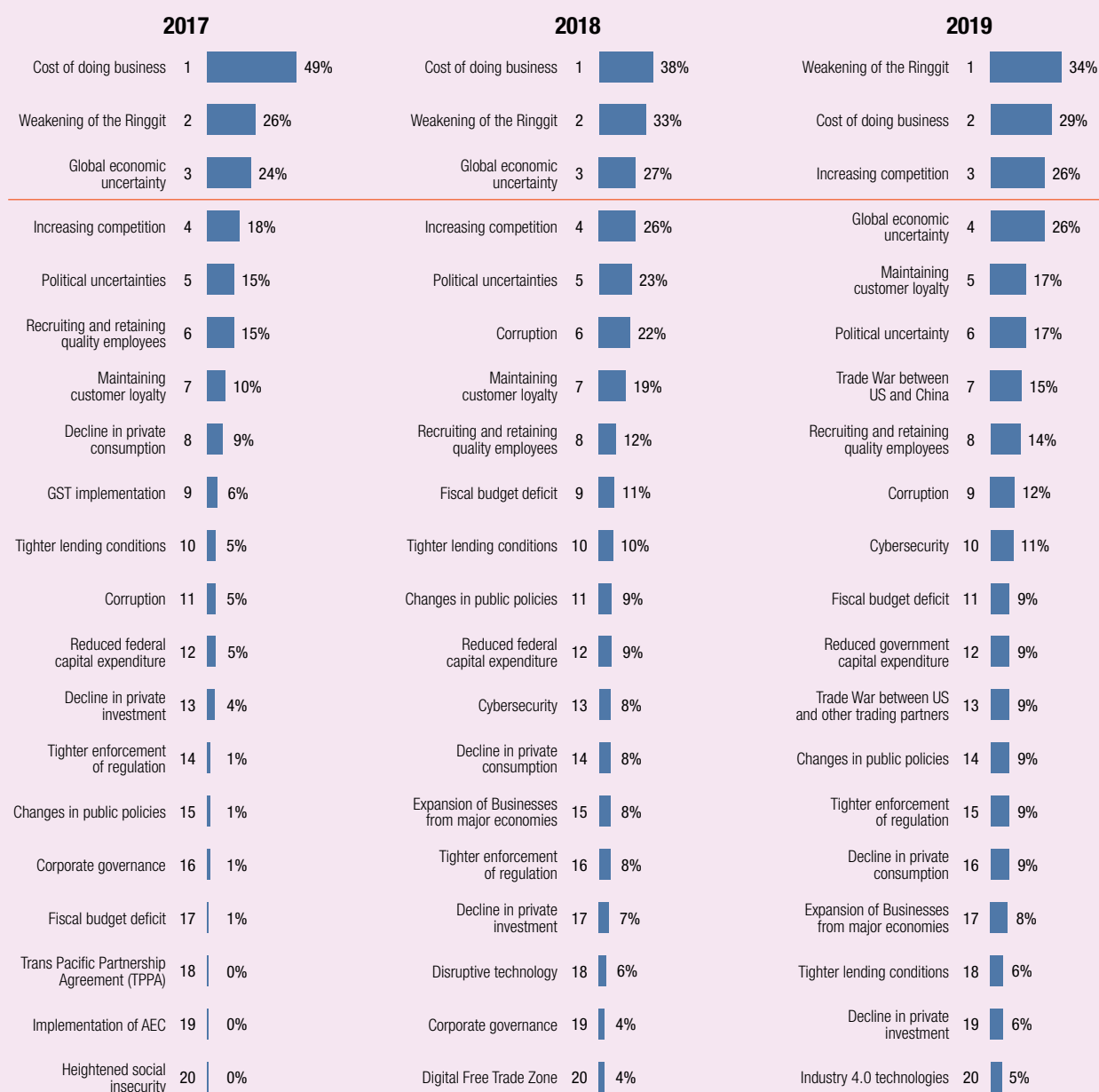
How confident are you about your company's prospects for the next 12 months?



The overall economic optimism trickles down to the firm level, as 74% of respondents were confident of their company's prospects for the next 12 months, up from 71% in the previous year. While initially there was a period of heightened uncertainty as the new ruling government focused on reducing the country's fiscal deficit and introduced cutbacks of large scale infrastructure projects, companies are buoyed by the revival of megaprojects, albeit at a smaller scale. From interviews with business leaders. The optimism was also due to the various Keynesian type macroeconomic policies to increase disposable income and consumption through the introduction of various stimulus packages by the government in the budget for 2019.

ISSUES OF CONCERN

Thinking about the next 12 months, which of the following issues are you most concerned will impact your business prospects?



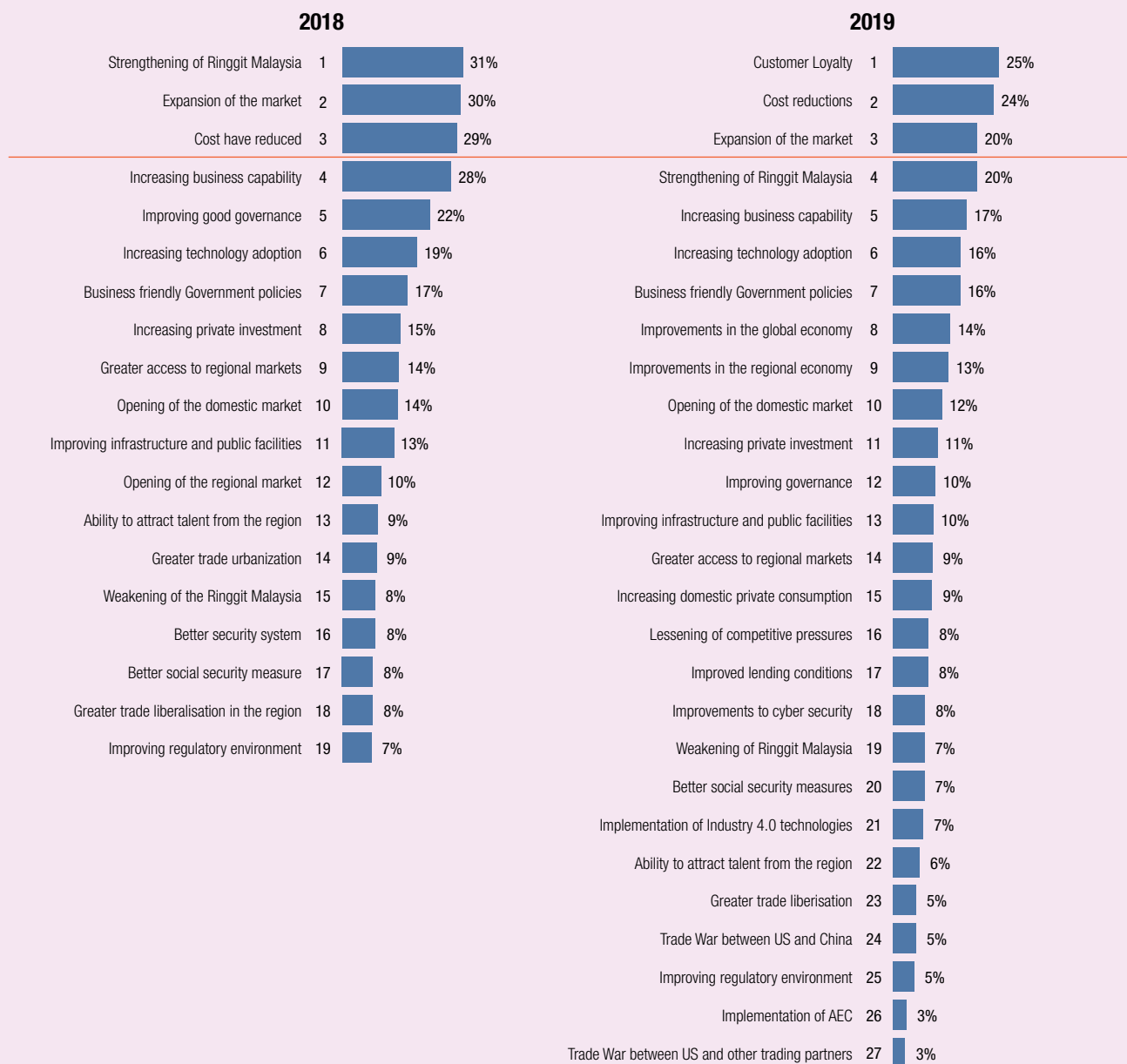
The top four issues senior managers are most concerned which would impact their business prospects in 2019 are: weakening of the Ringgit (34%); the cost of doing business (29%); increasing competition (26%); and global economic uncertainty (26%). These issues have consistently featured in the top four across the three years and point to perennial concerns of businesses, dominating other issues such as political uncertainty and changes in public policies.

Senior managers were first asked about the impact of trade war between the US and their trading partners and Industry 4.0 technologies in 2019 on their businesses. The trade war resonated with businesses as a potential major concern, coming in at 7th place. On the other hand, (I4.0) technologies appeared to be the least of their concerns at 20th place. While it is unclear whether this indicated that businesses are confident of their position in the I4.0 revolution or they feel that it does not apply to them, it could be a warning sign of the backseat that I4.0 technologies take in industry consciousness.

Interestingly, the surge of concerns about corruption from 11th place in 2017 to 6th place in 2018 has somewhat subsided in 2019, dropping down to 9th place. This could be a positive reflection of the government's earnest attempts at curbing corruption; an area which, business owners appear to be satisfied for now.

POSITIVE IMPACTS ON BUSINESS

Thinking about the next 12 months, which of the factors will have a positive impact on your business prospects?



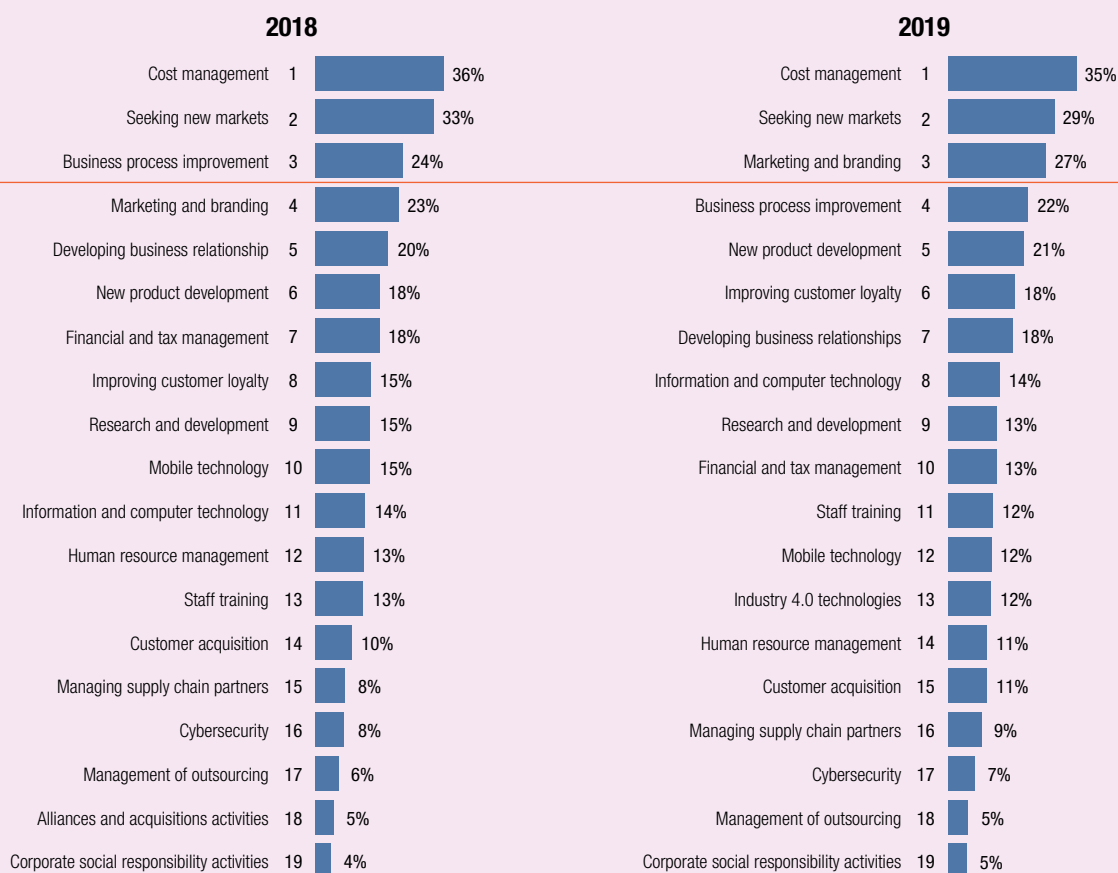
Senior managers in 2019 informed that the top four factors to have a positive impact on business prospects over the next 12 months include: customer loyalty (25%); cost reduction (24%); expansion of the market (20%); and strengthening of the Ringgit (20%). In comparison with 2018, strengthening of the Ringgit was top priority (31%), followed by expansion of the market (30%) and cost reduction (29%).

The survey found that in 2019, business leaders were considering new factors such as customer loyalty, improvements in the global and regional economy as key to their business prospects.

Amidst growing uncertainty in the global and regional economy sparked by trade wars between the US and its trading partners, senior managers are more concerned about keeping their customer base, ensuring their cost competitiveness and expanding their market reach to ensure the sustainability of their business operations in the next 12 months.

INVESTMENT PRIORITIES

In the next 12 months, which of the following areas will you be spending more time and resources on?

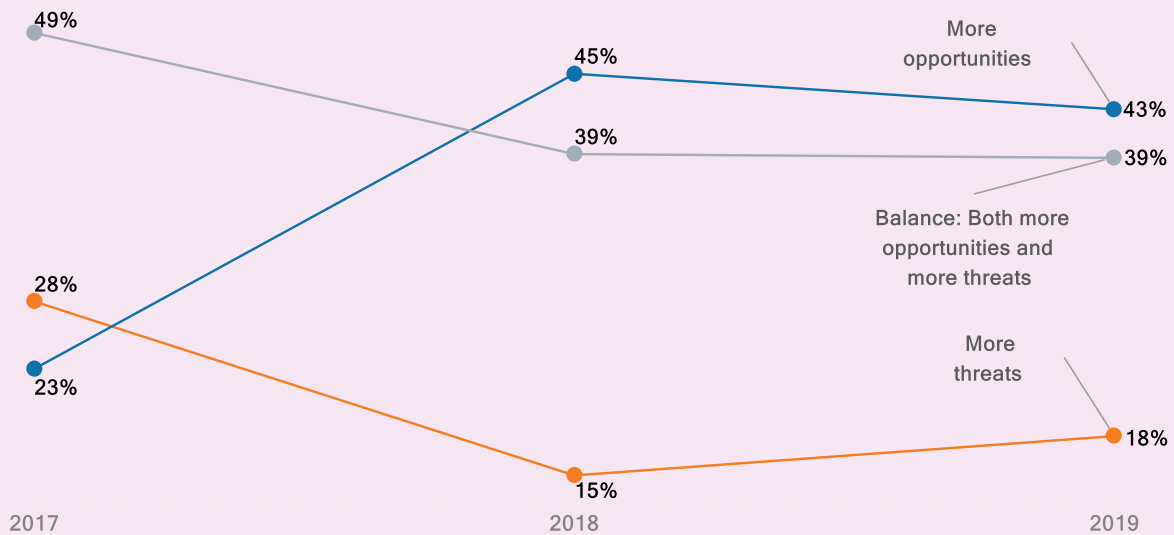


The top three areas for investments where firms plan to spend more time in 2019 are cost management; seeking new markets; and marketing and branding. The top two areas of investment are similar to 2018, while marketing and branding moved up from the fourth position to the third position in 2019.

While cost management and seeking new markets remain the top priorities, firms are showing an increase in investment for marketing and branding. This is in tandem with an increase in priority of new product development and improving customer loyalty. This indicates that firms are shifting into innovation-driven growth strategy, as they move into more competitive global markets; as shown by interest in investments in ICT and I4.0 technologies (which is discussed in later sections of this report).

OPPORTUNITIES OR THREATS

In your opinion, are there more growth opportunities/threats for your company now than there were 3 years ago?

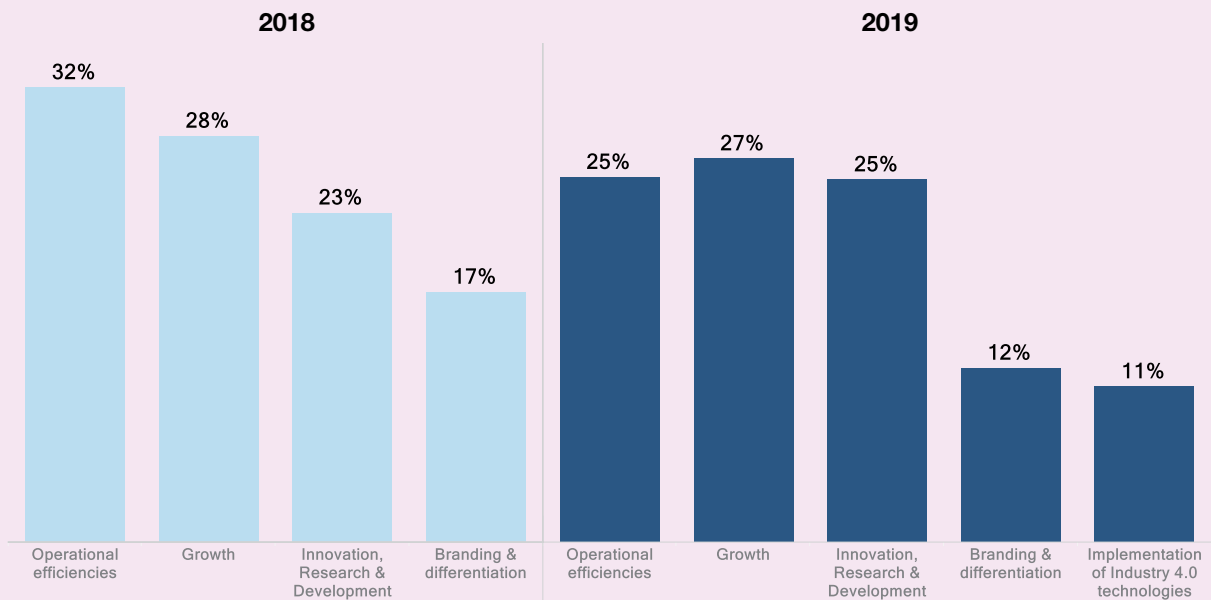


The percentage of firms stating that there are more opportunities increased from 24% in 2017 to 45% in 2018 and then a slight decline to 43% in 2019. On the other hand, the percentage of senior managers that were of the view that there are equal opportunities and threat remained the same in 2018 and 2019. However, those who expressed that there were more threats, increase from 15% in 2018 to 18% in 2019.

Overall, firms still perceive more opportunities than threats. Many of the more agile firms sense that they could benefit from the on-going trade war if they positioned their businesses strategically to acquire the necessary resources to explore new market opportunities, which were not present in the previous two years.

FOCUS AREAS

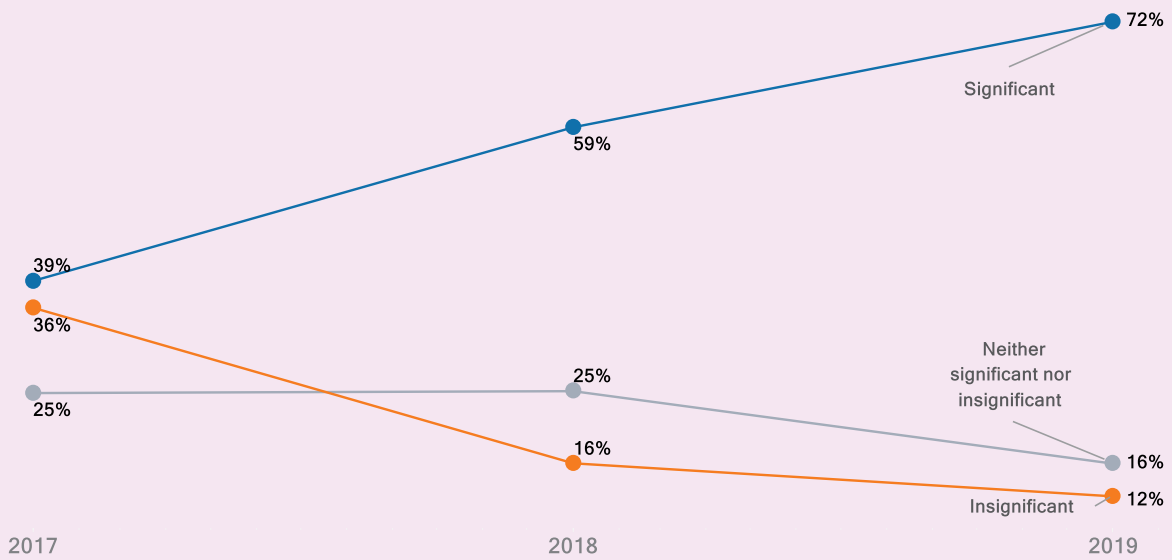
Which of the following is the most important focus area in the next 12 months for your company?



As compared to the previous year, 2019 survey results indicated that over the next 12 months, firms are looking to prioritise new growth strategies over operational efficiencies. Interestingly, firms in 2019 have increased their focus on innovation, research and development, as compared to in 2018. This result is not surprising as many of them have gradually realised the use of new innovative technologies is going to be critical for them to attain higher market growth into the future.

GOVERNMENT AS A BUYER

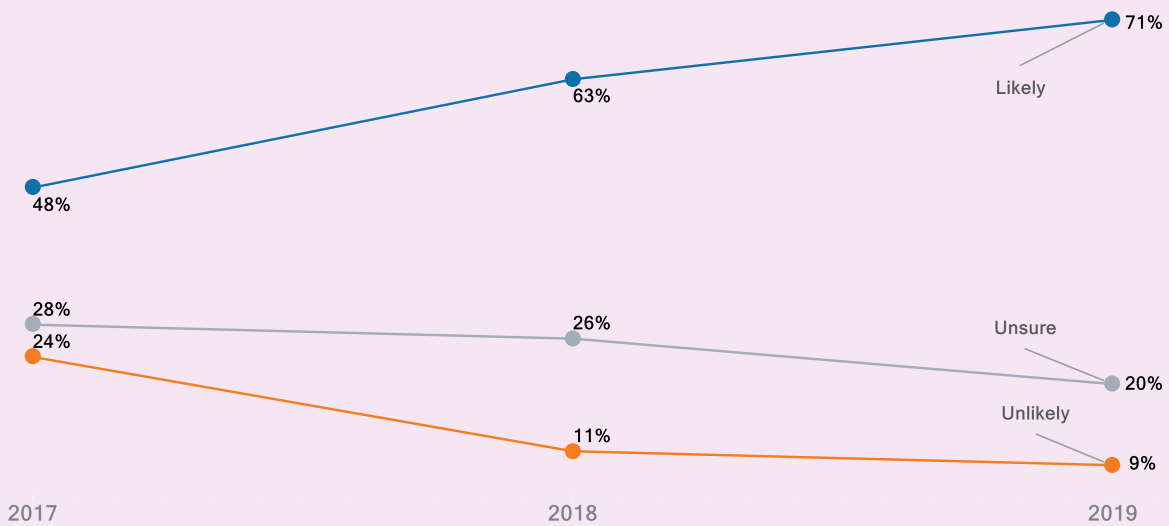
How significant or insignificant is the government as a buyer to your business?



The significance of the government as a buyer has nearly doubled since 2017, rising from 39% to 72% in 2019. As the government decided to proceed with the several megaprojects across the nation, the significance of these initiatives for contractors and spill overs for surrounding areas cannot be understated. While being a dominant player in the domestic economy could give a positive impact on the economy, the rising fiscal deficit could limit their future spending power.

COMPETE IN NEW SECTOR

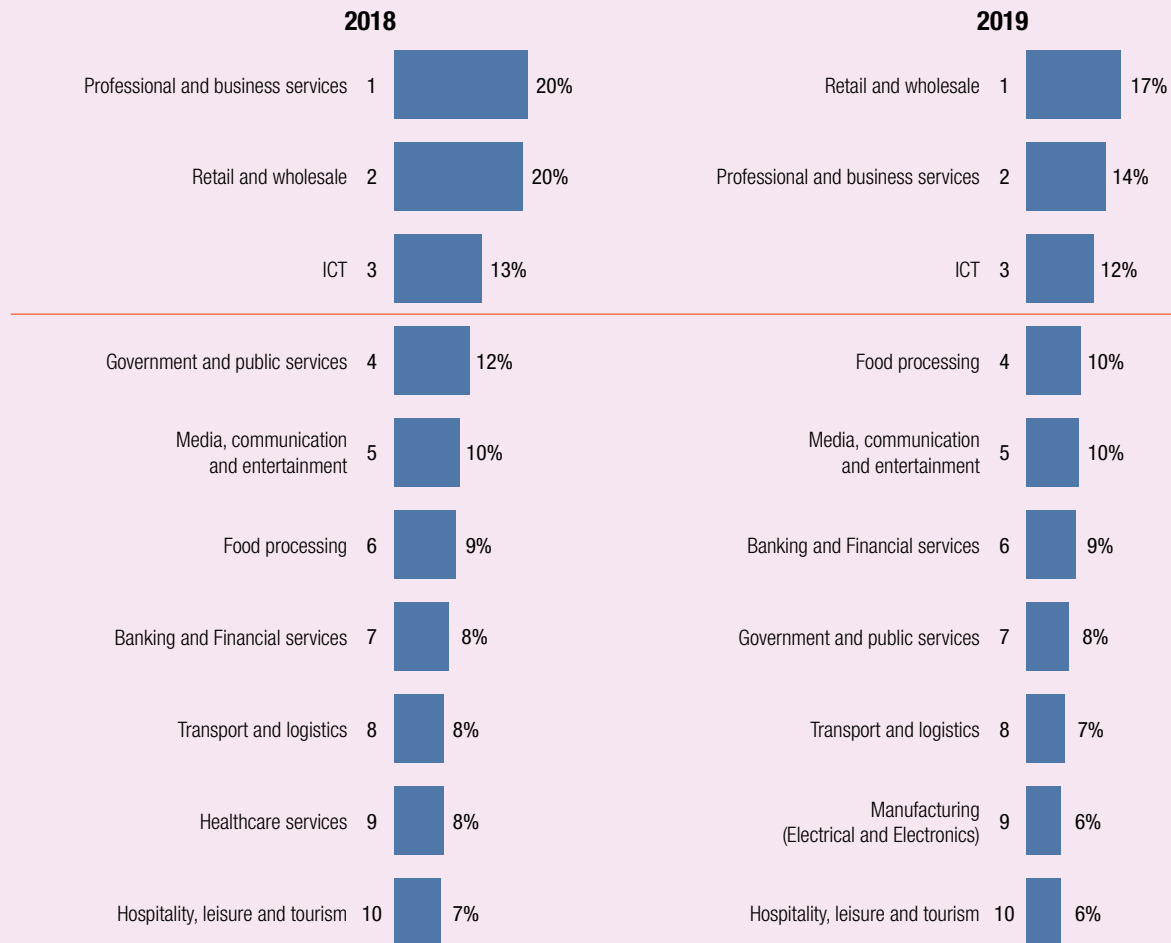
Over the next three years, how likely is it that your company will compete in new industry sector(s) other than the current one(s)?



There is greater recognition among firms that the business environment across multiple sectors is starting to converge due to rapid technology diffusion and the changing economic landscape is becoming very competitive. Hence, the percentage of firms that anticipate that they will compete in new industry sectors has increase from 48% in 2017 to 63% in 2018 and 71% in 2019.

SOURCE OF COMPETITION

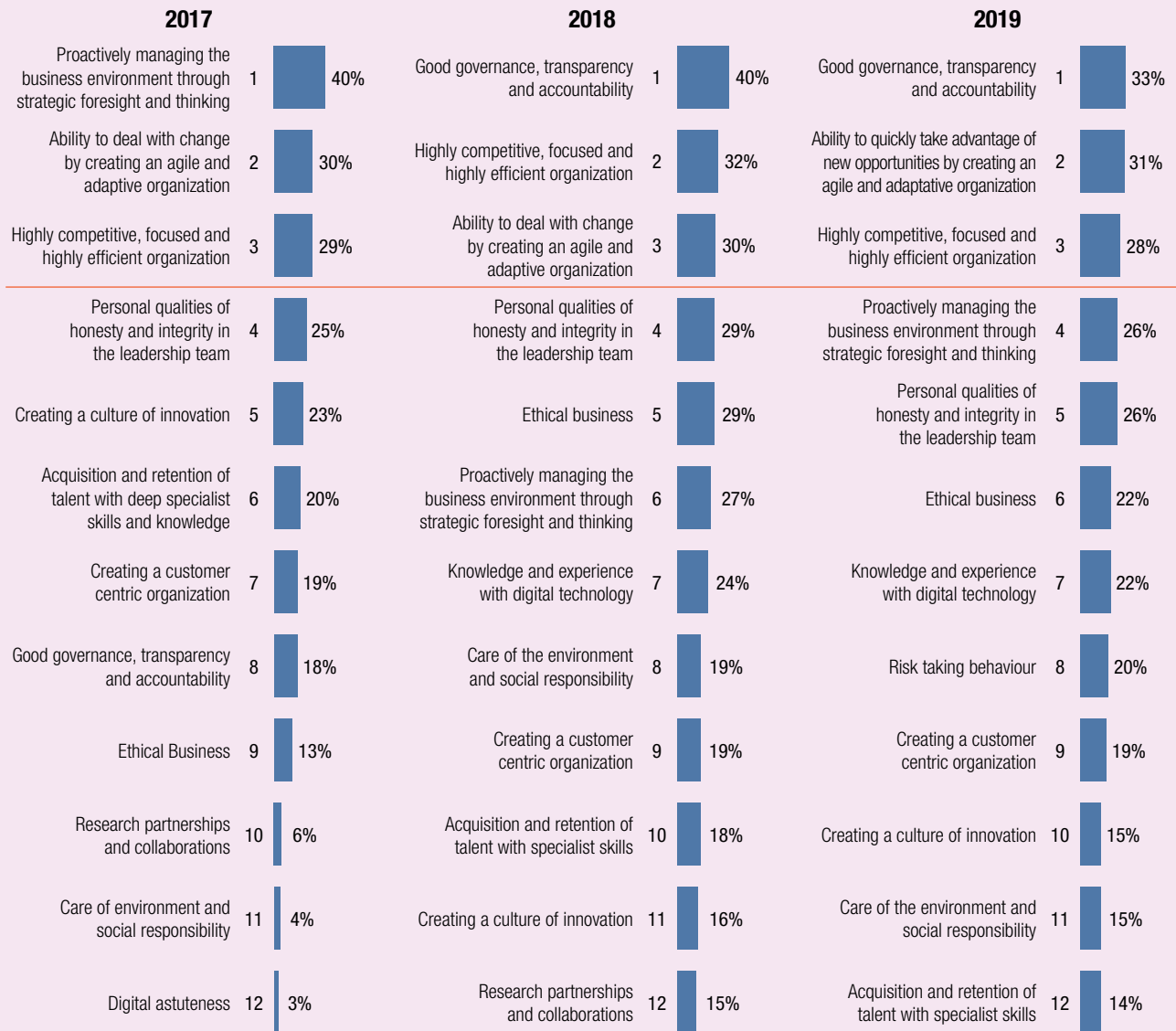
From which industry or industries outside of your own do you think significant competitors are most likely to emerge?



The top three industrial sectors where competition is going to arise from have not changed in the last two years; however, the retail and wholesale industry has moved from second position in 2018 to the top position in 2019. Professional and business services dropped to the second position in 2019. This result is not surprising as industries begin to adopt e-commerce and other digital platforms to provide more 'holistic solutions' that integrate the upstream to downstream services. This compresses the production cycle, especially as firms undertake horizontal and vertical integration to get their products and services to the end-users directly without intermediate firms.

KEY CAPABILITIES OF THE FUTURE

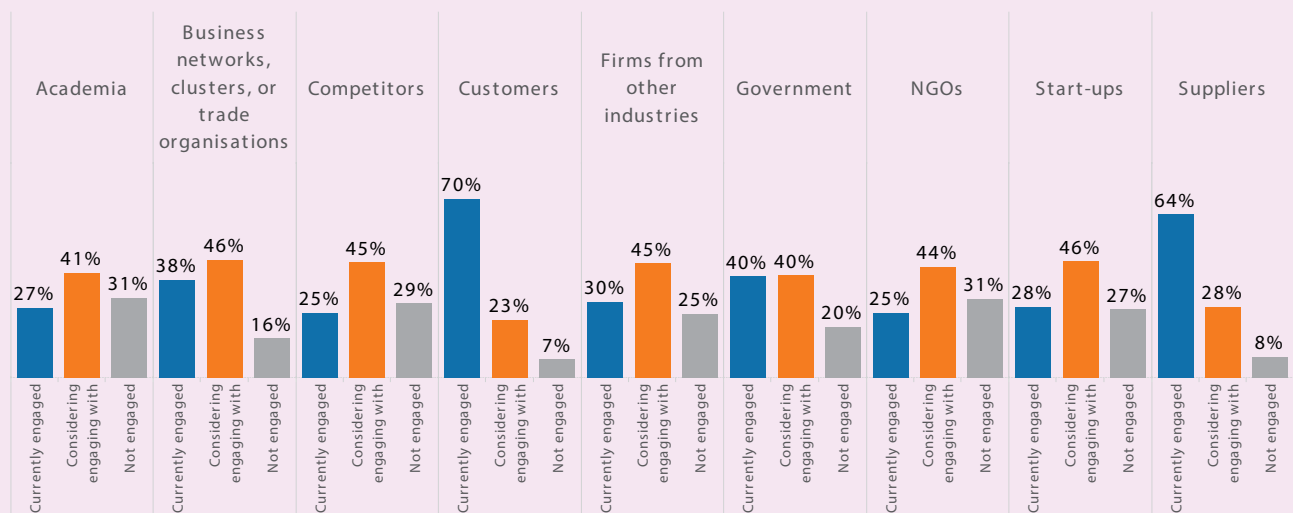
In your opinion, what are the most important capabilities that tomorrow's CEOs must cultivate in their companies?



Good governance, agility and adaptability, and efficiency remain the three most important capabilities CEOs must cultivate in their companies. These results show that CEOs continue to put significant value and emphasis on the type of leadership styles needed to navigate firms through a turbulent and uncertain economic environment.

TYPES OF STRATEGIC PARTNERSHIPS

For each of the below, please indicate if you are currently engaged with or considering engagement through joint ventures, strategic alliances, or informal collaborations



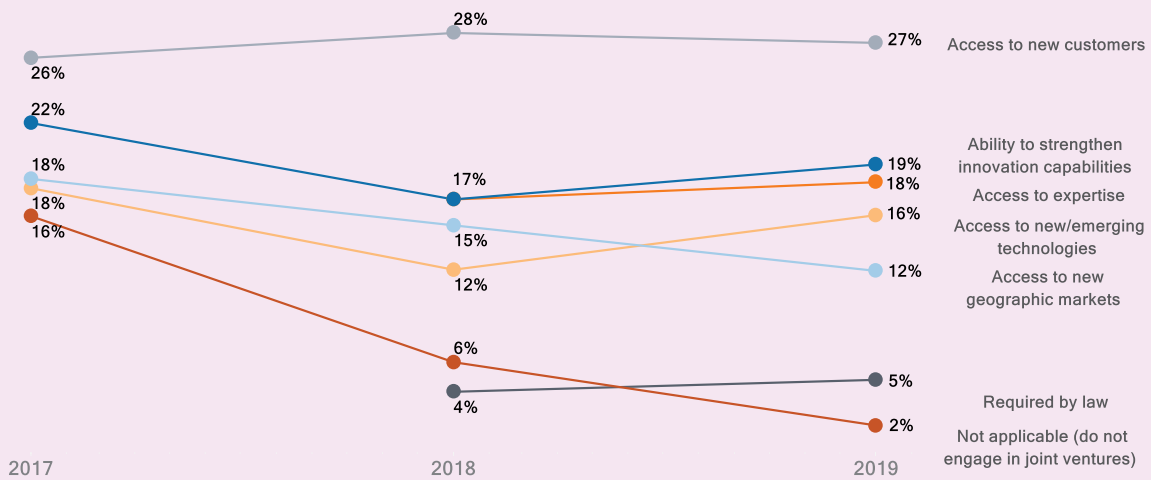
Unsurprisingly, customers and suppliers are leading collaboration with businesses. They constitute the core foundation of local firms. Interestingly, academia and NGOs are in least demand for collaborations. This points to weak academic-industry partnerships in Malaysia. The barrier between these two parties could be holding firms back from achieving their full potential. Blending research capabilities of academia and NGOs with the market intelligence of firms, could create partnerships that are able to see exponential returns, as they build on each other's strengths and capabilities

While competitors and firms from other industries might seem like strange candidates for fostering collaborations, there is potential for market consolidation and expansion if the capabilities and strategies of the partnering parties are aligned. Similarly, start-ups provide the possibility of acquiring leading-edge technology and talent.

The results show that there is a need to increase collaboration between industry, government and academic institutions to harness potential 'collaborative capital' to enhance competitiveness of firms operating in Malaysia.

REASONS FOR STRATEGIC PARTNERSHIPS

Which of the following is the main reason for collaborating in joint ventures, strategic alliances or informal collaborations?



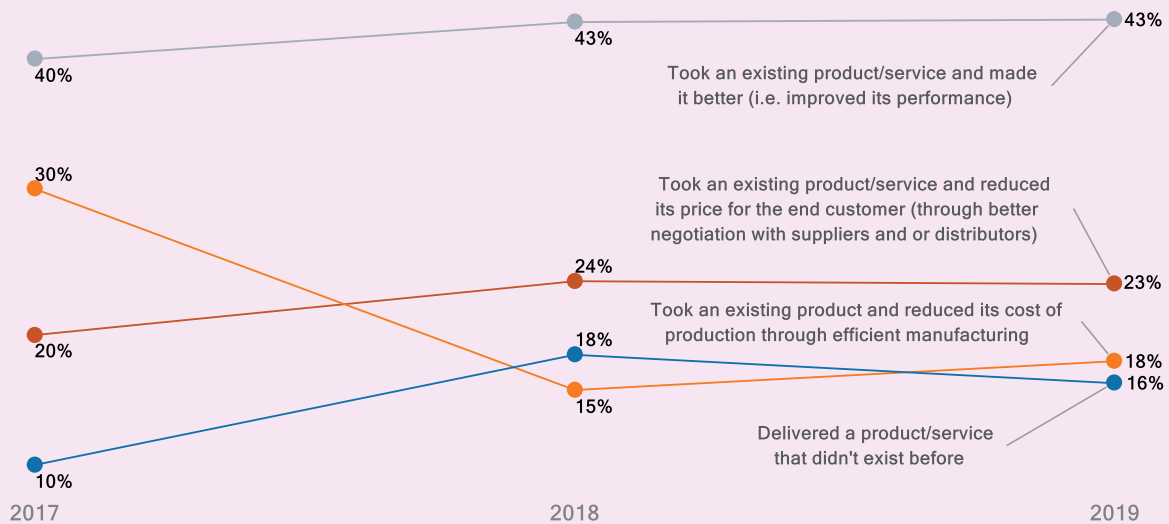
Business arrangements in the form of joint ventures, strategic alliances and collaborations yield tactical and strategic advantages for participating parties. The top 3 reasons quoted by Malaysia’s business leaders for entering into these commercial relationships remain the same as those of 2018:

- access to new customers
- strengthening innovative capabilities; and
- access to expertise.

There was also a remarkable drop in respondents claiming that collaborations were “not applicable” from 16% in 2017 to a mere 2% in 2019. It is clear that in today’s world of converging technology platforms, being a standalone business is no longer a viable option. Many businesses are responding to the high potential of positive spill-over impact of collaborating by engaging with a variety of partners.

BUSINESS MODEL

Which of the following best describes your company's original business model?

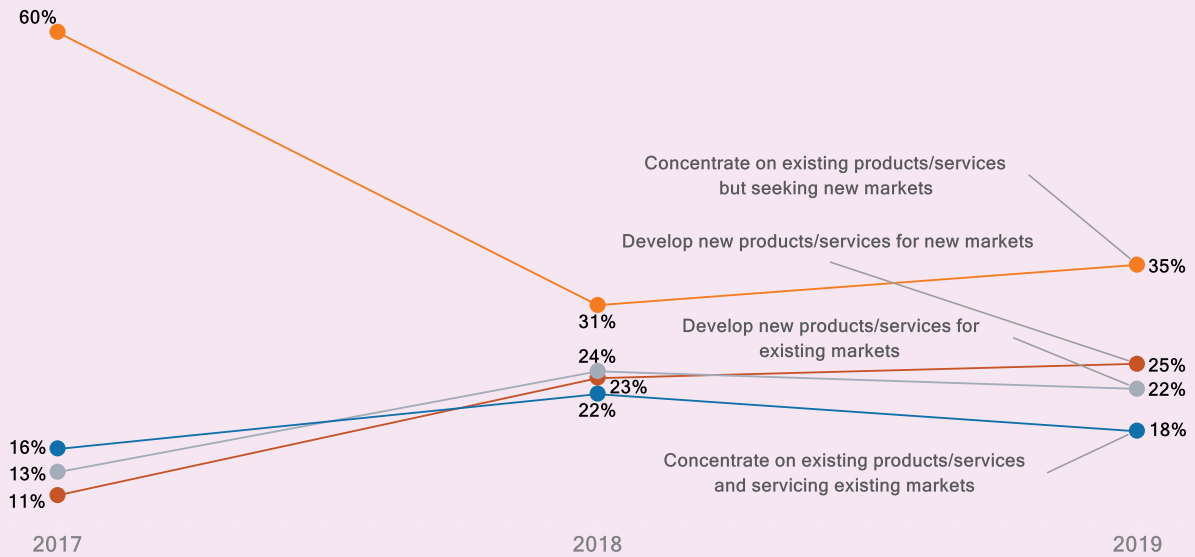


Incremental innovation and improvement remain the core business models adopted by Malaysian firms – the percentage of firms in this group remain at 43%, unchanged from last year. The percentage of firms that took existing products or services and reduced its price for the end customer (through better negotiations with suppliers and/or distributors) saw a slight decline from 24% in 2018 to 23% in 2019. Taking an existing product and reducing its cost of production through efficient manufacturing, the least adopted model in 2018, showed an increase from 15% in 2018 to 18% in 2019. Lastly, the percentage of firms delivering products or services that did not exist before, dropped marginally from 18% in 2018 to 16% in 2019.

The high cost of living and doing business in Malaysia has resulted in local firms focusing on cost-cutting strategies to tackle the pressure of expanding their margins and improving profitability. Furthermore, risk appetites of local businesses against the backdrop of global economic uncertainties have not changed much, as many of them are taking a “wait-and-see approach” on how the global trade disputes are addressed by the economic superpowers.

SALES PRIORITY

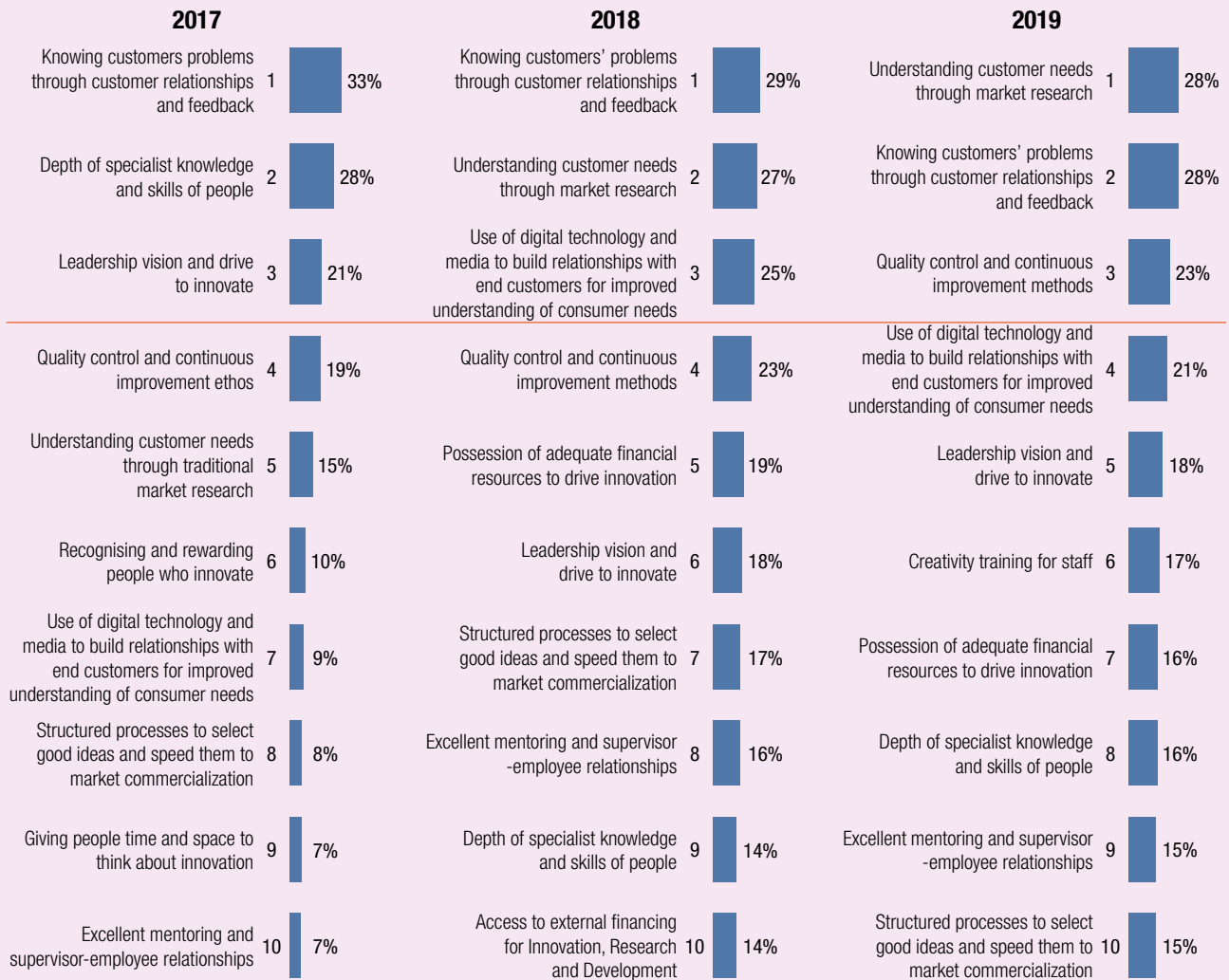
Please indicate below what you think your sales priority will be for the next 12 months:



To the question of what your sales priority will be for the next 12 months, 35% of the respondents indicated that they will “concentrate on existing products and services but seeking new markets”. Intensive competition amid global uncertainty and dampened global demand conditions have resulted in firms taking a cautionary but proactive approach by building on their existing offerings while still seeking new markets to expand to. We also note that firms that are planning to stay in existing markets have declined from 22% in 2018 to 18% in 2019. This suggests that firms are “Cautiously Proactive” in their posture –with many concentrating on getting a greater return on their existing products and services by venturing out to new markets to ensure business sustainability.

KEY DRIVERS OF INNOVATION

What are the top contributors to your company's ability to innovate?

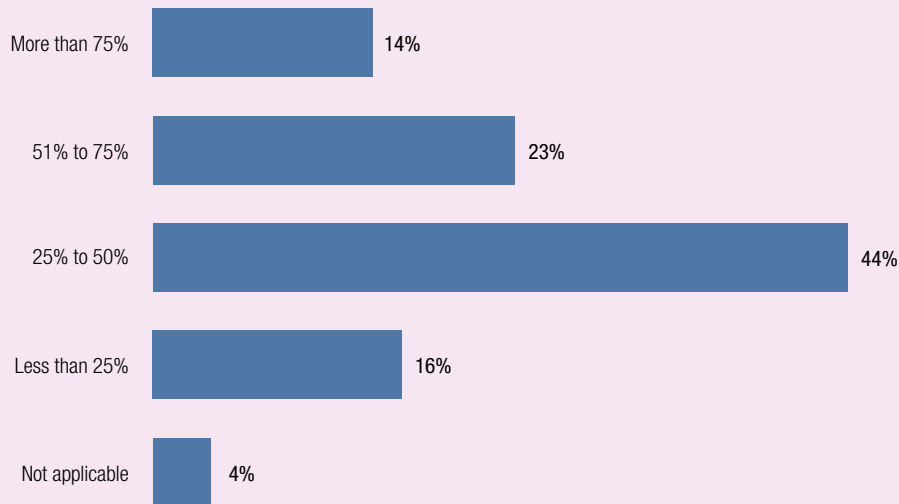


Innovation capabilities is one of the key drivers of successful firms. Consistent with 2018's results, the top two contributors of innovations remain customer centricity (understanding customers' needs) and resolving customer problems. Using technology to understand customer needs is still a key contributor though its position dropped slightly from 3rd in 2018 to 4th in 2019.

As companies embrace a culture of innovation, there is also increasing awareness of the need for quality control and process improvements; incremental innovation is just as important as breakthrough innovations. Three out of the top four contributors to innovation revolves around understanding the customer. With the advent of big data analytics and increase in demand for personalization and customization to stay ahead of the competition, firms are increasingly incorporating customer feedback into their business production value chains. Harnessing continuous feedback and agile development cycles is likely to be the basis of key competitive advantage for firms in the near future.

NEW PRODUCTS AND SERVICES

What portion of your revenue comes from products or services you introduced in the past three years?

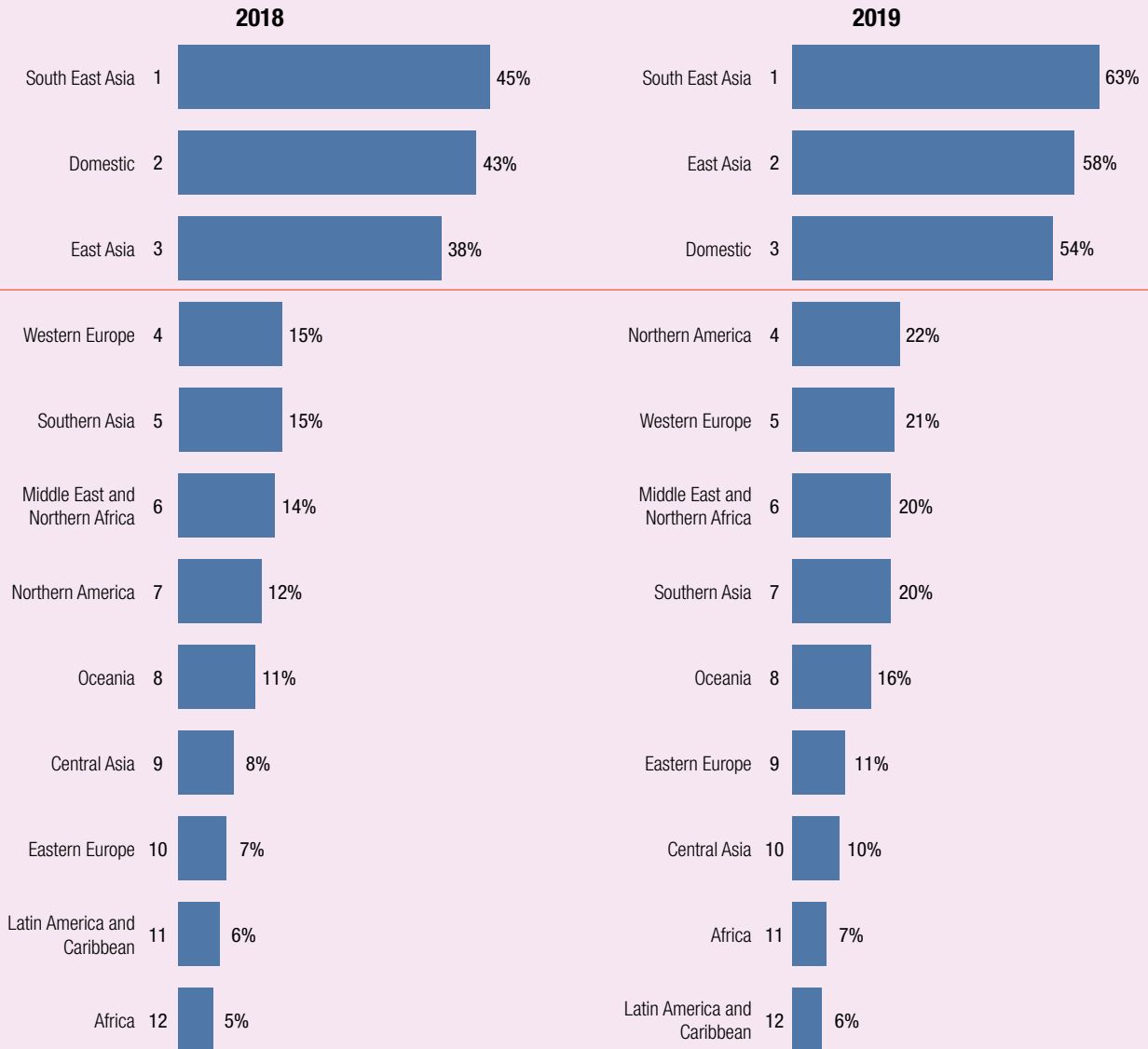


A sizeable 37% of the firms surveyed responded that more than 50% of their revenue comes from products or services introduced in the past three years, indicating that the product cycle is getting shorter in many instances, with older products and processes being refined, re-designed and rebadged.

As suggested by earlier results, many firms are currently in a consolidation stage, in view of the heightening uncertainties and dampened global demand conditions. While there is still a need to introduce new products or services to keep pace with competitors and to respond to changes in the consumer landscape, some firms have taken a step back from continuously pushing fresh products or services, choosing to focus on refining their core product and service offerings in order to gain a stronger foothold in the global market.

GLOBAL MARKET EXPANSION STRATEGY

For each of the following markets below, please indicate if you consider them to be important for your company's overall growth in the next 3 years?



Note:

Africa (e.g., South Africa, Kenya, Cameroon, Nigeria)
 Central Asia (e.g., Kazakhstan, Tajikistan, Uzbekistan)
 East Asia (e.g., China, HK, Japan, Korea)
 Eastern Europe (e.g., Russia, Poland, Czech Republic, Hungary)
 Latin America and Caribbean (e.g., Brazil, Argentina, Mexico, Trinidad and Tobago)

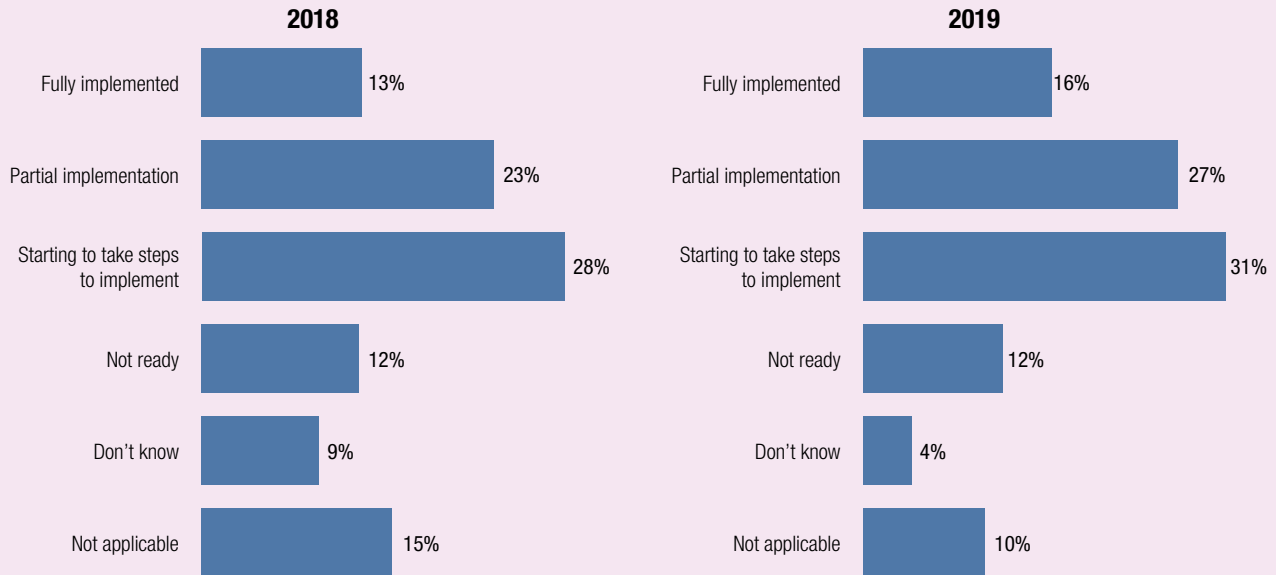
Middle East and Northern Africa (e.g., UAE, Saudi Arabia, Egypt, Algeria)
 Northern America (e.g., US, Canada)
 Oceania (e.g., Australia, New Zealand, Fiji, Samoa)
 South East Asia (e.g. Indonesia, Thailand, Vietnam, Philippines)
 Southern Asia (e.g., India, Pakistan, Sri Lanka, Bangladesh)
 Western Europe (e.g., UK, France, Germany, Spain, Portugal)

Similar to 2018, the survey results in 2019 shows that firms are focussed on the domestic market, South East Asia and East Asia. Interestingly, the percentage of firms' operations in these regions and in the domestic markets increased, particularly the focus on East Asia grew from 38% in in 2018 to 58% in 2019. These results suggest that while firms have been rather cautious in their outlook due to global economic uncertainties, they have been proactive in building strong business operations in the ASEAN region and in East Asia, whilst at the same time strengthening their domestic markets.

INDUSTRY 4.0

Is your organization taking steps towards Industry 4.0 implementation?

(Note: Industry 4.0 refers to the trend of automation and data exchange in manufacturing technologies. It is described as the fourth industrial revolution, smart manufacturing or digital factories.)



Across all implementation levels, there were slight increases in the percentage of firms involved in Industry 4.0 (I4.0). Government initiatives to promote I4.0 would have assisted in achieving this increase.

The survey also shows that firms in Malaysia are gradually realising the potential benefits of investing in I4.0 technologies. The combination of strong public sector campaigns, jointly with industry associations to raise I4.0 awareness and the observed performance improvements and competitiveness of firms which have adopted I4.0 technologies have played a big part in convincing and guiding firms onto the path of I4.0 technology adoption. More importantly, there is a distinct drop in the percentage of firms that “Don’t know” or felt I4.0 was “Not applicable”, highlighting greater awareness among business leaders on the importance of I4.0 for enhancing their competitive position.

IMPLEMENTATION OF INDUSTRY 4.0 AND MARKET EXPANSION

For each of the following markets below, please indicate how easy would expanding into the market be?

	Fully implemented	Partially implemented	Starting to take steps to implement	No plans of implementation
South East Asia	92%	83%	83%	71%
Domestic	86%	87%	92%	85%
East Asia	79%	65%	53%	37%
Southern Asia	69%	55%	42%	25%
Oceania	58%	37%	26%	16%
Central Asia	57%	25%	19%	13%
Eastern Europe	54%	21%	10%	10%
Western Europe	53%	25%	18%	13%
Middle East and Northern Africa	53%	34%	23%	14%
Northern America	51%	31%	21%	11%
Africa	49%	23%	19%	9%
Latin America and Caribbean	45%	18%	11%	8%

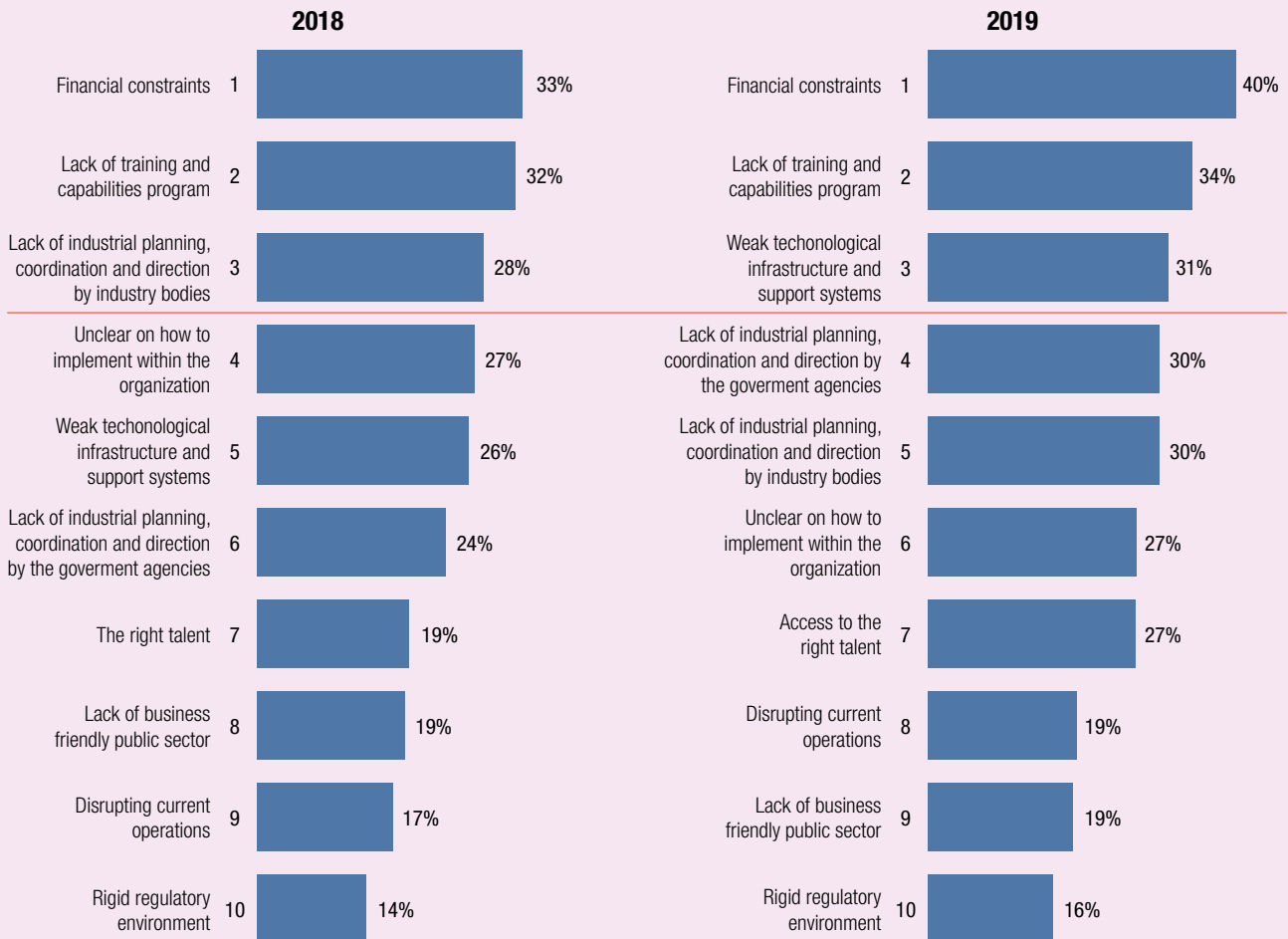
Note: Only percentage for "Easy" responses are shown

Diving deeper into the firm level of I4.0 implementation and market expansion strategy the survey showed that firms with higher level I4.0 implementation have higher global market reach. Note that firms with full I4.0 implementation have more than 50% market reach to countries in other regions across the globe. On the other hand, firms with no I4.0 implementation plans have significantly lower global market penetration rates.

CHALLENGES OF IMPLEMENTING INDUSTRY 4.0

What are the challenges in implementing Industry 4.0?

(Note: Industry 4.0 refers to the trend of automation and data exchange in manufacturing technologies. It is described as the fourth industrial revolution, smart manufacturing or digital factories.)



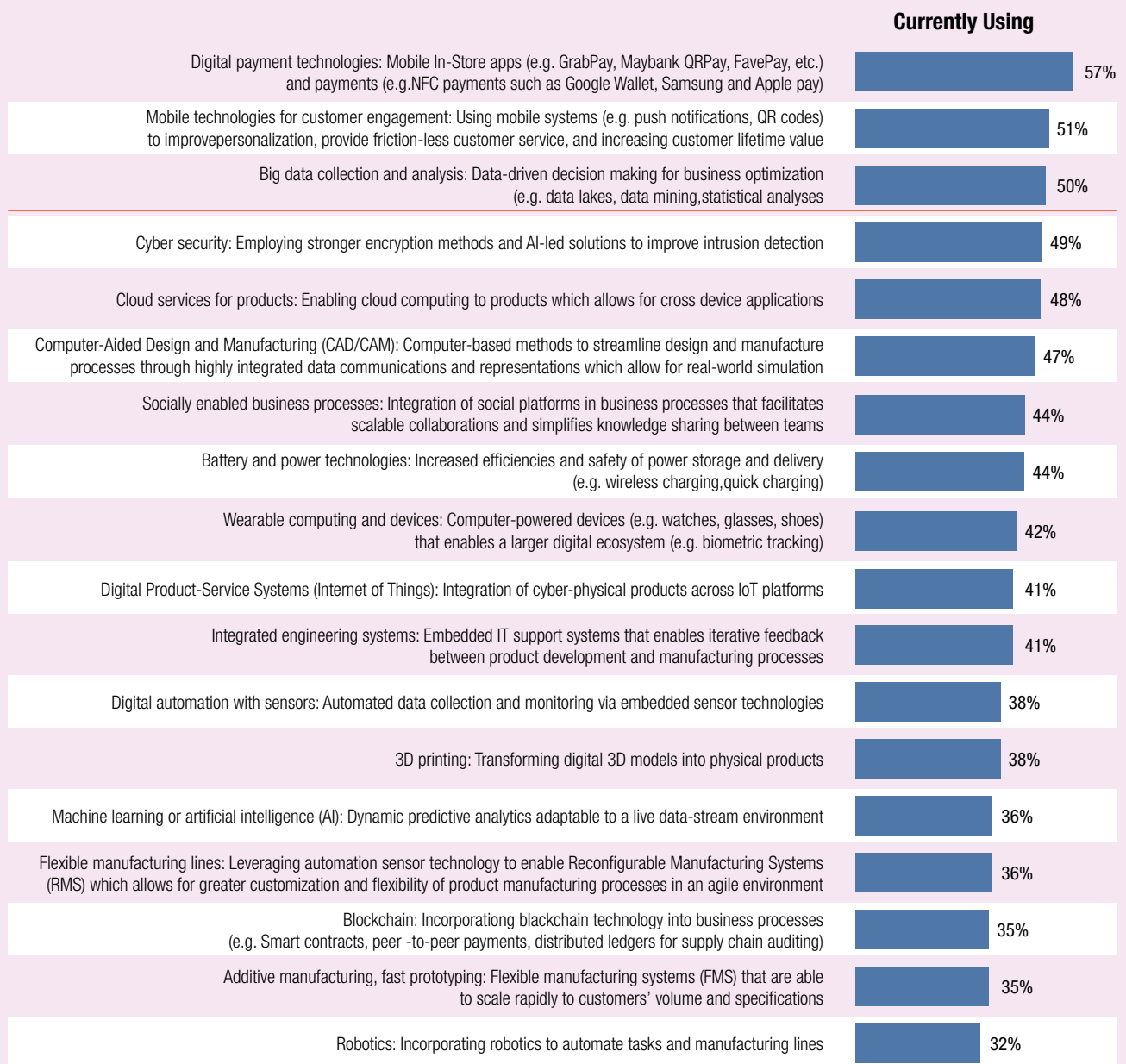
While the adoption rate of I4.0 technologies has increased over the last year, there remain consistent challenges and obstacles towards rigorous implementation of I4.0 technologies. The top three challenges encountered by firms in 2019 for the implementation of I4.0 are:

- financial constraints
- lack of training and capability programs; and
- weak technological infrastructure and support systems

As more organisations come on-board the I4.0 technological revolution, the existing weak infrastructure and support systems are becoming increasingly taxed beyond their capabilities. Having a sound and constantly improving digital infrastructure and support systems are vital for firms to have a smooth and seamless integrated corporate digital transformation.

ADOPTION OF INDUSTRY 4.0 TECHNOLOGY

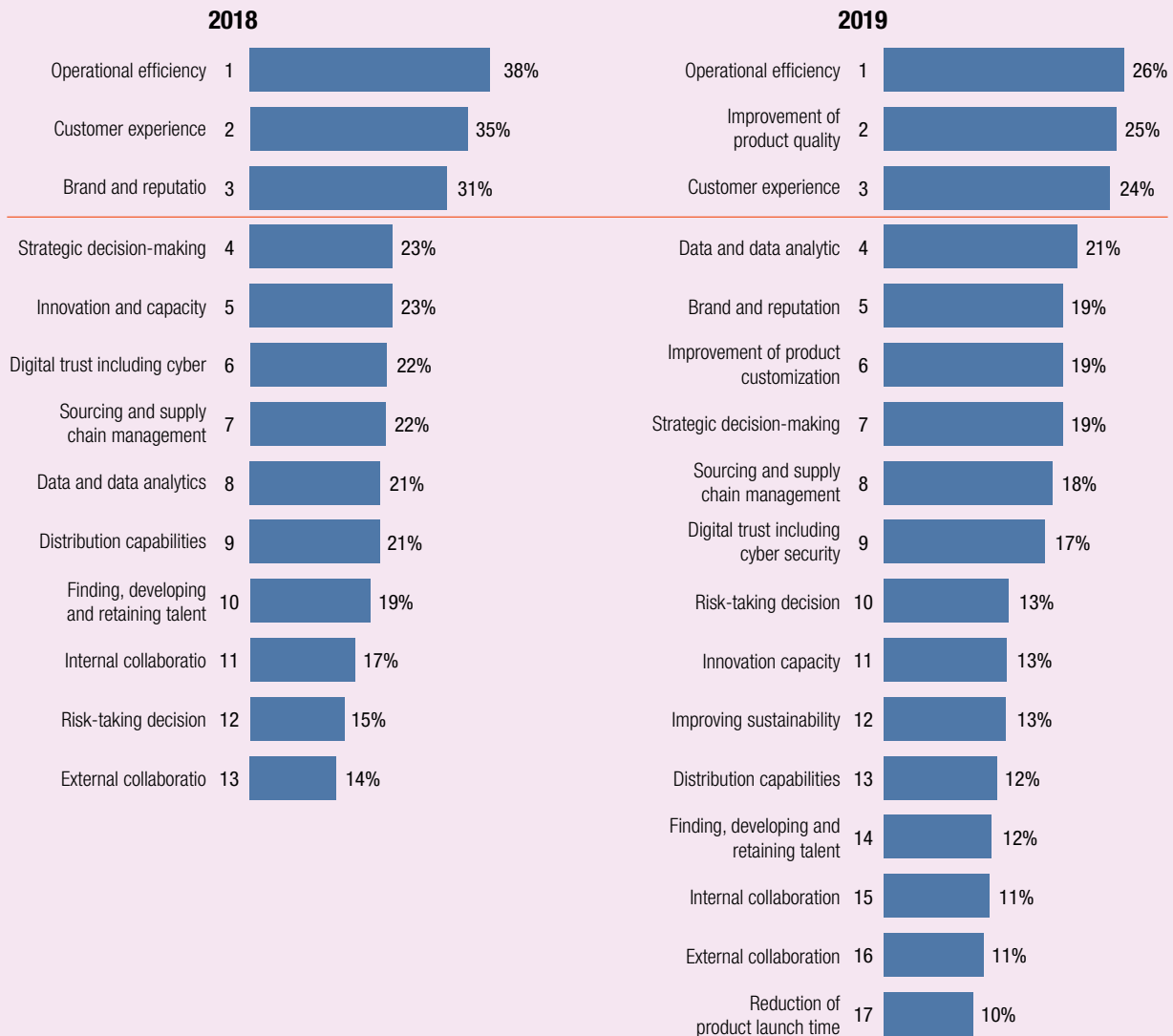
Which of the following Industry 4.0 technologies are you currently using in your organisation?



The top three Industry 4.0 technologies that firms think of value to their operations (either they are currently using or intend to use) are: digital payment technologies; mobile technology for customer engagement and big data analytics. These technologies not only improve the service quality of firms for their existing customers but enable firms to have better understanding of their customers' preferences and needs, and assist firms in curating products and services for their clientele. These new technologies also enable firms to improve their productivity by meeting customer demands more effectively and allow businesses to venture into wider segment of the markets both locally and abroad. Thus, enabling firms to pursue economies of scale and scope.

VALUE CREATION OF INDUSTRY 4.0

Which of the following areas in your organization are most impacted by the value creation of Industry 4.0 technologies?



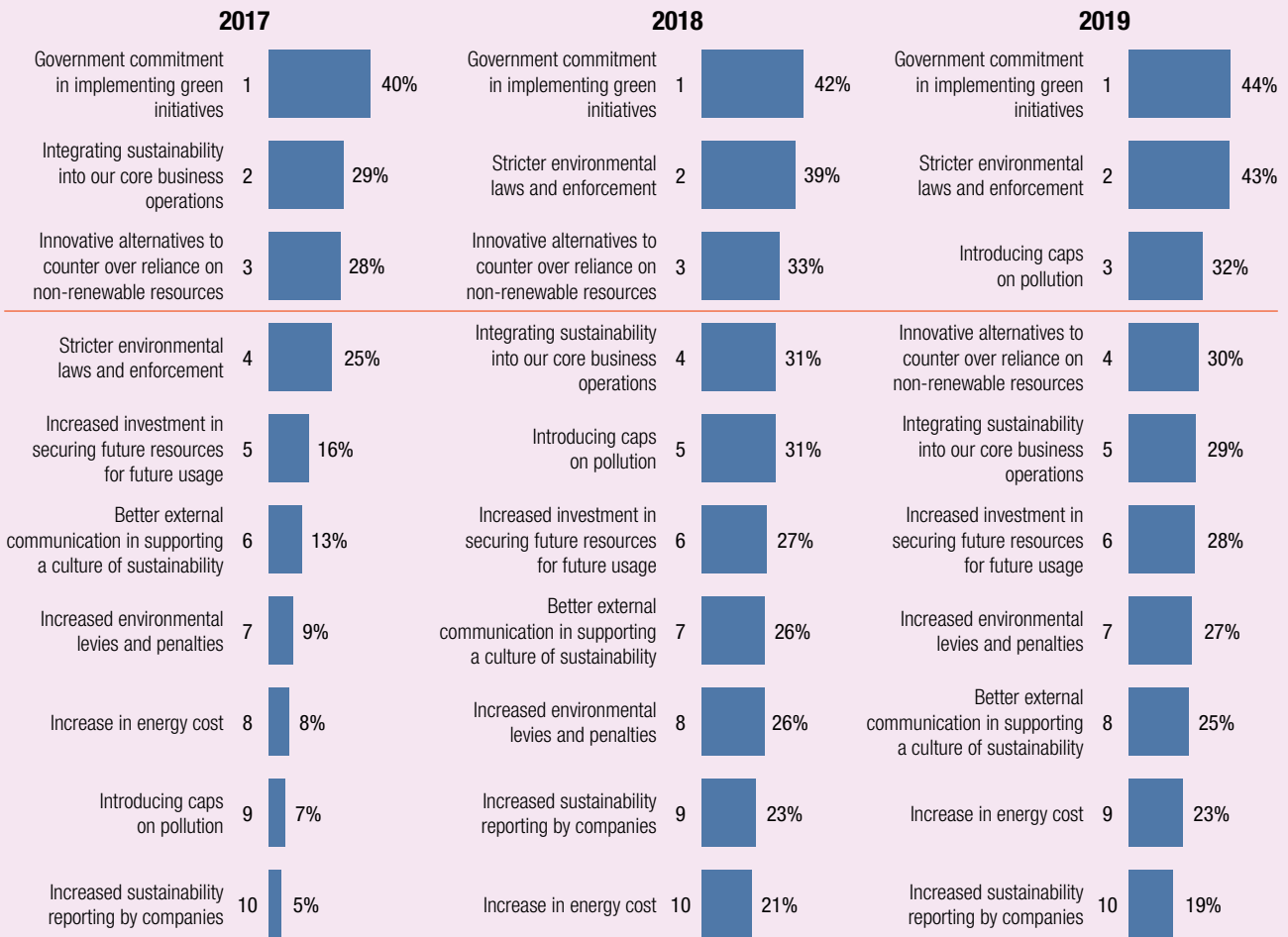
The top three areas within an organisation most impacted by the value creation of I4.0 technologies are:

- operational efficiency (e.g. RFID to help in the identification of product components and raw materials during the manufacturing process)
- improvement of product quality; (e.g. smart electronics that can perform inspection for product defects efficiently, thus increasing manufacturing precision); and
- customer experience (e.g. cloud-based XaaS services with improved scalability, reliability and security)

The survey results show that firms that adopt I4.0 technologies are deriving several positive spill-over impacts, which include becoming leaner, improvements in product quality and enhanced service quality.

POLICIES FOR GREEN AND SUSTAINABLE ENVIRONMENT

In your opinion, what are the activities needed to create a green and sustainable environment?



Consistent across the three years, business leaders are of the view that stronger government commitment towards green initiatives, particularly the government to take lead on the green and sustainable revolution. The percentage of business leaders that expressed this view has increased consistently over the years.

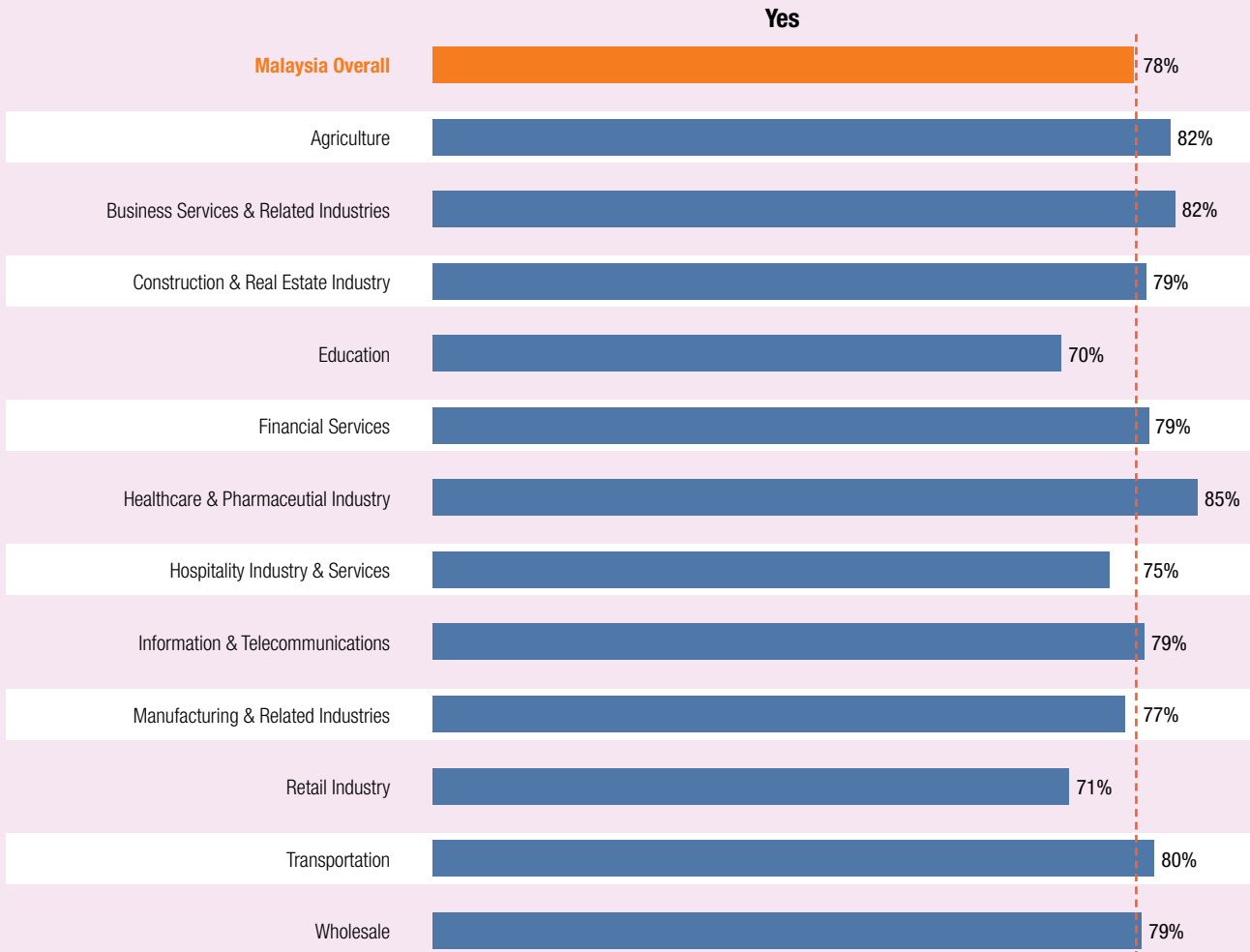
As global environmental issues continue to impact local businesses (e.g. negative attitudes towards palm oil in Europe, climate change, etc.) there has been concerted efforts to create awareness and address some of the challenges and issues.

There have been initiatives by the government in implementing green and sustainable agendas. Innovative and sustainable alternatives to counter the over-reliance on non-renewable resources are addressed through environmental related policies focusing on renewable energy sources such as the National Renewable Energy and Action Plan (NREPAP).

However, the call for more effective and efficient governance of environmental practices through the introduction of caps on pollution are ways to create greener and sustainable communities. Caps on pollution, rose from 9th position (7%) in 2017, 5th position in 2018 (31%) to 3rd position (32%) in 2019.

DIVERSITY AND EQUAL OPPORTUNITIES

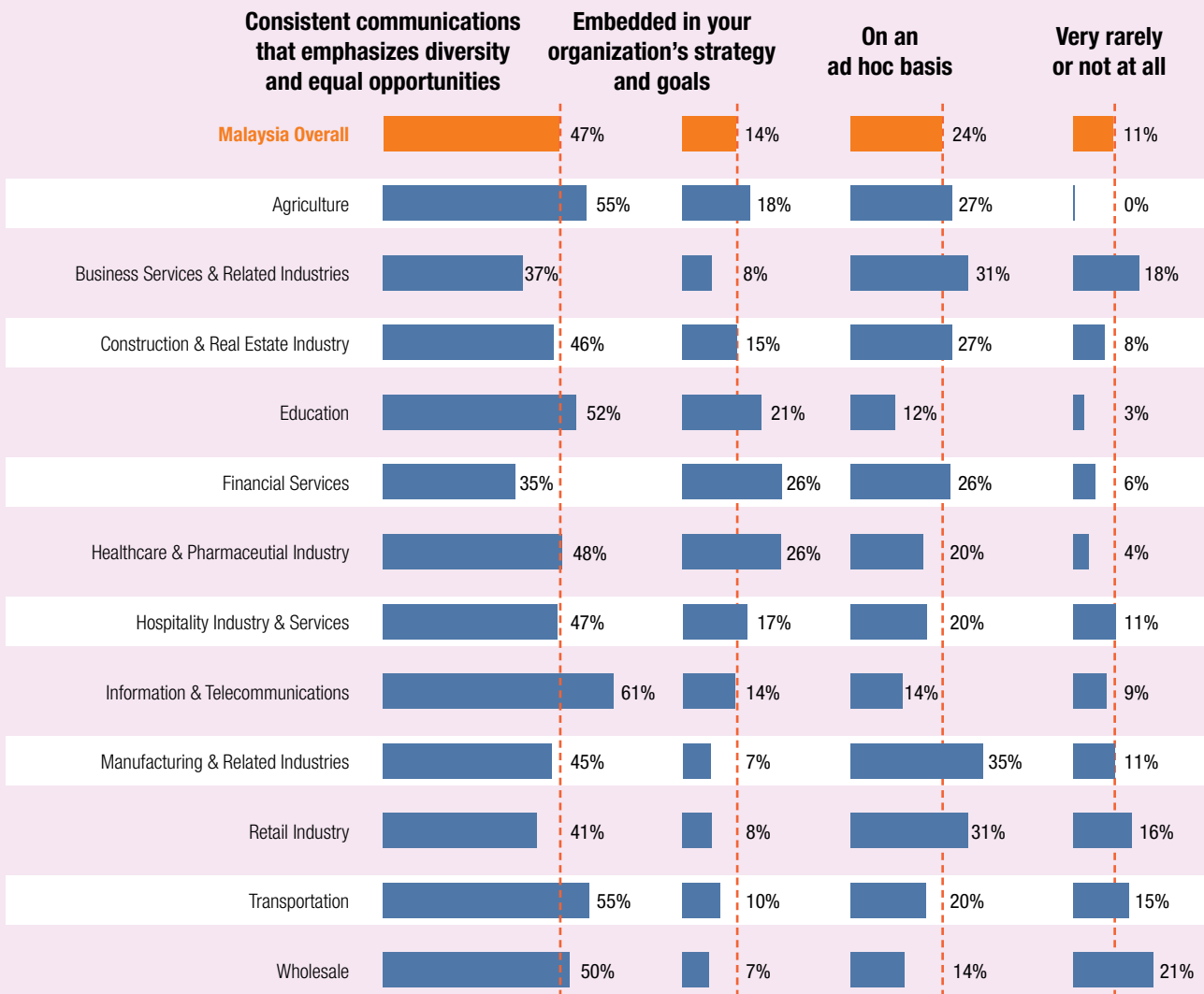
Are diversity and equal opportunities amongst your organization's top priorities?



Diversity in teams is strongly correlated with diversity of ideas and agility of organisations in addressing complex and increasingly diverse global markets. Close to 78% of the business leaders state that diversity and equal opportunities are the top priorities for organisations. The highest percentage of business leaders that place diversity as their top priority was in the healthcare and pharmaceutical industry. While education had the lowest, with 70% - below the overall industry average.

COMMUNICATION STRATEGY

How are diversity and equal opportunities communicated in your organization?

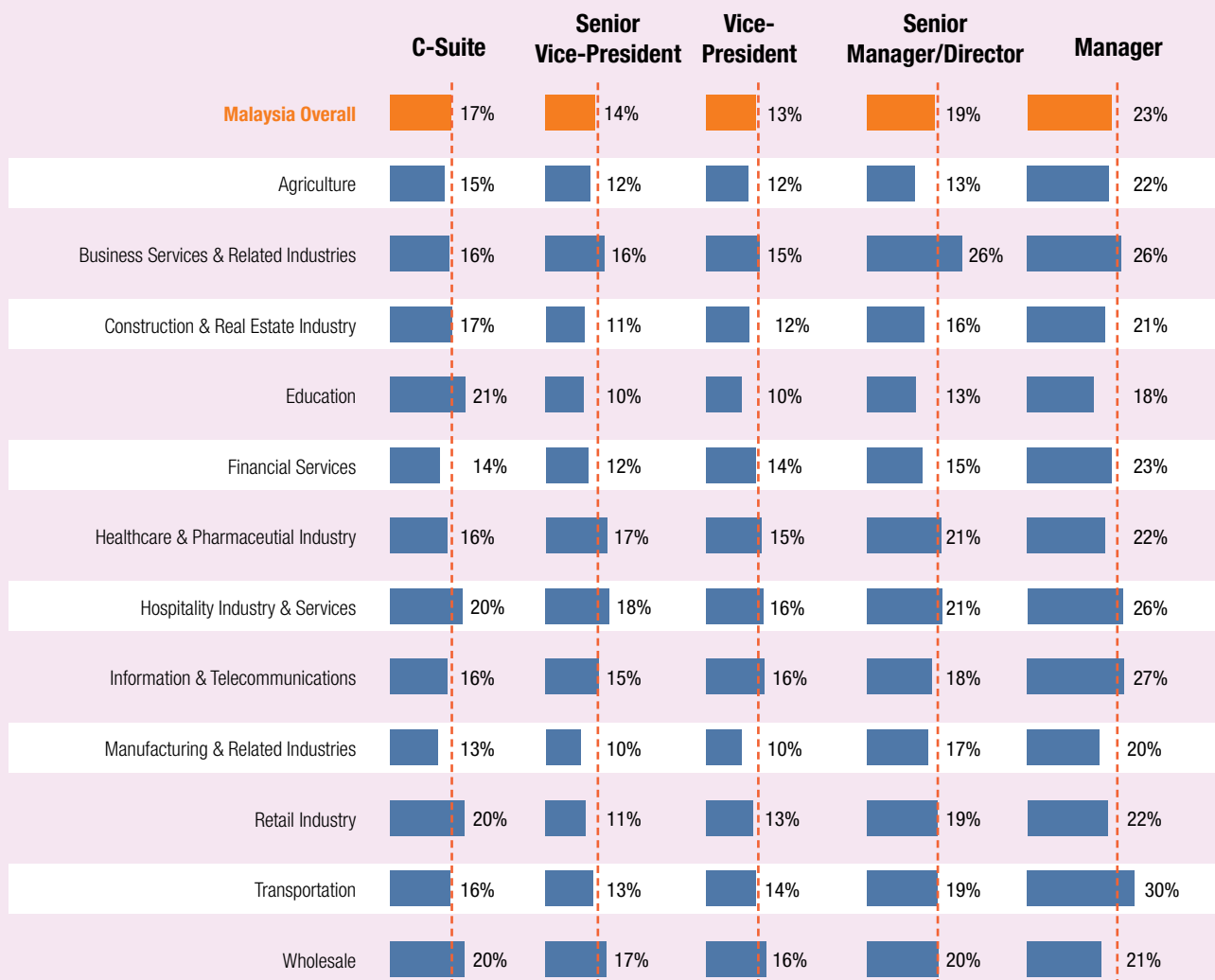


To ensure diversity and equal opportunities are integral part of firm's strategy, firms need to put in place communication strategies that effectively and positively communicate to all stakeholders.

The survey results show that only 47% of the sampled firms have consistent communications on diversity and equal opportunities. The top three industrial sectors where firms have a consistent communication strategy are from the Information & Telecommunications industry (61%). This is followed by agriculture and transportation (55%). However, only 14% of firms has embedded diversity and equal opportunities in their organisation's strategy and goals.

WOMEN IN LEADERSHIP

Please indicate below the estimated percentage of women holding key positions in your organization

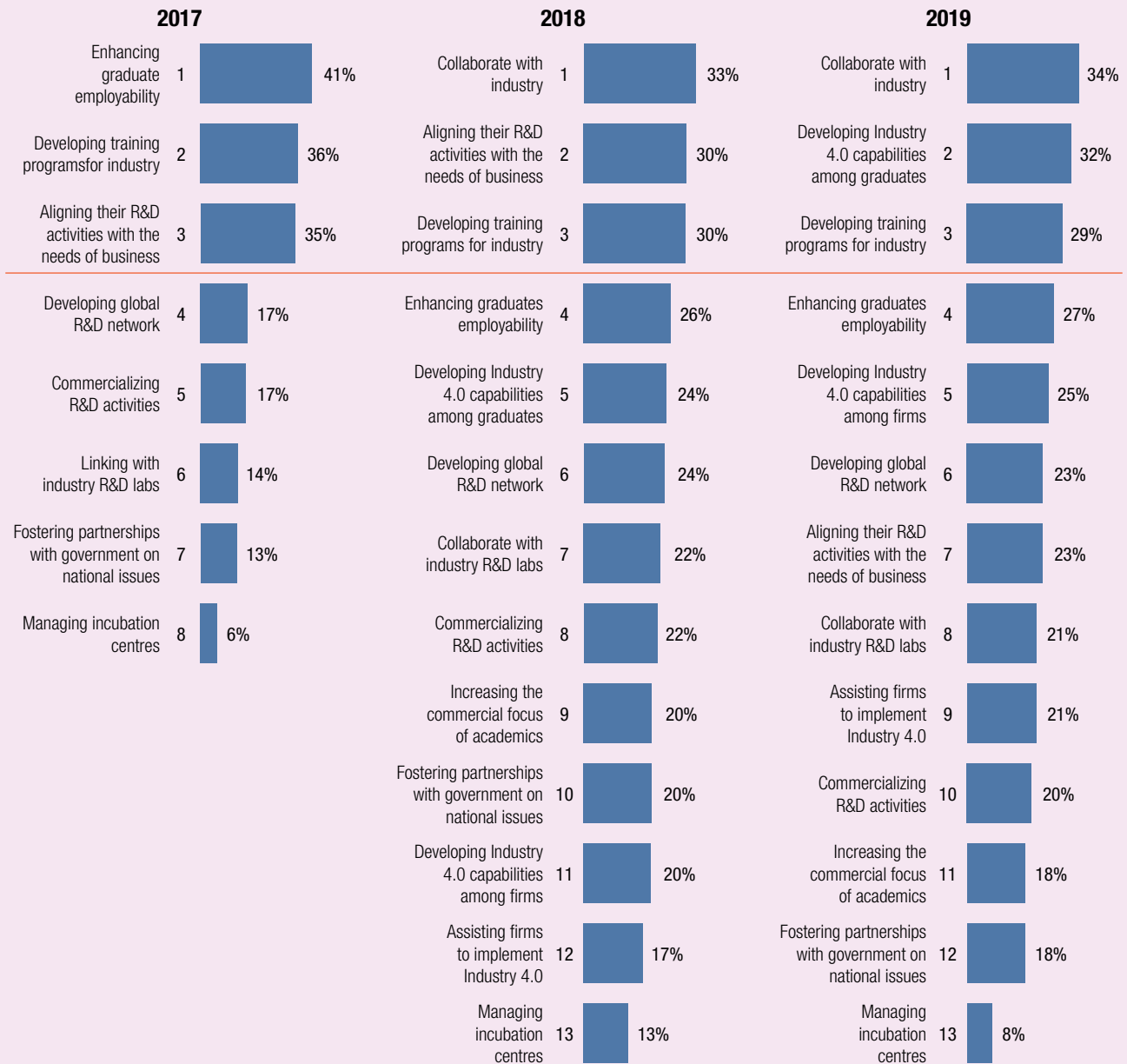


Women generally have stronger representation in middle management compared to upper executive management levels. Based on the C-Suite level results, the manufacturing industry stand out as having one of the lowest representation of women across key positions, while the education industry has the highest.

It is clear that women still do not enjoy equal representation for key positions in organisations in Malaysia. Hence, it is vital for businesses to identify challenges faced by women in moving up the corporate ladder; and put in place strategies to remove barriers to their career progression.

FUTURE PRIORITIES FOR MALAYSIAN UNIVERSITIES

In your opinion, what are the areas that Malaysian Universities should focus on developing into the future?

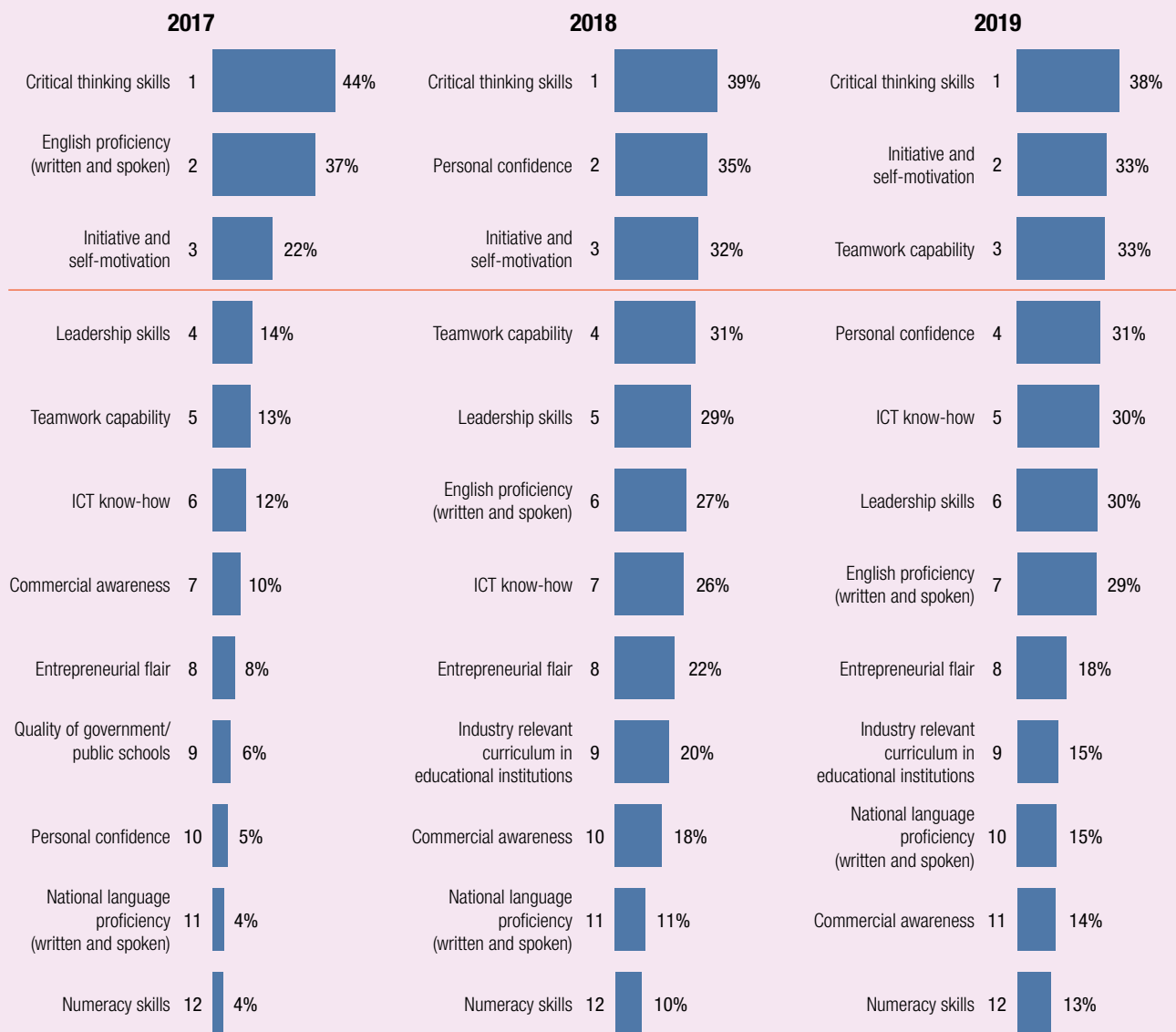


The ideal nature of the relationship between industry and universities remained fairly consistent between 2018 and 2019. There is strong demand for universities to have deeper and wider collaboration with the industry. However, firms seem to no longer require universities to align their R&D activities with their needs as much, dropping from 2nd place in 2018 to 7th in 2019. Perhaps this indirectly reflects that firms' desire for a more sustained and deeper engagement rather than universities just acting as R&D outposts. Taking its place is the urgent need to develop industry 4.0 capabilities among university graduates and aligning them with the national agenda to transform the nation into a technology-intensive economy – hence developing industry 4.0 capabilities increased from 5th place in 2018 to 2nd in 2019.

These results are not surprising, as business leaders are increasingly beginning to recognise the potential of Industry 4.0 technologies in enhancing their global competitiveness. However, business leaders also highlight that there are scarce affordable trainings for them to build in-house capabilities to help the businesses to move up the innovation value chain. They are of the view that universities should play a key role in providing the necessary education and training programs that help them to be globally competitive – hence, developing training programs for industry remains in the 3rd position in 2018 and 2019.

TALENT COMPETENCIES FOR BUSINESS DEVELOPMENT

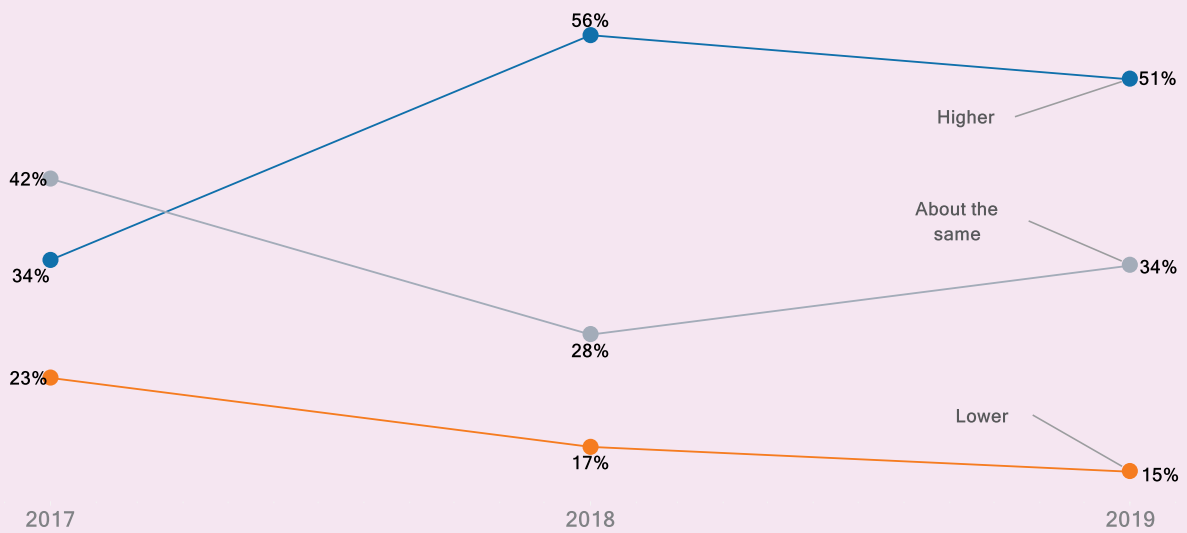
In your opinion, what are the top skills university graduates should possess?



The survey from 2017 to 2018 consistently rated critical thinking as the most important skill graduates should possess. Interestingly, initiative and self-motivation moved up from the 3rd position in 2017 and 2018 to the second position in 2019. Teamwork capability has moved up from 5th position in 2017 to 4th position in 2018 to 3rd position in 2019. The above analysis suggests that the economic landscape is changing rapidly, which require graduates that are not only creative and self-motivated, but also have the emotional intelligence to work in teams in an increasing hyper-converged global economy powered by Industry 4.0 technologies. They must have the ability to work across multiple sectors and multiple cultural context – i.e., have multidisciplinary and inter-disciplinary skill set.

ESTIMATED REVENUE

When compared with the previous 12 months, would you say your company's estimated gross revenue for the next 12 months will be:



The survey results show that the percentage of the business leaders that expect a higher revenue over the next 12 months has declined from 56% in 2018 to 51% in 2019. The survey also shows that the percentage that state that their revenue would be same in 2019 as in 2018 increased from 28% to 34%. The results suggest a majority are of the view that their revenue over the next 12 months will increase; however, they are cautious given the current uncertainties in the global economic environment especially due to the unsettled trade dispute between US and China. In spite of these uncertainties, many of the firms are taking proactive measures to adopt new technology and other innovations to defend their existing markets and expand their market reach. The optimism is also a result of increasing investment interest in Malaysia and the ASEAN region, due to trade disputes and economic uncertainties in Europe such as the prolonged and still unresolved BREXIT issue.

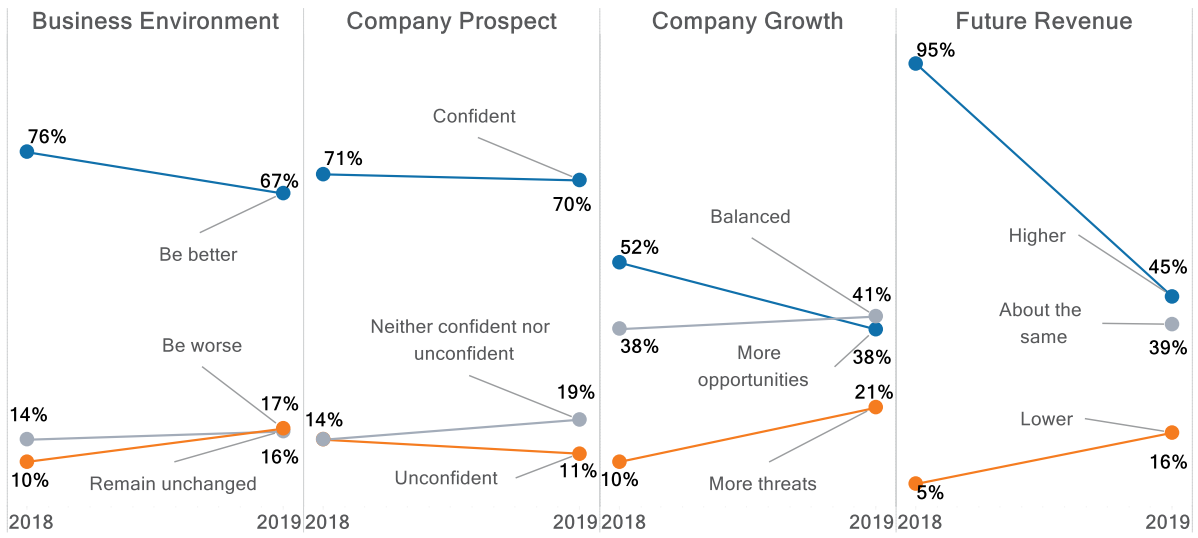


DISAGGREGATE ANALYSIS: FIRM SIZES

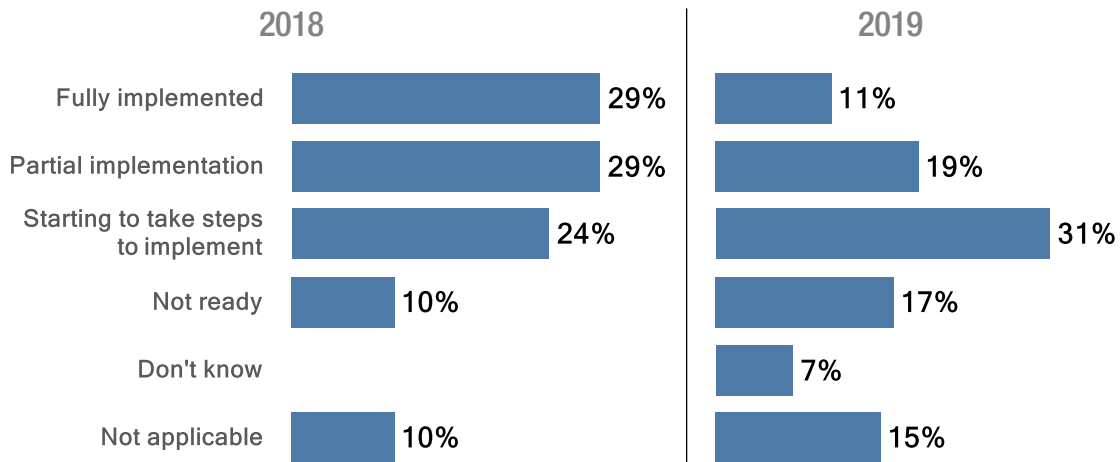
- SMALL
- MEDIUM
- LARGE



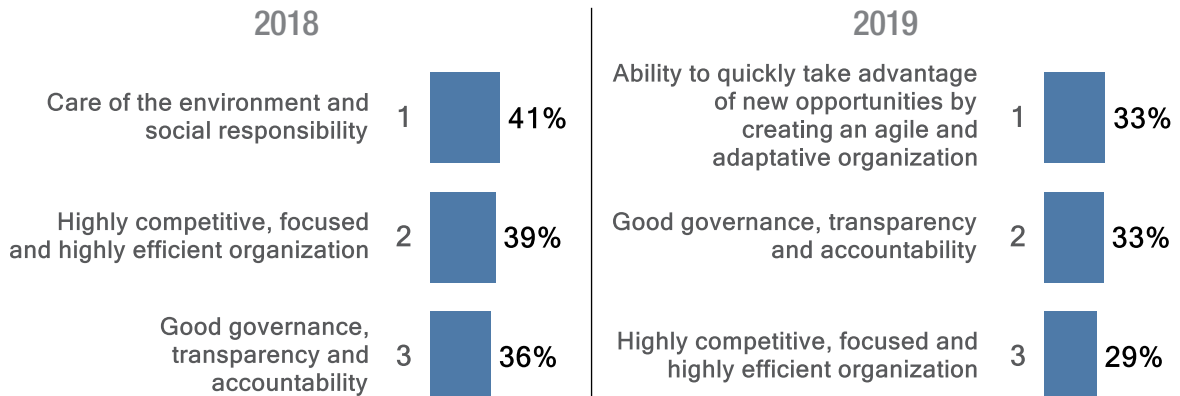
SMALL FIRMS



Industry 4.0 Status

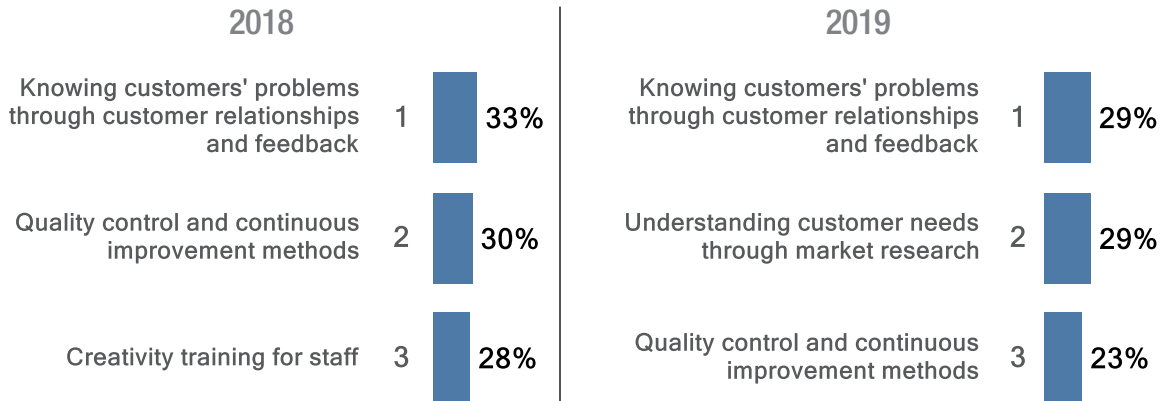


Key Company Culture

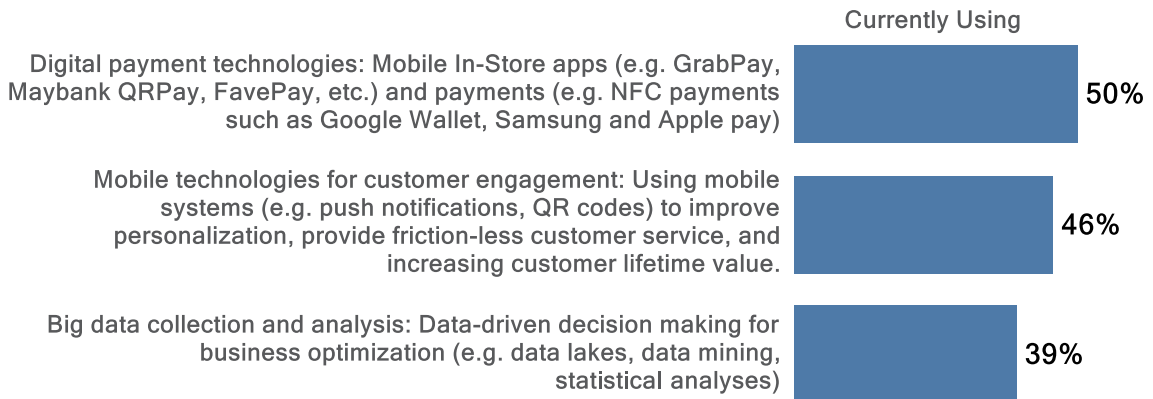


SMALL FIRMS

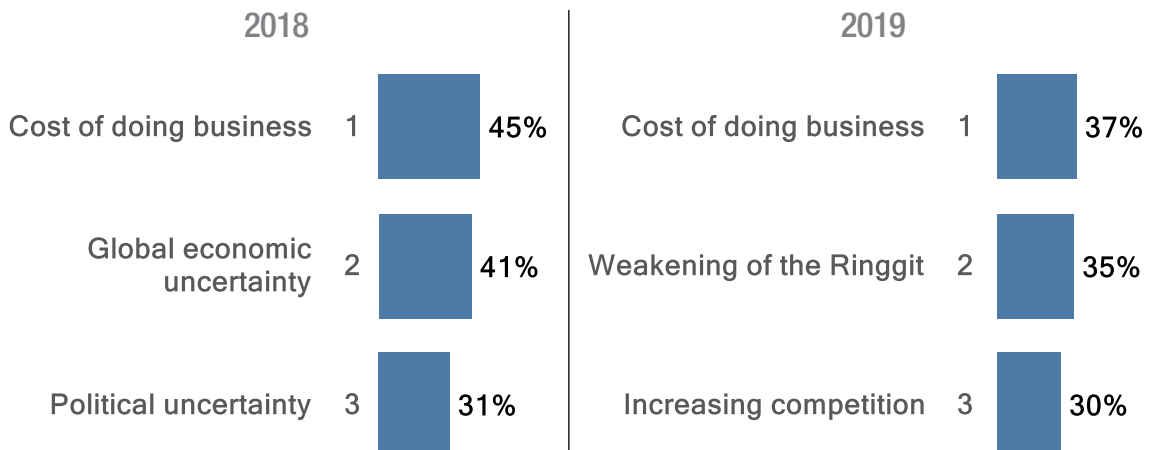
Key Contributors to Innovation



Key Digital Technologies

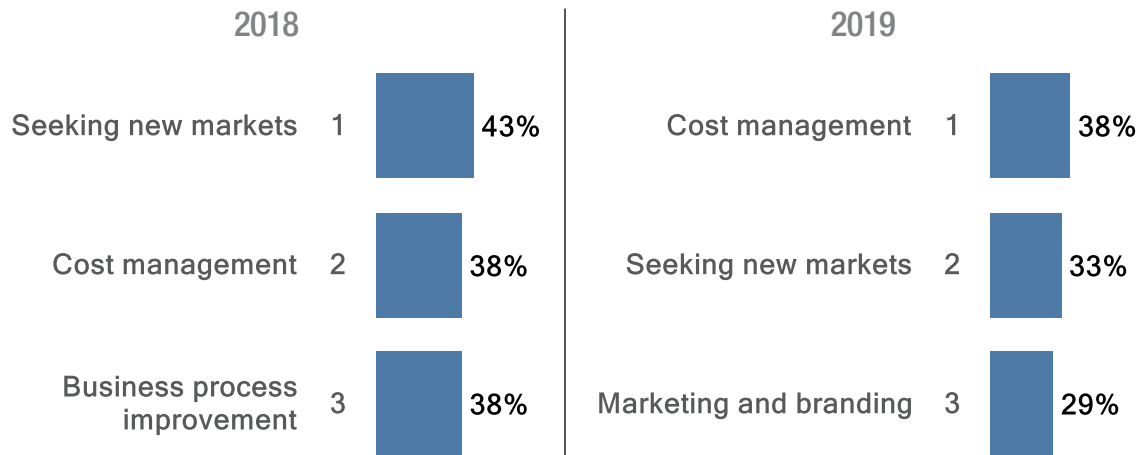


Key Challenges

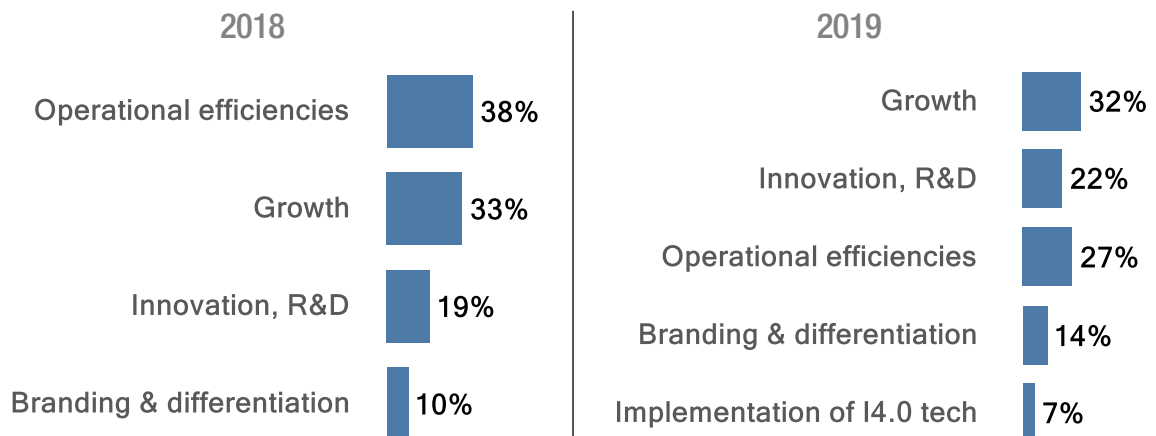


SMALL FIRMS

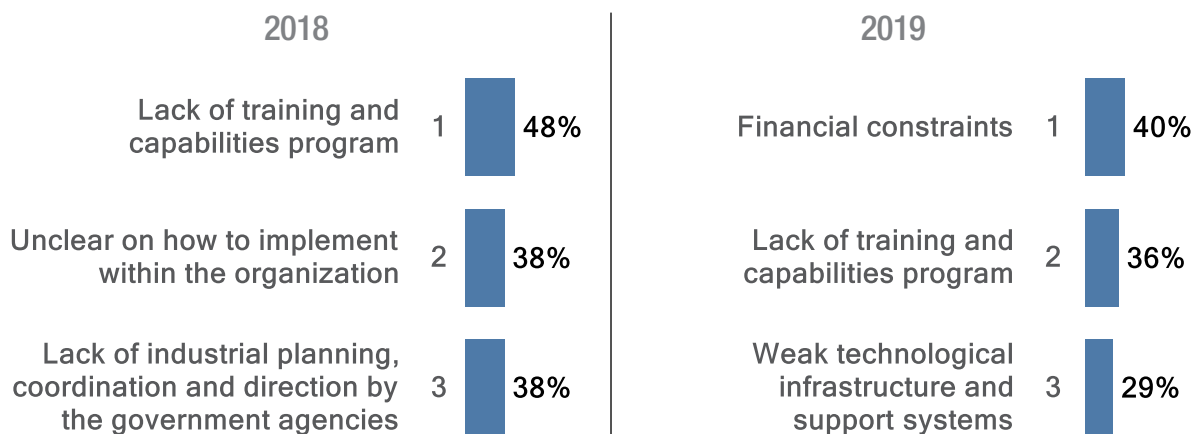
Key Resource Allocation



Key Focus Areas

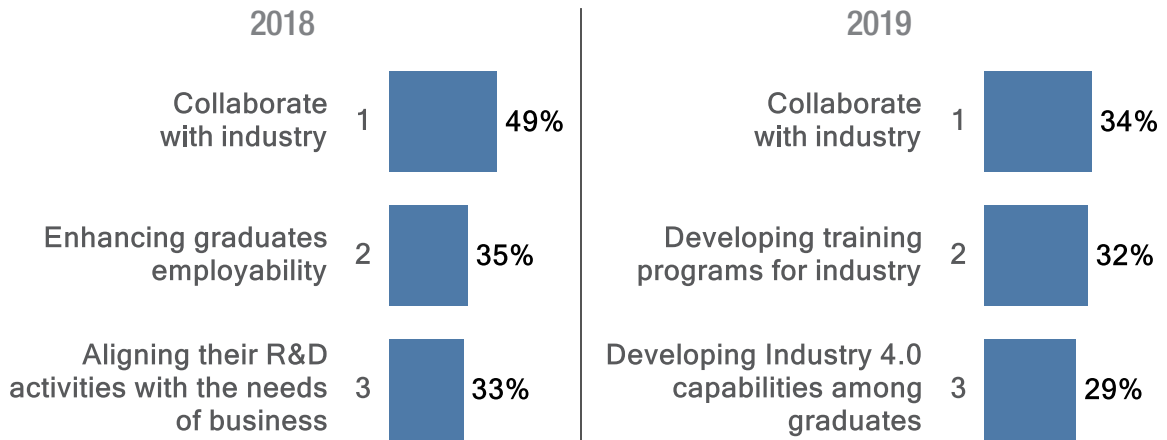


Key Industry 4.0 Implementation Challenges

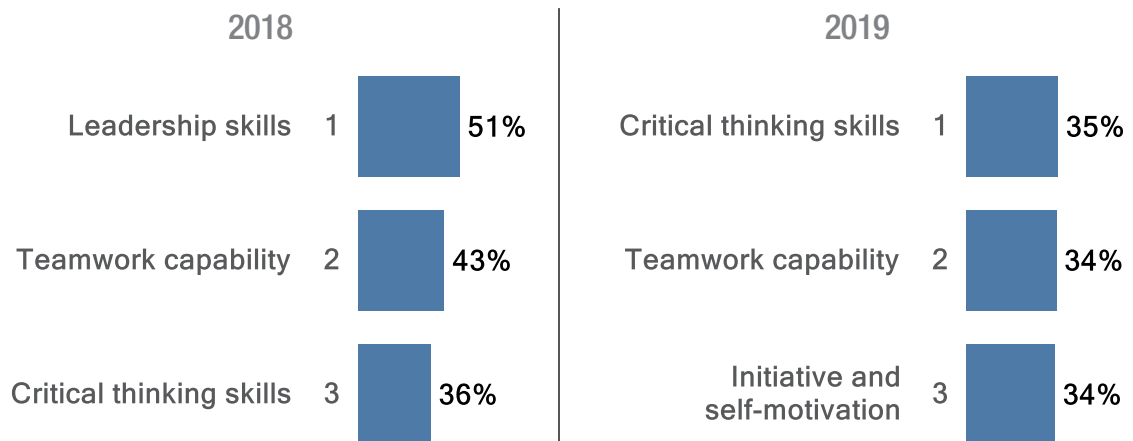


SMALL FIRMS

Key Roles of Malaysian Universities

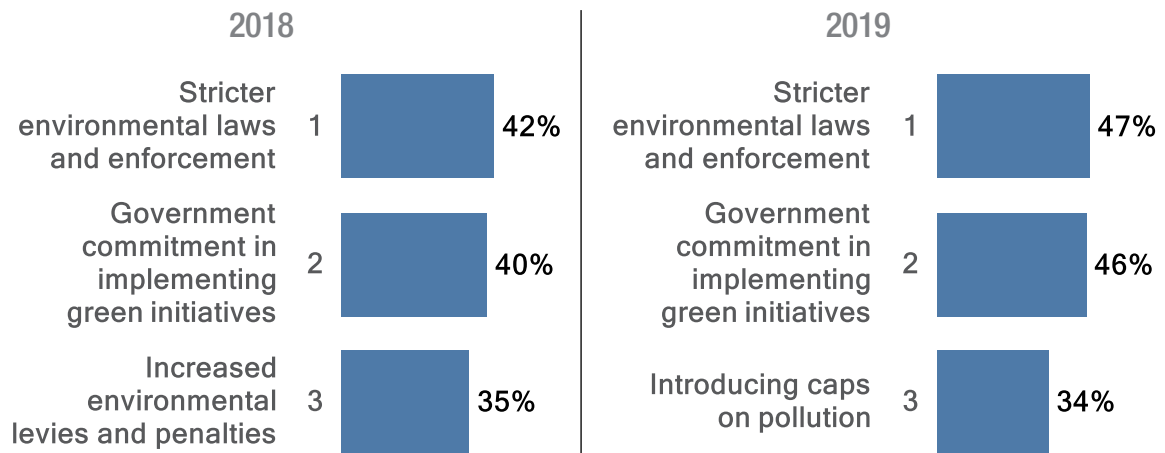


Key Graduate Skills

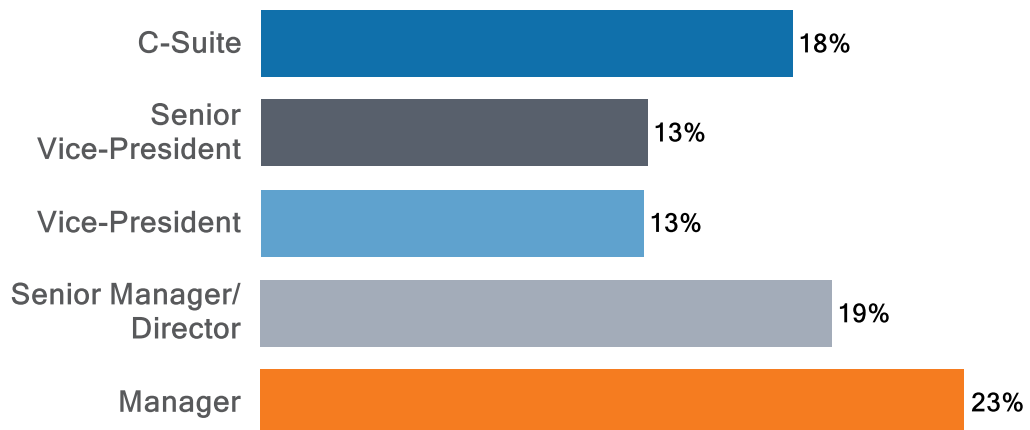


SMALL FIRMS

Key Sustainability Initiatives



Diversity: % of Women in Key Positions



SMALL FIRMS

The survey shows that business sentiment among small businesses has declined from 2018 to 2019 across all metrics, i.e., firms expect the business environment, company prospects, company growth and future revenues to decline over the next 12 months. This result is not surprising, because the global economic environment has deteriorated due to the trade war and uncertainties associated with the BREXIT; and economic uncertainties are expected to persist over the next 12 months. The above analysis suggests that lower global demand conditions are starting to adversely impact the small firms' sentiments in the next 12 months.

In 2018, the business leaders of the small firms highlighted that cost of doing business, global economic uncertainty and political uncertainty were the major challenges they faced. In 2019, cost of doing business still remains in the top spot. However, the second and third most pressing challenges experienced by these firms include weakening of the Malaysian Ringgit and increasing competition. The latter is also due to new entrants into the market using more sophisticated technology to undertake horizontal and vertical integration of the supply chain.

The key priorities for these firms is obtaining market intelligence about their clientele and providing service quality using digital technology payment systems, mobile technologies and socially enabled processes. Hence, the key focus areas where resources will be allocated include ways to reduce cost of operations, seeking new markets and ensure appropriate branding and marketing are in place to give the firms adequate market positioning and reach.

Business leaders for the small firms also acknowledged that innovation is important for firms to build their competitiveness. The top three factors in 2019 contributing to the firms' innovative capacity are: having good market intelligence of their clientele, having a good customer relationship management system to meet the needs and continuously improving service quality.

The above strategies enable firms to be agile in responding to the fast-changing market, improve corporate governance and to be more efficient and competitive.

The survey also gauged the adoption of Industry 4.0 technologies by small firms in 2019. The results show that only 11% have fully implemented this technology, while 19% have partially implemented; and 31% are starting to take steps to implement this technology. Close to 39% are not ready or don't know or find it not applicable for their firms. Key factors hindering the adoption of Industry 4.0 technologies among small firms in 2019 are financial constraints, lack of training and capabilities development and weak technological infrastructure and system.

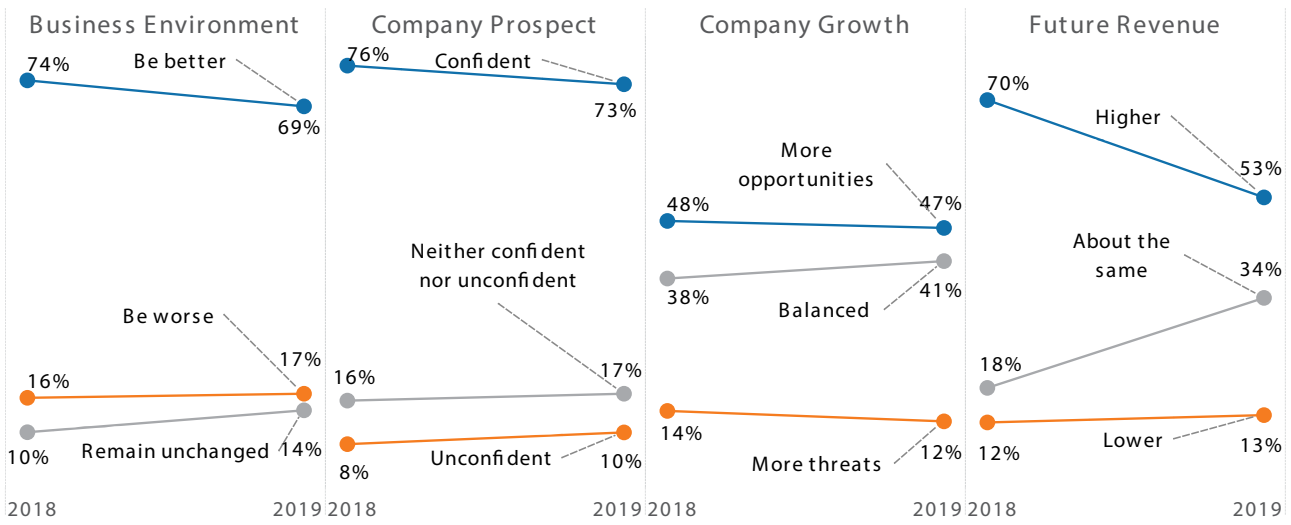
One of the other challenges faced by the firms is the access of talent. In this context, business leaders of the small firms in 2019 opined that universities should work closely with industry to develop affordable training programs and develop Industry 4.0 capabilities of their graduates. Close collaboration between these firms and universities will enable graduates to be gainfully employed and at the same time support businesses to move up the value chain. Further, the training of these graduates must enhance critical thinking skills, teamwork capability and highly motivated work force.

On the issue of environmental sustainability, the survey showed that the top two initiatives that are critical for business leaders in 2018 and 2019 were the same – that is, stricter environmental control laws and enforcement, and government commitment in implementing green initiatives. The third top initiative in 2019 was introduction of caps on pollution, as opposed to increase environmental levies and penalties in 2018.

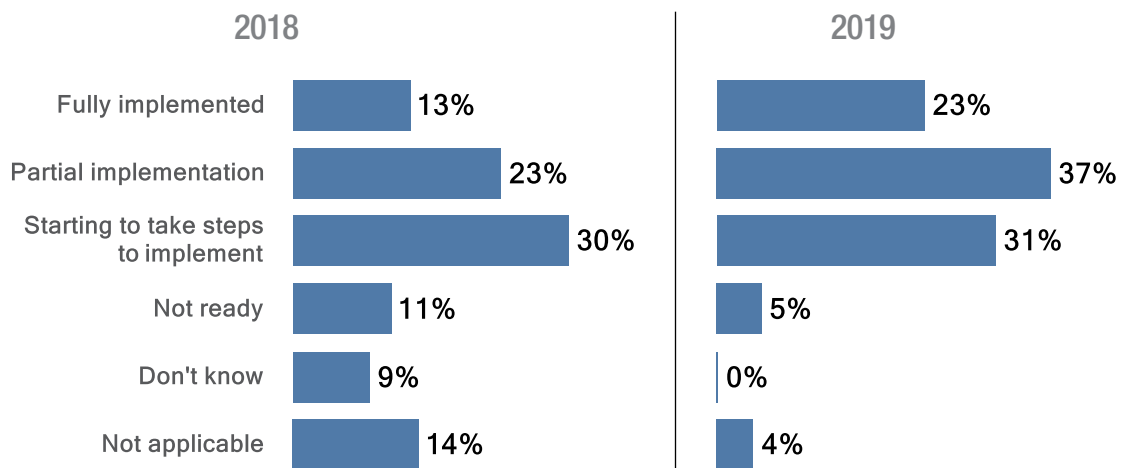
Diversity in the leadership of an organisation is important for diversity of ideas and strategies in navigating an organisation up the global innovation value chain, especially during uncertain and turbulent times. In this context, the percentage of women in C-suite position in these firms was only 18%, while those in senior vice-president and vice-president roles were only 13%. Around 37% of the women were in senior manager/director and manager positions. Around 42% of the women hold senior manager/director and manager positions in small firms. This is significantly lower than firms in more developed economies, where close to 25% of C-Suite positions are held by women³.

³A recent survey of 1000 women in US show that close to 25% hold positions that are classified as C-Suite roles (<https://www.businesswire.com/news/home/20190417005204/en/Korn-Ferry-Analysis-Largest-U.S.-Companies-Shows/>).

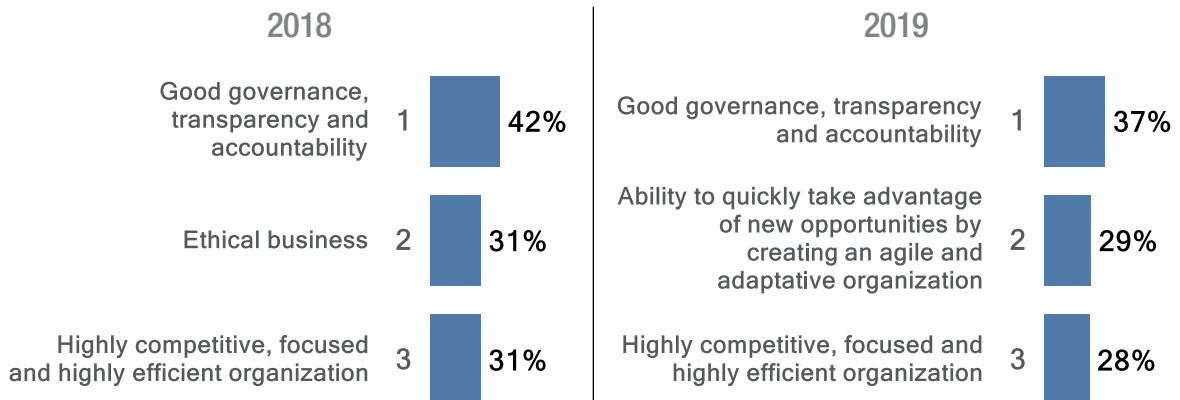
MEDIUM FIRMS



Industry 4.0 Status

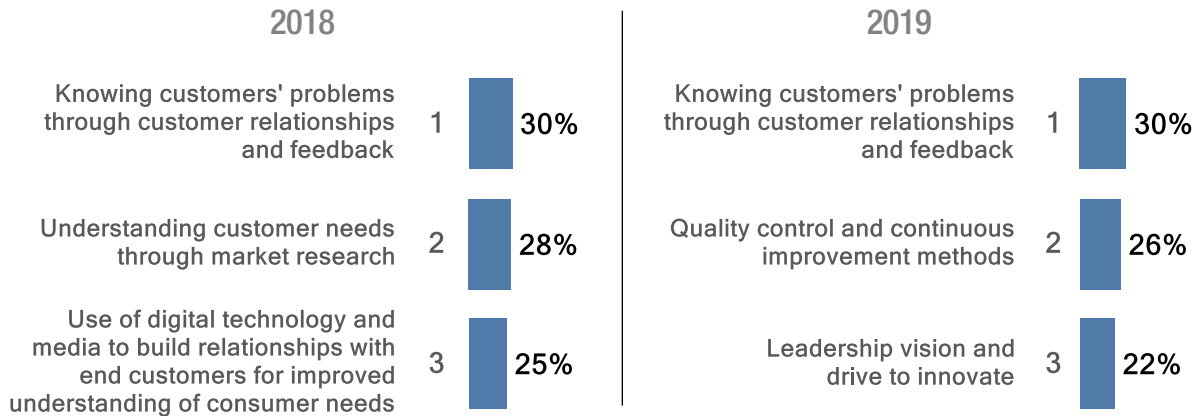


Key Company Culture

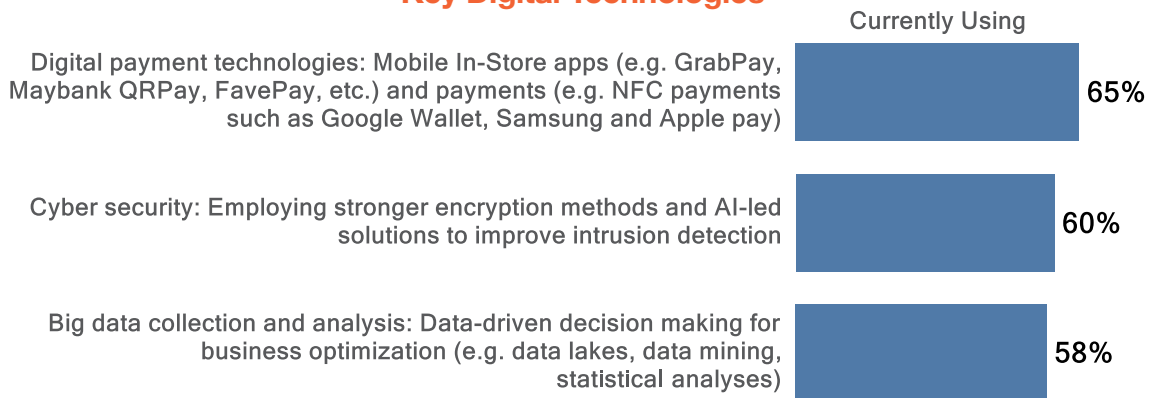


MEDIUM FIRMS

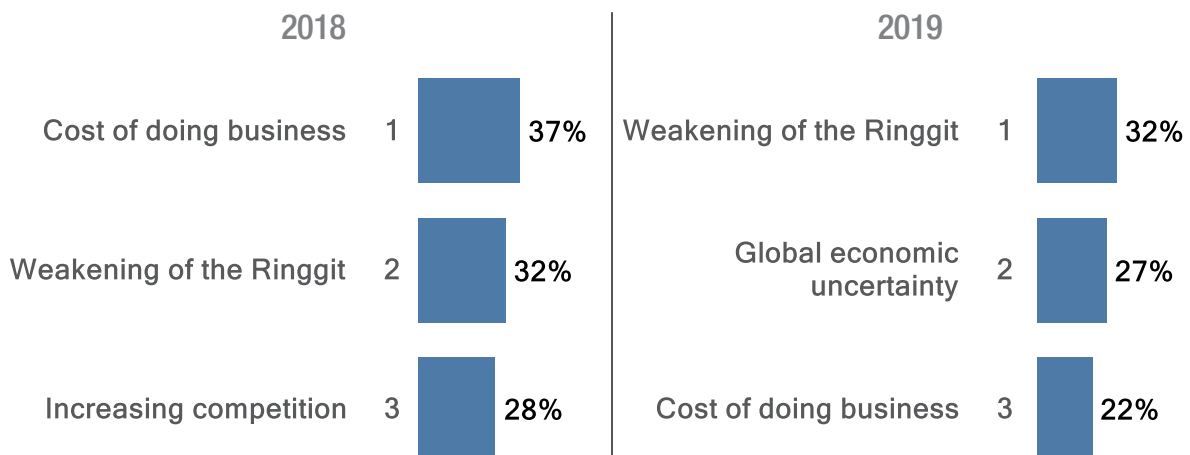
Key Contributors to Innovation



Key Digital Technologies

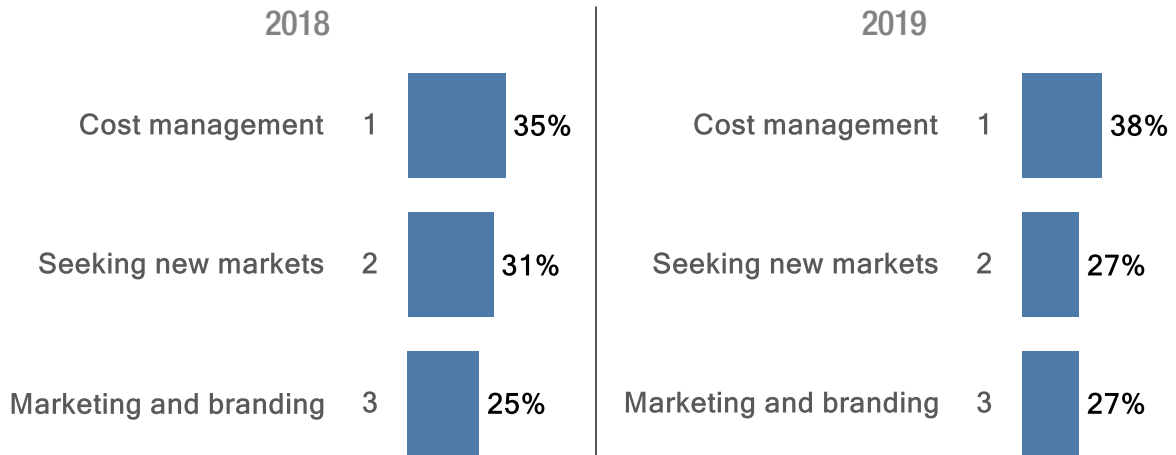


Key Challenges

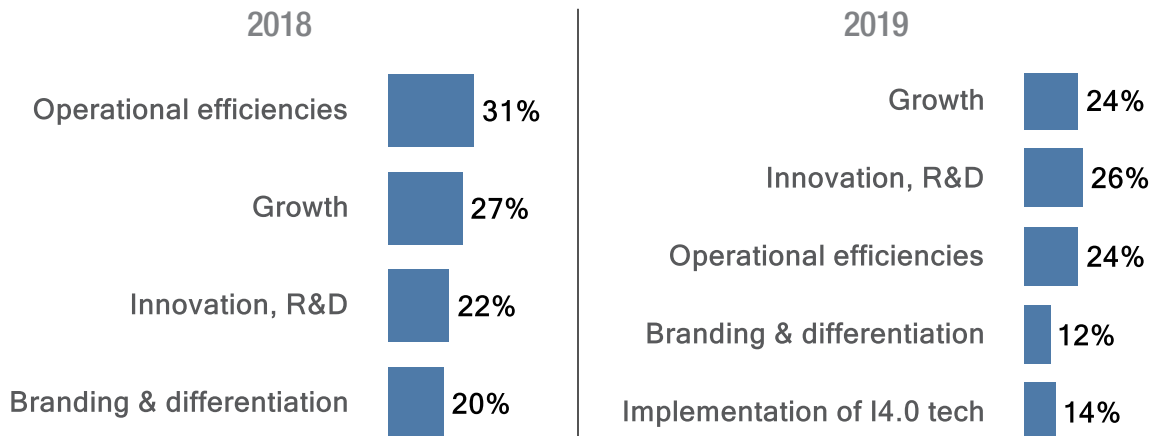


MEDIUM FIRMS

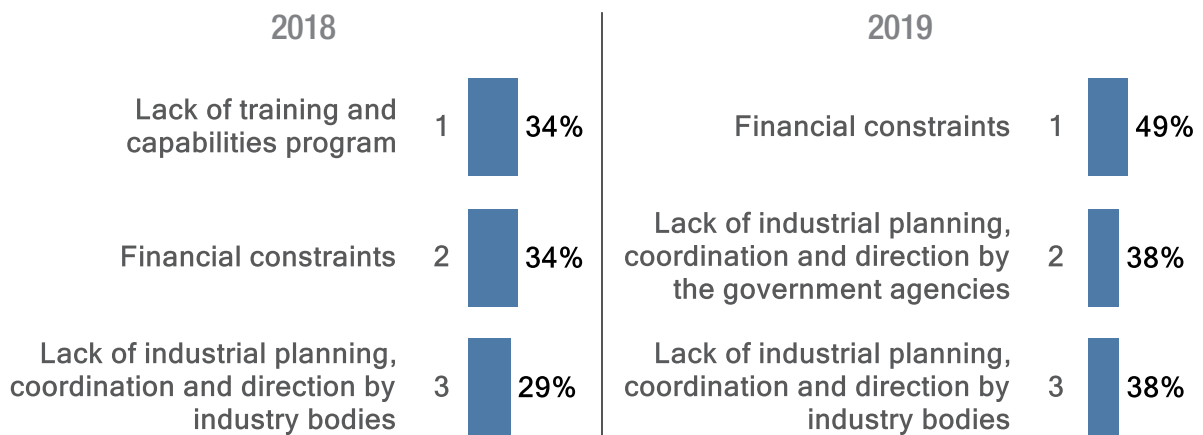
Key Resource Allocation



Key Focus Areas

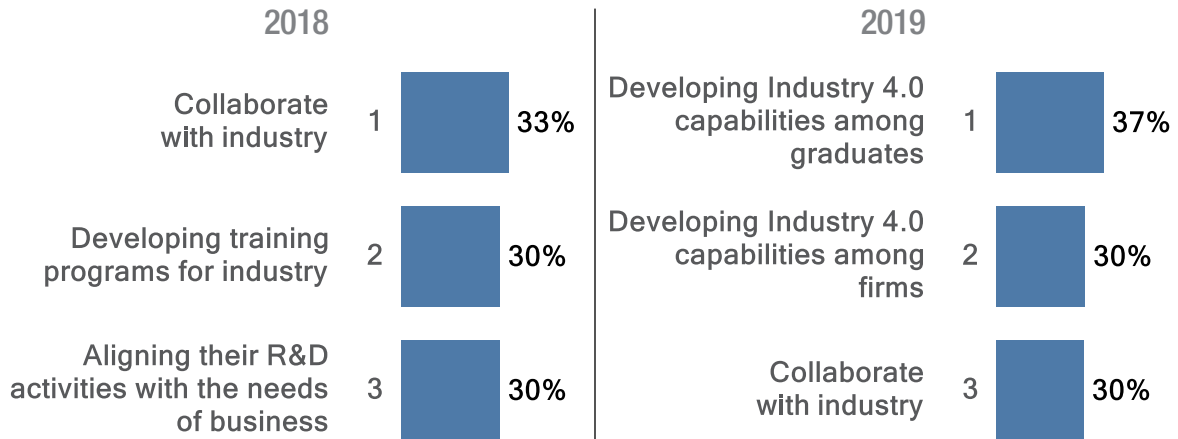


Key Industry 4.0 Implementation Challenges

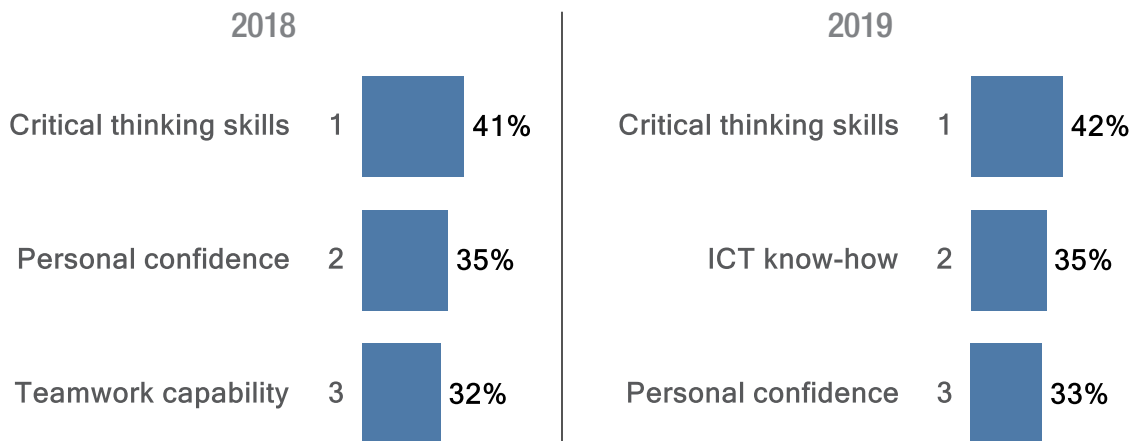


MEDIUM FIRMS

Key Roles of Malaysian Universities

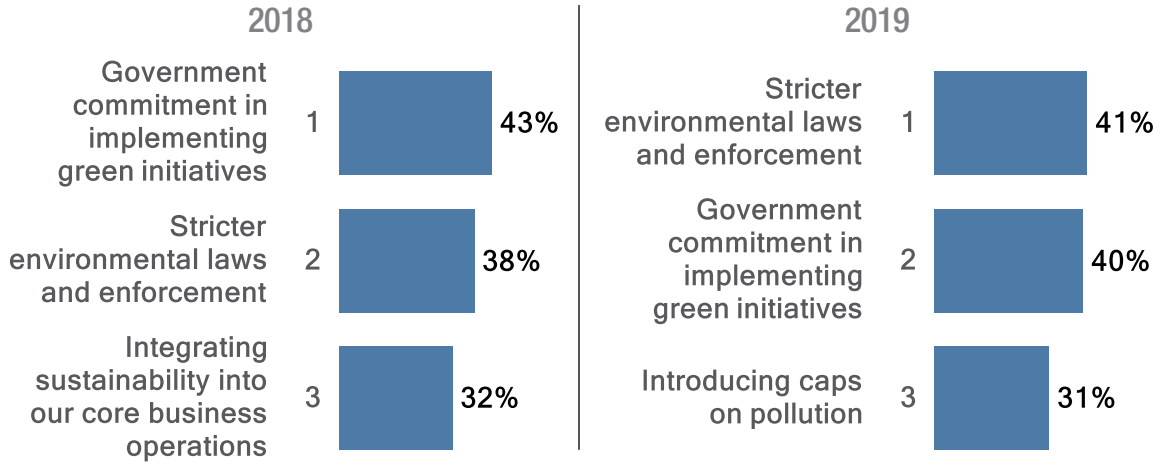


Key Graduate Skills

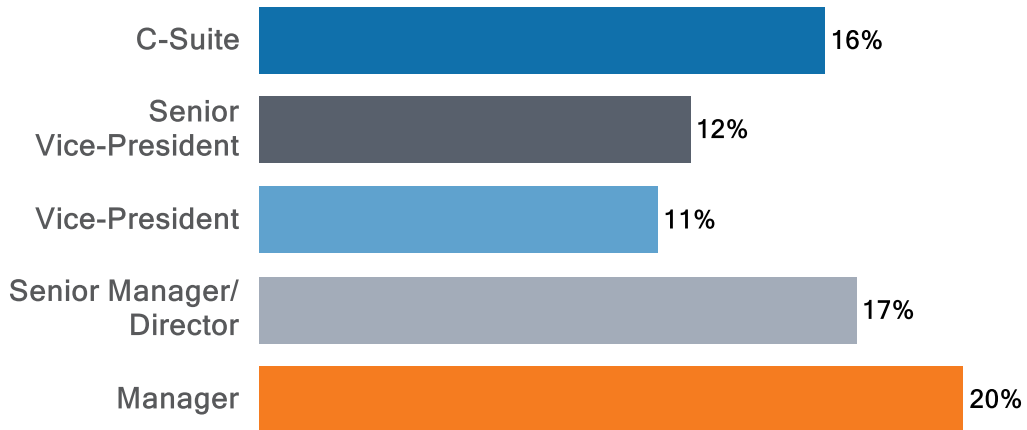


MEDIUM FIRMS

Key Sustainability Initiatives



Diversity: % of Women in Key Positions



MEDIUM FIRMS

The business sentiment in 2019 among the medium sized forms also showed a decline with respect to the business environment in 2018 – the company prospect, company growth and future revenue is expected to decline in the next 12 months. The lower business sentiment was due to the uncertain economic conditions arising from global uncertainties that could impact the supply chains of these medium sized firms.

Business leaders from these medium sized firms found that the weakening of the Malaysian Ringgit, global economic uncertainties and cost of doing business were the top three challenges they faced in 2019. This was similar to the 2018 ranking, with the exception that increasing competition was one of the top three challenges in 2018.

The key priorities for medium sized firms were to pursue a growth strategy by improving their innovative and R&D capabilities and improving their operational efficiencies. Hence, the focus of resource allocation is strongly directed towards managing costs, seeking new markets and marketing & branding their products and services.

Business leaders are of the view that the top three factors contributing to the innovative capability of firms in 2019 are: having good market intelligence on the customers' profile and responding to their needs; putting in place continuous improvement systems to meet the needs of the clientele and possessing visionary leadership to drive innovation across the organisation.

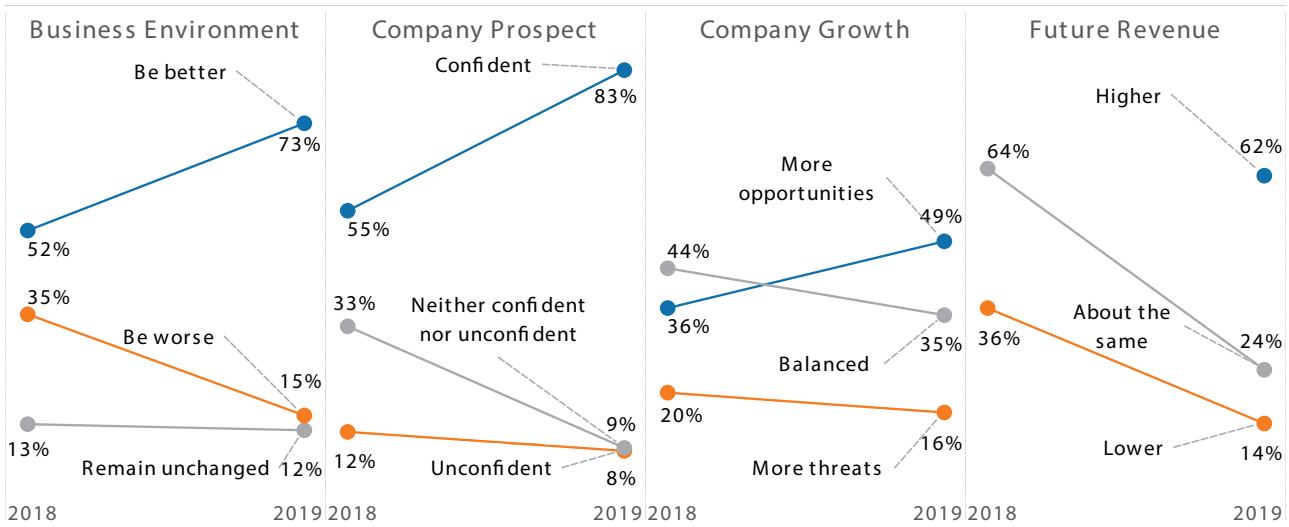
To achieve the above objectives, firms are planning to increase the use of digital technology payment systems, enhance their quality control systems and improve their leadership approach to drive innovation across then organisation. The strategies are expected to enable the firms to improve their corporate governance, agility to capture new market opportunities, and become focussed and highly competitive firms.

Business leaders were also asked about the level of the adoption of Industry 4.0 technologies in their organisations. There was a significant increase in the percentage of firms that have fully implemented these technologies from 13% in 2018 to 23% in 2019; while firms that partially implemented increased from 23% to 37%; while firms that are taking steps to implement these technologies increased marginally from 30% to 31%. The percentage of firms who are not ready or don't know or find it not applicable for their firms reduced significantly from 34% to 9%. Among the reason for not implementing or slowness in implementing these technologies in 2019 were: financial constraints, lack of industrial planning, coordination and direction by government agencies and industries bodies.

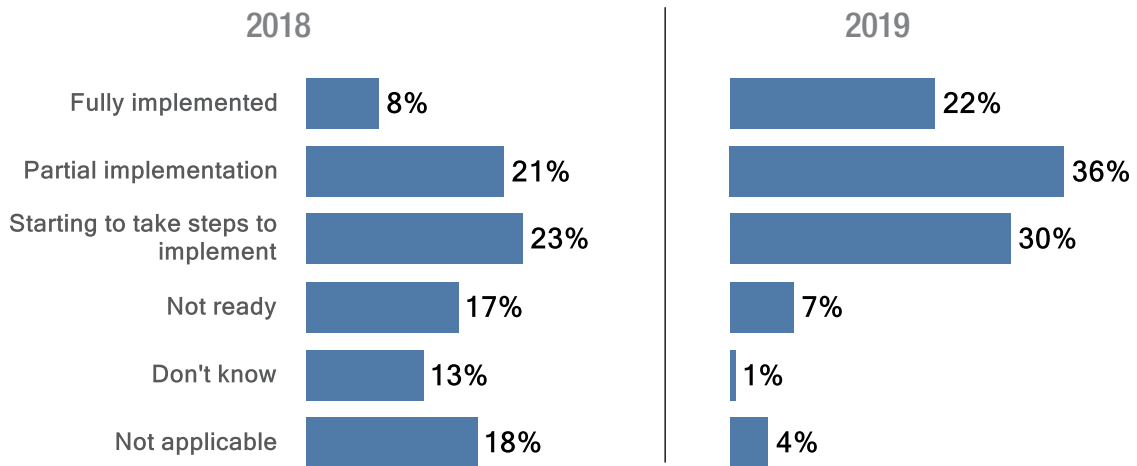
These firms are of the view that universities are integral to their business ecosystem. They opined in 2019 that universities should play an important role to nurture next generation graduate who are savvy with Industry 4.0 technologies; assist firms adopt these technologies and work closely with industry to undertake business process transformation. The business leaders are also of the view environmental sustainability is important for their business sustainability. In 2019, they are of the view that the following are the top three initiatives that should be in place to better manage environmental challenges: stricter environmental laws and regulation; government commitment in implementing green initiatives; and introduction of caps on pollution.

On the issue of gender diversity, only 16% of women are in C-suite positions; while women in senior vice president and vice-president roles were only 12% and 11%, respectively. Close to 40% of them are in senior manager/director and managers position.

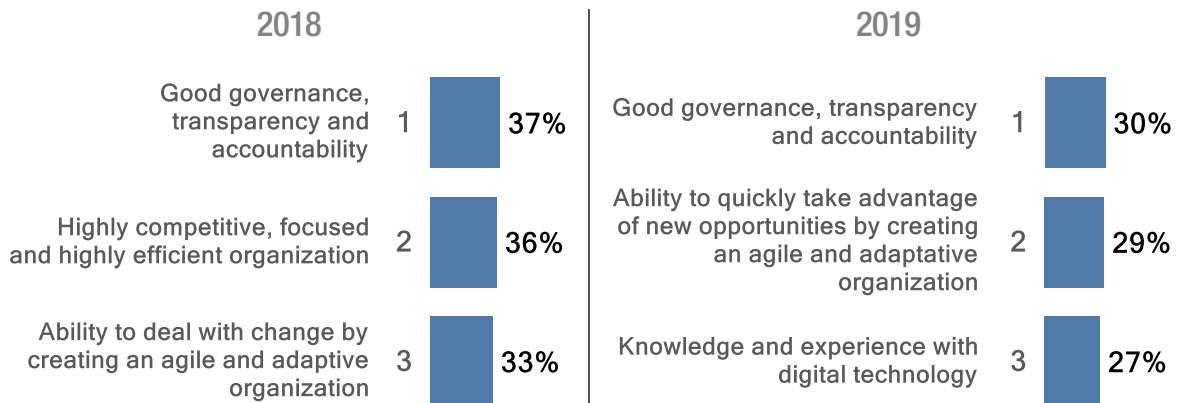
LARGE FIRMS



Industry 4.0 Status

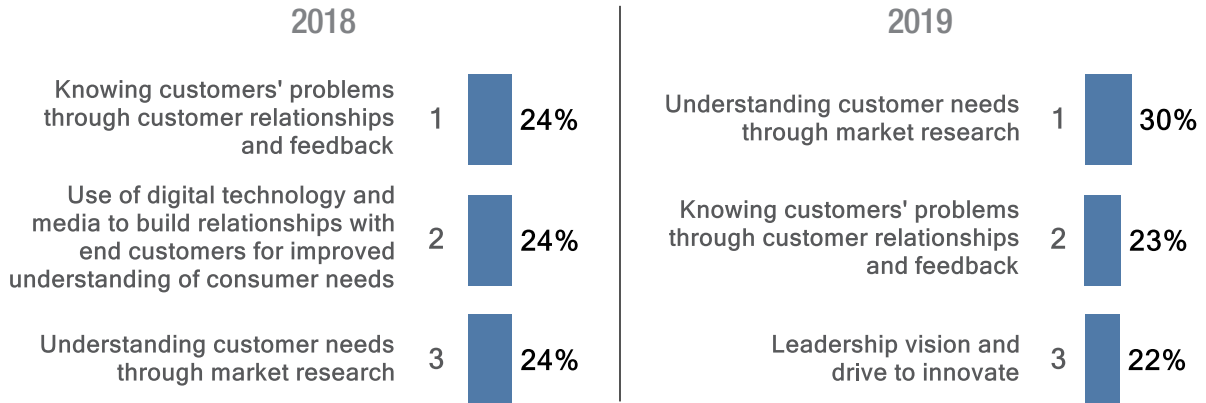


Key Company Culture

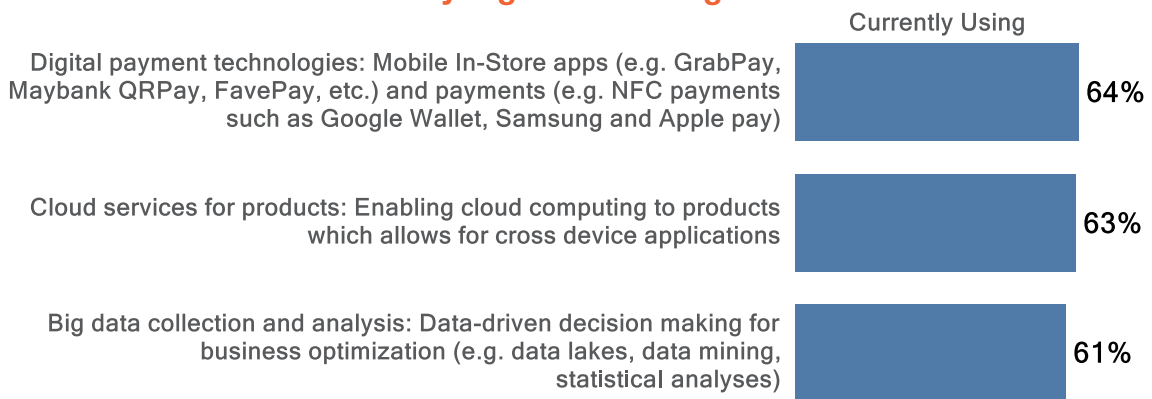


LARGE FIRMS

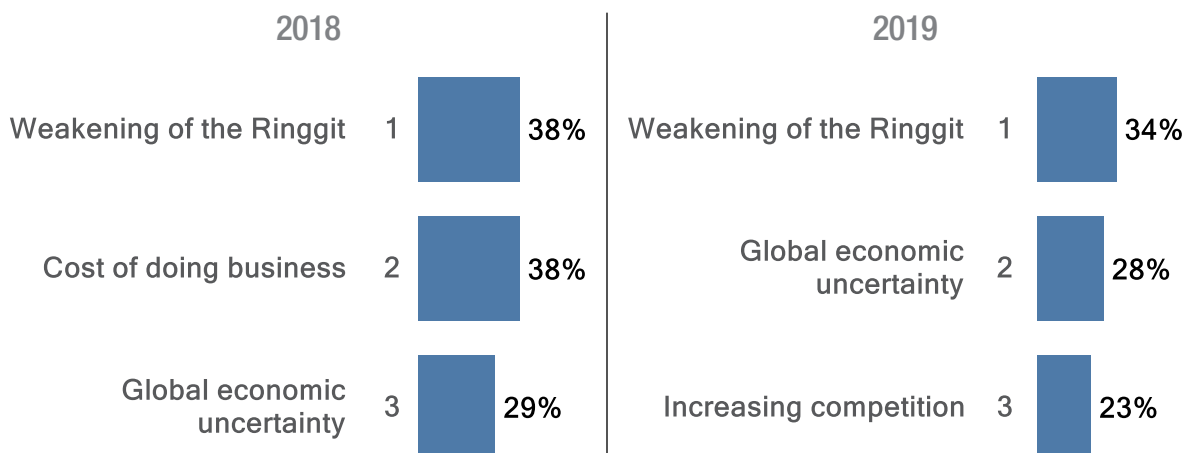
Key Contributors to Innovation



Key Digital Technologies

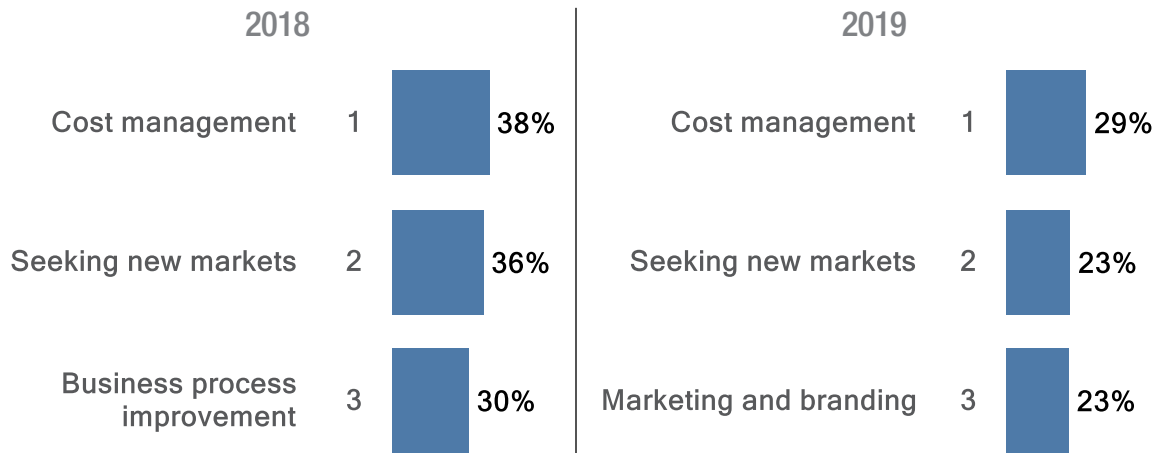


Key Challenges

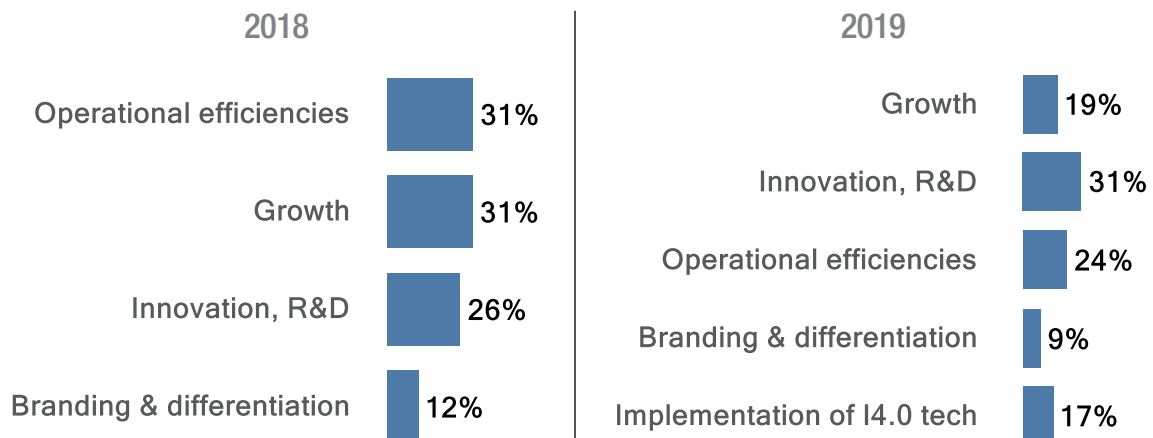


LARGE FIRMS

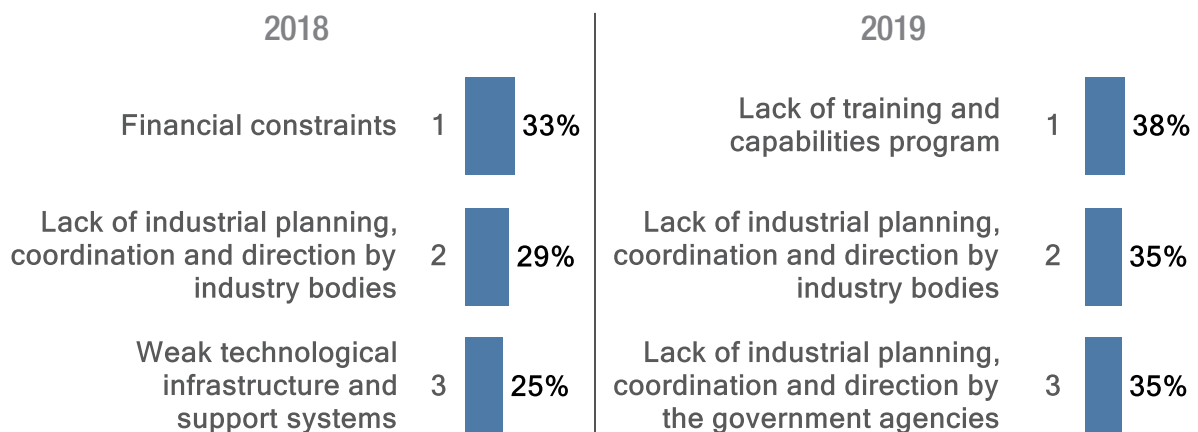
Key Resource Allocation



Key Focus Areas

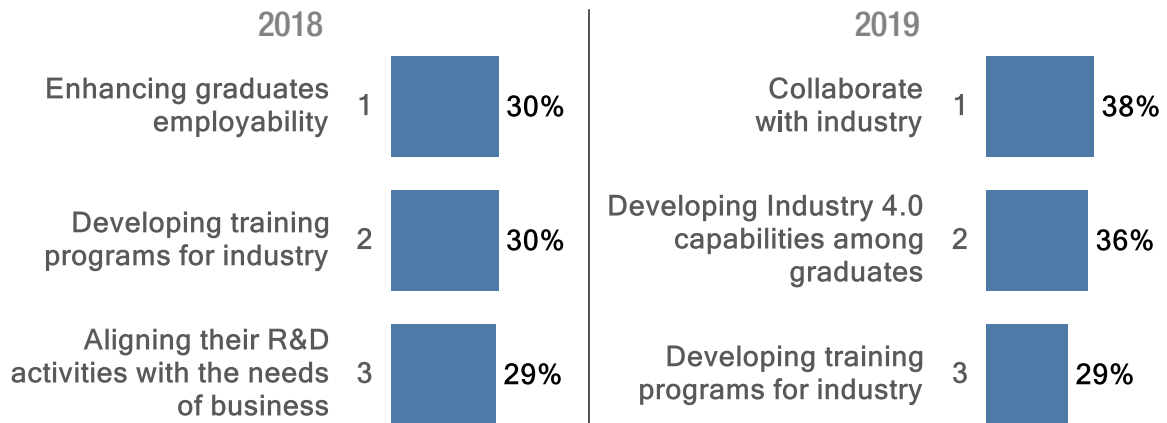


Key Industry 4.0 Implementation Challenges

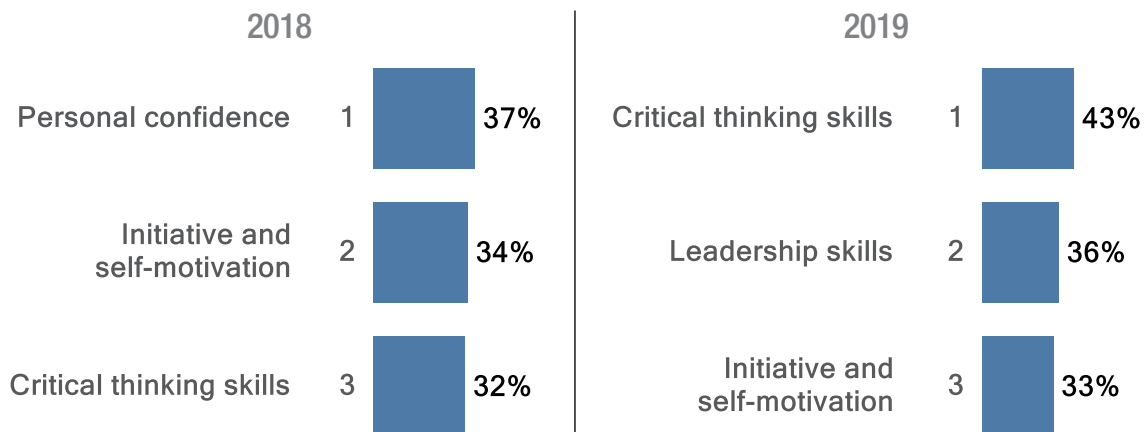


LARGE FIRMS

Key Roles of Malaysian Universities

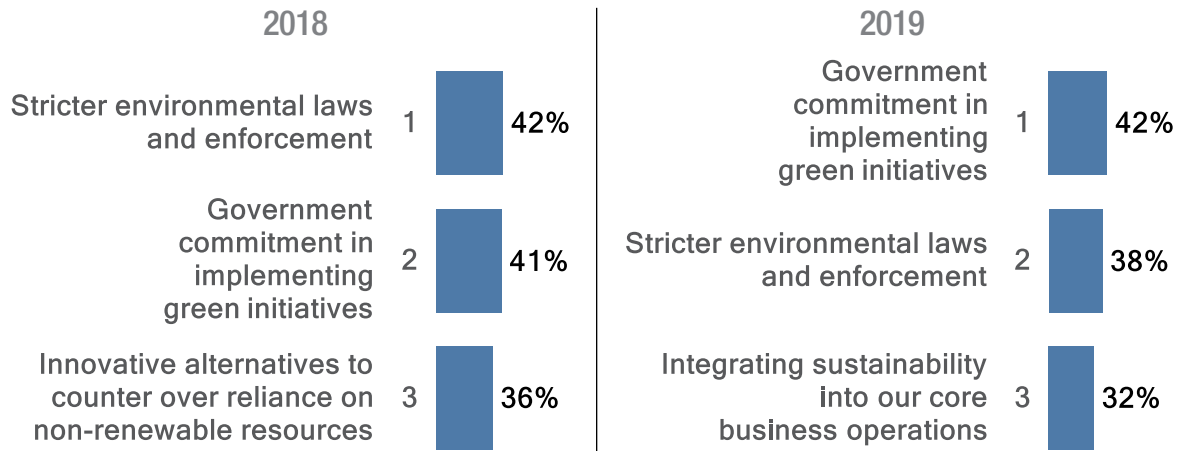


Key Graduate Skills

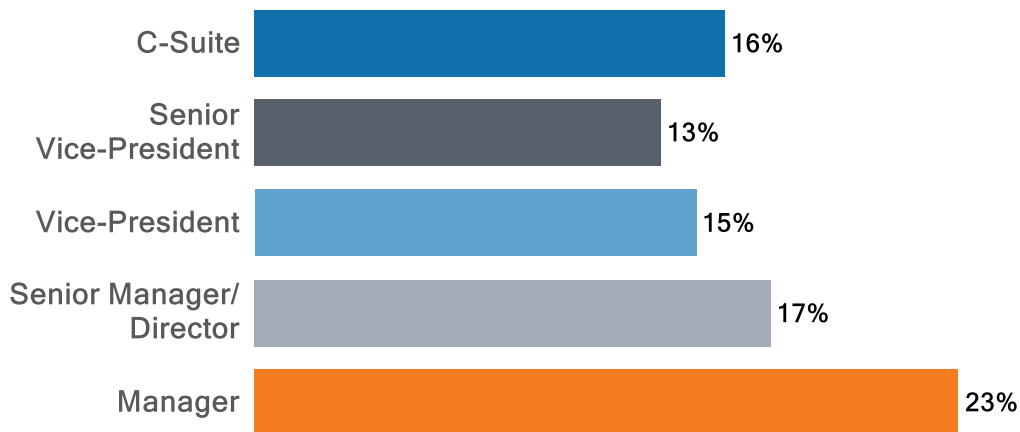


LARGE FIRMS

Key Sustainability Initiatives



Diversity: % of Women in Key Positions



LARGE FIRMS

The survey shows that the business sentiment (business environment, company prospect and company growth) among business leaders for large firms increased significantly from 2018 to 2019. Percentage of firms that state their future revenue will be higher in 2019 was 62%. The more upbeat business sentiment among large firms can be attributed to the fact that many of them are able to mitigate the uncertain economic conditions and intensive competition by adopting advanced technologies as well as their ability to capitalise from increasing foreign direct investments into Malaysian and the region. The latter is due to a shift in investments to the ASEAN region, following the trade dispute between US and China and political uncertainties in Europe.

The top three challenges they face in 2019 include the following: weakening of the Malaysian Ringgit, global economic uncertainty and increasing competition. These challenges were similar to the ones listed in 2018.

The top three key priorities in 2019 for large firms are as follows: to improve their innovative and R&D capabilities, enhance their operational efficiency, and pursue growth strategy. To achieve these objectives, resources are being channelled to improve the cost of the operations, seeking out new markets and improving the marketing and branding of their products and services.

Business leaders acknowledged that to be innovative, firms must have sound market intelligence of their customers' needs; a good customer relationship management system; and, ensure that the leadership of the organisation has the vision to lead innovation.

To achieve the abovementioned objectives, the use of digital technology is critical. Here, business leaders state that the following technology are important for firms: digital payment systems, data analytics and cloud services for products. These technologies are important for developing a vibrant and sound e-commerce platform to expand the firm's market reach and quality of service.

On the adoption of Industry 4.0 technologies - there is a significant increase in percentage of firms that have fully implemented these technologies from 8% in 2018 to 22% in 2019; while firms that partially implemented increased from 21% to 36%; and firms that are taking steps to implement these technologies increased marginally from 23% to 30%. The percentage of firms who are not ready or don't know or find it not applicable for their firms reduced significantly from 48% to 12%. The reasons for not implementing or slowness in implementing these technologies in 2019 include the following: lack of training and capability programs; and lack of industrial planning, coordination and direction by government agencies and industries bodies.

Large firms see that there are opportunities for universities to work closely with them to create a vibrant business ecosystem. For this to take place, collaboration between universities and industry must be intensified in a number of areas. Among them include developing Industry 4.0 capabilities of students and developing training programs for industry. These will be crucial for improving the employability of the graduates and enabling the firms to move up the global innovation value chain.

The business leaders are of the view that environmental sustainability should be led by government via implementation of green initiatives programs across all government programs. They are also of the view that there needs to be stricter environmental laws and enforcement of these laws. They expressed that the corporate sector also needs to play a role in environmental sustainable initiatives by incorporating it as part of their core business operations.

On gender diversity, only 16% of women are in C-suite positions; while women in senior vice president and vice-president roles are only 13% and 15%, respectively. Close to 40% of them are in senior manager/director and managers position.

RESEARCH METHODOLOGY

Mixed Methods Approach

This study used a mixed method, four-stage approach to assess the sentiments of corporate sector leaders in Malaysia.



PHASE 1: SCOPING AND CONTENT ANALYSIS

This stage employs scoping and content analysis involving sourcing secondary data from press releases, media reports and commentaries from other stakeholders. While the themes identified were neither comprehensive nor definitive; they however, assisted the researchers in identifying relevant, contemporary and contextual themes. These themes are captured in the Appendix: Businesses In 2019/2020.

PHASE 2: FACE-TO-FACE INTERVIEWS

This stage involves face-to-face interviews with industry captains from diverse industry groupings. From the interviews, an inductive interpretative analysis was undertaken to obtain key insights on the business environment and strategies undertaken by firms in their respective industries to navigate the business environment. These interviews provided the basis for the development of the questionnaire.

PHASE 3: ONLINE SURVEY

An online survey was undertaken using a questionnaire designed by the research team. The questionnaire was administered by GreenZebras (a market research consultancy company). Respondents were chosen from a wide range of industries, covering top level employees. The respondents include managers, Chief Executive Officers/Presidents, Chief Financial Officers, Chief Operation Officers and Managing Directors/Managing Partners. The questionnaires were administered in both English and Bahasa Malaysia. Items in the questions were randomized (i.e., items did not appear in the same sequence) to minimize response bias.

PHASE 4: VALIDATION OF SURVEY RESULTS

The findings of the survey results were validated with industry captains via roundtable discussions. The responses from these industry captains were very valuable in providing the context and insights to the various trends and patterns in the data.

APPENDIX: BUSINESSES IN 2019/2020



CUSTOMER SENTIMENT



- Dampened global demand
- Cautious domestic consumption
- Create value for customer



ECONOMY



- Slower global growth
- Weaker Ringgit
- Increasing cost of doing business
- Increasing adoption of Industry 4.0 technologies
- Intensive competition for foreign direct investment
- Pent-up race relation and ethnic issues impacting investor confidence



INTERNATIONAL TRADE



- Full blown Trade War
- Nationalism fuelling inward looking policies
- Greater efforts to foster ASEAN cooperation
- China, India and Indonesia as anchor regional players to regional economic development



NATURE AND ENVIRONMENT



- Uncertainties in the Middle East contributing to volatile oil prices
- Renewable energy policies and sustainability of economies
- Environmental issues as non-tariff barrier
- Global warming and regional haze



PUBLIC POLICY



- Revival of the mega infrastructure projects
- Prudent management of Deficit and National Debt
- Transitioning from labour intensive to technology intensive workforce – high value jobs
- Improving transportation system
- Shared Economic Prosperity Vision 2030 (Diversity and Equal Opportunity)



GOVERNANCE



- More effective anti-corruption agency
- Slow corruption trials
- Improving transparency and accountability in government procurement
- Improving public sector service quality



TALENT



- Mismatch in supply and demand of talent
- Strong “quadruple-helix”
- Intensifying ICT and TVET education
- Graduate employability – industry relevant skills
- Industry 4.0 savvy workforce

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This survey has been made possible with the support of CPA Australia, Global Asia in the 21st Century Research Platform – Monash University Malaysia and Monash Malaysia R&D Sdn Bhd.

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OUR VISION

To inspire, influence and impact industries and organisations in Malaysia to invest in research and development that will enable Malaysia to be an innovation-driven economy.

OUR MISSION

To develop and provide leading-edge research and development expertise to industries and organisations to discover innovative solutions that enhance their global competitiveness.

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Workshops and training for industry and organisation in technical and non-technical areas



Access to global research networks and talent



Creation of IPs, Patents, Trademarks and other commercialisation opportunities

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Produced by:

**Global Asia in 21st Century (GA21)
Research Platform
Monash University Malaysia**

In Collaboration with:

**Monash Malaysia R&D Sdn Bhd
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October 2019

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(Date of establishment: 20 March 2000)