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Paper**



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The Impact of Supply Chain Operational Capabilities on Business Performance of Small and Medium Enterprises in Malaysia: A Preliminary Analysis

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Abstract: This study determines the underlying determinants of supply chain operational capabilities (SCOC) and empirically tests a framework that can be used to identify the relationship among those determinants and business performance with special emphasis on small and medium enterprises (SMEs) in Malaysia. The study is based on a quantitative approach using a questionnaire survey from 135 Malaysian manufacturing SMEs. The empirical findings provide evidence on the relationship between structural and technological capability with business performance. However, it was found that there was no support on the impact of logistical capability on business performance. The most critical limitation of this study was its narrow focus on the manufacturing sector in Malaysian SMEs, thus, preventing the generalisation to other sectors and also to other countries that may gain the benefits from the responsiveness of SCOC. This study might offer several practical implications which could have some practical values for SMEs' practitioners and managers particularly in Malaysia.

Keywords: Supply Chain Operational Capabilities, Small and Medium Enterprises, Business Performance, Malaysia

INTRODUCTION

The Malaysian Government appreciates the importance of small and medium-sized enterprises (SMEs) to the development of the Malaysian economy. A number of

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