

Effects of *ulū al-albāb* on Strategies Practiced by Companies for Sustainable Competitive Advantage

Suhaimi Mhd Sarif
International Islamic University Malaysia

Abstract

This study postulates that strategies with *ulū al-albāb* enabled companies to sustain competitive advantage. Profit maximisation and cost minimisation are common objectives for business entities. The study of management policy and corporate strategy has incorporated this element, but that is the only driving force to sustain competitive advantage and sustainable development. This study explores the effects of *ulū al-albāb* in the strategies practiced by companies for sustainable competitive advantage. The study found that the effects of *ulū al-albāb* are in the knowledge management for organisational learning to sustain talents, preservation of assets, and humanised approach in business networking.

Keywords: Sustainable Competitive Advantage, Strategic Management, *ulū al-albāb*

INTRODUCTION

Strategic management is a capstone subject in business studies. It is taught at undergraduate as well as postgraduate levels of business management discipline. After studying all functional subjects like finance, accounting, economics, marketing, decision science, languages, and numerical subjects, strategic management integrates all the functional knowledge into case analysis and case writing.

Profit maximisation and cost minimisation are common objectives for business entities. The study of management policy and corporate strategy has incorporated this element, but that is the only driving force to sustain competitive advantage and sustainable development. This study explores the effects of *ulū al-albāb* in the strategies practiced by companies for sustainable competitive advantage.

FINDINGS

This part presents the findings of content analysis on the secondary sources of the selected companies.

Company	Nature	Consultants
Gadang	Construction	Syakina Osman
AzZain	Retail	Jannah Diyana
TH Travel	Tourism	Elly Baiti
Ayamas	Food	Amalina Farah
PRiMA	Real Estate	Maryam & Co
Ramly	Food	Suhail Sadaf
Thales	Construction	Fathi Arif
ASK	Event services	Sayed Tanvir
HUL	Consumer products	Zohaib Mahbub
SP	Construction	Abdiqani
Dyson	Electronic	Afnan Kuyateh
Sawary	Energy	Basit MBSA

Adabi	Food	Jasmine Inas
99Speedmart	Retail	Naufal Essa

The analysis is focusing on the effects of *ulū al-albāb* in the strategies practiced by companies for sustainable competitive advantage

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
Gadang	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking
AzZain	Market penetration	Best-cost	Value driven	Strategic alliances	Halalan Toyyiban Quality	Loyalty & eco system
TH Travel	Market penetration & diversification	Best-cost	Value driven	Strategic alliances	Ibadah & Ummah	Loyalty & eco system
Ayamas	Market penetration	Best cost	Value driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system
PRiMA	Market penetration	Focus differentiation	Value driven	Competencies & concession	Responsibility	Compliance
Ramly	Market penetration, product development & diversification	Broad differentiation	Value-driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system
Thales	Horizontal integration	Focus differentiation	Value driven	Strategic alliances	Responsibility	Compliance
ASK	Market penetration, product development & diversification	Broad differentiation	Value-driven	Strategic alliances	Service quality	Loyalty & eco system
HUL	Market penetration, product development & diversification	Cost leadership	Cost driven	Vertical and horizontal integration	Responsibility	Loyalty & eco system
SP	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking
Dyson	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking
Sawari	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking
Adabi	Market	Broad	Value-	Vertical	Halalan	Loyalty &

	penetration, product development & diversification	differentiation	driven	integration (backward & forward)	Toyyiban Quality	eco system
99Speedmart	Market penetration, product development & diversification	Broad differentiation	Value- driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system

DISCUSSION

The companies can be divided into construction, retail, food, services, property and specialised services.

Construction

There is only one company in construction. The emphasis is on intensity strategy with broad differentiation in the contexts of cost saving and quality compliance. Effects of *ulu al-albab* are on experience, expertise and networking.

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
Gadang	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking

Retail

In retail sectors, the corporate strategies are mainly intensity, integration and diversification strategies. However, there are different business strategies of AzZain, HUL and 99Speedmart. For HUL is on cost leadership, 99SpeedMart on broad differentiation and AzZain on best cost. In terms of functional strategy, most of them are on value driven. All the strategies are strengthened by horizontal and vertical integration with the reinforcement of quality or value driven. As for the effects of *ulu al albab* are on loyalty and ecosystem. In other words, customer loyalty and good ecosystem are essential to sustain competitive advantage of the companies in the retail sector.

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
AzZain	Market penetration	Best-cost	Value driven	Strategic alliances	Halalan Toyyiban Quality	Loyalty & eco system
HUL	Market penetration, product development & diversification	Cost leadership	Cost driven	Vertical and horizontal integration	Responsibility	Loyalty & eco system
99Speedmart	Market penetration, product development &	Broad differentiation	Value- driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system

	diversification					
--	-----------------	--	--	--	--	--

Food

In food industry, at corporate level, there are essentially survived on intensity, integration and diversification strategies. Likewise, their competitive advantage is driven by uniqueness or differentiation. They are mainly operating with broad differentiation. The strategies are strengthened by integration strategies with the quality emphasis. In terms of ulu al-albab effects, they are embedded in the loyalty and ecosystem.

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
Ayamas	Market penetration	Best cost	Value driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system
Ramly	Market penetration, product development & diversification	Broad differentiation	Value-driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system
Adabi	Market penetration, product development & diversification	Broad differentiation	Value-driven	Vertical integration (backward & forward)	Halalan Toyyiban Quality	Loyalty & eco system

Services

In services, at corporate level, there are essentially survived on intensity, integration and diversification strategies. Likewise, their competitive advantage is driven by uniqueness or differentiation. They are mainly operating with broad differentiation. The strategies are strengthened by integration strategies with the quality emphasis. In terms of ulu al-albab effects, they are embedded in the loyalty and ecosystem.

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
TH Travel	Market penetration & diversification	Best-cost	Value driven	Strategic alliances	Ibadah & Ummah	Loyalty & eco system
ASK	Market penetration, product development & diversification	Broad differentiation	Value-driven	Strategic alliances	Service quality	Loyalty & eco system

Specialised

In specialised services, at corporate level, there are essentially survived on intensity and integration strategies. Likewise, their competitive advantage is driven by uniqueness or differentiation. They are mainly operating with broad and focused differentiation. The strategies are strengthened by integration strategies with the quality emphasis. In terms of ulu al-albab effects, they are embedded in experience, expertise, and networking.

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
Thales	Horizontal integration	Focus differentiation	Value driven	Strategic alliances	Responsibility	Compliance
Dyson	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking
Sawari	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking

Property

In property, at corporate level, there are essentially survived on intensity and integration strategies. Likewise, their competitive advantage is driven by uniqueness or differentiation. They are mainly operating with broad and focused differentiation. The strategies are strengthened by integration strategies with the quality emphasis. In terms of *ulu al-albab* effects, they are embedded in experience, expertise, and networking.

Company	Corporate strategy	Business strategy	Functional strategy	Strengthen	Reinforcement	Effects
PRiMA	Market penetration	Focus differentiation	Value driven	Competencies & concession	Responsibility	Compliance
SP	Market penetration & product development	Broad differentiation	Cost-saving	Joint venture & acquisition	Quality, safety & trackrecords	Experience, expertise, networking

When these companies are essentially survived on intensity and integration strategies driven by uniqueness or differentiation and strengthened by integration strategies with the quality emphasis, the *ulu al-albab* effects are embedded in experience, expertise, and networking. This is to be done to face some dynamism in responding to humanity and environment get things done in organisations (Zaidi et al, 2018; Bakar et al, 2011; Warszawski, 1996). They are more concern with the delivery of value to stakeholders (Zaidi et al, 2018; Bakar et al, 2011; Warszawski, 1996). The responsibility *tadabbur* (getting insights) and *masuliyyah* (responsibility) in *istadamah* or sustainability (Sarif, 2014; Sarif, 2015; Hassan, 2010).

CONCLUSION

Strategies with *ulū al-albāb* enabled companies to sustain competitive advantage. While profit maximisation and cost minimisation are common objectives for business entities, there are effects of *ulū al-albāb* in the strategies practiced by companies for sustainable competitive advantage. The study found that the effects of *ulū al-albāb* are in the knowledge management for organisational learning to sustain talents, preservation of assets, and humanised approach in business networking.

REFERENCES

- Adabi.(2020). *Adabi Consumer Industries Sdn Bhd*. www.adabi.com
- Andújar-Montoya, M., Gilart-Iglesias, V., Montoyo, A., & Marcos-Jorquera, D. (2015). A construction management framework for mass customisation in traditional construction. *Sustainability*, 7(5), 5182-5210.
- Askvenue.(2020). About us. Retrieved from www.askvenue.com.my

- Azzain. (2020). AzZain Mart. Retrived from azzainmart.com
- Bakar, A. H. A., Tufail, M. A., Tufail, M. N. Y. M. A., & Virgiyanti, W. (2011). Implementation of strategic management practices in the Malaysian construction industry. *Pakistan Journal of Commerce and Social Sciences (PJCSS)*, 5(1), 140-154.
- Cheah, C. Y., Garvin, M. J., & Miller, J. B. (2004). Empirical study of strategic performance of global construction firms. *Journal of Construction Engineering and Management*, 130(6), 808-817.
- Cicmil, S., & Marshall, D. (2005). Insights into collaboration at the project level: complexity, social interaction and procurement mechanisms. *Building Research & Information*, 33(6), 523-535.
- Gladden, M. E. (2019). Who will be the members of Society 5.0? Towards an anthropology of technologically posthumanized future societies. *Social Sciences*, 8(5), 148.
- GHB. (2020). About us. Retrieved from www.gadang.com.my
- Emis. (2018). Kara Holdings Sdn Bhd Company Profile. Retrieved from www.emis.com
- Haque, A., Rahman, S., Ahmed, I. S., Yasmin, F., & Asri, A. (2011). Assessing the impact of advertisement towards Malay consumers: An empirical study of fast food restaurants in Malaysia. *Business Management Dynamics*, 1(2), 39.
- Hindustan Unilever Limited. (2020). About us. Retrieved from www.hul.co.in
- Huang, T. T., Chen, L., & Stewart, R. A. (2010). The moderating effect of knowledge sharing on the relationship between manufacturing activities and business performance. *Knowledge Management Research & Practice*, 8(4), 285-306.
- Huda, M., Ninsiana, W., Ulfatmi, U., Siregar, M., Febriyanto, F., Hashim, A., ... & Maseleno, A. (2020). Strengthening moral responsibility for learning quality in Islamic Education. In *Global Perspectives on Teaching and Learning Paths in Islamic Education* (pp. 219-243). IGI Global.
- Kale, S., & Arditi, D. (2003). Differentiation, conformity, and construction firm performance. *Journal of Management in Engineering*, 19(2), 52-59.
- Hassan, M. K. (2010). A return to the Qur'ānic paradigm of development and integrated knowledge: The Ulū al-Albāb model. *Intellectual Discourse*, 18(2), 183-210.
- Naina Mohamed, R., & Mohd Daud, N. (2012). The impact of religious sensitivity on brand trust, equity and values of fast food industry in Malaysia. *Business Strategy Series*, 13(1), 21-30.
- Oriental Holdings Berhad. (2020). About us. Retrieved from ohb.com.my
- Perbadanan PR1MA Malaysia. (2020). PR1MA. Retrieved from www.pr1ma.my
- Ramly. (2020). About us. Retrieved from www.ramly.com.my
- Sahlan, M. K., Abu-Hussin, M. F., & Hehsan, A. (2019). Market coopetition: Implications of religious identity in creating value added partnership within halal mart retailers. *Journal of Islamic Marketing*, 10(2), 465-475.
- Sarif, S. M. (2014). Tawhidic paradigm and organizational policy and strategy practices. *South East Asia Journal of Contemporary Business, Economics and Law*, 5(2), 28-35.
- Sarif, S. M. (2016). Managing companies with ukhuwwah approach as business core catalyst for sustainability. *International Journal of Business, Economics, and Law*, 3(2), 9-17.
- Sarif, S. M. (2017). Society 5.0 Qalb with Tawhidic Paradigm. *Journal of Education and Social Sciences*, 8, 208-17.
- Sarif, S. M., Ismail, Y., & Azlan, Z. (2017). Effects of *Maqasid Al-Shariah* for ethical decision making among social entrepreneurs. *Journal of Islamic Management Studies*, 1(1), 1-14.
- Sawary Energy. (2020). Sawary Energy Power Solutions for Saudi Arabia. Retrieved from www.sawary-sa.com

- SPSetia. (2020). About us. Retrieved from www.spsetia.com
- Thales Group. (2020). Malaysia. Retrieved from www.thalesgroup.com
- TH Travel. (2020). Informasi Syarikat. Retrieved from thts.com.my
- Warszawski, A. (1996). Strategic planning in construction companies. *Journal of Construction Engineering and Management*, 122(2), 133-140.
- Zaidi, F. I., Zawawi, E. M. A., Nordin, R. M., & Ahnuar, E. M. (2018, February). An empirical analysis of strategy implementation process and performance of construction companies. In *IOP Conference Series: Earth and Environmental Science* (Vol. 117, No. 1, p. 012026). IOP Publishing.