

Organisational Resources and Healthcare System Capability in Malaysian Private Hospitals: A PLS-SEM Analysis

Catherine Lim Tsuey Tyng

Department of Business Administration, Faculty of Business and Management, Open University Malaysia, Malaysia

Mohd Ghazali Mohayidin

Department of Business Administration, Faculty of Business and Management, Open University Malaysia, Malaysia

Abstract

The increasing complexity, digitalisation, and competitiveness of healthcare delivery have heightened the importance of organisational resources and system-level capabilities within private hospitals. However, limited empirical evidence explains how different categories of organisational resources contribute to Healthcare System Capability (HSC), particularly in the Malaysian private healthcare context. Drawing upon the Resource-Based View (RBV), this study examines the relationships between Physical Capital Resources (PCR), Human Capital Resources (HCR), Organisational Capital Resources (OCR), and HSC among Malaysian private hospitals. A quantitative, cross-sectional research design was adopted, with data collected from 352 management personnel employed in Malaysian private hospitals through a structured questionnaire. The data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The measurement model demonstrated satisfactory reliability and convergent validity, with Cronbach's alpha values ranging from 0.859 to 0.919, composite reliability from 0.884 to 0.934, and average variance extracted from 0.523 to 0.585. The structural model explained 67.2% of the variance in HSC. The findings indicate that PCR ($\beta=0.21$, $p<0.001$), HCR ($\beta=0.26$, $p<0.001$), and OCR ($\beta=0.48$, $p<0.001$) each have significant positive relationships with HSC. Among the three dimensions, OCR demonstrated the strongest relationship and the largest effect size ($f^2=0.27$), followed by HCR ($f^2=0.09$) and PCR ($f^2=0.06$). The findings demonstrate that healthcare system capability is not primarily determined by the possession of physical and technological resources but is strongly dependent on organisational structures, routines, teamwork, knowledge sharing, governance, and continuous improvement mechanisms that enable effective resource integration and orchestration. The study extends RBV in the healthcare context by empirically demonstrating the differential contribution of physical, human, and organisational resources to healthcare system capability. The findings also provide practical implications for Malaysian private hospitals seeking to strengthen organisational capability and sustain healthcare performance in an increasingly complex and digitally enabled environment.

Index Terms

Healthcare System Capability; Physical Capital Resources; Human Capital Resources; Organisational Capital Resources; Resource-Based View; Malaysia Private Hospitals; PLS-SEM