

# **CAPABILITIES DIFFERENTIALS AS SOURCES OF SUSTAINABLE COMPETITIVE ADVANTAGE**

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## **ABSTRACT**

The aim of this study is to measure the sustainability of Malaysian private colleges/institutions' competitive advantage by adopting the concept of capabilities differentials. Extensive literature review has been made to discuss the concept of capabilities differentials as firm's intangible resources and strategic asset. The four dimensions capabilities differentials: functional, positional, cultural and regulatory capabilities differentials are used as tool in the study. Discussion on issues and challenges of Malaysian private colleges/institutions are included in the paper. The paper also discusses the key contributions of the study and the implication for future research on intangible resources and capabilities differentials. The results of the study reveal that, Malaysian private colleges/institutions possess modest sources of sustainable competitive advantage (SCA) and the sustainability of those resources is weak. In other words, it is difficult for Malaysian private colleges/institutions to maintain their competitive advantage in which their sources of competitive advantage may be easily imitable and substitutable by competitors.

**Keywords:** *Capabilities differentials, Intangible resources, sources of sustainable competitive advantage*