DETERMINANTS OF ECONOMIC GEOGRAPHY OF MALAYSIA: MODERATING EFFECT OF GEOGRAPHIC DIVERSITY AND GEOGRAPHICAL LEADERSHIP

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ABSTRACT

In the current competitive environment, the growth of the economy is created a big contribution in the development of any country. If it is not properly addressed, then the development of any country from the geographical perspective could be deployed. It was observed in the literature that Malaysia has several issues from the economic geographical growth perspective issues as compared to other countries. To address these issues, the current study objective was to investigate the moderating of geographical diversity and geographical leadership on the relationship of institutional factors (INF), space factors (SPF), geographical indicators (GEI), power factors (POF) and economic geography (EOG) of Malaysia. For this purpose, the data was collected from the 350 geographical planning employees through a survey questionnaire by using a convenient sampling technique which shows 70 percent response rate. The cross-sectional research design was employed and used the quantitative research approach. The Partial Least Square (PLS)-Structural Equation Modeling (SEM) techniques results had shown that all exogenous variables had positive and significant relationship with the endogenous variable. The indirect findings had also found that both moderating variables have significant moderating effect among all the exogenous and endogenous variables. This moderating effect could be considered big contribution of the study that could add a body of literature in the extant that could become a new area of research in future.

INTRODUCTION

In the modern age, economic geographers have employed ideas from structural economics in recent years to understand regional growth processes. The institutional economies represent of urban existence social context and also the

complicated evolutionary economic growth nature with perspectives on institutional factors. It is useful for affecting away from the geometric and analytical images of traditional economics. However, it restricts financial decisions to utility-maximizer reactions, but it also simplifies and categorizes the tone of much Marxist philosophy, in which agency is unimportant (Krugman, 1999). The importance of the social component across regions in influencing economic expansion paths is proven by institutional alternatives that see locales and regions as active participants in economic growth rather than passive spectators in capital production (Zhou & Liu, 2019). In terms of geographical development strategy, a few prominent geographers used this post constructivism to narrow the gap between classical market deterministic and the notion that free markets would eventually diminish regional inequities (Rodrigo-Comino et al., 2018).

Over the last year, a heated subject has emerged in economic geography (EOG) and as well as further social sciences, including political science and economics, centred on the problem of what science program, main concentration, and technique should be included in current financial geography. According to studies, contemporary EOG has arisen (Boschma et al., 2017; Morgenstern, 2020). The modern EOG offers a novel economic perspective on collective delivery pattern and balancing issues, with an emphasis on rising sales and transportation costs, further other trading interrelatedness. However, because "almost as much of the fact they explore is neglected as the old trade ideas," a systematic done through a process cannot be formed like a framework on EOG. According to the literature, this strategy is appropriate described as geographic economy (Balineni et al., 2019; Kamal & Sundaram, 2019). Moreover, Geographical variation may be defined as a firm's expansion into multiple places. Geographical diversity, in particular, aids organizations in capturing company's future growth opportunities and stabilizing average operational returns over a number of marketplaces with varying economic conditions, natural surroundings, and regulations (Ndam, 2020; Pradhan et al., 2020; Seoane, 2020; Tolić, 2020; Vo & Ngo, 2020).

Previous research on the positive effect of geographical diversity on economic geography (EOG) has defined as the concept of internalization, capital theories, as well as the new hypothesis of assortment, and yet no study of the moderating role of geographical diversity (GED) and geographical leadership between the relationship of Institutional factors (IF), geographical indicators (GEI), space factors (SPF), power factors (POF) and EOG. The original trigger for GED had been a business's desire to find methods to leverage intangible qualities on market imperfections. On the other hand, in many marketplaces, organizations could increase their value by utilizing immaterial features. furthermore towards this viewpoint, the corporate training basic concept, where it mainly asserts that a company's prior learning enables this to implement and gather current and fresh data, further highlights that dispersed components inside an institution will assist a company in constructing one's intangible assets, including existing "knowledge", long term proficiency, and experience and "knowledge" in multiple locations (Balineni et al., 2019; Xiong et al., 2021). There are several businesses inside this economy. Economics is the result of the merging of these two disciplines. Both industries help overall market at first, and then get

economic support with second step. If the economic growth remains stable or continues to improve, the implications on various market segments will be positive (Kobayashi & Farrington, 2020; Noble & Jandejsek, 2020; Sezer et al., 2020; Shtamburg et al., 2020; Sonar et al., 2020; Yakut, 2020).

Along with previous importance the previous studies still had major focused on other developed economies while had little attention on developing economy. In addition, the previous researchers had some inconsistent findings positive, significant relationship with the EOG which shows there is a need of another variable to clear this gap. Keeping in view previous discussion, it had also found that INF had a positive and significant relationship with the EOG (Aparicio et al., 2016), while in other studies is found that it had negative relationship (Rupasingha et al., 2002). On the other hand, SPF and POF also found the positive and significant impact on EOG (Aleksandra, 2021; Morrison & Egan, 2000). It I also found that the GEI had a significant and positive association with the EOG (Crescenzi et al., 2021). In other words, the impact of GLED with EOG was also significant which was found in the research of (Kirby, 2014). While, the impact of GED was found significant and positive effect on EOG in the study of (Partridge et al., 2008).

These previous discussed findings had shown that previous studies discussed the direct relationship of INF, POF, SPF, GLED, GEI and GED but did not have the indirect relationship. Also had inconsistent findings. As per the recommendation of (Baron & Kenny, 1986) when the previous studies had inconsistent finding there is a need of moderating effect relationship. Therefore, the GLED and GED are used as a moderating variable on the relationship of Institutional factors (IF), geographical indicators (GEI), space factors (SPF), power factors (POF) and EOG of Malaysia. The spatial economy of Malaysia is the focus of this research. Malaysia had been a normal country in 2021, with something like GDP. Malaysia GDP growth rate for 2020 was -5.59%, a 9.89% decline from 2019, Malaysia GDP growth rate for 2019 was 4.30%, a 0.47% decline from 2018, Malaysia GDP growth rate for 2018 was 4.77%, a 1.04% decline from 2017, Malaysia GDP growth rate for 2017 was 5.81%, a 1.36% increase from 2016. On the other hands, GDP per capita for 2020 was $10,402, 8.87% decline from 2019. This is a reason, the Malaysia economic growth for 2020 was $336.66B, a 7.68% decline from 2019.

This decline could affect to the economy of Malaysia in global economy because global economy growth within the country has a beneficial relationship. These economic and social developments must be considered immediately in the current moment. Geographical expansion is becoming a buzzword. The goal of any country is to increase its standard of living. One of the main instruments for analyzing living circumstances is per capita income. The real state sector performs an important role in economic growth and is sometimes regarded as being among the nation's most necessities. If the country's economy continues to develop, it will benefit the country's overall geographical expansion aim. The emergence of structural views in EOG as well as regional growth research demonstrates the social sciences' growing participation in institutionalism. The idea that bigger organizational frameworks underpin economic processes is crucial contrasts with EOG historical proclivity to use traditional economics to

isolate "economic" from its broader social, economic, including cultural settings (Martín et al., 2021). The increase in real GDP also demonstrates the country's geographical growth, since if the region has geographically developed, this may be able to provide considerable GDP for the economy. Keeping in view the importance of geographic diversity, the proper leader of the country is also played an important role that could affect to increase the various institutional factors, geographical indicators, space factors and power factor on EOG. Therefore, the current study purpose was to investigate the moderating of geographical diversity and geographical leadership on the relationship of institutional factors (INF), space factors (SPF), geographical indicators (GEI), power factors (POF) and economic geography (EOG) of Malaysia (Muller & de Klerk, 2020; Premporn Khemavuk, 2020; Sani & Alashti, 2020; Suard, 2020; van der Westhuizen & Ntshingila, 2020; Van Schalkwyk & Müller, 2020).
The study was divided into five sections, introduction, literature review, research methodology, data analysis and findings and discussions.

LITERATURE REVIEW

The research literature has been discussed from both of theoretical and empirical perspective.

THEORETICAL REVIEW

The theoretical formation reflects part of a larger shift in economic fields in which the historical and psychological components underlying economic activity were assigned increasing weight. By terms of regional development, an organizational viewpoint considers in which way the inherent characteristics of a region may encourage or inhibit economic progress. Recent comments about the transformation toward an experience and understanding economy have bolstered the case for institutional notions. Innovation like a socially balanced and cooperative process has given rise to fresh debates on the importance of localized learning in the building of strategically regional benefit (Chiba et al., 2020; Swinburn et al., 2019). The essential consideration is that the transmission of implicit analysis tools and techniques, for especially, includes regular social interaction and, as a result, close geographic location between enterprises, which contributes towards different sorts of spatial clustering within "knowledge"-based sectors. In addition, this has LED to an increased focus upon that regional scale also as focal point driving social involvement and information development. Whereas we agree that the market being socially embedded and that economic survival is consequently dependent on the applied and significance of a marketplace, we disagree regarding certain of the ways whereby an institutionalism has been conceived and applied under EOG (Krugman, 1998).

Our critique is concentrated on two interconnected topics. First and foremost, there is a disregard for policy and authority considering future intra-regional splits, as well as the repercussions of larger uneven development and authoritarian control institutions. Secondly, we reject the tendencies that contextualize the region like a scientific objective and then a site of political activity at other geographical scales. According to certain research, areas have been considered nearly essential strategic actors especially through phrases like the 'learning process of students' (Aleksandra, 2021; Mao & Wang, 2016).

Economic geographers' acceptance of institutional theory has been imperfect or insufficient, probably indicative of very ambiguous nature of institutional theory, especially when compared to "neoclassical economics' analytic elegance and tractability", including its capacity to make simple and direct estimates and thus the 'new EG.' therefore, Our main worry seems to be the restricted way whereby some aspects of institutionalism were identified by instrumentalists upon that necessity for areas for participate in a more globalized world through continual learning and inventiveness. Such experimentalist viewpoint appears to run counter to the old structural approach of viewing the market like a framework based on strength, "knowledge", and values.

Alternatively, we suggest that institutional "knowledge" can correctly integrated towards a more sophisticated and connected framework that examines productivity expansion in place of as an out again and disputed process operating on multiple geographical scale. As per this viewpoint, regions can generate and replicated either with conduct of social categories and organizations operating within wider accumulative and standardizations. These parts delve into the beginnings of fundamental economics and the organizational 'orientation' in EG. The final portion attacks EG's institutional work, demonstrating the insufficiency of space and power issues. There in fourth part, we emphasized the importance of incorporating institutional findings towards a more dynamically, bidirectional relationship for economic growth, as well as attempting to understand the consequences for research empirical (Inkinen & Kaakinen, 2016; Kirdina-Chandler, 2019). Whereas the research draws EOG closer towards the core ideas of neoclassical economics, it also recommends a completely new path for EOG, based on the definitions and theories of all other social sciences. As per the research, geography would no longer 'ignite the imagination' of investigators. As a result, they advocate for a critical rethinking and reinvention of the key goals, concepts, and techniques in this domain (de Souza et al., 2020; Gonzalez et al., 2020; Lavazza, 2012; Mazibuko & Dlodlo, 2020; Rykiel, 2020; Wallenius et al., 2020).

The responses from their participation sparked a conversation, most of which was published inside a collector's edition of Antipode in 2001. Regrettably, discipline arguments, perspectives, and assertions dominate this conversation. This is mainly concerned with the question of if EOG must be primarily concerned with economic principles with sociological, geopolitical, as well as cultural studies. Specifically, economic considerations are becoming a growing problem in both the particular subculture of economic connections and in cultural studies (Brouder, 2017). However, current research implies a cultural shift away from the neoclassical economy; whose detractors emphasize the parallels among economic ideas and their importance as the foundation for EOG. Its debate is based in part on erroneous dichotomies, also including economics vs sociological between quantitative over principled methods. This debate is confusing in our judgement because it blends normative descriptions of the field's ethical repercussions alongside scientific and logical assertions. As a result, attempting to separate those interrelated socio - economic factors is a completely misguided conversation. The question of whether EOG must be fostered and economized might be the decisive factor. Financial and social ties, on the other hand, are crucial. These represent elements of same scientific fact

which can only be researched together instead of in segregation and through reductionist objectives (Huang et al., 2021).

In addition, various authors had been discussed that when the organization had a proper institutional factor, space factors power factors and geographical indicators played an important role to enhance the economic geography (Aleksandra, 2021; Bond-Smith & McCann, 2014; Hadjimichalis, 2006; Martin, 2000). In addition, the geographic diversity and geographic leadership also played an important role to enhance the economic geography (Letaifa & Rabeau, 2013; Verbeek & Mah, 2020). Therefore, the theoretical framework is consisted of four independent variables institutional factors, space factors, power factors, geographic indicators, two moderating variables geographic diversity, geographic leadership and one dependent variable economic geographic. All of these variables are listed below in following Figure.1 below.

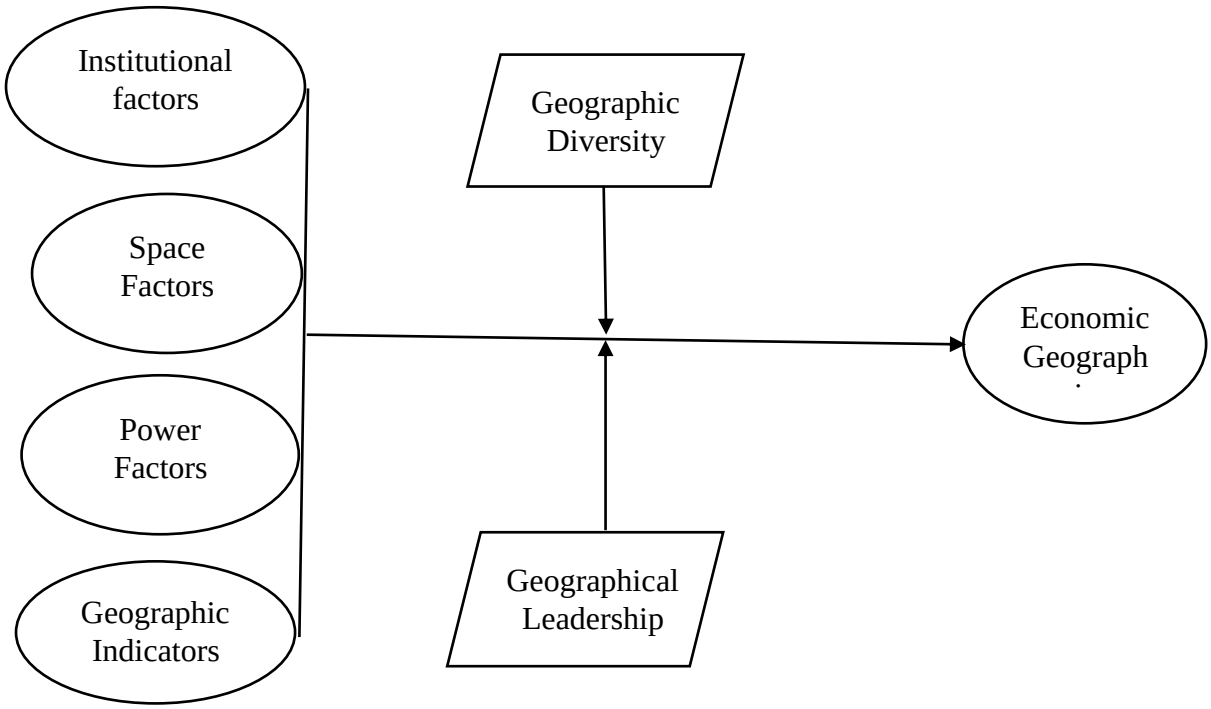

Figure.1: Theoretical Framework

Empirical Review and Hypothesis Development

After discussion of theoretical review, in the current section had been discussed the empirical review of the study that become the foundation of the hypothesis. Various studies had been conducted in the extant literature among the relationship of institutional factors (INF), space factors (SPF), geographical indicators (GEI), power factors (POF), geographical leadership (GLED), geographic diversity (GED) and economic geographic (EOG). While still previous studies still have some gaps. For example, three broad model methods of EOG were emerged progressively over time, according to previous research. These are referred to as Underfund (regional definition as well as synthesizing study), regional (and spatial analysis) research, including EOG. When we

discuss this shift from the German geographical perspective, our purpose would be not to spark a discussion about Germany's current EOG. Researchers are certain, however, that the well-known paradigmatic techniques had a significant influence about how historians historically viewed their field and how EOG has evolved over time (Benito-Osorio et al., 2020; Deng et al., 2021). The conclusions we reach because of the conversation provide the basis for the development of a fresh analytical paradigm that call relational EOG. According to the research, new progress in EOG are not gradual, as existing concepts are simply enhanced or updated. But since 1980s, a plethora of diverse insights, methodologies, and theories have been created, incorporating convincing notions that might constitute the basis for rethinking EOG. The implications are so profound that we see them as archetypal and representing the second shift.

They emerge as a result of heated argument, it provides leading to additional assertions, which act as a framework for a shift toward a totally different perspective. Throughout period, these are determined through consensus and' reasonableness.' Its second transformation seems to be noteworthy because it coincides with Germany's first major transformation to regional scientific "knowledge" and is indicative of a subsequent shift from geographic science toward a modern paradigm known as relational, EOG (Knight et al., 2020). In every regional market, spread across multiple businesses must adapt to a variety of sociological, governmental, fiscal, and consumer needs. This activity allows businesses to build information and expertise for accommodate a variety of stakeholders inside several settings. Moreover, previous researchers saw geographic diversity as a strategy for preserving competitive advantages as well as enhancing economic outcomes and reducing risk. Corporations' worldwide expansion makes their items more recognizable. Consumers, in effect, consider and become acquainted with the product. The strategic benefits acquired with regional differences, market familiarity, and brand reputation is another of the important intangible attributes which boost shareholder capital.

Several academics further claimed that brand awareness resulting from a company's presence and engagement with clients in a variety of locations would help enterprises to increase sales and establish new enterprises (Park et al., 2017). Those strategic benefits of international markets (multi-stakeholder requirements, increased market awareness, and a stronger brand image) might be crucial in the CSR-corporate risk alliance. Another study looked at the impacts of brand credibility on commercials promoting social responsibility like fair trade coffee and found that brand consciousness had a favourable impact on the link among CSR with product assessment. As per the latter study, coffee goods with a stronger brand identification score do well than those with a lower score. Furthermore, several research suggested that such a brand by an outstanding quality for CSR enterprise may allow a firm gain more clout in the area. As a result, restaurant firms that employ regional diversity like a key strategy to gain more market share must examine the influence of geographic diversification degree. Nevertheless, here seems to be very little study upon that moderating effect of regional diversity on the SRC-company risk relationship (Islam et al., 2019; Wakaisuka-Isingoma et al., 2016).

According to the present study, regional variety helps to improve the impact of beneficial CSR programs on company risk reduction (Hassink et al., 2014; Lee et al., 2014). An institution, "knowledge", and strategic links between companies and its environment give a road ahead in enabling us think about these difficult but important topics. It is vital to incorporate a discourse of firm operational challenges with the features of such sub national region for the purpose of better comprehend the relationship among MNE as well as its geographical environment. This would be particularly pertinent; given one amongst important questions is the impact of MNEs' changing strategy (Aguilera-Caracuel & Guerrero-Villegas, 2018; Khan et al., 2019). On the other hand, distance is a multifaceted construct that correlates to sociological, organizational, geographical, as well as economic range, according to geographers (Boschma et al., 2017; Kamal & Sundaram, 2019; Wills, 2019). "Territorial economies therefore illustrate in which way they are "inserted" in the enterprise market of enterprises, sometimes openly and indirectly, as a center of vital services through customer-supplier relationships. MNEs also suffer so-called universal jurisdiction, which does have a variety of effects on their situation including financial choices, thanks to the dynamic idea of distance.

Furthermore, it's seen experimentally that social, organizational, and physical barriers not just to lead to reduced cross-border expenditure, or that various distance ideas also impact FDI markets and productivity in the hunt for FDI in various manner. The above special journal article of EG aims to open up such particularly regional different aspects of transnational corporations and numerous behavior from different perspectives in order to foster an agriculturally productive interchange of "knowledge" and improve public awareness about the potential findings and routes towards further inter - disciplinary modification among all three types of research (Child & Barnes, 2019; Morgan et al., 2019). In addition to the difficulties mentioned and the information gained, each role, room, and organized topic closely follows the articles inside this volume. The position, distance, and organizational theme foundation seems more like a continuum after that a common unique band, therefore we can gradually journey anywhere along continuum throughout the collection of publications. Introduction: Areas such as economic market geography researches mainly look at the link among entrepreneurship and business starting acts, as well as the localized clusters structure at the organizational stage (Garrido-Prada et al., 2019). While analyzing such features, their study shows that the stability of a cluster within existence of related sectors seems to be a critical predictor for the establishment of new capabilities. Furthermore, many plant firms are discovering different establishments in domains where they presently work, including for start-up companies, as per this finding.

Keeping in view previous discussion, it had also found that INF had a positive and significant relationship with the EOG (Aparicio et al., 2016), while in other studies is found that it had negative relationship (Rupasingha et al., 2002). On the other hand, SPF and POF also found the positive and significant impact on EOG (Aleksandra, 2021; Morrison & Egan, 2000). It I also found that the GEI had a significant and positive association with the EOG (Crescenzi et al., 2021).

In other words, the impact of GLED with EOG was also significant which was found in the research of (Kirby, 2014). While, the impact of GED was found significant and positive effect on EOG in the study of (Partridge et al., 2008). These previous discussed findings had shown that previous studies discussed the direct relationship of INF, POF, SPF, GLED, GEI and GED but did not have the indirect relationship. Thus, based on previous gaps the following research hypothesis had been formulated below;

H1: Institutional factors significantly effect to economic geography of Malaysia.
H2: The power factors had a significant effect to economic geography of Malaysia.
H3: The space factors had a significant effect to economic geography of Malaysia.
H4: The geographical indicators had a significant effect to economic geography of Malaysia.
H5: Geographical diversity had a significant moderating effect between institutional factors and economic geography of Malaysia.
H6: Geographical diversity had a significant moderating effect between power factors and economic geography of Malaysia.
H7: Geographical diversity had a significant moderating effect between space factors and economic geography of Malaysia.
H8: Geographical diversity had a significant moderating effect between geographical indicators and economic geography of Malaysia.
H9: Geographical leadership had a significant moderating effect between Institutional factors and economic geography of Malaysia.
H10: Geographical leadership had a significant moderating effect between power factors and economic geography of Malaysia.
H11: Geographical leadership had a significant moderating effect between space factors and economic geography of Malaysia.
H12: Geographical leadership had a significant moderating effect between geographical indicators and economic geography of Malaysia.

RESEARCH METHODOLOGY

The study purpose is to investigate the moderating of geographical diversity and geographical leadership on the relationship of institutional factors (INF), space factors (SPF), geographical indicators (GEI), power factors (POF) and economic geography (EOG) of Malaysia. For this purpose, the data was collected from the geographical planning employees through a survey questionnaire by using a convenient sampling technique. The cross-sectional research design was employed and used the quantitative research approach. The questionnaires were sent to the respondents personally. Total 500 questionnaires were distributed to target respondents but among of the 350 questionnaires were returned which shows 70 percent response rate. The instrument was adopted from the previous literature. The geographical diversity was measured by 8 items, economic growth was measured by eight items, institutional factors was measured eight items, space factors was measured by five items, power factor was measured by eight items, and geographical indicators were measured by five items. These questionnaires were adopted from study of (Qabool et al., 2021). Lastly, geographical leadership was measured by five items which was

adapted from the study of (Zaman, 2020). The construct was measured on five-point Likert Scale from strongly agree which denotes by 1 and strongly disagree which denotes by 5.

Data Analysis and Interpretation

The Partial Least Square (PLS)-Structural Equation Modeling (SEM) was employed by using a Smart PLS. The measurement model was assessed from the convergent and discriminant validity. The convergent validity was assessed through the factor loadings, Chrohnbach Alpha, composite reliability (CR), and average variance extracted (AVE) which was recommend by (Hair et al., 2012; Hair Jr et al., 2016). The minimum recommended value for factor loadings is 0.5, average variance extracted (AVE) recommended value is 0.5 while recommended value for Chrohnbach Alpha is 0.70 and lastly for composite reliability recommended value is 0.70. These value are suggested by (Hair et al., 2012; Hair Jr et al., 2016). These values are predicted in Table.1 which shows that construct fulfil the criteria of convergent validity. On the other hand, the validity might be assessed from the Fornell and Larker, cross loadings and Hetrotrait-Monotrait Correlation (HTMT). These three criteria were recommended by (Hair et al., 2012; Hair Jr et al., 2016; Henseler et al., 2015). The Fornell Larker represent the square root of AVE which diagonal values should be greater than from below values (Henseler et al., 2015). And in the HTMT the correlation among the constructs should be less than 0.85 or 0.90 which is suggested by (Henseler et al., 2015). The discriminant validity HTMT results are only reported which are predicted in the following Table 2.

Table.1: Reliability and validity of construct

Constructs	**Items**	**Factor loadings**	**Alpha**	**Composite reliability**	**Average variance extracted**
EOG	EOG1	0.815	0.891	0.921	0.667
	EOG2	0.712			
	EOG3	0.756			
	EOG4	0.813			
	EOG5	0.834			
	EOG6	0.779			
	EOG8	0.786			
Geographical Diversity	GED1	0.687	0.892	0.939	0.721
	GED2	0.781			
	GED3	0.830			
	GED4	0.814			
	GED5	0.816			
	GED6	0.783			
	GED7	0.773			
	GED8	0.813			
Institutional Factor	INF1	0.913	0.848	0.897	0.735
	INF2	0.931			

	INF3	0.741			
	INF4	0.768			
	INF5	0.775			
	INF6	0.743			
	INF7	0.857			
	INF8	0.863			
Geographical leadership	GLED1	0.892	0.891	0.901	0.701
	GLED2	0.893			
	GLED3	0.783			
	GLED4	0.578			
Geographical indicators	GEI1	0.784	0.856	0.903	0.785
	GEI2	0.675			
	GEI3	0.783			
	GEI4	0.891			
Power Factor	POF1	0.850	0.914	0.927	0.783
	POF2	0.834			
	POF3	0.867			
	POF4	0.883			
	POF5	0.869			
	POF6	0.636			
Space Factor	SPF1	0.755	0.934	0.945	0.773
	SPF2	0.903			
	SPF3	0.756			
	SPF5	0.847			

Table.2: HTMT

	EOG	**GED**	**INF**	**GLED**	**GEI**	**POF**	**SPF**
EOG							
GED	0.230						
INF	0.689	0.452					
GLED	0.560	0.212	0.152				
GEI	0.450	0.198	0.464	0.410			
POF	0.532	0.466	0.511	0.452	0.123		
SPF	0.672	0.356	0.283	0.283	0.421	0.124	

After the measurement model of the study, the next step is to test the hypothesis of the study. The structural model was run by using a PLS-SEM technique employing 500 resampling methods. The SEM key findings had shown that institutional factors (INF), power factors (POF), geographical indicators (GEI), and space factors (SPF) have positive and significant effect on economic geography (EOG) which shows that when these factors increase then the EOG also increased. These results shown that these indicators are significant predictors of EOG. On the other hand, in the indirect effect, it is also found that geographical diversity (GED) and geographical leadership (GLED) had a positive and significant moderating effect among all the exogenous and

endogenous variables except INF and EOG which had negative relationship. This indirect effect had shown that GED and GLED are significant moderating variables which is a big contribution of the study. All these findings are predicted in the following Table.3 below.

Table.3: Hypothesis Results

Hypothesis	Beta	SD	T Statistics	P values
INF -> EOG	0.293	0.067	4.363	0.000
INF*GED -> EOG	-0.225	0.063	3.551	0.000
POF -> EOG	0.228	0.071	3.194	0.001
POF*GED -> EOG	0.129	0.064	2.025	0.023
SPF -> EOG	0.276	0.100	2.753	0.004
SPF*GED -> EOG	0.163	0.055	2.909	0.004
GEI->EOG	0.117	0.015	7.603	0.000
GEI*GED-> EOG	0.705	0.024	28.945	0.000
INF*GLED> EOG	0.108	0.013	8.021	0.000
POF*GLED>EOG	0.400	0.041	9.816	0.000
SPF*GLED-> EOG	0.234	0.490	3.285	0.000
GEI*GLED->EOG	0.248	0.059	4.181	0.000

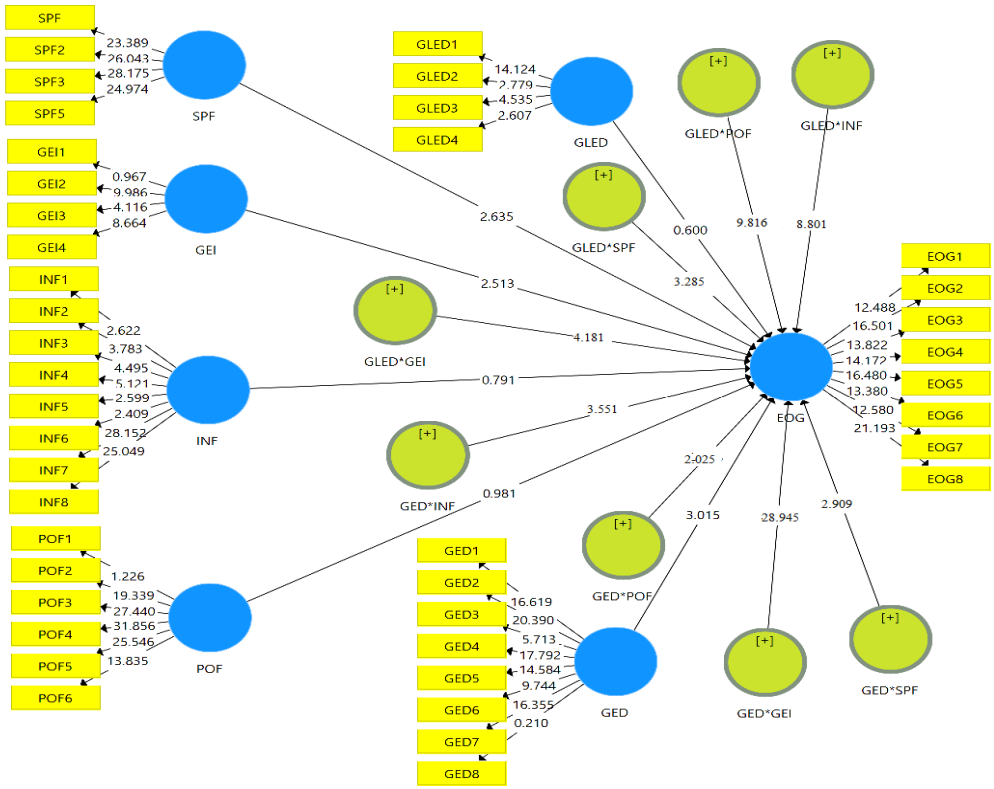

Figure.2: Hypothesis Results

DISCUSSION

In the current competitive environment, the growth of the economy is created a big contribution in the development of any country. If the growth of the economy is not properly developed, then the development of any country from

the geographical perspective of any county could be deployed. It was observed in the literature that Malaysia has several issues from the economic geographical growth perspective issues as compared to other countries. Various factors are associated along with this declining growth perspective. Among of those, the intuitional factors (INF), space factors (SPF), geographical Indicators (GEI), power factors (POF), geographical leadership (GLED) and geographical diversity (GED) are important indicators that could affect to economic geography (EOG) of Malaysia. To address these issues, the current study objective was to investigate the moderating of geographical diversity and geographical leadership on the relationship of institutional factors (INF), space factors (SPF), geographical indicators (GEI), power factors (POF) and economic geography (EOG) of Malaysia. As per the study findings, the INF are positively and significantly associated with EOG in Malaysia.

These findings are consistent with recent research by Aparicio et al. (2021), indicating that INF makes a considerable contribution to economic geography (E0G). The findings show that POF had a positive and significant with EOG in Malaysia. These findings are consistent with the findings of Fally et al. (2010), who found that efficient PF improves EOG in Malaysia. According to the findings, the SPF has a positive relationship with EOG. These findings are consistent with the findings of Lawson's previous investigations, which show that an increase in the SPF leads to an increase in the EOG. Furthermore, the study's findings reveal that GED acts as a key moderator amongst INF and EOG, strengthening their mutual relationship in the context of Malaysia. These findings are consistent with previous research by Qian et al. (2010), which found a connection between INF and EOG in the presence of GED. In addition, it is also found that GEI had also a positive and significant relationship with the EOG. Furthermore, the data show that GED acts as a moderator among both POF and EOG in Malaysia. These findings are consistent with previous research by MacKinnon et al. (2019), which show that GED, as a significant moderator, has a beneficial impact on the link between PF and EOG. Furthermore, the findings show that GED is a significant moderator amongst SPF and EOG for its favorable effects on their mutual relationship in the context of Malaysia. These findings are consistent with prior research by Goetz et al. (2016), which revealed that the link between SPF and EOG becomes stronger with regional diversification. On the other hand, it is also found that Geographical leadership is also significant and positive moderating effect variable on the relationship of all exogenous and endogenous variables.

In summary, the article concludes that the INF are positively related to EOG. The study investigates whether efficient and effective INF promote EOG. Furthermore, the study finds that the POF have a positive relationship with EOG. The greater the POF, the more favorable the EOG. Furthermore, an increase in the SPF leads to an increase in EOG. Furthermore, the data show that GED acts as a significant moderator between INF, POF, and SPF, as well as EOG. EOG impacts institutional, power, and SPF, and EOG and has an impact on their mutual relationship of INF, POF, and SPF, as well as EOG.

Implications and Future Research

The current paper examines theoretical as well as empirical consequences. The work adds significantly to the research on geography in terms of theoretical implications. The study discusses how efficient INF, POF, GEI and effective SPF contribute to economic geography. According to the study, GED has a moderating effect on the mutual relationship between INF, power, and SPF, and EOG. The study also has empirical implications because it provides a guidance to managing the economy about how to enhance EOG by improving INF, POF, GEI, and SPF, and by using GED and GLED as a moderator INF, POF, GEI, and SPF. The current study examines the effects of four variables INF, POF GEI, and SPF. Aside from these four characteristics, there are other others that influence the EOG and therefore should be considered by future researchers in their research. In this study, GED and GLED was employed like a moderator among INF, POF, GEI, and SPF, while EOG can also serve as a useful mediator. As a result, future researchers are anticipated to treat GED as a mediator between INF, GEI, POF, SPF and EOG. Furthermore, because the data used during support of such research was gathered from a single source, its appropriateness and completeness might well be limited; therefore, future researchers must gather data from multiple sources to support future research. While study was conducted on Malaysia which is a developing nation which has limited generalizability, hence a future study could be done other developed economies that could increase research generalizability.

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