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## Interactions among Factors Affecting Micro Entrepreneur Performance in Sarawak, Malaysia

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### ABSTRACT

Micro enterprise plays important role in achieving Malaysia's *Vision 2020*. Micro enterprises constitute about 76.5% of all businesses in Malaysia and employ over 1.2 million employees. In this regard, out of the total 907,065 Malaysian SMEs, 693,670 (78.7%) business foundations have been identified as micro enterprises (MEs) (Department of Statistics Malaysia, 2016). Hence, this paper analyses the factors affect the micro-entrepreneur's firm performance in Sarawak Malaysia. The research is based on 373 sample respondents from all over Sarawak with non-probability sampling and structured questionnaire had been used to collect response from the respondents. In terms of gender, female (67.8%) respondents clearly outnumbered the male (32.2%) respondents. AIM only offered loans to female micro entrepreneur while TEKUN and SEDC offered loans to both genders. The highest group of the micro entrepreneurs sampled in the present study, namely, more than one-third (39.8%), fell into the age group of 26 to 36. The lowest age group was 59 to 69 (5%). The respondents in this research were mostly micro entrepreneurs with more than two-thirds were educated up to secondary level MCE/SPM/SPMV (38%) and lower secondary level LCE/SRP/PMR (27%). Not even a quarter of the respondents were educated up to post-secondary and tertiary level education. Nevertheless, there were also a small number of them who had postgraduate qualifications, namely, Master's degree (0.5%) and Ph.D. (0.3%). The survey findings further revealed that the two identified factors (age and financial management knowledge) are significantly associated with micro entrepreneur compare to education level. The outcomes of this research can benefit the decision makers such as governments, microfinance institutions and other related institutions to support micro entrepreneur not only for poverty provision but also successful in firm performance.

**Keywords:** Micro entrepreneur, age, education level, financial management knowledge and Malaysia

### INTRODUCTION

Microfinance institutions (MFIs) have been the provider to micro entrepreneur which provides financial services (credit and saving) to the poor in order to release financial constraints and help alleviate poverty. Each MFI tries to maximize its repayment performance, whether it is profit oriented