



Faculty of Economics and Business

**IMPACT OF SME PROGRAMS (CAPACITY BUILDING AND
MARKET ACCESS) ON SME MALAYSIA PERFORMANCE**

Nurul Syafiza Binti Abdullah

**Bachelor of Economics with Honours
(Business Economics)**

2020

**Impact of SME Programs (Capacity Building and Market Access) on
SME Malaysia Performance**

NURUL SYAFIZA BINTI ABDULLAH

This project is submitted in partial fulfilment of
the requirements for the degree of Bachelor of Business Economics with Honours
(Business Economics)

Faculty of Economics and Business
UNIVERSITI MALAYSIA SARAWAK
2020

Statement of Originality

The work described in this Final Year Project, entitled
**“IMPACT OF SME PROGRAMS (CAPACITY BUILDING AND MARKET
ACCESS) ON SME MALAYSIA PERFORMANCE”**
is to the best of author’s knowledge that of the author except
where due to reference is made.

.....

(Date Submitted)

.....

(Student’s signature)

Name

Matric

ABSTRACT

IMPACT OF SME PROGRAMMES (CAPACITY BUILDING AND MARKET ACCESS) ON SME MALAYSIA PERFORMANCE

By

Nurul Syafiza Binti Abdullah

SME Malaysia is the most significant contributor to the number of business establishments. However, SME businesses need to confront with high competition from modern and large competitors. Following that, the programs launched has been questioned and still debatable, whether the program does have any help to improve the performances of SMEs in Malaysia. Thus, this study examined the effect of SME Programs, which is the Capacity Building and Market Access program on the SME Malaysia firm's performance. There are eight participants interviewed in this study that involved in the SME Malaysia programs. The researcher developed the hypothesis that the Capacity Building and Market Access program will affect firm performance in SME Malaysia. The data collection method employed is an interview. The results from the interview transcripts will be analyzed using thematic content analysis. There are a few themes acquired through the interview transcript, and it will be used to analyze the results and relate it to the theory, which is the Structure-Conduct-Performance (SCP) Paradigm. Based on the findings, the researcher concluded that the programs (Capacity Building and Market Access) has a positive impact on the SME Malaysia firm's performance.

ABSTRAK

**IMPAK PROGRAM PKS (KAPASITI PEMBANGUNAN DAN AKSES
PASARAN) KEPADA PRESTASI PERNIAGAAN PKS**

Oleh

Nurul Syafiza Binti Abdullah

PKS Malaysia adalah penyumbang yang paling banyak dalam pertumbuhan perniagaan. Walau bagaimanapun, perniagaan PKS perlu menghadapi persaingan yang tinggi dari firma moden dan besar. Berikutan itu, program yang dilancarkan telah dipersoalkan dan masih telah diperdebatkan, sama ada program tersebut dapat membantu meningkatkan prestasi PKS di Malaysia. Oleh itu, kajian ini mengkaji impak Program PKS iaitu Kapasiti Pembangunan dan Akses Pasaran terhadap prestasi firma PKS Malaysia. Terdapat lapan peserta yang ditemu ramah dalam kajian ini yang terlibat dalam program PKS Malaysia. Penyelidik mengembangkan hipotesis bahawa program Kapasiti Pembangunan dan Akses Pasaran akan mempengaruhi prestasi syarikat di PKS Malaysia. Kaedah pengumpulan data yang digunakan adalah temu bual. Hasil dari transkrip temu bual akan dianalisis menggunakan analisis kandungan tematik. Terdapat beberapa tema yang diperoleh melalui transkrip wawancara, dan ia akan digunakan untuk menganalisis hasilnya dan mengaitkannya dengan teori, iaitu Paradigma Struktur-Kelakuan-Prestasi (SCP). Berdasarkan penemuan tersebut, penyelidik membuat kesimpulan bahawa program (Kapasiti Pembangunan dan Akses Pasaran) mempunyai kesan positif terhadap prestasi firma PKS Malaysia.

ACKNOWLEDGEMENT

First of all, I would like to thank my organization and also my university, Universiti Malaysia Sarawak (UNIMAS), for giving me the opportunity and support to do the Final Year Project (FYP). Also, I am eternally grateful to have Dr. Muhammad Asraf bin Abdullah as my supervisor. I want to express my gratitude for your patience in guiding and supervising me. Your advice is a matter for me to complete the research. He also provides the material for me to complete the project.

Besides, I want to express my gratitude towards my colleagues who work with me together to complete this project. I will always remember the supports, whether emotionally or physically, which motivates me to complete the whole project. I am pleased to have all of my colleagues by my sides and sharing the information regarding the project with each other. Thank you for always by my side.

Nobody is more important than my family support in my pursues to complete this project. My mother, Nurezatul Akma Abdullah, and my sisters, Nurul Syafiqah and Norzihan, always supported me all the time. They give me the moral and financial supports in this project. Also, they are the ones who are continually giving me the word of wisdom and provide unending inspiration. Thank you for always putting your faith in me that I can do it more than others do. Indeed, they are the ultimate role models for me.

TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION	1
1.0 Introduction	1
1.1 Importance of SMEs on the Malaysia economy.....	9
1.2 Problem Statement.....	11
1.3 Research Question	13
1.4 Research Objective	13
1.4.1 General Objectives	13
1.4.2 Specific Objectives.....	13
1.5 Significance of the Study	14
1.6 Organization of the Study	16
CHAPTER TWO: LITERATURE REVIEW	18
2.0 Introduction	18
2.1 Theoretical Framework.....	18
2.2 Empirical Evidence	20
2.2.1 SME Malaysia and its economic performances.....	20
2.2.2 Capacity Building.....	24
2.2.3 Market Access.....	27
2.3 Research Hypothesis.....	29
2.3.1 Relationship between capacity building and SME Malaysia performances.	29
2.3.2 Relationship between market access and SME Malaysia performances.....	30
2.4 Conclusions	30
CHAPTER THREE: RESEARCH METHODOLOGY	32
3.0 Introduction	32
3.1 Conceptual Framework.....	32
3.1.1 SME Performance in Malaysia	33
3.1.2 Capacity Building.....	33

3.1.3 Market Access.....	34
3.2 Research Design	34
3.3 Population, Research Sample, and Sampling Method.....	36
3.4 Research Methodology	37
3.4.1 Data Collection Method	37
3.4.2 Data Analysis.....	41
3.5 Limitation of the Research.....	43
3.6 Conclusion	44
CHAPTER FOUR: RESULTS AND DISCUSSION	45
4.0 Introduction.....	45
4.1 Research Data Results	45
4.1.1 Demographic of the Respondents	46
4.2 Themes Analysis	51
4.2.1 Capacity Building Program	52
4.2.2 Market Access Program	55
4.3 Research Data Discussion.....	59
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS	65
5.0 Introduction.....	65
5.1 Conclusion: Main Findings and Objectives.....	65
5.2 Implications and Recommendations.....	66
5.3 Limitation of the Study	69
5.4 Conclusion	70
REFERENCES	i
APPENDIX	

List of Figures

Figure 1: SME Malaysia business's program.....	8
Figure 2: Contribution of SMEs to GDP in Malaysia	10
Figure 3: Structure-Conduct-Performance Paradigm Model	19
Figure 4: Conceptual framework of the study.....	33
Figure 5: Gender of respondents	47
Figure 6: Age of respondents	48
Figure 7: Educational background level	49
Figure 8: Types of the business sector.....	50
Figure 9: Thematic Analysis for Capacity Building and Market Access	51
Figure 10: Annual Income of the Entrepreneurs	63
Figure 11: SME Contribution to GDP in Malaysia	64

List of Table

Table 1: Definition of Micro, Small, and Medium enterprises	2
Table 2: Overview of SMEs by state	4
Table 3: SME establishments by size	5
Table 4: SME establishments by sectors.....	6
Table 5: The respondents' details.....	46
Table 6: Gender of respondents.....	47
Table 7: Ages of Respondents.....	48
Table 8: Educational Background Level.....	49
Table 9: Types of Business Sector.....	50

CHAPTER ONE: INTRODUCTION

1.0 Introduction

SME Corporation Malaysia (SME Corp. Malaysia) is a rebranded version of SMIDEC (Small and Medium Industries Development Corporation) on 2 October 2009, by the central agency under the MED (Ministry of Entrepreneur Development Malaysia). SME Corps Malaysia consists of manufacturing, which well-defined as the sales and revenue are lesser than RM50 million or full-time employees are less than 200 workers. Another activity by SME is the services sector and others where the sales and revenue are lower than RM20 million or full-time employees, not more than 75 employees and workers.

SMEs are well-known to provide advisory services for the business based on SME and publicizing the data and research of SMEs and entrepreneurs throughout the country. The ultimate motive of SMEs is to encourage entrepreneurs to seize the business and growth opportunities to compete in the global markets and gain access to the international market. There are three types of business in SME Malaysia which is micro-enterprise, small enterprise, and medium enterprise. Below is the table to explain the definition of those three types of SMEs. Take note that AST represents Average Sales Turnover, and FTE stands for Full-time Employees.

Sectors	Microenterprise	Small enterprise	Medium enterprise
Manufacturing, manufacturing-related services, and agro-based industries	AST less than RM250,000; or FTE less than 5.	AST from RM250,000 but less than RM10 million, or FTE between 5 and 50.	AST between RM10 million and RM25 million; or FTE between 51 and 150.
Services, primary agriculture, and information and communication technology (ICT)	AST less than RM200,000; or FTE less than 5.	AST from RM200,000 but less than RM1 million, or FTE between 5 and 19.	AST between RM1 million and RM5 million; or FTE between 20 and 50.

Table 1: Definition of Micro, Small, and Medium enterprises
Source: SME Corp Malaysia 2019

Small and Medium Industries Development Corporation (SME Malaysia) acknowledged as the pillar of the development of industrial sectors in the economy of Malaysia. SME Malaysia has a significant portion of fostering economic growth in Malaysia. Therefore, the government of Malaysia has encouraged Malaysians to take part in widening the SMEs in Malaysia. Following the government initiatives in encouraging the SMEs, the number of establishments has increased by years. Based

on the report by the Department of Statistics Malaysia (DOSM, 2016), the total of SMEs establishments in Malaysia has increased to 907,065 establishments as of 2016. Below is the figure to illustrate the overview of SMEs in Malaysia by state.

States	Percentage of establishments (%)
Selangor	19.8
Wilayah Persekutuan Kuala Lumpur	14.7
Johor	10.8
Perak	8.3
Pulau Pinang	7.4
Sarawak	6.7
Sabah	6.2
Kedah	5.4
Kelantan	5.1
Pahang	4.1
Negeri Sembilan	3.6
Melaka	3.5
Terengganu	3.2

Perlis	0.8
Wilayah Persekutuan Labuan	0.3
Wilayah Persekutuan Putrajaya	0.1

Table 2: Overview of SMEs by state
Source: Economic Census 2016, Department of Statistic Malaysia (DOSM)

The number of establishments of SME in Malaysia rapidly growing in the past few years. SMEs have made many contributions to economic growth in Malaysia. Hashim (2000), in his study, expected that SMEs would contribute around 50 percent to Gross Domestic Product (GDP) in 2020 in Malaysia. It indicates that SMEs' performance in Malaysia is progressing and increasing soon in the future. Based on the table above, SMEs establishments in each state comprises 98.5% of establishments in Malaysia. Referring to the table above, Klang Valley has the most operating SMEs under them, which holds the percentage by 34.5% under Federal Territory and Selangor. Then, Johor as the second leading state in a number of establishments, much as 10.8%, then Perak with 8.3% and followed by Pulau Pinang by 7.4% (Economic Census 2016). Wilayah Persekutuan Labuan has the lowest rate of SMEs business establishments in Malaysia (0.3%) but still growing at a steady pace.

By size, micro-enterprises has the highest percentage in SME establishments compared to the other types of enterprises. Business establishments in SME Malaysia reached 98.5%, cutting across size and sector. Below is the table to show the number of establishments by size.

Size	Percentage of establishments (%)	Total establishments
Micro enterprises	76.5	693,670
Small enterprises	21.2	192,783
Medium enterprises	2.3	20,612

Table 3: SME establishments by size
Source: SME Corporation Malaysia, 2019

There are various sectors involved in the SMEs business, such as services, agriculture, manufacturing, construction, and mining, and quarrying. The largest industry that plays a vital role in SME in Malaysia services, holding the highest percentage in the establishments, which is 89.2% (809,126 establishments). The least sectors established through SME is mining and quarrying, by 0.1%, with a total establishment of 865 establishments. The table below presents the full information to picture the establishments of SME by sectors.

Sectors	Percentage of establishments (%)	Total of establishments
Services	89.2	809,126
Manufacturing	5.3	47,698
Construction	4.3	39,158

Agriculture	1.1	10,218
Mining and quarrying	0.1	865

Table 4: SME establishments by sectors
Source: SME Corporation Malaysia, 2019

SMEs' firm performance has improved remarkably in the last few years. Overall, the SMEs' real Gross Domestic Product (GDP) has consistently high performance and foster the average annual growth rate for the period 2005 to 2016 (6.8% versus 4.9%). In 2020, SME expects to contribute to the Gross Domestic Product, around 50% (Hashim, 2000). Following the achievement, Malaysia is in the process of shifting the national income from low to the middle class of income. The vision of 2020 that targeted to achieve a high-income nation also seems almost impossible by numerous uncertainties and challenges. However, through SME establishments, it is highly likely that SMEs can achieve the objective of attaining middle-income nations in no time. SME Malaysia is indeed the most significant component for the economic development purposes of the country, where they hold a vital part in fostering economic growth in Malaysia. SMEs contribute 59%, 32%, and 19% respectively to employment, Gross Domestic Product (GDP), and total exports.

Therefore, the government has come up with initiative by supporting SME Corporation Malaysia with the cooperation from numerous influential agencies in Malaysia such as Majlis Amanah Rakyat or the Council of Trust for the Indigenous Peoples (MARA), The National Corporation (PERNAS), Urban Development

Authority (UDA), Perbadanan Usahawan Nasional Berhad (PUNB), Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN), Small and Medium Industries Development Corporation (SMIDEC) that is currently known as SME Corporation, Ministry of Entrepreneur and Cooperative Development (MECD), Institut Keusahawanan Negara (INSKEN), and TERAJU. The supports given by the agencies stated above are to assist the entrepreneur in any means, whether financially or non-financially supports to support their SMEs' activities in Malaysia.

Following the supports given by the agencies, the government has come up with business development services through SME Malaysia. SME Malaysia establishes several business development programs to help struggling firms in their business. Below is the figure that will show a list of programs under SMEs in Malaysia:

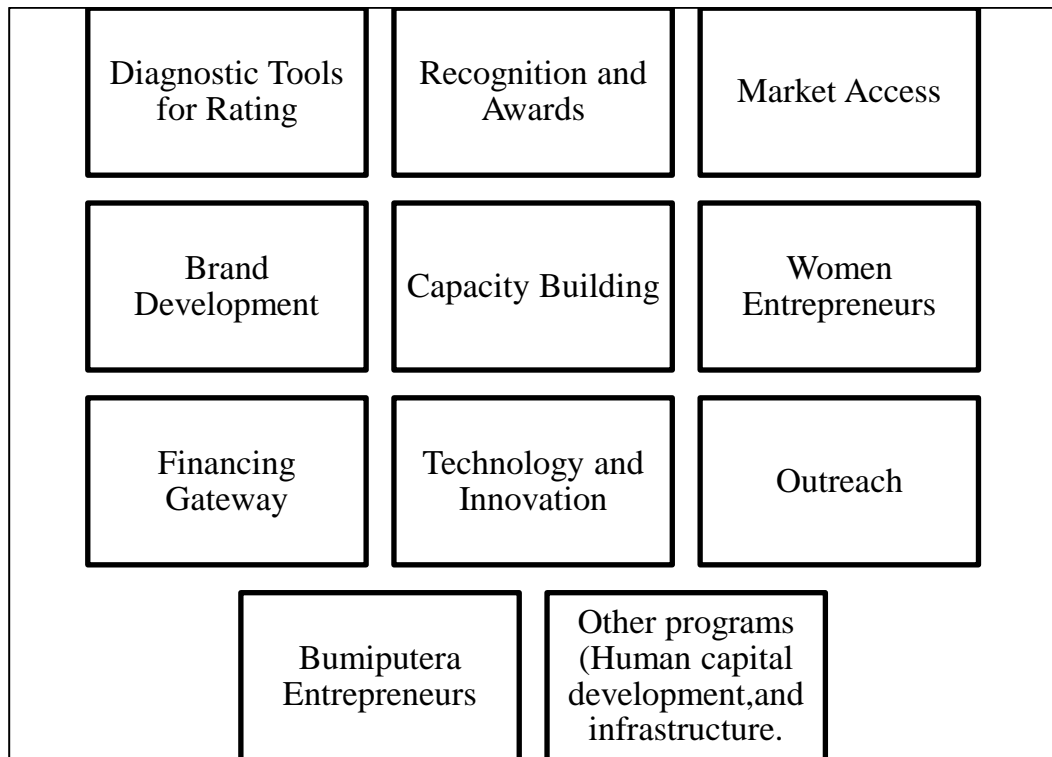


Figure 1: SME Malaysia business's program

Each program has other sub-programs that can help to increase the performances of the business. The business development programs by the government through SME Corporations Programs aims to aid the entrepreneurs to enhance their productivity and competitiveness. Evidence from Gathenya, Bwisa, and Kihoro (2011) and McCormick (1999) showed that the enterprises' performance with the access of business development services is better than their counterparts that have no access to the business development services.

The programs by SMEs will endorse the productivity of SMEs, which drives them to a phase where they can access any source of funding for sustained growth.

Therefore, the impacts of the SMEs' renowned programs on the performance of SMEs must be discovered thoroughly.

1.1 Importance of SMEs on the Malaysia economy

In Malaysia, SME Corporation Malaysia plays a vital role in driving the nations' economy. SME is also known as the critical component of the economic growth strategies for a country as its responsiveness and flexibility in adapting to demand changes (Hunter & Long, 2003). Establishments of SMEs throughout Malaysia have created good causes for the economic sectors, such as job creation and become a supplier of goods and services to large organizations. For the recent annual report, SMEs has reported contributing as much as 59%, 32% and 19% respectively to employment, Gross Domestic Product (GDP), and total exports.

Hence, SMEs must improve any lacking in their qualities of goods and services as it can affect their competitiveness ability of larger organizations (Stevenson & Jarillo, 1990; Storey, 1994). Pollard and Hayne (1998) have stated that the government views SME as a mechanism to drive national growth. As for SME in Malaysia, they play a dynamic role in fostering national growth, especially in their contribution to the GDP in Malaysia. Hence, the contribution of SMEs in Malaysia to the GDP for the years of 2010 until 2018 shown below.

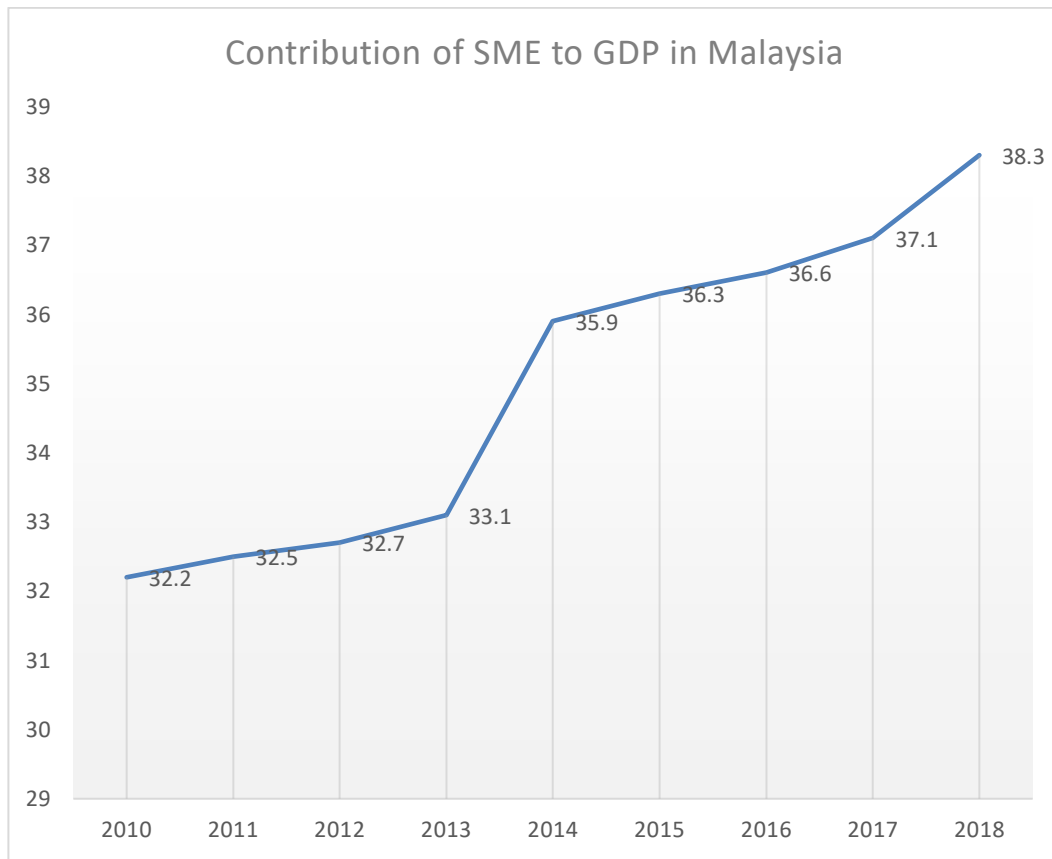


Figure 2: Contribution of SMEs to GDP in Malaysia
 Source: SME Malaysia Annual Report 2017/2018

Referring to the figure illustrated above, the trend of the contribution of SME to the Gross Domestic Product (GDP) in Malaysia is increasing every year. It indicates that SMEs in Malaysia have improved their capability and capacity development year after year. GDP usually represents the product of final goods and services by a country within a specified period, where the GDP excludes intermediate goods in order to avoid the counting of goods and services intertwined and cause to be double-counted (Landerfeld, Seskin & Fraumeni, 2008: 195). Generally, the Gross Domestic Product is one of the indicators that is often used by economic researchers to measure the growth of nations.

There are various ways to measure the performance of the firms, whether the researchers are using the financial or non-financial approach measurement. The firm performance will include market share, profitability, and sales growth in the traditional accounting term. Kolvereied (1992), Davidsson et al. (2002), and Rodriquez et al. (2003) studied the firm performance that is referring to the growth of the firm itself, while Lee and Tsang (2001) discussed more on the firm performance in terms of the growth of sales, profit, and company's assets. However, Wren and Storey (2002) argued that we could identify the non-financial indicator to measure the firm performance using the employees' number in the organization.

1.2 Problem Statement

SME Malaysia is the most significant contributor to the number of business establishments. Every country recognized SME as the backbone of the economy in almost every nation. For the past few years, SMEs Malaysia facilitates many Malaysians to increase their livelihood through the business of SMEs.

SMEs Malaysia does not only increase Malaysians' participation in running businesses, the businesses that have been established through SME Corporation also foster job opportunities. Besides, SMEs also participate in increasing and contribute to the exports of Malaysia for the past few years, primarily through the manufacturing sector. Hence, the government of Malaysia highly encourages the participation of Malaysians to establish SME businesses. Consequently, SME has positively affected the economic growth in Malaysia through job creation. There are

a lot of related programs to help the beginner to establish their businesses through any medium.

However, SME businesses need to confront with high competition from modern and large competitors despite their higher number in business establishments. The modern and large competitors contributed a significant portion to national GDP than SME businesses even though the number of business establishments in Malaysia is mostly under SMEs. Following the high competition between SME and modern large company, the effectiveness of the programs launched has been questioned and still debatable, whether the program does have any help to improve the performances of SMEs in Malaysia. High competition with big companies also one of the reasons for the low export contributions of SMEs in Malaysia. Besides, there are sectors such as the manufacturing sector under the SME still underperformed despite numerous programs implemented to aid their business. Apart from that, there are difficulties and remoteness in accessing the information about the program implemented among the entrepreneurs.

Thus, this study is going to identify whether the SME business development programs in helping the businesses, which will consequently be affecting the SMEs Corporation firm's performance.

1.3 Research Question

Following the problem statement above, below are the research question to be asked in this study:

- a) Can Capacity Building program affect the performance of SME in Malaysia?
- b) Is the Market Access program affect SME Malaysia performances?

1.4 Research Objective

This project aimed to study the impact of SME programs on SME Malaysia performances in Malaysia. The general and specific objectives of the study are stated below:

1.4.1 General Objectives

- a) To assess the impact of SMEs programs on SMEs Malaysia's firm performance in Malaysia.

1.4.2 Specific Objectives

- a) To identify whether the Capacity Building program affects SMEs Malaysia's firm performances.

- b) To examine whether the Market Access program affects SMEs Malaysia's firm performances.

1.5 Significance of the Study

SMEs in Malaysia has become a reliable medium for the nation to foster economic growth because the contributions of SMEs are increasing for every year. Thus, the government of Malaysia promotes and encourages the Malaysian to take part in the business establishments through SME Corporation Malaysia. Besides, the aid programs by SMEs Corporation Malaysia to improve the performances has increased, and the number of participants of the programs also amazingly increases. It can show that the firms are aware of the opportunity ahead of them.

Hence, the study is significant, especially for the SME owners. It will provide them with the benefits of practicing business development services through SME programs to improve their enterprise's growth. For the policymakers, this research can help them to highlights the areas of policy that require the improvement of rural SME sectors. The policies will encourage the growth of SME as well as increasing the opportunities in employment, market competitiveness, economic growth, and innovation in technologies.

Besides, this study can contribute to the literature on business development services study as there are a few studies conducted on this research topic. Hence, this research study can help future researchers and academicians to increase their

references. The study also helps future researchers in this area of study to improve and get an insight on this matter.

1.6 Organization of the Study

The purpose of this research study is to examine the impact of SME programs on SMEs' performance in Malaysia. Independent variables for this research study are capacity building and market access programs, and the dependent variable is SMEs' performance. This research study is consisting of three sections, which is Chapter 1: Introduction of the study, Chapter 2: Literature review, and Chapter 3: Research methodology.

Chapter 1 will focus on the introductory of SME Malaysia and its roles in contributing to GDP and economic growth in Malaysia. Apart from that, the section will highlight the figures that are related to the contribution of SMEs in Malaysia to the nation. Besides, this chapter will also include the background of the study, which is an elaboration on the SME programs implemented on the business enterprise. Apart from that, the problem statement also included, followed by the research questions and research objectives. Besides, this chapter provides the significance of the study to individuals, SME owners, policymakers, and researchers and academicians.

Next is Chapter 2 that will outline the literature reviews used to conduct the study. The researcher will review past studies and papers for a broader range of knowledge in the focused study. The content in the literature review is a theoretical framework, empirical evidence, hypothesis testing, and concluding remarks of the chapter. At the end of the chapter, there will be summary tables on the literature reviews used and referred to in this research study.

Chapter 3 will highlight and illustrates the detailed methodology used in order to complete the research study. Under the chapter, there will be an elaboration on the research design, target population, sample and sampling procedures, data collection instruments, and data analysis.

For Chapter 4, the chapter will discuss the results obtained from the data collection method. Then, the results will be analyzed and will be related to the theory chosen as the guideline in this study. Besides, this chapter is the most important because it will determine whether the objective of the study is achieved. At the end of the chapter, the researcher will discuss the hypothesis development, whether the hypothesis developed is accepted or not.

Chapter 5 will mainly conclude the results and highlight the main finding from Chapter 4. Besides, the chapter will recommend some policies and suggestion could be taken by the government or other agencies to improve SME Malaysia firm's performance. Apart from that, the limitation of the study will also be included. Lastly, the researcher will make a future suggestion for future research on SME Malaysia to the future researcher.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher will review the past studies of other researchers for the guidelines in this study. This literature review will mainly focus on the Small and Medium Enterprise (SME) in Malaysia and the initiatives of business development services through the programs implemented in SME. It will review the literature depicted by the previous study that is based on the research objectives. Hence, this chapter will mainly discuss the conceptual framework that comprises of SME in Malaysia and its economic performances, capacity building program, and market access program. Then, the theoretical framework of this study will be discussed in the next session and will be followed by hypothesis development, empirical evidence, and the literature reviews' summary at the end of the chapter.

2.1 Theoretical Framework

The key to the theory or theoretical framework deployed in this research study is the Structure-Conduct-Performance Paradigm or more known as SCP Paradigm. The origins of the SCP model can be traced back by the work of the Harvard economist, E. Mason, who in the 1930s dealt primarily with pricing structures and output practices of major U.S. companies (Mason, 1939). The foundation of his theory was the assumption that the market share of firms was a

significant determinant of such policies. Then, J.Bain took the next step in the advancement of this paradigm. Nevertheless, in contrast to his predecessor, his research in this field was primarily methodological. Based on a series of data from the industry, Bain (1956) explained the individual components of the paradigm, which, in his opinion, consisted of the structures, conduct, and performances.

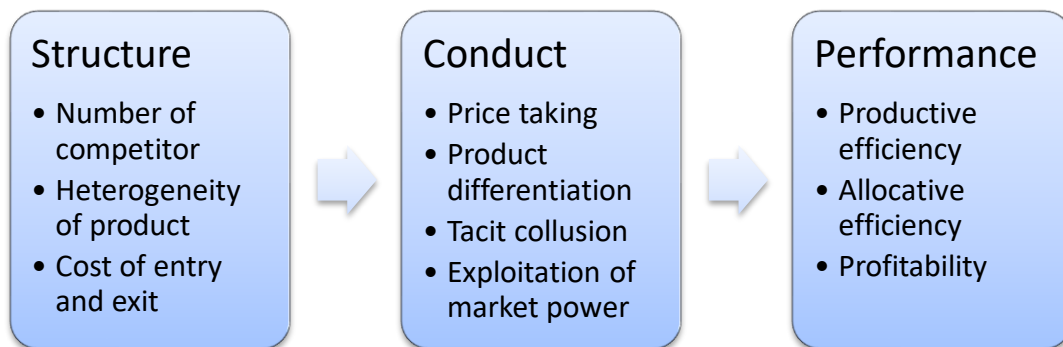


Figure 3: Structure-Conduct-Performance Paradigm Model

Structure-Conduct-Performance paradigm claims that the nature of the market will decide the firm conduct that would decide results. A variety of variables can evaluate the market structure. It is the number of competitors in the industry, the competitiveness of the product, and the costs of entry and exit. The new model of the SCP Paradigm deals with both the market structure and the business strategy. It suggests that it is not only the structure of the business that defines the option of company strategy (although this Relationship also exists) but also the strategies of companies in the market that can impact its structure.

The range of options and constraints faced by businesses is determined by the characteristics of the industry in which the company operates. In specific sectors with higher competition, there are very few choices open to companies, so companies have many constraints. Companies in these industries achieve full social benefits, and, in the long run, returns generated by companies can only offset the cost of capital. In conclusion, the nature of the business determines the behavior and the long-term success of the firm.

2.2 Empirical Evidence

The empirical evidence will be divided into three sections, which are SME Malaysia and its economic performances, capacity buildings, and market access to show empirical evidence from previous research and studies.

2.2.1 SME Malaysia and its economic performances

Beaver (2002) stated the importance of Small and Medium Enterprise (SME) in a nation as they contributed eighty percent in the economic growth of a country. Remarkably, SMEs in Malaysia has improved in their achievement through their contributions to the GDP in recent year. According to the Department of Statistic Malaysia (DOSM) (2018), the contribution of SME Malaysia to the nation's GDP increased from 37.8 percent to 38.3 percent in 2018. The total of the SMEs' GDP is estimated at RM521.7 billion based on the official statistic by the Department of Statistics Malaysia. Mostly,

SME Malaysia's contribution to GDP is mainly from the services sector activities, which acts as the most dominating sector in SME Malaysia. In 2018, the services sector alone had contributed 62.4 percent to the SMEs' GDP, followed by the manufacturing, agriculture, and construction sector.

However, the performance of SMEs in Malaysia export is remaining low if compared to the non-SME business. The export's performance of SMEs of agriculture is the smallest, up to the point in which the annual percentage change reached negative growth, -2.0 percent from the total export contribution. It is due to the export of vegetables and tropical fruits such as banana, watermelon, pineapple, guava, and others are decreasing in the year 2018. As for the highest contributor in export, the manufacturing sector is leading in 2018, where it contributed 48.3 percent to the total SMEs' export. The manufacturing sector has been supported by the manufacture of food and beverages, other manufactured goods such as chemicals, tobacco, and miscellaneous manufactured articles (DOSM, 2018).

Following that, the government has come up with an initiative to aid the entrepreneurs of SME through the program implemented by the SME Malaysia Programs itself, whether it is financially or non-financially. In this study, the researcher focusing more on the non-financial aid by the SME Malaysia or widely known as Business Development Service (BDS). United National Development Programme or shortly known as UNDP (2004), defined Business Development Services (BDS) as the services that help the enterprise to enhance its performance, increasing market access, and increase the

enterprises' competitiveness. Besides, business development services also involved in improving the enterprise through training, technology development, marketing, consultancy, business promotion, consultancy, access to the information, and more related development services. UNDP (2004) also added that BDS is designed for smaller operating businesses, and not for larger companies and corporates.

Evidence from Gathenya, Bwisa, and Kihoro (2011) and McCormick (1999) showed that the performance of enterprises with access to business development services is better than their counterparts that have no access to the business development services. Hence, SME Malaysia took the opportunity to provide the business development services to the entrepreneurs registered under it, such as capacity building program, market access, technology and innovation, brand development, outreach, and more programs offered by the SME Malaysia. Literature by Gathenya, Bwisa, and Kihoro (2011) also discussed on the possible uses of business development serves as an antidote to the problems where the SMEs in Malaysia are seeking for the higher productivity, competitive advantage, and increase their efficiency and effectiveness.

In Malaysia, the most significant portion of a business establishment is microenterprise. Dorfling (2011) argued that microenterprise often operated by small families and women in rural areas. The perks of starting the microenterprise of SMEs is because it possesses strategic advantage and flexible as families mostly run it. De Soto (1989) and The Futurist (2003)

debate that SMEs in micro size to have a positive impact on the economy to develop a nation and supporting the progress. Apart from that, SME of micro-size also fostering economic development by providing employment opportunities and eradicate poverty through the firm's profitability (Rogerson, 2004; Servon, 1999). Furthermore, Kirkpatrick and Hulme (2001) argued that microenterprise could help the community by offering a lower price on the goods and services. It is because SME micro size enterprise is small, yet they are more likely to be flexible and responsive to the customer demands and the market (The Herman Group, 2003).

Generally, Smith and Reece (1999) defined business performance as the operation's ability in order to content to the company shareholders' desires that need to be accessed as the accomplishments of the organization need to be measured. However, measuring business performance, especially from the small firm; if in this case, measuring the firm performance is quite challenging to measure due to the availability of data revealed by the firms is limited. Scholars and researchers find this as a critical issue to conduct their research and study on the performance of the small business.

For example, many new types of research focus on the firms' performances, in which this study more detailed on the small firms' performance by Pelham and Wilson (1996), Jarvis (2000), Alasadi, and Abdelrahim (2008), and Thomas (2008). A few studies and researches have examined the importance of the practices in the organizations and the

performance evaluation by Dess and Robinson (1984), Sapienza (1988), McGrath (1995), Song (2005), and Gruber (2010).

Generally, business performance is measured through customers or markets, revenue turnover, return on investment (ROI), and profit (Wood, 2006). The business performance also measured using product improvement and design quality (Laura et al., 1996). Nevertheless, other researchers suggested different measurements on the firm performances, in which Franco-Santos (2007) and Mann and Kehoe (1994) employed the business performance measurement (BPM) system that is widely used and essential tools that generally used in the social science and business studies.

Business performance measurement (BPM) is a system that can be used to investigate and analyze the firms' business performance hence classifying the performance into two classes in which strategic business performance and operational business performance. The focus of the system is mainly to determine the functions of the organizations at different activities' levels; high and low (Mann & Kehoe, 1994). Most importantly, the system functions to measure the performance of the SMEs and can be used qualitative and quantitative study approaches.

2.2.2 Capacity Building

Capacity building is a capacity growth and development process, where both of the individuals and the organizations will improve and obtain the skills,

knowledge, and resources to increase competence in doing their jobs. In other words, capacity building, also known as training investments by the organization. Tzafrir (2005) defines capacity building as a significant component to developing the human capital effectively. Apart from that, improvement in capacity building will enable the organization and individual to perform at a higher capacity. Elaborating this definition, Berg (1993) highlights the three main activities in the capacity building in which strengthening the organization, improving the functions and systems, and enhancing skills, education, and deepening cross-cutting skills. Nell and Napier (2006) also added that the business's competitive advantages could be discovered through a capacity building program.

However, SMEs, entrepreneurs, and employees have less provisioned training. It can be supported by Storey and Westhead (1996) statement, by saying that the smaller firm has less structured training provisioned by the agency or their organization. Indeed, there is strong evidence that supports this argument in which Matlay (1997) proved that training for employees in SMEs is quite low despite their high establishments. Hence, it is crucial for the organization of the firms, in this case, SME Malaysia supporting their entrepreneurs by increasing their effectiveness and form a workable competitive advantage (Prahalad, 1983; Pfeffer, 1994). Therefore, the capacity building program is one of the tools for the organization, SME, to improve themselves from each aspect in business.

Bacon et al. (1996) highlighted that capacity building could improve the productivity of an employee, and therefore will decrease the probability rate of them quitting. In small firms, employees can enhance their skills through on-the-job-training (Booth and Snower, 1996). However, it is difficult to maintain the competitiveness of the employees using the approach of on-the-job-training alone but also needs to be supported by a higher degree of informal training. It is because formal training can help the employees to acquire more knowledge and experiences from the others besides learning from their organization. According to the study in Canada, where there is a provision of formal training, they found out that there are positive outcomes in which the organizations that undergo formal training will have more outstanding performances in terms of employee relations, profitability, revenues, quality, productivity, and their business outlook.

The capacity building is related closely to the human resource development because it is improving the organization by training and enhancing knowledge of the employees. Rajabifard and Williamson (2004) discussed that the capacity building's field is a bit narrow, in which it only concentrates on the staffs' development through formal education besides the trained and qualified workers who must fill the gap in the industrial operations. In general, capacity building is considered as the tactical steps to enhance the proficiency of the employees, improving the performances of the organization, assets development, and encouragement among the employees (Fullan, 2001).

2.2.3 Market Access

Investopedia (2019) defines market access as the company or the firms' ability to sell their goods and services to another country across the nation's borders. In SME, market access is a crucial function to market their products and services more broadly and expand their business further. Market access is acknowledged as an essential role in SMEs and business organizations, according to Pollard and Jemicz (2006), O'Dweyer, Gilmore, and Carson (2009) and Price, Stoica, and Boncella (2013).

Therefore, reliable and good market management is vital because it is claimed to have the ability to increase and improve competitive advantages through market access or market outreach. According to Carson (1985), Chaston (1998), Grimes and Demack (2006), and Weinrauch, Mann, Robinson, and Pharr (1991), they found out that SMEs' marketing function will be hindered by limitations such as lack in the aspect of cash flow, size of the business, marketing expertise, and tactical and strategic problems that are related to customers.

Price, Stoica, and Boncella (2013) discussed the importance of market management as an essence of SME growth and performance in the future. The market can be managed through the innovations continuously, anticipation and response towards the products and processes, dynamic customer requirements, the existing and new competitors, and analysis of supply.

Gaining access to the market, especially the international market, is regarded as a strategic instrument for the entrepreneurs to enhance their competitiveness and development in business. According to the Organization for Economic Co-operation and Development (OECD) second conference paper in June 2004 (OECD, 2004), global market access can help the organizations and firms to realize their potential for a high-growth. Access to the global market also offers business opportunities through the chance to get a new niche market where the firms have the possibilities to achieve the economies of technological advantages, scope, scale, and volume. Besides, the firms can also upgrade and develop their capability in acquiring new technologies, spreading risks, and afford to improve their access to finance. OECD (2002), in their research findings, finds that high-growth firms and export have a link among each other, in which the export appears to be the starting point to foster the company's and firms' growth process.

A past study by Pollard and Jemicz (2006) through their work in "The Internalization of Czech SMEs: some issues relating to marketing knowledge deficiencies emphasized the importance of market access in an organization. Findings revealed that it is considered a weakness for SMEs in Czech if there is a lack of information on the market. It is because the data is unable to be processed. After all, their ability is limited as they lack information on the market. From the findings, fluctuations in the currency and unstable demand regarded as threats. However, Pollard and Jemicz (2006) highlighted that the risks could become opportunities if the business has more and increase their

knowledge of marketing. It indicates the importance played by the market access.

Many research literature reviewed has recognized the importance of the SMEs market as an engine to innovation and economic development. A review from a paper by Kiveu and Ofafa (2013) on “Enhancing market access in Kenyan SMEs using ICT,” also referred by the researcher to get more insights on market access on SME. Kiveu and Ofafa (2013) found that there is limited market access in Kenyan SME, and this demonstrated by lower participation by the SMEs business into the global market, limited agreements with other enterprises, falling income, markets, market penetration, limited space to market and sell the goods and services, and information on the market are available and accessible.

2.3 Research Hypothesis

Based on the study on the impact of SME Programs on the SME Malaysia performances, there are two hypotheses developed.

2.3.1 Relationship between capacity building and SME Malaysia performances

The increase in the independent variables, which is the capacity-building development, cause the performances of SME Malaysia to increase as well. Capacity building is a significant component to develop human capital

effectively and help to enhance the organizations' performance (Tzafirir, 2005).

Therefore,

H1: The capacity building has a positive impact on the SME Malaysia performances.

2.3.2 Relationship between market access and SME Malaysia performances

The increase in the independent variables, which is the market access can cause the performances of SME Malaysia to increase as well. Market access is acknowledged as an essential role in SMEs and business organizations, according to Pollard and Jemicz (2006), O'Dweyer, Gilmore, and Carson (2009) and Price, Stoica, and Boncella (2013). Thus,

H2: Market access has a positive impact on SME Malaysia's performance.

2.4 Conclusions

This chapter has highlighted the theoretical framework that is designed for this research study. Besides, the hypotheses developed in the 2.3 section are developed by referencing the previous study and reliable source of the capacity building, market access, and SME Malaysia's firm performance. The hypothesis has developed whether capacity building and market access have a positive impact on SME Malaysia's performance.

Through this chapter, the researcher and reader will have a better understanding of the empirical evidence developed in this study and can be used as the guidelines for future researchers to study the issues. Through the empirical evidence, it will give more insights and lead the researcher to get more ideas and conduct the study. The concept of the study also discussed further in this chapter for an explicit remark and understanding.

Based on the empirical evidence, improvement in capacity building will enable the organization and individual to perform at a higher capacity. Bacon et al. (1996) highlighted that capacity building could improve the productivity of an employee. This argument agreed by Fullan (2001), where capacity building is considered as the tactical step to enhance the proficiency of the employees, improving the performances of the organization, assets development, and encouragement among the employees.

Another finding in this chapter is market access acknowledged as an essential role in SMEs and business organizations, according to Pollard and Jemicz (2006), O'Dweyer, Gilmore, and Carson (2009) and Price, Stoica, and Boncella (2013). A past study by Pollard and Jemicz (2006) through their work in "The Internalization of Czech SMEs" emphasized the importance of market access in an organization and have the same opinion as research by Kiveu and Ofafa (2013) on "Enhancing market access in Kenyan SMEs using ICT."

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter will elaborate on the data collection process for this study's purposes on examining the impact of SME programs as Capacity Building and Market Access Program on the SME performances. The study will be conducted based on qualitative research, where the data will be retrieved primarily through interviews with selected respondents. This section will specifically address the methods of the study, such as research design, conceptual framework, target population, research sample design and sampling procedure, and research methodology that includes the data collection instruments and data analysis. The dependent variable in this study is SME performance, and the independent variables are Capacity Building and Market Access programs.

3.1 Conceptual Framework

The diagram below shows the conceptual model that is guiding the study. It shows the independent and dependent variables for this study. The dependent variable is SME Performance in Malaysia, while the independent variable of this study will be capacity building and market access. The conceptual framework on the variables that will lead the study will further discussed below.

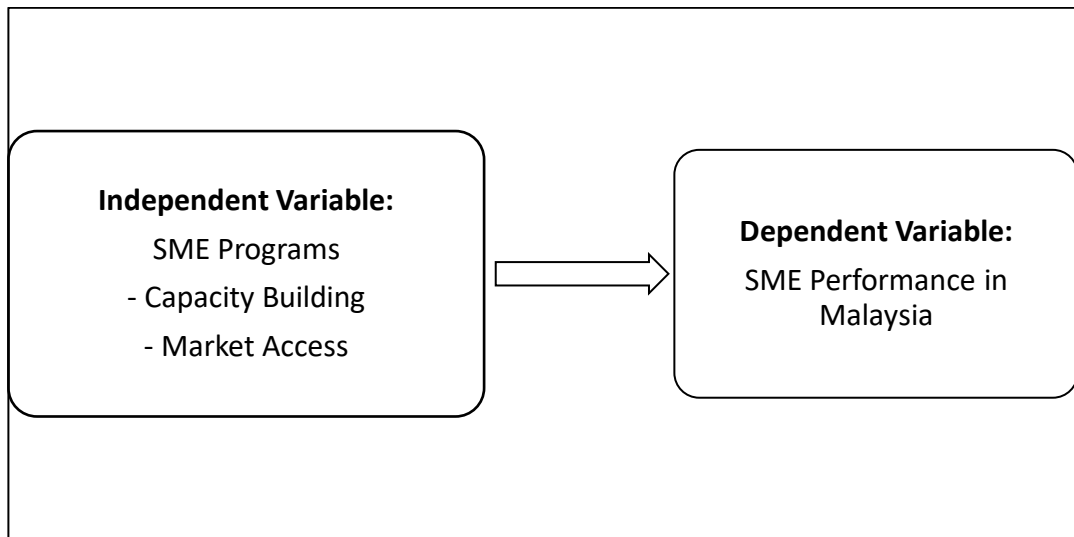


Figure 4: Conceptual framework of the study

The broad concept of each of the variables, independent and dependent variables, will be further discussed in the next section below.

3.1.1 SME Performance in Malaysia

Generally, Smith and Reece (1999) defined business performance as the operation's ability in order to content to the company shareholders' desires that need to be accessed as the accomplishments of the organization need to be measured.

3.1.2 Capacity Building

Generally, capacity building is a development process where both the individuals and organizations will improve in terms of the skills, knowledge, and obtaining resources to increase competence in doing their jobs. Tzafirir

(2005) defines capacity building as a significant component to developing the human capital effectively.

Based on past studies, Nell and Napier (2006) added that the business's competitive advantages could be discovered through a capacity building program. Capacity building is a tactical step to enhance the proficiency of the employees and improving the performances of the organization (Fullan, 2001).

3.1.3 Market Access

In SME, market access is a critical function to market their goods and services more broadly and expand their business further. According to Investopedia (2019), market access is the business's ability to sell goods and services across another country.

Market access is essential, and it is proved by the previous study that market access is acknowledged as a vital role for SMEs and business organizations according to Pollard and Jemicz (2006), O'Dweyer, Gilmore, and Carson (2009) and Price, Stoica, and Boncella (2013).

3.2 Research Design

Punch (1998) defines research design or research structure as a plan that generally researchers used in their research study. Research design can be characterized into two types, which is a quantitative and qualitative study (Holmes,

2005). This study used the qualitative study method, where the researcher will be able to observe more in the aspect of behaviors, feelings, thoughts, and beliefs of the subject of the study (Ramesh, 2008). Ramesh (2008) also listed the examples of qualitative research, which comprises of case study, action research, and grounded theory.

Thus, this study engages the study through the interview approach to further measure the effect of SME programs on the performances of firms in SME Malaysia. The interview is the most appropriate approach that the researcher can use to deeply involved in how and what the selected individuals feel and think about the programs implemented by SME Malaysia to help their business performances (Frankel, 2000). Through interviewing the selected individuals of SME entrepreneurs, this study aims to gather the information whether the SME programs, which are Capacity Building and Market Access programs, really help them in accelerating their business performance and SME Malaysia performances.

Generally, past studies and researches used the quantitative method in their research through surveys and questionnaires. However, this study will use different means and approaches to collect primary data. It is because this study will deeply involve human interaction, where it will measure how the entrepreneurs feel about the SME programs and their perspectives. Qualitative research can help the researcher to get more honest and accurate findings through personal and deep interaction with the selected entrepreneurs as interviewees.

3.3 Population, Research Sample, and Sampling Method

Orodho (2005) defined the target population as the collection of elements that has the information needed by the researcher. Besides, Reid (2004) also described the population as the units possessing the characteristics required by the researchers' interest in the study. Hence, the SME business will be chosen and selected based on the size, which is entrepreneurs. The total population selected will be eight entrepreneurs all around Malaysia. Through the target population, a sample will be chosen for the study purposes.

Thus, the target population for this study will be derived from the population that comprises of the following target of groups as below:

- a) SMEs' entrepreneurs all around the Malaysia area.
- b) The entrepreneurs that received the aid through SME programs.

The sampling method used by the researchers in this study is the purposive sampling method. It is used to select the participants of the interview because purposive sampling is a method to choose the sample based on the study needs. In other words, the researcher will aptly select the interviewees based on their willingness to be interviewed and participate in this study. It is a reliable method to collect information that satisfies the research questions and research objectives because the interviewees will personally inform the researcher of their opinions and perspective on how the SME programs can help the business of SME Malaysia to affect and improve the performances.

3.4 Research Methodology

The research methodology is an instrument that covers the techniques and tools used to explain how the study and research are conducted. Walliman (2011) defined research methods as a tool that can be used in various types of research. Hence, it is crucial to carefully select the method that suits the research questions and objectives of this research study. Apart from that, the research methodology also explains the way the data will be analyzed in qualitative research. Thus, this section will elaborate more on research methodology, that will consist of data collection method and data analysis of this study.

3.4.1 Data Collection Method

There are two approaches used by the researcher to collect the data in this qualitative study. For this study, the researcher applied library research, in which the researcher will refer to the annual report of SME Malaysia for the secondary data and additional information to help the study. Other data collection tool used is field research, where the researcher will use the interview method for the primary data. The data collected will define the objectives of the study and answers the research questions of the study.

3.4.1.1 Library Researches

Library research is defined as the process where the researcher will deal with the pieces of evidence from records and documentation (Ramesh, 2008). Besides documentation and previous records, library research can also be done through journals, textbooks, theses, conference proceedings, and other academic documents, whether unpublished or published. Library research is not only in the form of document and paper, but it can also be accessed through internet and web searches. In other words, the library research is considered as secondary data because the data is available readily and can be accessed by anyone, be it public uses or researchers. The researcher collects the unoriginal data himself, but a particular source published it.

Therefore, this study used secondary data to review the literature and papers from other researchers in chapter two. The researcher used the journals, articles, and theses from other authors to discuss the specific literature regarding the effect of SME programs on the SME Micro Malaysia performances. Through the literature review, the researcher can get insights on this study and will have ideas in writings and findings. Additionally, the researcher can identify the conflicts in the past studies, and that will rise and encourage the researcher to find the root of the problems. The literature review also used by the researcher to justify the need for additional research when there is readily the same research before.

Apart from that, library research used, where the researcher will access the documentation and historical records to acquire additional information that can help the researcher to understand the issue of this study further. In this study, the researcher accessed the Annual Report of SME Malaysia. Through accessing the annual report, the researcher can get the secondary data that can give a figure on the SME Malaysia performances across sectors and size in the past years. It is a significant source in research because the documents can provide the information through a reliable and original source from the organizations.

Library research also not only limited in the form of papers and documents only. The researchers can conduct library research using the internet and webpage. This study also used this form of library research in which the researcher visits the main website of the SME Malaysia Berhad to obtain the information on the programs implemented to aid the entrepreneurs in their businesses.

3.4.1.2 Field Researches

According to Walliman (2011), field research aims to solve and address existing research issues by composing the number of research approaches such as interviews, questionnaires, and observations. The adoption of the interview method is used in this study, and the researcher will personally select the interview participants herself.

“Selection of interview will ensure a better selection of people” (Hackett, 2003).

The interview is used to collect primary data for research purposes. Usually, the primary data will be collected throughout the interview conducted (Hackett, 2003). Hence, the face-to-face interview approach employed in this study, where the researcher will have a question and answer face-to-face, and this is an advantage for the researcher to get immediate answers. The researcher conducted the structured interviews, where the questions were prepared and written by the researcher that will align with the research questions and research objectives.

Questions that will be asked in the interviews will be designed in English but also can be asked in the native language, which is the Malay language. The purpose of asking the interview questions using bilingual is to cope with the inabilities of the interviewees to understand the questions in the English language. It also can help the researcher to get more accurate answers and responses by giving the interviewees the leniency to answer in the Malay language. Besides, the Malay language also can be understood by all Malaysian regardless of their races. It is because the Malay language defines the identity of Malaysians. Therefore, it is essential for the researcher to meticulously translate the responses from the interviewees to the English language in their writings.

3.4.2 Data Analysis

Data analysis is the most crucial part of the research. As Drew et al. (2008) believed, the qualitative approach can enable researchers to record the data in forms of descriptions, words, feelings, and opinions rather than numbers as compared to the quantitative study, which will lead to negative implications during the research process. James (2004) described data analysis as the process to arrange and separate the data according to the appropriate topics and themes. Similarly, Donald et al. (2006) highlighted that the data analysis could be used to differentiate the qualitative study and quantitative study, where it is a process to arrange the data accordingly. The purpose of the data arrangement is to improve the researchers' knowledge of the data, presentation, and what they learned from it. Thus, the data will be presented in writings form and graphical representations to display the data besides make plausible arguments to discuss the study further.

Hence, the researcher will gather the data acquired from the interviews and arrange it according to the order. It is because the arrangements will create plausible explanations, and hence will result in new findings. The gathered data consists of the awareness of entrepreneurs on the SME programs and the success of the SME programs to help the entrepreneurs and SME Malaysia to enhance their performances.

Thus, this study analyzed the input gathered from the interviews conducted with the entrepreneurs all around Malaysia, using the adoption of

fundamental approaches to analyze the information of data from interviewees. Drew et al. (2008) pointed out that the data analysis contains the reduction of the data, presentation of the data, transcription of the interviews, and concluding the obtained data.

3.4.2.1 Content Analysis

Content analysis is employed in this study to analyze the data acquired from the interview. Moore and McCabe (2005) highlighted that content analysis is one of the approaches used to analyze the data from the interviews, and this can compare the data among its variables. Holsti (1968) gave a broad concept and definition of the content analysis, where he defined it as a technique to make inferences by identifying the features of the messages objectively.

By considering the diversity of the opinions on what content analysis is, Holsti (1968) defines standard features in which broad agreement there are several agreements. Firstly, there is objectivity in which the analysis of the data shall be performed based on specifically established laws allowing two or more persons to derive the same conclusions from the same records. Second is a systematic analysis, and it includes and omits the information based on continuously implemented selection criteria, in which the selection criteria will only analyze the items that support the hypothesis. Last but not least is

generality. The findings of the study need to be relevant to the theory, descriptive content. Based on the three requirements, content analysis can be credited as principles of scientific research to analyze the content.

3.5 Limitation of the Research

Every dissertation or study will have some limitations, especially in the qualitative study approach. For this study, the list of limitations are as follow:

- a) The participants of the interview (interviewee) might refuse to answer the questions that against their firms or organizations. Hence, this will disturb or affect the reliability of the study.
- b) The sample size or several interviewees is quite small, which is only involved, 10 participants. It is recommendable that bigger sample size will increase the research's reliability.
- c) The performance of SME Malaysia might be affected by other SME Programs that are not mentioned and studied in this research paper.
- d) The qualitative research is a time-consuming and cost-consuming because the researcher needs to collect the data primarily and construct the questions by themselves to be in line with the research objectives.

3.6 Conclusion

The purpose of this chapter is to introduce and discuss the research methodology used in this study. Before data collection, the researcher will determine the number of participants or sample sizes that will help in the data collection process. Then, this chapter will describe the tools for the data collection, in which this study uses library research and field research. Besides, it also introduced the process during the selection of the data. In this dissertation, the researcher used the interview's approach to acquire the primary data and will transcribe it into the writings and graphical representations. In the last section in this chapter, a list of limitations in this research also discussed, which involved the effect of SME programs (Capacity Building and Market Access) on the SME Malaysia performances.

CHAPTER FOUR: RESULTS AND DISCUSSION

4.0 Introduction

This chapter will cover the data analysis, which includes field research, library research, and descriptive analysis. Each review will interpret and answer the research questions. The detailed report about the questionnaire will describe the respondent's demographic profile.

4.1 Research Data Results

The researcher employs two methods of data collection, which are field research and library researches. Field research is a method of collecting primary and raw data from the respondents through interviews. It will mainly discuss the effect of SME Malaysia programs, which is the Capacity Building and Market Access program, towards the performances of SME in Malaysia.

On the other hand, library research will use documentation, journal, records, and articles. Library research is essential to complement and supplement the data obtained through interviews to strengthen and make sure the data is concise and accurate.

4.1.1 Demographic of the Respondents

Below is the demographic information of the respondents, which is the SME entrepreneurs that joining the SME programs in Malaysia.

Informants (SME's entrepreneurs)	Nature of Business	State of the company originated
SME Firm A	Sole Proprietorship	Pulau Pinang
SME Firm B	Partnership	Selangor
SME Firm C	Sole Proprietorship	Pahang
SME Firm D	Partnership	Terengganu
SME Firm E	Partnership	Sarawak
SME Firm F	Sole Proprietorship	Pahang
SME Firm G	Sole Proprietorship	Terengganu
SME Firm H	Sole Proprietorship	Pahang

Table 5: The respondents' details
Source: Interview

i. Gender of Respondents

Gender of respondents	Number of respondents
Male	2
Female	6

Table 6: Gender of respondents

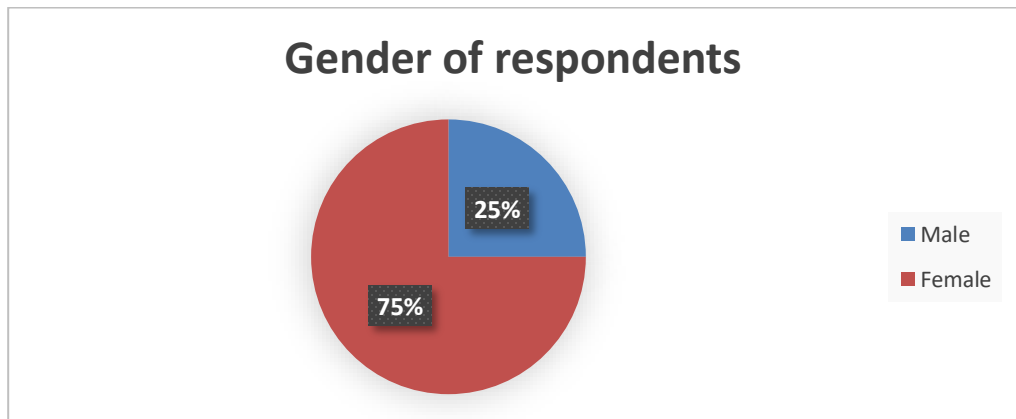


Figure 5: Gender of respondents
Source: Google Form, 2020

As we can see from the figure above, most of the respondent is female. It is because female respondents are more willing to involve and participate to be interviewed as compared to male respondents (Curtin et al., 2000; Moore and Tarnai, 2002; Singer, 2000). Participation is because female respondents can give a lot of thoughts and share during the interview.

ii. Age of Respondents

Ages of respondents	Number of respondents
18-25	3
26-35	3
36-45	1
46 and above	1

Table 7: Ages of Respondents

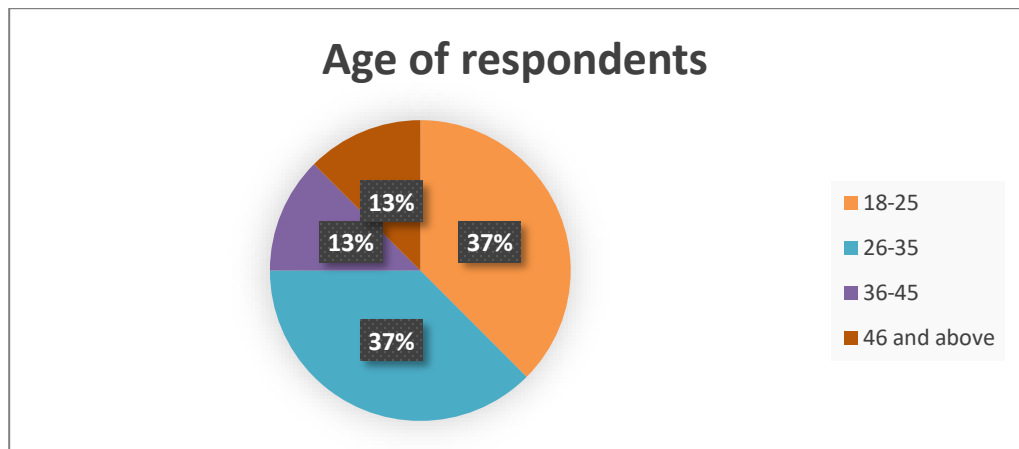


Figure 6: Age of respondents
Source: Google Form, 2020

Most of the respondents in this interview are young and educated. Based on the figure above, we can see that 43% of the respondents in the age range of both 18-25 years old and 26-35 years old. The least number of respondents come from a group of the respondent in 36-45 years old and, 46 years and above, which hold 14%. According to Goyder (1986) and Moore and Tarnai (2002), younger people tend to participate in surveys and interviews as compared to older people.

iii. Educational Background Level

Educational background level	Number of respondents
UPSR	0
SRP/PMR	0
SPM	1
Diploma or equivalent level	2
Bachelor's Degree and above	5

Table 8: Educational Background Level

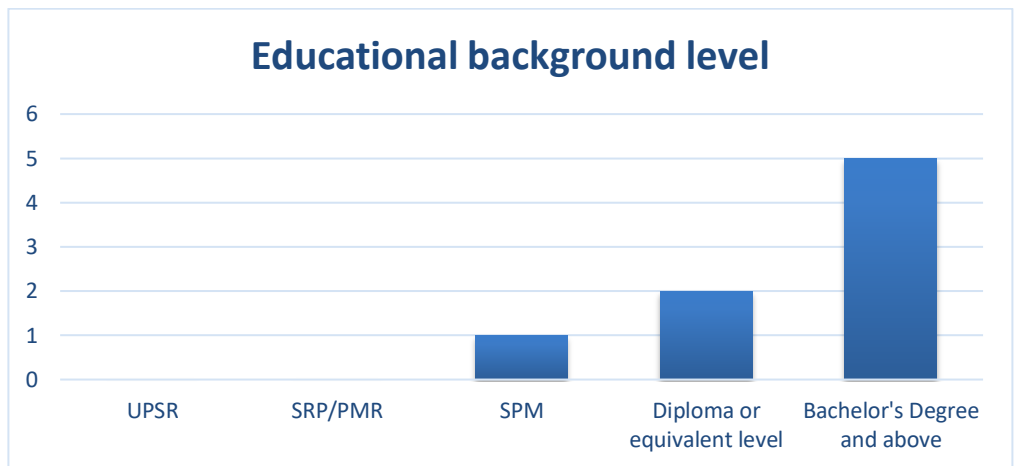


Figure 7: Educational background level
Source: Google Form, 2020

Besides, the educational background of the respondents is mostly educated and graduates from high schools and universities. Generally, educated people are more willing and likely to take part in surveys and interviews (Curtin, Presser, and Singer, 2000; Goyder, Warriner, and Miller, 2002; Singer, Van Hoewyk, and Maher, 2000). Therefore, the respondents mostly have a Bachelor's Degree and above, followed by Diploma and equivalent level, and Sijil Pelajaran Malaysia (SPM).

iv. Types of Business Sector

Types of business sector	Number of respondents
Food and beverages	4
Health and beauty	1
Accessories and clothes	2
Services	1

Table 9: Types of Business Sector

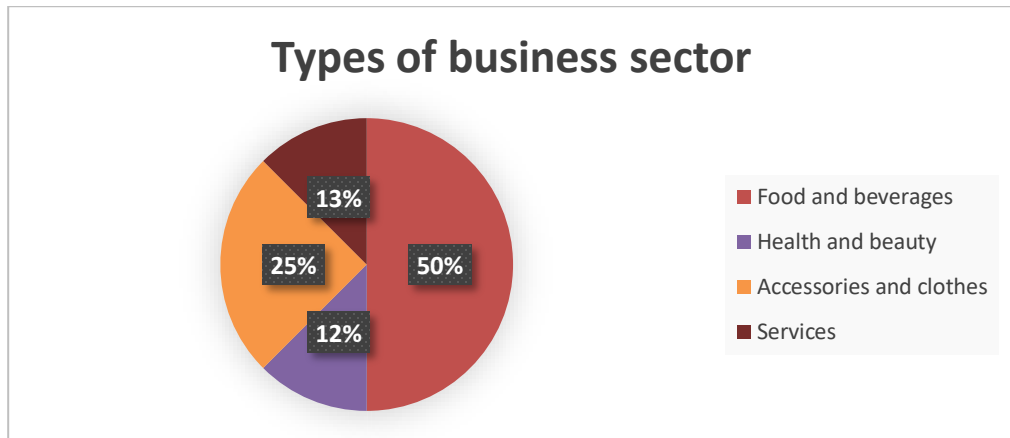


Figure 8: Types of the business sector

Source: Google Form, 2020

The sectors that the respondents are involved in varies to three types of the industry, which are food and beverages, health and beauty, services, and accessories, and clothes. Most importantly, all of the entrepreneurs choose to do a sole proprietorship business. The reason behind this is because sole proprietorship business can be formed without much hassles, such as complicated documentation process and pricey business registration fee. A sole proprietorship also has no legal distinction between the business entity and the business owner.

4.2 Themes Analysis

In this section, the researcher will construct narration of the theme to analyze the data from the interview transcripts. The theme will be divided into two categories, which is consist of Capacity Building and Market Access. Under each category, there will be sub-themes to answer the research questions about whether Capacity Building and Market Access program affects the SME Malaysia performances.

Below is the figure to give a brief description of the themes for the thematic content analysis. Then, the details of each theme will follow the figure and discussed it thoroughly in the next section.

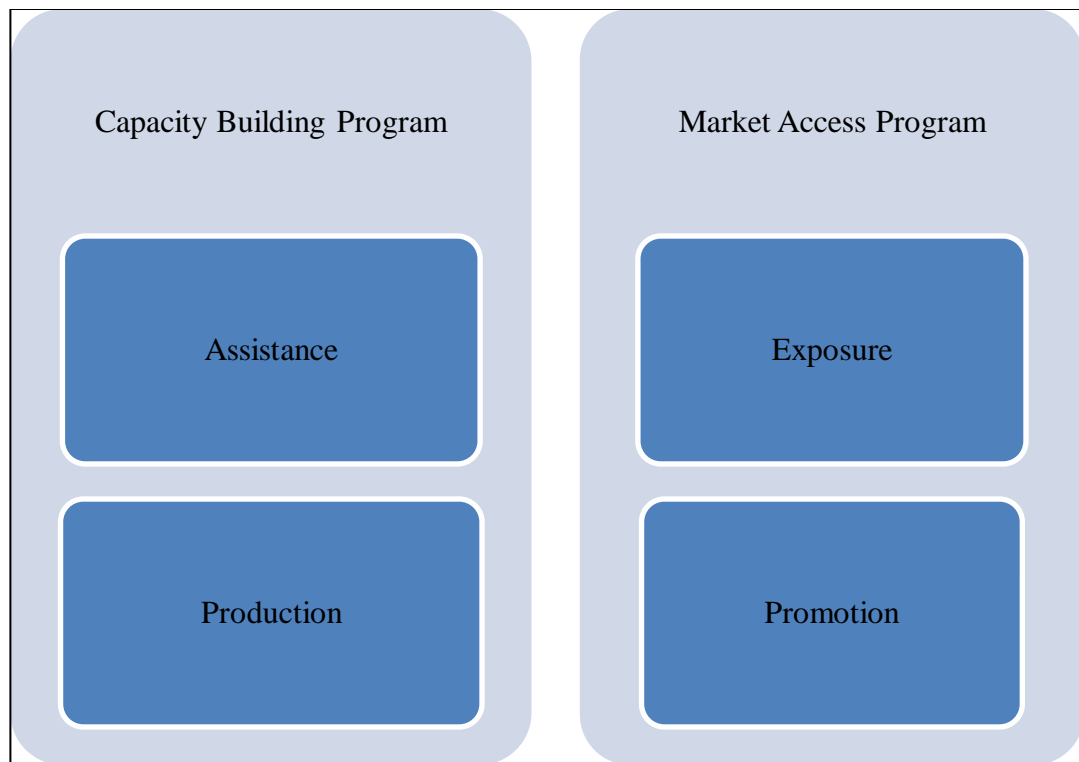


Figure 9: Thematic Analysis for Capacity Building and Market Access

4.2.1 Capacity Building Program

Capacity building is an essential component to develop human capital effectively and helps to improve the organization or an individual to perform at a higher capacity (Tzafirir, 2005). There are three main activities in the capacity building based on Berg (1993), which is strengthening the organization, improving the functions and systems, and enhancing skills, education, and deepening the cross-cutting skills. Through the capacity building program, the business can discover competitive advantages (Nell and Napier, 2006).

Based on the results, there are two themes to explain the effect of the Capacity Building Program on SME performances. It is assistance and production. Each theme will be discussed further in the next section.

4.2.1.1 Assistance

The respondents share how Capacity Building helps their business performance. Owner of SME Firm B stated that,

“They give much assistance to maximize our business capacity. The program is giving the best exposure to entrepreneurs.”

The assistance given by the SME Malaysia is in forms of knowledge, resources, and more. It is a program that can help to guide the entrepreneurs in their financial and business management as well.

Through the program, entrepreneurs can get assistance in terms of resources, such as machinery, to strengthen the business. The owner of SME Firm C and SME Firm A are both satisfied with the assistance given by the SME Malaysia.

“The program assists me well. For example, providing machinery to increase my production, such as the sewing machine”.

Above is the response from the owner of SME Firm C. She stated that the program provides her business with machinery to increase production. Following that, the owner of SME Firm A also comes to give the same statement on this program.

“The program helps us to upgrade our factory and production by giving assistance such as machinery, renovating our premises and factory. Besides, it also helps our product in terms of upgrading the packaging, certification, R&D, and more.”

Besides assisting in the form of machinery, the program is also guiding the entrepreneurs through relevant information. Such information can help entrepreneurs to apply it to business management and financial planning. The owner of SME Firm E finds that it is helpful.

“The program provides concise information in business that can be used to manage my business, staff, and finances. This program helps my business”.

The owner of SME Firm H also agrees and stated that,

“I can acquire information on how to manage my business properly.”

Through the provided information, the entrepreneurship can enhance their skills, education, and deepen their cross-cutting skills.

4.2.1.2 Production

Through the program, the entrepreneurs can also improve their level of production. For instance, the owner of SME Firm G stated that,

“My financial management is becoming better. My production capacity is increasing after joining the program.”

The program is not only increasing the level of production, but it also enhances the quality of the production. It is essential to have a good quality of the product is getting feedback from customers. The owner of SME Firm E stated,

“Through the program, I can interact with other entrepreneurs and exchange our opinions. Besides, we can

increase the quality and capacity of our business's production."

Quality is one of the critical components of a product. It is because the quality will distinguish one product from another. After joining the program, the entrepreneurs claim that they can perform at a better capacity. The owner of SME Firm D stated,

"It helps my business to operate in full capacity."

The owner of SME Firm F also responded,

"It gives us exposure to increase our business performance. It also creates the opportunity to promote our product and increase the production's capacity".

The production plays an essential part in business performance, in terms of revenue and profits.

4.2.2 Market Access Program

Market access is one of the programs by the SME Malaysia to enable the business registered under SME Malaysia to showcase their product and services. Therefore, the researcher interviewed eight respondents that involve in this Market Access program to know how this program helps them. There are two key themes, which are exposure and promotion.

4.2.2.1 Exposure

Market Access Program helps the SME entrepreneurs further to expand their products and services to a different market. For instance, the response below will explain more about this statement.

“It broadens my brand’s potential to be marketed in other market segments.”

Above is the response acquired from the interview with the owner of SME Firm E. Apart from introducing the product to the general and public, the Market Access program also helps the SME entrepreneurs to grab the opportunity to enter another higher market level. The perks of having good market access are that the entrepreneurs can generate more income, which complies with the purpose of this study’s objective.

“Through networking and knowledge sharing, my products can be promoted to a larger market and other targets.”

Through exposure to the market, entrepreneurs can increase their brand’s reputation. Hence the brand reputation can make the people get recognition. Through the interview, the researcher found out that the program of Market Access helps the entrepreneurs to expose their product more to the outside. This statement further supported by the owner of SME Firm A,

“This program helps my brand to be known more to the people out there.”

The owner of SME Firm C agreed and stated that,

“The program helps my business to increase the accessibility of my product. Apart from that, my product started to gain recognition.”

Furthermore, SME Firm G elaborate that,

“It helps my business to be recognized by the customers, and from there, my business expanded.”

Acknowledgment from people is critical for entrepreneurs to engage more with the market. It is because the engagement will lead the entrepreneurs to gain a new customer.

4.2.2.2 Promotion

Further developing, their business can stand a chance to be on the same level as other big brands and companies. Below is the owner of SME Firm G gave the response.

“It is a good program for entrepreneurs to compete with other big companies in Malaysia.”

The previous study discussed that small businesses could hardly keep on pace with the other big companies. It is because their production is

smaller than big companies. However, the entrepreneur stated that they are getting recognition and able to compete in the market—the statement supported by the owner of SME Firm B.

“It is helping us because small businesses rarely get the recognition they deserve. Now, we can compete in the market”

Besides, she added,

“After joining the program, my product offered to promote to the international market.”

The Market Access program enables the entrepreneur to stand in the market with other big companies. The entrepreneurs find the program is helpful, especially in exposing them to the market.

4.3 Research Data Discussion

Concerning the theory deployed in this study, which is the Structure-Conduct-Performance (SCP) Paradigm, this section will discuss more on the results and relate it to the theory. Besides, this section will test the hypothesis developed in the previous Chapter 2 under Hypothesis Development. It is to test whether the hypothesis is accepted after analyzing the result from the transcript of the interview. Hence, this section will identify whether this study satisfies and fulfill the objectives of the study.

Based on the SCP Paradigm, the structure of the market will determine the conduct or behavior of the organization, which, in return, will result in the organization's performance. There are three components discussed in the SCP Paradigm, which is market structure, conduct, and performance.

The market structure refers to the existence and level of competition in the market for products and services (Trucker, 2010). Market structures for both the market for products and the market for services are determined by the essence of competition prevailing in a specific market. There are four types of market structure which is perfect competition, oligopoly, monopoly, and monopolistic competition.

In terms of market structure theory, despite being dominant in terms of assets, jobs, and turnover, only about 1% of small businesses are oligopolies, duopolies, or monopolies. For many sectors, small businesses are either monopolistically dominant or operate under conditions that are similar to the ideal competition. The point here is that these types of businesses have shallow barriers to entry, which means that at any

moment, there are large numbers of companies each with a low market share – so the size of each company is likely to be ‘small’ compared to the overall market size.

Hence, the competition drives small businesses to take the initiative by getting assistance from the government. In this term, it is called conduct, which is one of the components in the SCP Paradigm. The conduct is also a form of action taken by the company or organization to combat the problem that arises in the market structure such as competition. There are two programs discussed in this study, which are the Capacity Building and Market Access Program. This program is recognized as the conduct or action taken by the entrepreneur to achieve a better performance in their business.

The first program is the Capacity Building. Capacity building is an essential component to develop human capital effectively and helps to improve the organization or an individual to perform at a higher capacity (Tzafrir, 2005). Based on the interviews, the researcher finds that the program is assisting in terms of information and resources to the entrepreneur. Also, the Capacity Program increased the production of the business. The results of the assistance given and increasing production will lead to the profitability of the firms. As the theory mentioned, the SCP Paradigm claims that the nature of the market will decide the firm conduct that would decide results. Consequently, the entrepreneur’s business competencies increased due to the Capacity Building program.

Through the Capacity Building, the entrepreneurs are given the assistance that can be used to operate their business better. It is in the form of information, resources, knowledge, and skills development. The capacity building also crucial to

develop human capital and enable the organization and entrepreneur to perform at a higher capacity, according to Tzafrir (2005). Referring to the interviews conducted with the entrepreneurs and a study in Canada, the researcher finds that the organizations that undergo and join the Capacity Building program will have more outstanding performances in terms of employee relations, profitability, revenues, quality, productivity, and business outlook. Therefore, this statement satisfies the first hypothesis, H1, which is: The Capacity Building program has a positive impact on the SME Malaysia performance.

For the second program studied, which is the Market Access program, the entrepreneurs also agree that the program helps their business. Based on the definition by Investopedia (2019), market access is the ability of the business or firms to sell goods and services to another country across the nation's border. However, the size of the business of SME entrepreneurs is small. It hindered their potential to expose their product to the market. Hence, the Market Access program intends to help the SME entrepreneur to get market access and develop their business on a larger scale.

Based on the interviews with the entrepreneurs, the researcher finds that the Market Access program helps the entrepreneur in market exposure and Promotion. By gaining access to the international market, the business will be able to enhance their competitiveness and development in their business. According to the entrepreneur, the program gives them market exposure. By getting exposure, the business will get more recognition from the customers. Therefore, increased

customers will allow them to increase sales and revenues. Besides market exposure, the program allows them to promote their business.

The entrepreneurs revealed that their business is getting offers to market their product to the international market after joining the Market Access program. This achievement is an essential remark because it implies that the program has successfully helped the entrepreneurs. Besides, the access to the international market offers business opportunities through the chance to get a new niche market where the firms have the possibilities to achieve the economies of technological advantages, scope, scale, and volume. Also, international markets allow entrepreneurs to export their products. Research findings of OECD (2002) revealed that the high-growth firms and exports have a link among each other, in which the export appears to be the starting point to increase the firm's growth process. Hence, the result satisfies the second hypothesis, H2: The Market Access program has a positive impact on the SME Malaysia performance.

Below is the annual income of the entrepreneurs after joining the programs under SME Malaysia. The entrepreneurs expressed that they can increase their annual income after joining both of the programs. It is convincing the main objectives of the study that the SME programs affect the SME firm's performance.

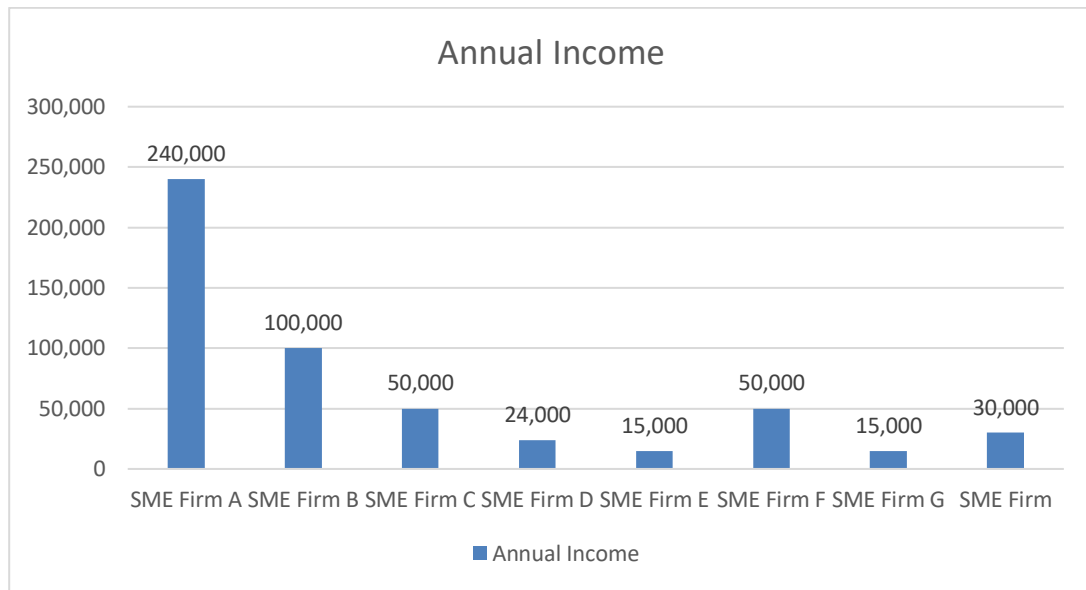


Figure 10: Annual Income of the Entrepreneurs

The performance is the last component of the SCP Paradigm. Narver and Savitt (1971) argued that performance is the result of the conduct. The performance can be measured in terms of net profits, rate of return, the efficiency with which plant, equipment, and other resources were used and more. It explains that the market structure and market conducts will result in market performance.

SME Malaysia creates excellent remarks in the industry every year. SME also contributed to the national economy in the past few years. For example, there is good progress made in its contribution to Malaysia's GDP. GDP or Gross Domestic Product is one of the common indicators used by the economy to measure economic growth. Below is a figure to show the contribution made by SME Malaysia to the GDP from the year 2010 until 2018.

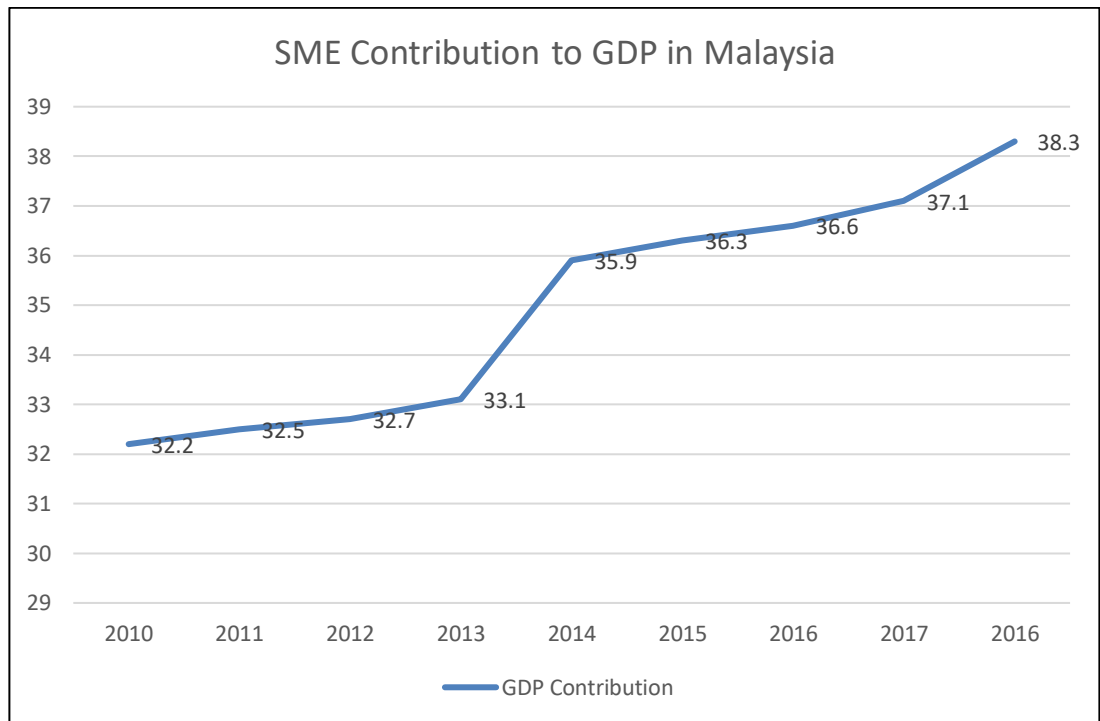


Figure 11: SME Contribution to GDP in Malaysia

Source: SME Malaysia Annual Report 2018/2019

Based on the figure shown above, it shows that SMEs remarks an excellent achievement. It can almost be said that the business under SME can compete with big companies in Malaysia. It is because of the support and assistance given by SME Malaysia to their entrepreneurs through the program such as Capacity Building and Market Access program.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter has three parts, which are Conclusion: The Results and Objectives, Implications and Recommendations, and Conclusion. The first part will highlight the main results that answer the objectives of the study. The second part will discuss the implications of the result and recommendations and policy that should be done, especially by the government and SME Malaysia. The last part will conclude the chapters as a whole.

5.1 Conclusion: Main Findings and Objectives

The main objective of this study is to identify whether the SME Programs affect SME firm performance in Malaysia. The first specific objective is to identify whether the Capacity Building program affects SMEs Malaysia's firm performances. The second objective of the study is to examine whether the Market Access program affects SMEs Malaysia's firm performances.

Through the Capacity Building program, the researcher finds that the entrepreneurs' capability and capacity are increasing. The program helps the entrepreneurs by assisting them in terms of knowledge, skills development, information, and resources such as plant and machinery. By utilizing the resources and assistance given, the entrepreneurs can hence increase their production level.

Based on the finding, the increase in production level leads the entrepreneurs to gain profits, efficiency, and competitiveness in business. Therefore, it leads to a positive impact on SME Malaysia's firm performance.

Besides, the Market Access program also identified to help the entrepreneurs to outreach their market potential. Through the program, the entrepreneur testified that they are offered to promote and market their product internationally. It is quite an impressive achievement considering that small businesses rarely get the opportunities to reach the international market. Based on the interview conducted, the entrepreneur also stated that they are getting more exposure and recognition after joining the interview. It can enhance business growth. Considering that business growth is one of the performance measures, it can be concluded that the Market Access program has a positive impact on SME Malaysia firm's performance.

Based on the results and discussions in Chapter 4, it shows that the programs, which are the Capacity Building and Market Access program, affect the SME Malaysia firm performance. All of the respondents in the interview agreed that the program helps to increase their firm performance. In conclusion, the study satisfies both of the objectives of the study.

5.2 Implications and Recommendations

Neubrger (1997) altered the Bain SCP Paradigm structure by integrating critical variables in the analysis of the industrial structure and public policy. His point relies on the assumption that government policy will function almost on all SCP variables:

structure, conduct, and performance variables. According to the SCP model, if the business consists of just a few large companies, the misuse of market control is likely to decrease production levels and increase prices beyond the level of equilibrium (Lipczynski et al., 2013). The curbing of competition is likely to have adverse effects on consumer welfare (Shafer, 2004). It appears that there is a need for government or regulatory action to encourage competition and avoid misuse of market power (Neuberger, 1997). Lipczynski et al. (2013) indicated that the role of regulation requires a direct business or industrial structure interventions.

They figured out that competition could be encouraged by avoiding a horizontal merger between two large firms or by allowing the break-up of a large established company into two or smaller firms. Also, intervention may be explicitly aimed at affecting behavior by preventing business with market control from establishing a profit-maximizing monopoly price. Also, a broad range of government policy interventions (fiscal policy, employment policy, environmental policy, fiscal policies, and more) can affect the output of businesses, evaluated using indicators such as productivity, production, competitive, or efficiency capacity.

Hence, it is encouraged that the government set a price maximum price for all the markets to avoid market exploitation. Through that, small businesses like SME Malaysian entrepreneurs can healthily compete in the market with more prominent companies. It also creates an opportunity for them to grow their business as well. Hence, it affects the output and the performance of the businesses. The government should take the initiative to employ the policy. Besides, it can protect small businesses from being exploited.

Besides, the interview also revealed that some of the entrepreneurs are still not aware of the programs by SME Malaysia, primarily rural area entrepreneurs. The awareness of the existence of SME programs among entrepreneurs is still debatable. It is because some of the entrepreneurs claim that they never heard of some programs offered by SME in their effort to help their business. It shows that SMEs should reach out more to promote their programs to the entrepreneurs. Lacks proper announcement can hinder the entrepreneurs from taking the opportunities to join the programs. Hence, it is best to believe that mass media is an essential channel to create awareness toward SME programs. By doing that, SME Malaysia can help to improve more in other entrepreneurs' businesses.

Also, SME Malaysia should create awareness among the entrepreneurs in the rural area, especially in Sabah and Sarawak, so that they can also join the program. As we know, a rural area can hardly access the amenities provided by the government, especially telecommunication. It is because they face geographically disadvantage. Hence, the government plays a vital role in making sure that all can get access wherever they are. Addressing the issues, the government should make an effort to provide the necessary amenities such as telecommunication for the entrepreneurs to access the information regarding the SME Malaysia program easily.

5.3 Limitation of the Study

Every dissertation or study will have some limitations, especially in the qualitative study approach. For this study, the list of limitations are as follow:

- e) The participants of the interview (interviewee) might refuse to answer the questions that against their firms or organizations. Hence, this will disturb or affect the reliability of the study.
- f) The sample size or several interviewees is quite small, which is only involved, 8 participants. It is recommendable that bigger sample size will increase the research's reliability.
- g) The performance of SME Malaysia might be affected by other SME Programs that are not mentioned and studied in this research paper.
- h) The qualitative research is a time-consuming and cost-consuming because the researcher needs to collect the data primarily and construct the questions by themselves to be in line with the research objectives.
- i) The latest world's condition restricts the movement of the researcher, where the COVID-19 pandemic struck the whole nation. Hence, the data collection is severely affected that the researcher has to conduct an online interview.

5.4 Conclusion

In summary, small and medium-sized companies in Malaysia contribute on average, given the complicating circumstances that would have resulted in a more significant contribution. However, it is worth noting that the influence of Malaysia's small and medium-sized enterprises can not be reduced to anything; they must continue to increase their production in order to be more competitive and efficient. With government policy funding, small and medium-sized businesses will still boost the economy in all its implications.

Hence, here are the suggestions for future research on SME Malaysia. Firstly, another path for future research is to perform a longitudinal follow-up analysis of small and medium-sized businesses that have collaborated in this research to test the results of this report further. Although it is usually considered costly and time-consuming, longitudinal studies can lead to higher validity because long-term shifts and trends can be established.

Besides, the future research of SME Malaysia can be conducted using both qualitative and quantitative research methods. The qualitative analysis would make it feasible to formulate better proposals and also to make the conceptual model of such proposals more accurate. Around the same time, the quantitative analysis would make it possible to test these ideas.

References

- Bacon, N., Ackers, P., Storey, J., and D. Coates (1996). It's a Small World: Managing Human Resources in Small Businesses, *International Journal of Human Resource Management*, 7, 82-100.
- Booth, A.L. and Snower, D.J. (1996). *Acquiring Skills: Market Failures, Their Symptoms and Policy Responses*, Centre for Economic Policy Research, London.
- Curtin, R., Presser, S., & Singer, E. (2000). The effects of response rate changes on the index of consumer sentiment. *Public Opinion Quarterly* 64: 413–428.
- DiMaggio, P., Hargittai, E., Celeste, C., & Shafer, S. (2004). Digital inequality: From unequal access to differentiated use. In *Social inequality* (pp. 355-400). Russell Sage Foundation.
- Drew C.J., *Qualitative Research in Education* (USA: Sage,2010), 22-23.
- Frankel J.R., *How to Design and Evaluate Research in Education* (USA: Macgraw-Hill,2000),509.

Fullan, M. (2001). *The new meaning of educational change*. New York, NY: Routledge.

Gathenya, J. W., Bwisa, H. M., & Kihoro, J. M. (2011). Interaction between women entrepreneurs' age and education on business dynamics in small and medium enterprises in Kenya.

G. Ramesh Babu, *Research Methodology in Social Sciences* (India: Concept Publishing Company, 2008), 11.

Goyder, J. (1986). *Surveys on Surveys: Limitations and Potentials*. *Public Opinion Quarterly*, 50, 27-41.

Hackett, P., "The Selection Interview," *The Management Shapers Series* (London: Chartered Institute of Personnel and Development, 2003) 95.

Hashim, M. K., & Abdullah, M. S. (2000). A proposed framework for redefining SMEs in Malaysia: One industry, one definition. *Asian academy of management journal*, 5(1), 65-79.

Holmes R. et al., *A Guide to Research in the Social Sciences* (Malaysia: Pearson, 2005), 18.

Kiveu, M. and Ofafa, G. (2013). Enhancing market access in Kenyan SMEs using ICT.

Global Business and Economics Research Journal, 2(9): 29-46.

Landefeld, J. S., Seskin, E. P., & Fraumeni, B. M. (2008). Taking the pulse of the

economy: Measuring GDP. Journal of Economic Perspectives, 22(2), 193-216.

Laroche, F., Sys, C., Vanelslander, T., & Van de Voorde, E. (2017). Imperfect

competition in a network industry: The case of the European rail freight market.

Transport Policy, 58, 53-61.

Matlay, H. (1999). "Vocational education, training and organizational change: a small

business perspective," Strategic Change, Vol. 8 No. 5, pp. 277-89.

Moore, D. L., & Tarnai, J. (2002). Evaluating nonresponse error in mail surveys. In:

Groves, R. M., Dillman, D. A., Eltinge, J. L., and Little, R. J. A. (eds.), Survey

Nonresponse, John Wiley & Sons, New York, pp. 197–211.

Narver, J. and Savitt, R. (1971), The Marketing Economy: An Analytical Approach.

New York: Holt, Rinehart and Winston.

Nell, W.T. & Napier, R. J. (2005). Strategic approach to farming success. Bloemfontein,

University of Free State, Republic South Africa

Neuberger, D. (1997). Structure, conduct and performance in banking markets (No. 12).

Thünen-Series of Applied Economic Theory-Working Paper.

Pollard, C. E., & Hayne, S. C. (1998). The changing face of information system issues in small firms. *International Small Business Journal*, 16(3), 70-87.

Pollard, D., & Jemicz, M. (2006). The internationalization of Czech SMEs: some issues relating to marketing knowledge deficiencies. *International Journal of Entrepreneurship and Small Business*, 3(3/4), 400.

doi:10.1504/ijesb.2006.009283

Punch K.F, *Introduction to Social Research* (London: Sage,1998), 66.

Rajabifard, A., & Williamson, I. P. (2004). SDI development and capacity building.

Retrieved from

<http://csdila.unimelb.edu.au/publication/conferences/SDI%20Development%20and%20Capacity%20Building.pdf>

Reekie, W. D., & Savitt, R. (2006). Marketing Behaviour and Entrepreneurship: A Synthesis of Alderson and Austrian Economics. In *A Twenty-First Century Guide to Aldersonian Marketing Thought* (pp. 351-364). Springer, Boston, MA.

Reid H.M., *Introduction to Statistic* (California: Sage, 2004), 4

Sapienza, H. J., Smith, K. G., & Gannon, M. J. (1988). Using Subjective Evaluations of Organizational Performance in Small Business Research. *American Journal of Small Business*, 12(3), 45–54. doi:10.1177/104225878801200304

Sciascia, S., Naldi, L., & Hunter, E. (2006). Market orientation as determinant of entrepreneurship: An empirical investigation on SMEs. *The international entrepreneurship and management journal*, 2(1), 21-38.

Singer, E., van Hoewyk, J., & Maher, M. P. (2000). Experiments with incentives in telephone surveys. *Public Opinion Quarterly* 64: 171–188.

Small and Medium Enterprises (SMEs) Performance 2018. (2019, 31 July). Retrieved December 12, 2019, from https://www.dosm.gov.my/v1/index.php?r=column/cthemedByCat&cat=159&bul_id=R0Vka2RpeVJ0cUlR3BqdjhudDZhdz09&menu_id=TE5CRUZCblh4ZTZMODZlbnk2aWRRQT09.

Stevenson, H. H., & Jarillo, J. C. (1990). Stevenson 1990 A Paradigm of Entrepreneurship. pdf. *Strategic Management Journal*, 11, 17-27.

Storey, D. (1994). *Understanding the Small Business Sector*. International Thompson Business Press, London.

Trucker, B. (2010). Survey of Economics, 7th edition, Cengage South-Western.

Tzafir, S. S. (2005). The relationship between trust, HRM practices and firm performance. The International Journal of Human Resource Management, 16, 1600-1622.

Wadhwa, P., McCormick, M., & Musteen, M. (2017). Technological innovation among internationality active SMEs in the Czech economy. European Business Review.

Walliman N., Research Methods The Basic (New York: Routledge,2011), 1.

APPENDIX

INTERVIEW TRANSCRIPTS

1. SME Firm A

Q: How long have you been as an entrepreneur?

A: I become an entrepreneur for four years already

Q: What motivates you to be an entrepreneur?

A: Initially, I want to help the community, such as offer them the employment's opportunity.

Q: Can you please describe your experience that you gain from your business?

A: Firstly, it is full of ups and downs. Of course, there are many hardships that I have to go through. Besides, I learnt that there are different kinds of people's behavior during my entrepreneurship.

Q: I see. Then may I know what is your business direction?

A: My goals is to help my community through my products and increase living standards and quality of the community.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Yes, I involved for already 4 years.

Q: Does the program assist you in business management and financial planning?

A: Yes. It really helps my business.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: Yes. It helps me to properly manage my business and guide me to do more better.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: Yes, the program helps us to upgrade our factory and production by giving assistance such as machinery, renovating our premise/factory. Besides, it also helps our products in terms of upgrading the packaging, certification, R&D and more.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes, this program helps my brand to be known more to the people out there.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: My revenue increases twofold than before.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: I think yes through the program. It is because I get a lot of new customers.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: By giving the opportunity for our products to compete with big companies in Malaysia.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: SME programs helping entrepreneurs out there to enhance their business. However, I believe that they should announce their programs effectively because there are several of us still not aware of it.

2. SME Firm B

Q: How long have you been as an entrepreneur?

A: I think it is my fourth year.

Q: What motivates you to be an entrepreneur?

A: It is my passion that I want to involve in entrepreneurship. It makes me content.

Q: Can you please describe your experience that you gain from your business?

A: In my entrepreneurship year, I have recorded some happy moment which is when my product getting attention from the agency of KPDNHEP

Q: I see. Then may I know what is your business direction?

A: My business goals is to increase our production, and of course to maximize our profits.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Yes, four year.

Q: Does the program assist you in business management and financial planning?

A: Yes, and besides, they give a lot assistance to maximize our business capacity.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: I agree because the program is giving the best exposure to the entrepreneurs.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: Yes. It gives us a lot of exposure and assistance. Through that, we can use it to increase our business performance.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: I do agree. It is because the Market Access program help the entrepreneurs to access to their target market. Besides, it fulfills our business' need.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: Yes. After joining this program, my product ever being offered to promote it to the international markets.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: Yes, they are. Through the information given, the entrepreneurs can grab the opportunity to expose our product to the markets.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: It is really helping us because small businesses rarely get the recognition they deserve. However, now we can compete in the market as other businesses do.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: Market Access program is good because we can get more exposure and get more customers.

3. SME Firm C

Q: How long have you been as an entrepreneur?

A: I just started. It is only for one year.

Q: What motivates you to be an entrepreneur?

A: I motivated to earn side incomes.

Q: Can you please describe your experience that you gain from your business?

A: I learned that every business cannot avoid the competitions. So, my business also going through the same thing.

Q: I see. Then may I know what is your business direction?

A: It is quite cliché, but my business wants to satisfy our customers' needs and wants.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Yes, I just started for one year.

Q: Does the program assist you in business management and financial planning?

A: Yes, it is.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: I agree because I can see good changes in my business' revenues.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: The program assists me well. For example, provide machinery to increase my production such as sewing machine.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes, because my products can be accessed well by the customers.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: The program really helps my business to increase the accessibility of my product. Apart from that, my product started to gain recognition.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: I don't think there is enough information provided because some of the entrepreneurs are still unaware or misunderstand the program's concepts.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: It is a good opportunity for us. Besides, the program gets a full support from our government, so it is really helping us.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: The program is really a big help for the entrepreneurs like us. It helps us to be recognized and increase our sales.

4. SME Firm D

Q: How long have you been as an entrepreneur?

A: Two years.

Q: What motivates you to be an entrepreneur?

A: After helping my family to run their business, then I found myself are into business, so I set up my own business.

Q: Can you please describe your experience that you gain from your business?

A: It is hard for me when my business encountered loss. However, it is kind of joyful when we make profits.

Q: I see. Then may I know what is your business direction?

A: I aim for having my own franchises and export my products to the international markets.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Yes. I involved for two years.

Q: Does the program assist you in business management and financial planning?

A: Yes.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: Yes, it is.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: Yes, it helps my business to operate in full capacity.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes, it helps the entrepreneurs to increase the products accessibility to the customers.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: Yes, it is helping in terms of my products' marketing.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: Yes, a lot of SME entrepreneurs joining this program.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: It is quite good. The customers becoming more loyal and my business also get new customers.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: It is quite satisfying.

5. SME Firm E

Q: How long have you been as an entrepreneur?

A: Five years.

Q: What motivates you to be an entrepreneur?

A: I want to earn my own income without relying much on others.

Q: Can you please describe your experience that you gain from your business?

A: Initially, product acceptance is quite unimpressive. I have to make many promotions to introduce my product to the public. Luckily I found out about SME programs.”

Q: I see. Then may I know what is your business direction?

A: We aim to produce an environment-friendly product because our products contains no chemical and illegal substances. Besides, we want to create employment opportunity to our community in health and beauty sector. Plus, we want to help the nation's economy by contributing to the business and the money flow.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Five years.

Q: Does the program assist you in business management and financial planning?

A: Yes, it helps to manage my business and financial.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: Yes. The program provides concise information in business that can be used to manage my business, staffs, and financial. This program really helps my business.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: Yes. Through the program, I can interact with other entrepreneurs and exchange our opinions. Besides, we can increase the quality and capacity of our business's production.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes. It broadens my brand's potential to be marketed in other market segments.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: There are more people aware and recognize our products.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: I'm not sure because in Sarawak, the entrepreneurs are not tech-savvy especially in rural area. Besides, Sarawak's entrepreneur products rarely being promoted by SME Malaysia.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: This end-to-end support helps me to increase my products' potential.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: Market Access program helps my business to achieve the objective in creating the awareness on my product's existence. Hence, my product can be recognized by the people out there.

6. SME Firm F

Q: How long have you been as an entrepreneur?

A: Ten years.

Q: What motivates you to be an entrepreneur?

A: I want to earn income after my retirement age to support my family.

Q: Can you please describe your experience that you gain from your business?

A: At first, it is hard to get acknowledged. As time goes by, I can get to know many pieces of information on business' strategies from other entrepreneurs. Also, SME programs help me more

Q: I see. Then may I know what is your business direction?

A: Actually, I want to open many franchises in all states in Malaysia.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Three years.

Q: Does the program assist you in business management and financial planning?

A: Yes, it really helps.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: I agree. It gives us the exposure to increase our business performance. It also creates the opportunity to promote our product and increase the productions' capacity.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: It helps my business to broaden our business networking.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes, it promotes our product to peoples.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: It helps us, such as there is increase of product's demand in the market.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: Yes.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: Through the networking and knowledge sharing, my products can be promoted to a larger market and other targets. Besides, it can save my time to gain such achievements.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: Market Access help me in increasing the demand of my products from customers.

7. SME Firm G

Q: How long have you been as an entrepreneur?

A: Quite a long time. It's my fifteenth year as an entrepreneur.

Q: What motivates you to be an entrepreneur?

A: I really into running a business. It makes me happy.

Q: Can you please describe your experience that you gain from your business?

A: There are ups and downs every year. Plus, the business sometimes is not stable because of the surrounding circumstances.

Q: I see. Then may I know what is your business direction?

A: We aim to expand our business to every state and realize our dream to have our own branches in and out of Malaysia.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Yes, for fifteen years.

Q: Does the program assist you in business management and financial planning?

A: Yes, especially my financial management becoming better.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: Yes, my production capacity increasing after joining the program.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: Yes, it gives us to learn more on business and giving the opportunity to enhance our product marketability.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes, I agree. Market Access program promote our product in a larger scale, and it is much easier with SME's helps.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: It helps my business to be recognized by the customers and from there, my business expanded to higher capacity.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: Yes, it helps my business to avoid market failure. Using the information provided, I can promote my products better.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: It is important for me as the entrepreneurs to expand my business more. Besides, my business getting more profits, and my business performances increased.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: It is a good program for me because it can expand my business more and increase the revenue. Hence, it is a good program to achieve my business's goal.

8. SME Firm H

Q: How long have you been as an entrepreneur?

A: Five years.

Q: What motivates you to be an entrepreneur?

A: I am passionate to have my own business and also, I want to be independent without depending on others.

Q: Can you please describe your experience that you gain from your business?

A: For me, it is such an exciting experience when I get the trusts from my customers and I can have more bonding with them. Apart from that, I can be an independent without having to ask money from my parents.

Q: I see. Then may I know what is your business direction?

A: I would like to make my product to be marketed in the international market and recognized by all.

Q: Now let's move on to the questions regarding the program. Did you involve in Capacity Building program? If yes, for how long?

A: Already five years, I guess.

Q: Does the program assist you in business management and financial planning?

A: Yes, it helps especially for those entrepreneurs that still new to starting their business.

Q: Do you think that Capacity Building is essential to increase your business performance?

A: Yes, it is.

Q: Does the Capacity Building program satisfy and meet your business's need? How?

A: Yes, I can acquire information on how to manage my business properly.

Q: Now I will ask questions on Market Access program. Do you agree that Market Access enable the businesses registered under SME to showcase their product and services? Why?

A: Yes, my products getting recognized in the market and I can get new loyal customers. Therefore, this will increase my business performances in terms of revenue and profits.

Q: How does Market Access program promote and showcases the product and services produced by SME businesses? Any specific achievement?

A: My products being recognized and trusted by the customers.

Q: Do you think SME Malaysia has provide enough information regarding the products and services of your business to the market? How? Why?

A: Yes, SME gives enough information on this product because most of the entrepreneurs choose to join this program.

Q: What do you think about SME's provision of end-to-end support such as cross-border trade, networking and knowledge sharing through the Market Access program can help you to improve your market accessibility? How?

A: Yes, because it enables us to promote our product to others.

Q: What are your comments regarding the Market Access program's ability to improve your business performances? How and why?

A: It is a good program for new entrepreneurs to compete with other big companies in Malaysia.

ORIGINALITY REPORT

12%

SIMILARITY INDEX

8%

INTERNET SOURCES

3%

PUBLICATIONS

9%

STUDENT PAPERS

PRIMARY SOURCES

1	mafiadoc.com Internet Source	1%
2	Submitted to Universiti Malaysia Sarawak Student Paper	1%
3	Submitted to Universiti Teknologi MARA Student Paper	1%
4	www.ums.edu.my Internet Source	<1%
5	Matyjas, Zbigniew. "THE ROLE OF THE STRUCTURE-CONDUCT- PERFORMANCE PARADIGM FOR THE DEVELOPMENT OF INDUSTRIAL ORGANIZATION ECONOMICS AND STRATEGIC MANAGEMENT", Journal of Positive Management, 2014. Publication	<1%
6	researchportal.port.ac.uk Internet Source	<1%
7	ugspace.ug.edu.gh Internet Source	<1%
8	Submitted to Institute of Graduate Studies, UiTM Student Paper	<1%

9	journals.sagepub.com Internet Source	<1 %
10	Submitted to Kolej Universiti Linton Student Paper	<1 %
11	www.innovation.my Internet Source	<1 %
12	Submitted to University Der Es Salaam Student Paper	<1 %
13	repository.mua.ac.ke Internet Source	<1 %
14	studentsrepo.um.edu.my Internet Source	<1 %
15	Submitted to Institute of Research & Postgraduate Studies, Universiti Kuala Lumpur Student Paper	<1 %
16	Submitted to Eiffel Corporation Student Paper	<1 %
17	Submitted to Mount Kenya University Student Paper	<1 %
18	uir.unisa.ac.za Internet Source	<1 %
19	Submitted to HELP UNIVERSITY Student Paper	<1 %
20	www.scribd.com Internet Source	<1 %

Submitted to Universiti Sains Malaysia

21	Student Paper	<1 %
22	Submitted to St Dominic College of Asia Student Paper	<1 %
23	pdfs.semanticscholar.org Internet Source	<1 %
24	jsbednet.com Internet Source	<1 %
25	Submitted to Liverpool John Moores University Student Paper	<1 %
26	Submitted to Sheffield Hallam University Student Paper	<1 %
27	erepository.uonbi.ac.ke Internet Source	<1 %
28	Submitted to Universitas Diponegoro Student Paper	<1 %
29	Yong Tan. "Theory of Bank Efficiency and Bank Competition", Elsevier BV, 2016 Publication	<1 %
30	www.docuter.com Internet Source	<1 %
31	researchbank.rmit.edu.au Internet Source	<1 %
32	etd.uum.edu.my Internet Source	<1 %
33	Submitted to Postgraduate Schools -	

Limkokwing University of Creative Technology

Student Paper

<1 %

34

eprints.usm.my

Internet Source

<1 %

35

aisel.aisnet.org

Internet Source

<1 %

36

Submitted to Asia Pacific University College of Technology and Innovation (UCTI)

Student Paper

<1 %

37

Submitted to University of Wollongong

Student Paper

<1 %

38

Submitted to Higher Education Commission Pakistan

Student Paper

<1 %

39

Erlane K Ghani, Siti Aimi Mohamad Yasin, Mazurina Mohd Ali. "Examining Enterprise Resource Planning Post Implementation and Employees' Performance in Small and Medium Enterprises Using DeLone and McLean's Information System Success Model", International Journal of Financial Research, 2019

Publication

<1 %

40

Submitted to Coventry University

Student Paper

<1 %

41

Submitted to Bolton Institute of Higher Education

Student Paper

<1 %

42	Submitted to Midlands State University Student Paper	<1 %
43	mro.massey.ac.nz Internet Source	<1 %
44	Submitted to University of East London Student Paper	<1 %
45	Submitted to Taylor's Education Group Student Paper	<1 %
46	eprints.kingston.ac.uk Internet Source	<1 %
47	Submitted to London School of Business and Finance Student Paper	<1 %
48	Submitted to University of Bedfordshire Student Paper	<1 %
49	umpir.ump.edu.my Internet Source	<1 %
50	Submitted to Wawasan Open University Student Paper	<1 %
51	Submitted to University of Ulster Student Paper	<1 %
52	scholar.mzumbe.ac.tz Internet Source	<1 %
53	Submitted to University of Stirling Student Paper	<1 %

54	Internet Source	<1 %
55	Submitted to University of South Africa Student Paper	<1 %
56	www.thejournalofbusiness.org Internet Source	<1 %
57	Submitted to Maastricht School of Management Student Paper	<1 %
58	studylib.net Internet Source	<1 %
59	Submitted to Chesterfield College Student Paper	<1 %
60	Submitted to Swansea Metropolitan University Student Paper	<1 %
61	ir.cuea.edu Internet Source	<1 %
62	www.linguistics-journal.com Internet Source	<1 %
63	hdl.handle.net Internet Source	<1 %
64	ir.jkuat.ac.ke Internet Source	<1 %
65	www.mcmc.gov.my Internet Source	<1 %
66	eresearch.qmu.ac.uk Internet Source	<1 %

67	mpra.ub.uni-muenchen.de Internet Source	<1 %
68	Submitted to Institute of Technology Blanchardstown Student Paper	<1 %
69	Submitted to Management & Science University Student Paper	<1 %
70	Submitted to Far Eastern University Student Paper	<1 %
71	Submitted to Kenyatta University Student Paper	<1 %
72	www.sundaymail.co.zw Internet Source	<1 %
73	Submitted to Arabian Gulf University Student Paper	<1 %
74	"Proceedings of the 7th International Conference on Kansei Engineering and Emotion Research 2018", Springer Science and Business Media LLC, 2018 Publication	<1 %
75	Submitted to International University of Malaya- Wales Student Paper	<1 %
76	www.tandfonline.com Internet Source	<1 %
77	Submitted to Brunel University Student Paper	<1 %

78	eprints.unm.ac.id Internet Source	<1 %
79	Submitted to National University of Ireland, Galway Student Paper	<1 %
80	usir.salford.ac.uk Internet Source	<1 %
81	wlv.openrepository.com Internet Source	<1 %
82	Submitted to International Islamic University Malaysia Student Paper	<1 %
83	Submitted to Waterford Institute of Technology Student Paper	<1 %
84	Submitted to School of Business and Management ITB Student Paper	<1 %
85	Submitted to University of Southampton Student Paper	<1 %
86	Submitted to INTI International University Student Paper	<1 %
87	scholarworks.waldenu.edu Internet Source	<1 %
88	www.duo.uio.no Internet Source	<1 %
89	Submitted to Heriot-Watt University Student Paper	<1 %

90	Submitted to Asia e University Student Paper	<1 %
91	scholarpublishing.org Internet Source	<1 %
92	www.irjcjournals.org Internet Source	<1 %
93	rgu-repository.worktribe.com Internet Source	<1 %
94	www.homeworkmarket.com Internet Source	<1 %
95	www.mida.gov.my Internet Source	<1 %
96	Submitted to University of KwaZulu-Natal Student Paper	<1 %
97	Submitted to Majan College Student Paper	<1 %

Exclude quotes On

Exclude bibliography On

Exclude matches < 8 words



Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

Submission Author	NURUL SYAFIZA BINTI ABDULLAH
-------------------	------------------------------

Turnitin Paper ID (Ref. ID)	1363951379
-----------------------------	------------

Submission Title	FYP 2 Nurul Syafiza Abdullah 62301
------------------	------------------------------------

Assignment Title	Submission of FYP2 (All Program - Only for Late Submission Allowed by Supervisor and Coordinator)
------------------	---

Submission Date	30/07/20, 16:48
-----------------	-----------------

 Print