

Factors influencing the SME business success in Malaysia

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Article History

Received on 7 January 2021

1st Revision on 14 January 2021

2nd Revision on 18 January 2021

Accepted on 19 January 2021

Abstract

Purpose: The research aimed to investigate the factors that influence SME business success in Malaysia.

Research methodology: This study employed a quantitative research design and used a paper-based online questionnaire to collect data from 100 SME entrepreneurs in Malaysia. Smart PLS 3.2.8 was used to analyse the data collected in this study.

Results: The study concluded that the factors of entrepreneurs' personalities traits and effective marketing have no significant relationship with SME business success, while the strategic planning and management is significantly positive related to SME business success.

Limitations: The present study had a small number of respondents to obtain more accurate results.

Contribution: The results can be useful to optimise the local SME business performance by presenting the factor that is significantly and positively influencing business success. This study makes a new attempt to demonstrate the effect of strategic planning and management on SME business success in Malaysia. Besides, the research emphasises the importance of implementation of strategic planning and management in SME business to enhance the rate of business success.

Keywords: *Business success, Malaysia, SME*

How to cite: Lim, C. H., & Teoh, K. B. (2021). Factors influencing the SME business success in Malaysia. *Annals of Human Resource Management Research*, 1(1), 41-54.

1. Introduction

The topic to be discussed in this research is about the factors influencing Small-medium Enterprise (SME) business success in Malaysia within the first five years of business commencement. SME is a hot topic to discuss in global, especially in Malaysia. It drives the economic growth of most countries and overcome the unemployment issues. In recent years, the SME trends gradually increase in the worldwide. Most of the SME entrepreneurs would like to engage in this type of business because the start-up of SME could be based on a relatively small investment.

According to the new guideline for SME definition, SME covers all sectors, that are manufacturing, services, agriculture, construction and mining and quarrying ([SME Corporation Malaysia, 2013](#)). Besides, the business that are qualified as SME must fulfil either one of the two minimum specified criteria, which are the sales turnover and the numbers of full-time employees. Table 1 is the detailed definition for the size of operation of SMEs in different sectors.

Table 1
Definition of SME

Category	Micro		Small		Medium	
	Sales Turnover	Employees	Sales Turnover	Employees	Sales Turnover	Employees
Manufacturing	< RM300,000	< 5	RM300,000 to < RM15 million	5 to < 75	RM15 million to ≤ RM50 million	75 to ≤ 200
Services and Others			RM300,000 to < RM3 million	5 to < 30	RM 3 million to ≤ RM20 million	30 to ≤ 75

In Malaysia, SME is the major contributor to the Gross Domestic Product (GDP) and it is one major source for job creation ([Department of Statistics Malaysia, 2020](#)). SME is the backbone of Malaysia's economy ([Liew, 2020](#)). SME helps the community to improve their living standard and income level by offering 5.7 million job opportunities in Malaysia ([Department of Statistics Malaysia, 2017](#)). Seeing the number of successful SMEs in the local market, it acts as a motivator for the community to actively participate in the sector. The Senior Director of the Bank Group's Trade & Competitiveness Global Practice, Anabel Gonzalez, said that "Malaysia's transition to a high-income economy will highly depend on SMEs' contribution to GDP growth" ([World Bank, 2016](#)). This is because SMEs play a vital role in creating job opportunities for the people, especially for women and youth. In this multi-racial country, Chinese entrepreneurs have dominated the majority of the SMEs, since the 1990s ([Minai, Ibrahim & Law, 2012](#)). The other races such as Malay, Indian and Bumiputeras were left far behind ([Razak & Abdullah, 2018](#)). Thus, the government actively introduce numerous of entrepreneurship development programmes in Malaysia such as SME Capability Programme as well as Coach and Grow Programme (CGP) to create and enhance the capability of all entrepreneurs.

Business success can be interpreted in many ways ([Foley & Green, 1989](#)). In 20th century, business success means the positive growth in profit and size of the business. However, business success in 21st century focuses on creating human well-being instead of focusing merely on the profitability ([Matlon, 2019](#)). To most of the SME entrepreneurs, SME business success is measured in terms of business growth and financial performance ([Gyimah, Owiredo & Antwi, 2020](#)). The business success is the key motivator for the entrepreneurs and it pushes them to work harder. If they failed to achieve business success even after long time period and effort, the entrepreneurs' confidence will be weakened and have little motivation to sustain the business ([Klimas, Czakon, Kraus, Kailer & Maalaoui, 2020](#)). As a result, this will gradually affect the economic growth of Malaysia.

SMEs are vital towards the contribution to Malaysia's economy. However, most Malaysia SME entrepreneurs are unable to sustain their business over the long period and encounter business failure within the first five years ([Perera, 2016](#)). There are several factors showing the lack of business planning among SME entrepreneurs. Firstly, the poor strategic planning and lack of management skills are the reasons why most of the SME fail to sustain their businesses ([Kaur, 2017](#)). The entrepreneurs are not aware of the problem and denied about how ineffective they run their businesses. They neglect the importance of strategic planning in the business and this will negatively affect the business performance. Besides, lack of entrepreneurs' personalities traits is one of the factors that lead to SME business failure ([Halim, Zakaria, Hamid & Khalid, 2014](#)). The entrepreneurs' personalities such as the need of achievement is equally important to lead the employees or organisation to achieve business goals and vision. Furthermore, poor marketing is one of the top 10 reasons why entrepreneurs fail in their business ([Burns, 2019](#)). The entrepreneurs found it hard to retain the potential customers as they have problem in accessing to the target market and being unfamiliar in managing the relationship between the company and customers. In this research study, we will investigate the relationship between these factors and business success. The results of this research can be useful in helping the current and future SME entrepreneurs to identify the lacking factors to improve the business success rate and maximise their business performances.

2. Literature review and hypotheses development

The business performance or business growth refers to the business success ([Barkham, Gudgin, Hart & Hanvey, 1996](#)). Each entrepreneur has a different perception on the term “business success”. For SME entrepreneurs, business success is achieved if they manage to sustain their business with positive growth in terms of business size and revenues ([Ahmad & Seet, 2009](#)). Some entrepreneurs defined success by the means of financial indicators, such as high return of investments and market share ([Lekovic & Maric, 2015](#)).

Similarly, many authors and scholars described business success in terms of business performances and profitability. However, a few scholars argued that majority of micro and small businesses are without formal financial record ([Ramli, Mohd Zain, Razik & Yaacob, 2017](#)). Thus, financial performance becomes impractical in terms of measuring business success. Besides, the financial data limits the ability to take into consideration the business future performance as they are historically oriented, hence this method can be misleading ([Koufteros, Vergheese & Lucianetti, 2014](#)).

2.1. *Entrepreneurs’ personalities traits*

In the present study, the entrepreneurs’ characteristics are categorised in terms of their demographic characteristics and personality traits. The demographic characteristics are those that directly relate to the individual whereas personality traits are related to an individual’s behaviour, emotions and thoughts ([McCrae & Costa, 2008](#)). Demographic characteristics include age, experience, education and family background that an entrepreneur has gained through his or her life. Based on the study of [Klotz and Neubaum \(2016\)](#), they suggested that the entrepreneurs’ personalities traits influence the entrepreneurial behaviour and outcomes in the business journey.

The present researchers used the term ‘personality traits’ to describe the specific traits of an entrepreneur in relation to the entrepreneurship task and intention ([Rauch & Frese, 2007](#)). These traits are required for achievement, innovation, tolerance for ambiguity, locus of control, risk-taking propensity and self-efficacy ([Frese, 2009](#)). The entrepreneurs’ personality traits significantly influence the entrepreneurs’ intention to start-up a business or achieve business success. Among these six traits, ‘need for achievement’ would be focused on this current study. The SME entrepreneurs who have personalities traits such as need for achievement tend to achieve business success easily compared to those who lacks the personalities traits. Need for achievement is a basic psychology process of individuals who tried without the unyielding to achieve a specific goal ([Asmara, Djatmika, & Indrawati, 2016](#)). Based on the theory proposed by [McClelland in 1961](#), he claimed that people with high need for achievement will actively seek for solutions to achieve the targets. McClelland applied this theory for further discussion. Through his research, entrepreneurs who have the need for achievement often spend more time and effort to improve. They tend to take responsibility for tasks and would always review their own performances. Thus, high achievers tend to achieve business success rather than the low achievers in the same environment. Achievement motivation is one of the traits that affects the entrepreneurs’ intention ([Kerr, Kerr & Tina, 2017](#)).

However, there are some studies which show that entrepreneurs’ personality traits have no significant effect on influencing the entrepreneurs’ intention. Based on [Omar, Halim, Anuar, Mat, Ahmad and Mohamad \(2018\)](#), their research revealed that entrepreneurs whose personality traits could be used to explain its effect on entrepreneurial intention stands at only 6.3%. This means that 93.7% of entrepreneurial intentions are more likely to be influenced by other factors. This finding is supported by [Gartner \(1989\)](#), who stated that personalities traits are unable to predict the entrepreneurship outcome. Additionally, in the study of [Cheng \(2019\)](#), he stated that personalities traits have no significant impact on business performance. Furthermore, in the finding from [Bux and Honglin \(2015\)](#), they found out that the influence of needs for achievement on the entrepreneurial performances was not significant. Based on the discussion, we postulated that:

H1: There is a significant relationship between Entrepreneurs’ Personalities Traits and Business Success.

2.2. Strategic Planning & Management (SPM)

Strategic Planning and Management (SPM) is the action of determining goals and evaluating the means of achieving them in an organisation (Daft, 2012). By setting the goals and objectives clearly, the organisation would have a better understanding, and hence work harder to achieve the goals. This is an example of ways to enhance organisational performances and achieve business success. Although most SME businesses are operating on a small scale, this does not mean that SME entrepreneurs can neglect the importance of SPM (Karel, Adam & Radomir, 2013). SME entrepreneurs who practice SPM in their business can enhance the rate of business success and sustain long-term positive growth effectively. Strategic planning is vital for the SMEs' growth, especially during the first stage of environment scanning (Cheng, Kadir & Bohari, 2014). By practising SPM in business planning, the entrepreneur can access the internal and external environments that are influencing the business. Thus, the entrepreneur can fully utilise existing resources effectively and make quick decisions to achieve business success (Delmar & Shane, 2003). Furthermore, developing an appropriate strategy, effective implementation, monitoring and evaluating the organisation performances are the keys to the business success (Tapera, 2014). Nowadays, the rapid change and raising of competitive environment have created a necessity for effective yet flexible strategic planning in the business in order to sustain over the rivalry. The main purpose for the implementation of SPM in business is to serve the stakeholders better and accomplish the organisational goals (Athapaththu, 2016). A study by Ibrahim (2019) showed that implementation of SPM influences the growth of business. Meanwhile, in the study by Mitchelmore and Rowley (2013), it confirmed that practicing SPM in businesses produces better organisational performance. Similarly, there are some other studies that show a significant positive relationship between SPM and SME business growth (Veskaisri, Chan & Pollard, 2007; Donkor, Donkor & Kwarteng, 2018). However, there are some SME entrepreneurs who have different perspectives on how SPM would benefit in the business planning. They stated that strategic measures constrain the flexibility of business while being too bureaucratic (Kraus & Schwarz, 2005). As a consequence, the following hypothesis is formed based on the discussion above.

H2: There is a significant relationship between Strategic Planning and Management (SPM) and Business Success.

2.3. Effective marketing

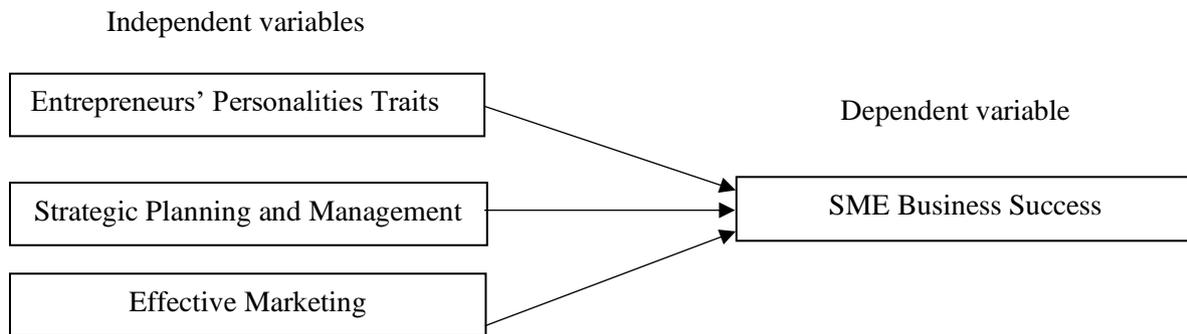
Social media marketing would be focused in the present study. Marketing plays a vital role to attract and retain the potential customers. Selecting an appropriate marketing strategy for the business would tend to improve the business performance effectively (Adams, 2017). Effective marketing can be done through social media such as Facebook and Instagram to reach customers in a cost-effective way. Social media marketing is one of the effective and efficient marketing strategies to approach customers. According to Tan and Macaulay (2011), they claimed that social marketing is an effective tool for SMEs to enhance the efficiency of business operations. In a study by Absah, Muchtar and Lubis (2018), they indicated that social media marketing has significant effects on SME's performances. Based on the study by Raymond and Bergeron (2008), SMEs that focus on social media marketing projected a better business performance. SMEs that adopt social media marketing are able to reach more customers and have a better customer relationship management (Yan & Musika, 2018). According to the findings by Hassan, Nadzim and Shiratuddin (2015), social media marketing has a significant positive impact on SME growth. The marketing capability have a significant influence on the competitive advantage, which brings a positive impact on the firm's financial performance (Kamboj, Goyal & Rahman, 2015). Consequently, the following hypothesis is forwarded based on the discussion above.

H3: There is a significant relationship between Effective Marketing and Business Success.

2.4. Research framework

The following diagram is the research framework developed by the present researchers to investigate the relationship between the three independent variables and the dependent variable.

Figure 1
Research framework



3. Research methodology

3.1. Study design

The quantitative research method was used in this study and the data was collected using the online questionnaire approach.

3.2. Sample

The sample size is fixed at 100 respondents in this study. The larger the sample sizes, the smaller the margin of error. Based on the findings by [Lenth \(2001\)](#), he proposed that an under-sized of study might not produce a useful result and this may become a waste of resources. According to the thumb rule of [Roscoe \(1975\)](#), a sample size that is larger than 30 and less than 500 are most appropriate for the research. Thus, 100 sample size is sufficient to obtain a desire and reliable outcome.

The target population in this study is all SME entrepreneurs in Malaysia, who have operated SME business that is registered under Companies Commission of Malaysia (CCM) for more than six months. It is also understood that the small and medium sized of business which is registered under CCM can only be recognised as SME business ([SMEinfo, 2013](#)). This will increase the reliability and credibility of data gathered. On the other hand, based on the findings by [Filstad \(2004\)](#), she suggested that an individual who works in a field for more than 6 months, he is able to express his thoughts and feelings related to the job field more accurately. Moreover, the minimum age to be qualified as the target respondents is 18 and above. According to the Company Act 2016, 18 years old is the legal minimum age to own a registered business ([Laws of Malaysia, 2018](#)).

Purposive sampling technique is used in this research. It is a type of nonprobability sampling. The main function of a purposive sample is to generate a sample that can be logically assumed to be representative of the population ([Lavrakas, 2008](#)). According to the needs in the present study, the researchers decide the participants as SME entrepreneurs who are willing to provide the information by virtue of knowledge and experience; while non-SME entrepreneurs are rejected from participating in the study ([Bernard, 2002](#)). This sampling method is used to select representative sample based on the present researchers' judgement ([Ahmad, Saffardin & Teoh, 2020](#); [Teoh & Kee, 2020](#); [Teoh & Kee 2019](#); [Teoh & Kee, 2018](#)), and this results in saving time and money ([Black, 2010](#)).

3.3. Data collection method

The present researchers decided to develop an online questionnaire using Google form to collect the primary data from respondents. The online questionnaire was distributed through social media to collect responses from the SME entrepreneurs. Online questionnaire is the best way to collect data from respondents to avoid physical contact during COVID-19 pandemic. The questionnaire link is available for two weeks, from 9th November 2020 until 23rd November 2020. The present researchers sent the questionnaire link to SME entrepreneurs who are active on social media such as Facebook and Instagram to collect their responses. Besides, the present researchers also collected responses from family members and friends who are currently operating SME business.

3.4. Research instrument

The questionnaire developed consists of 5 sections, that are three sections for each independent variable, a section for dependent variable and a section for demographic information. The questions are closed-ended because it is convenient for respondents to participate in the data collection easily. The research instruments used in the study are summarised in Table 2.

Table 2
Research Instrument

Variables	Items	Cronbach's Alpha	Sources
Entrepreneurs' Personalities Traits	6	0.760	Steers and Braunstein (1976)
Strategic Planning & Management	9	0.895	Boyd and Reuning-Elliott (1998) ; Hahn and Power (1999) ; Powell (1992) ; Hopkins and Hopkins (1997) ; Ramanujam and Venkatraman (1987)
Effective Marketing	7	0.846	To and Ngai (2006) ; Ghobakhloo, Arias-Aranda and Benitez-Amado (2011) ; Sophonthummapharn (2009)
Business Success	2	0.720	Chandler and Hanks (1993)

4. Results and discussions

4.1. Respondent profiles

The empirical data collected from 100 respondents in this study is presented in Table 3. It is observed that majority of the respondents are female (47%), aged between 18 to 27 years old (45%), Chinese (93%), single (50%), bachelor's degree holder (38%), involved in services and others (79%) and in micro business size (56%).

Table 3
Profiles of Respondents

Demographic Variable	Category	Frequency	Percentage
Gender	Male	53	53.0
	Female	47	47.0
Age	18-27	45	45.0
	28-36	16	16.0
	38-47	7	7.0
	48-57	23	23.0
	58-67	7	7.0
	68 and above	2	2.0
	Ethnic	Malay	3
	Chinese	93	93.0

	Indian	2	2.0
	Other	2	2.0
Marital status	Single	51	50.0
	Married	49	49.0
	Divorced	0	0.0
	Widowed	0	0.0
	Separated	0	0.0
Level of education	No formal education	1	1.0
	Primary school	9	9.0
	Secondary school	34	34.0
	Diploma/STPM/A-level	15	15.0
	Bachelor's degree	38	38.0
	Master's degree	3	3.0
	Doctorate's degree	0	0.0
Business experience	Yes	50	50.0
	No	50	50.0
Family business	Yes	69	69.0
	No	31	31.0
Nature of business	Manufacturing	21	21.0
	Services and Others	79	79.0
Business size	Micro	56	56.0
	Small (manufacturing)	14	14.0
	Small (services and others)	25	25.0
	Medium (manufacturing)	3	3.0
	Medium (service and others)	2	2.0

4.2. Data analysis

The statistical tool that was used to investigate the measurement and structural model is SmartPLS 3.3.2 version ([Ringle, Wende & Becker, 2015](#)). Based on [Chin, Marcolin and Newsted \(2003\)](#), this statistical tool does not require normality assumption and survey research is usually not normally distributed.

4.2.1. Measurement model

A 2-step approach was used to test the model developed ([Anderson & Gerbing, 1988](#)). The measurement model is first tested by following the guidelines of [Hair, Risher, Sarstedt and Ringle \(2019\)](#) and

[Ramayah, Cheah, Chuah, Ting and Memon \(2018\)](#) to investigate the validity and reliability of the instruments. Next, the structural model was run to test the hypotheses developed.

The present researchers assessed three components for the measurement model, that are loadings, average variance extracted (AVE) and composite reliability (CR). The values of loadings must be ≥ 0.708 , the AVE must be ≥ 0.5 , and the CR must be ≥ 0.7 to indicate the validity of the research. From Table 3, the AVEs and CRs shown are all greater than 0.5 and 0.7 respectively. Meanwhile, the loadings were also acceptable with only two loadings of entrepreneurs' personalities traits lower than 0.708 ([Hair et al., 2019](#)).

Next, the validity of discriminant is evaluated by using HTMT criterion which was suggested by [Hanseler, Ringle and Sarstedt \(2015\)](#) and updated by [Franke and Sarstedt \(2018\)](#). HTMT is used to test the validity of the values that we obtained in measurement model. For the strict criterion, the HTMT values must fall ≤ 0.85 , while for the more lenient criterion, it should be ≤ 0.90 . From Table 4, it is observed that the HTMT values shown were all lesser than ≤ 0.85 . Therefore, the present researchers can conclude that the respondents understood the 4 constructs are different. As a result, it is shown that the measurement model is both reliable and valid.

Table 3
Measurement Model

Constructs	Items	Loadings	AVE	CR
Entrepreneurs' Personality Traits	EPT3	0.9230	0.7328	0.9161
	EPT4	0.9077		
	EPT5	0.7782		
	EPT6	0.8061		
Strategic Planning & Management	SPM1	0.8527	0.6643	0.9468
	SPM2	0.8328		
	SPM3	0.8383		
	SPM4	0.8236		
	SPM5	0.8133		
	SPM6	0.8453		
	SPM7	0.7767		
	SPM8	0.7678		
	SPM9	0.7796		
Effective Marketing	EM1	0.9042	0.7957	0.9646
	EM2	0.8786		
	EM3	0.8995		
	EM4	0.9013		
	EM5	0.9074		

	EM6	0.9129		
	EM7	0.8381		
Business Success	BS1	0.9710	0.9200	0.9583
	BS2	0.9472		

Note: EPT1 and EPT2 were deleted due to low loadings

Table 4
Discriminant Validity (HTMT)

		1	2	3	4
1.	Business Success				
2.	Effective Marketing	0.1623			
3.	Entrepreneurs' Personalities Traits	0.1760	0.7053		
4.	Strategic Planning and Management	0.2956	0.5451	0.6992	

4.2.2. Structural model

According to [Hair et al. \(2019\)](#), the path coefficients, standard errors, t-values, and p-values for the structural model were reported by using a 5000-sample re-sample bootstrapping procedure ([Ramayah et al., 2018](#)). Moreover, according to [Hahn and Ang \(2017\)](#), they criticised that p-values were not a good criterion to test the significance of hypothesis. They recommended to use the combination criterion such as p-values, confidence intervals, and effect sizes. The summary of criterion that were used to test the hypotheses developed were shown in Table 5.

First, the effect of the three predictors on business success was assessed, the R^2 was 0.0950, which shows that all three predictors explained 9.5% of the variance in business success. SPM ($\beta = 0.3257$, $p < 0.05$) was significantly positive related to business success. Therefore, H2 was supported. However, EPT ($\beta = -0.0826$, $p > 0.05$) and EM ($\beta = 0.0622$, $p > 0.05$) were both not significantly related to business success and this led to H1 and H3 being not supported.

Table 5
Hypothesis Testing Direct Effects

Hypothesis	Relationship	Std Beta	Std Error	t-values	p-values	BCI LL	BCI UL	f ²	VIF
H1	EPT → BS	-0.083	0.135	0.612	0.541	-0.383	0.164	0.003	2.305
H2	SPM → BS	0.326	0.127	2.561	0.011	0.099	0.577	0.064	1.825
H3	EM → BS	0.062	0.148	0.420	0.675	-0.362	0.296	0.003	1.738

Note: We use 95% confidence interval with a bootstrapping of 5000

Discussion

The objective of this present study is to identify the effect of EPT, SPM, and EM on SME business success. The results of this study found that SPM has a significant positive relationship with SME business success; thus, **H2 was supported**. The significant positive relationship between SPM and business success shows that SME entrepreneurs in Malaysia who adopt SPM can enhance the rate of business success within the first five years. This finding is consistent with previous studies which concluded that SPM was found to improve business success rates ([Mitchelmore & Rowley, 2013](#);

[Veskaisri, Chan & Pollard, 2007](#); [Donkor, Donkor & Kwarteng, 2018](#)). [Donkor, Donkor and Kwarteng \(2018\)](#) explained that the implementation of SPM guides the organisation to develop strategies that integrates their business goals and objectives, thus enhancing organisational performances. For this reason, the SME entrepreneurs in Malaysia are advised to adopt SPM in business planning to enhance the rate of business success and sustain a long-term business ([Wang, Walker & Redmond, 2011](#)).

Meanwhile, the relationship between EPT and SME business success was found to be insignificant in the study, which indicates that **H1 was not supported**. Therefore, it implies that the personalities traits of SME entrepreneurs in Malaysia do not have a significant relationship with their business success. This finding is consistent with the previous researches which shows that EPT has no significant effect on business success ([Omar et al., 2018](#); [Cheng, 2019](#)). The EPT might influence the business success but it is not significant. There are still numerous of determinants of business success. The present researchers found out from present study that half of the SME entrepreneurs in Malaysia have prior experience in business operation. The present researchers suggest that an entrepreneur who has experience in operating businesses will have higher rate of business success than those who have only EPT without any related experiences in business. This is because personalities traits can be cultivated but experiences must be accumulated from the actual business environment. Furthermore, the motivation and energy level of the entrepreneurs might also increase the rate of business success and growth as they are more energetic and willing to admit the failure, review it, and make improvement in the business journey. Besides, entrepreneurs who have family background in business sector are easier to engage in the success entrepreneurship. According to the study by [Matthews, Schenkel and Hechavarría \(2009\)](#), they proposed that the presence of family background has significant impact on the business growth and success.

Besides, the relationship between EM and SME business success was found to be insignificant in the study. This indicates that **H3 was not supported**. Thus, it implies that practising effective marketing has no significant impact in the business success of Malaysian SME entrepreneurs. This finding is inconsistent with the previous research which shows that effective marketing is significantly related to business success ([Yan & Musika, 2018](#); [Hassan et al., 2015](#)). Based on the present study, the present researchers found that most of Malaysia SME entrepreneurs are operating micro-sized businesses. Since the number of employees in micro-sized business is less than five, these entrepreneurs have limited resources, such as marketing experts in handling marketing strategies ([Carson, 1990](#)). Thus, these SME entrepreneurs neglected the importance of marketing in the business.

Managerial implications

All findings of the present study should become a guidance and model to those who are interested to become a SME entrepreneur in the future. The present researchers believe that it is important for a SME entrepreneur to find his way to sustain the business and achieve success by identifying the factors which entrepreneurs lack of in the business planning. In this study, the present researchers show that the implementation of strategic planning and management in business tends to significantly bring the positive impact to the SME business success. Thus, SME entrepreneurs are encouraged to have strategic planning in the business in order to enhance the business performances and growth, no matter the business is operating in a small or medium scale.

5. Conclusion

SMEs have been proven as the major contributors to the Malaysia economy, while the entrepreneurs play a crucial role as to conduct the SMEs entrepreneurial activities. The present researchers have reviewed previous literature and investigated the factors that influence the SME business success. This research was produced with the aim of helping the success rate and survival rate of SMEs in Malaysia by identify the factors which could bring the significant positive impact towards the business performance. Furthermore, the future research may replicate the present study to identify other factors that influence the business success while becoming a contribution to enhance the SMEs business growth in Malaysia as well as other countries.

Limitation and study forward

In spite of the empirical findings on this research were contributed by the existing literature, there are some limitations that needs to be overcome in the future. The results of the present study cannot be generalised to the rest of the world as the study only focus on the SMEs in Malaysia. The future study should involve a larger number of respondents in order to obtain more accurate results. Besides, a longitudinal study on SME business performance should be conducted to identify other possible variables that might influence business performances. Furthermore, a mixed method approach can be used for the future study as it may provide a better understanding on the business success factors rather than only using quantitative research method.

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