



**A STUDY ON DETERMINANTS AFFECTING SME GROWTH: A CASE
STUDY IN KOTA BHARU**

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ABSTRACT

This research was conducted to fulfil the requirement needed by the Faculty of Business Management, MARA University of Technology. The researcher has chosen the topic of “A Study on Determinants Affecting SME Growth: A case study in Kota Bharu”. The purpose of this study is to investigate the determinants affecting the growth of Small Medium Enterprise (SMEs) in Kota Bharu. The determinants consist of four attributes which are the independent variables in this research. The attributes are firm characteristics, human resource management, availability of resources and firm strategy. The growth of SMEs will be the dependent variable in this research. Data from 100 respondents were used for the statistical analysis. The data were collected within Kota Bharu area, focusing on customer of Miti Kelantan Regional Office and SME Corporation. The multiple linear regressions is used to estimate the influence related between dependent variable and with independent variable. The result will help the researcher to determine whether the research has achieved the objective that has been set up earlier or not. After the research has done, this study achieves its objectives to investigate what are the determinants influencing the growth of SMEs. Based on the findings and results analysis, the researcher can conclude that the firm strategy and human resource management have significant influence to SME growth.

CHAPTER 1

INTRODUCTION TO THE RESEARCH

1.0 INTRODUCTION

The research topic conducted by the researcher is “A Study on Determinants Affecting SME Growth: A case study in Kota Bharu”. This section discusses briefly on the background of the proposed study. It also includes the problem statement, research objectives, research hypotheses, theoretical framework and significance of the study. Other topics that also will be covered in this section are definition of terms, limitation of the study and scope of study to fulfill the requirement of this research studies. Other sections consist of literature review, research methodology, findings and analysis, as well as conclusion and recommendations. Each of this chapter will explain in detail with the sub topics that discuss the essential procedures and steps in completion of this study.

1.1 BACKGROUND OF THE STUDY

Small and Medium Enterprises (SMEs) play a significant role in the development of the Malaysian economy. However, their contribution to the national economy is still relatively small. Due to this, the government has made the development of SMEs a high priority area with a string of development agendas. Despite this, SMEs are still facing heaps of challenges and obstacles that deter them from further expanding their businesses. Factors involved include low access in borrowing and small capital investment, low access of needed infrastructure, low level of expert abilities, raw

SECTION A: DEMOGRAPHIC PROFILE
(BAHAGIAN A : PROFIL DEMOGRAFI)

The purpose of this section is to establish the general profile of the enterprise and the respondent. Please tick (/) one of the best answers for all the questions.

Ruangan ini adalah untuk mengetahui maklumat umum mengenai responden dan perniagaan yang dijalankan. Tandakan (/) jawapan pada soalan-soalan tersebut.

1. Gender / *Jantina*Male / *Lelaki* Female / *Perempuan* 2. Age / *Umur*Less than 20 years/ *Kurang dari 20 tahun* 20 - 29 years/ *20 – 29 tahun* 30- 39 years/ *30 – 39 tahun* 40 years and above/*40 tahun dan ke atas* 3. Race / *Bangsa*Malay / *Melayu* Chinese / *Cina* Indian / *India* Others / *Lain-lain* 4. Marital Status / *Status Perkahwinan*Married / *Berkahwin* Single / *Bujang* Others/ *Lain-lain* 5. How long your business has been operates? *Berapa lamakah bisnes anda telah beroperasi?*Less than 5 years/ *Kurang dari 5 tahun* 5 – 9 years/ *5 – 9 tahun* 10 – 14 years/ *10 – 14 tahun* 15 – 20 years/ *15 – 20 tahun* 6. What type of business that your companies do? / *Apakah jenis perniagaan yang dijalankan oleh syarikat anda? (Please state / Sila nyatakan)*
