

**UNIVERSITI TEKNOLOGI MARA**

**IMPACT OF NETWORKING,  
ENTREPRENEURIAL CAPABILITY,  
MARKET ACCESS AND  
GOVERNMENT INITIATIVES ON  
JOHOR START-UP SME'S  
PERFORMANCE**

**HAMIZAH BINTI ZAHARUDIN  
GELBINO MORRIS**

Dissertation submitted in fulfillment  
of the requirements for the degree of

**Master of Business Administration**

**Arshad Ayub Graduate Business School**

**August 2021**

## **ABSTRACT**

Small Medium Enterprise (SMEs) are continuously facing challenges, be it from internal or external factor. However, SMEs have long been recognized as one of the backbones for Malaysia economy. They are the key stimulator for economic growth, build jobs opportunity and lead to the creation of a private sector. However, resulting from Malaysia government enforcement of Movement Control Order (MCO) due to pandemic COVID-19, SMEs was one of the affected groups. As a consequence, most of the SMEs face declining performance in term of their sales, income and revenues. This happens to all SMEs in Malaysia especially start-up SMEs which currently vulnerable in the harsh market environment. This study aims to find out the factors that contribute to start-up SMEs performance in Johor. The factors adopted in this study were studied and suggested by Ghani & Darawi (2012) which use entrepreneurial knowledge and capability, networking, government initiatives and the researcher additionally include market access as independent variables that will influence start-up SMEs performance in Johor. The population of the study is 63 successful TUBE programme participants that have register their business under SME Corp Johor in 2019 and 2020. This study has utilized SWOT analysis tools to analyse the current situational analysis of the population and provide some strategies for improving start-up SMEs performance using TOWS analysis. Multiple linear regression analysis result reveal that this research model is moderately good fit to predict the start-up SMEs performance even though all four of the independent variables used in this study does not have a bigger impact on start-up SMEs performance in Johor, this might be cause by the possibility of other higher impact factors exists and contribute to start-up SMEs performance in Johor. However, all of the independent variables prove to have positive relationship to the start-up SMEs performance and comparison between all the independent variables used, entrepreneurial knowledge and capability have a higher impact followed by market access factors, government initiatives factors and networking in business factors. This study will provide various idea on how to improve start-up SMEs performance by widening SMEs owner's knowledge on importance of networking, entrepreneurial knowledge and capability, market access and government initiatives for their business success. By knowing all of these factors, the SMEs owners could prepare for the awaiting challenge as entrepreneur and remain competitive in the future.

## ACKNOWLEDGEMENT

Humbly, we would foremost extend our sincere gratitude to all those efforts, which facilitated the completion of this research.

Firstly, we would like to express our sincerest gratitude to our supportive supervisor, Dr Ahmad Azman bin Mohd Anuar, and Dr. Haji Zamri Bin Miskam, our EMBA coordinator who have supported and guided us throughout this thesis creation with their time, patience, experience and knowledge. The same gratitude also owed to all EMBA21JB lecturer that help share their knowledge, perspectives and experience during our four semester in this courses. We simply could not wish for a better or friendlier lecturer.

Next, our parents especially deserve special mention for their inseparable support and prayers. Also special thanks to our lovely siblings for being very supportive. Collective and individual acknowledgments are also owed to our friends, colleagues and some of our EMBA21JB classmates in UiTM whose presence somehow perpetually refreshed, helpful, and memorable.

Finally, we would like to thank everybody who was important to the successful realization of this research proposal. We are blessed and thankful of what we have achieved. To all those people, thank you so much.

# TABLE OF CONTENTS

<b>AUTHOR'S DECLARATION</b>	<b>i</b>
<b>ABSTRACT</b>	<b>ii</b>
<b>ACKNOWLEDGEMENT</b>	<b>iii</b>
<b>TABLE OF CONTENTS</b>	<b>iv</b>
<b>LIST OF TABLES</b>	<b>viii</b>
<b>LIST OF FIGURES</b>	<b>ix</b>
<b>LIST OF ABBREVIATIONS</b>	<b>x</b>
<b>SITUATIONAL ANALYSIS</b>	<b>1</b>
SWOT Analysis & Problem Statement	1
<b>RESEARCH PROPOSAL</b>	
<b>CHAPTER ONE: INTRODUCTION</b>	<b>4</b>
1.1 Research Background	4
1.2 Background of Study	5
1.2.1 Small and Medium Enterprise	6
1.2.2 Tunas Usahawan Belia Bumiputera (TUBE) Programme	8
1.2.3 COVID-19 and its impact on Malaysia's SMEs	9
1.3 Research Problem	10
1.4 Research Questions	13
1.5 Research Objectives	13
1.6 The Construct of the Study	14
1.7 Scope of Study	15
1.8 Contribution of Study	15
1.9 Limitation of the Study	16
<b>CHAPTER TWO: LITERATURE REVIEW</b>	<b>17</b>
2.1 Preamble	17
2.2 Small and Medium Enterprise (SME)	17
2.2.1 SMEs in Malaysia	17

2.2.2	SMEs in Johor	18
2.2.3	Challenge Faced by SMEs	19
2.3	Research Variables	21
2.3.1	Start-up SMEs performance	21
2.3.2	Networking In Business	22
2.3.3	Entrepreneurial Knowledge and Capability	23
2.3.4	Market Access	25
2.3.5	Government Initiatives	26
2.4	Research Framework	27
2.5	Research Hypothesis	28
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b>		<b>29</b>
3.1	Research Design	29
3.2	Sampling Design	29
3.3	Data Collection	29
3.3.1	Primary Data	29
3.3.2	Research Instruments	30
3.3.3	Method of Data Collection	31
3.4	Data Processing	31
3.4.1	Data Checking	31
3.4.2	Data Editing	31
3.4.3	Data Coding	32
3.4.4	Data Capturing	32
3.4.5	Data Cleaning	32
3.5	Data Analysis	32
3.5.1	Statistical Analysis	33
3.5.2	Frequency Distribution	33
3.5.3	Descriptive Analysis	33
3.5.4	Normality Test	34
3.5.5	Reliability Test	34
3.5.6	Correlation Analysis	34
3.5.7	Regression Analysis	35