

UNIVERSITI TEKNOLOGI MARA

**THE RELATIONSHIP OF
INTELLECTUAL CAPITAL,
CORPORATE ENTREPRENEURSHIP
AND FIRM PERFORMANCE OF
SMALL AND MEDIUM
ENTERPRISES IN MALAYSIAN
TOURISM INDUSTRY**

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DBA

April 2020

AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

SMEs' performance in the tourism industry is essential for countries like Malaysia, as it is one of the main contributors to the country's economic growth and job creation. This study focused on the SMEs and tourism industry, as SMEs are the backbone of Malaysian economy. In addition, tourism industry is one of the main contributor for the nation's GDP. Though Malaysia is enjoying high number of tourist arrivals at around 25.83 million in 2018, the tourists tend to spend more monies in our neighbouring countries like Thailand and Singapore. This cause a concern as Malaysia is trying to improve the number of tourist arrival as well as tourist receipts. Previous studies showed that SMEs in tourism industry lack of creativity and innovation in providing product and services for tourist as well as offering only basic products and services resulting in lower spending hence lower performance. One of the way to mitigate the problems is to encourage SMEs to identify, manage and capitalized on their limited intangible resources, entrepreneurial activities and processes with the aim to enhance firm performance of their organization. The general objectives of this study are to investigate how SMEs in the tourism industry in Malaysia can improve their business performance with intangible resources such as intellectual capital and corporate entrepreneurship. This study used online survey for data collection. A total of 158 respondents were selected randomly using simple random sampling technique. Respondents were asked about their internal resources such as intellectual capital, entrepreneurial activities and processes such as innovation, strategic renewal and corporate venturing, as well as their financial and non-financial performance. The data was analysed using Partial Least Square – Structural Equation Modelling (PLS-SEM) to examine the relationship of intellectual capital and corporate entrepreneurship on the performance of SMEs in tourism industry. The findings suggested that SMEs especially in tourism industry to identify and capitalised on their internal resources and entrepreneurial activities in favour of improved performance. This study contributes to the body of knowledge in the fields of intellectual capital and corporate entrepreneurship, as well as the firm performance of Malaysian SMEs in the tourism industry and other SMEs in general.

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