

**LINKING BETWEEN INTELLECTUAL CAPITAL AND SME PERFORMANCE MEDIATING
ROLE OF ENTREPRENEURIAL ORIENTATION**



**RESEARCH MANAGEMENT INSTITUTE (RMI)
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA**

BY :

**NUR ATIQA ZAKIYYAH RAMLEE
DR HATINAH ABU BAKAR**

OCT 2017

2. Acknowledgements

We would like to thank to Universiti Teknologi MARA (UiTM) for funding this project under the Excellence Fund, Research University Grant.

We also would like to express our gratitude and thank to those who giving us this opportunity, support and encouragement for completing this research.

Appreciation to:

Yang Mulia Dr. Haji Tuan Mohd Rosli Tuan Hassan
Rektor
UiTM Cawangan Kelantan

Dr Wan Fairos Wan Yaacob
Timbalan Rektor Penyelidikan, Jaringan Industri & Alumni (PJI)
UiTM Cawangan Kelantan

Dr Syerina Azlin Md Nasir
Koordinator Pengurusan Penyelidikan dan Inovasi
UiTM Cawangan Kelantan

Dr Norzieha Mustapha
Penyelaras Penerbitan
UiTM Cawangan Kelantan

And all women own SMEs in Kelantan area who have provided cooperation and support in pursuit this research.

3. Enhanced Research Title and Objectives

Original Title as Proposed:

Relationship between Intellectual Capital and Women Owned SME Performance

Improved/Enhanced Title:

Linking between Intellectual Capital And Sme Performance Mediating Role of Entrepreneurial Orientation

Original Objectives as Proposed:

- i) To determine the significant relationship between intellectual capital and women owned SME performance
- ii) To determine the mediating effect of entrepreneurial orientation on the relationship between intellectual capital and women owned SME performance

Improved/Enhanced Objectives:

- i) To determine the significant relationship between intellectual capital and women owned SMEs performance
- ii) To examine whether entrepreneurial orientation mediates the relationship between intellectual capital and women owned SMEs performance

4. Report

4.1 Proposed Executive Summary

SMEs around the world lead the business phase. Ayyagari, Kunt and Maksimovic (2011) suggest that more than 95 percent of enterprises across the world are SMEs, accounting for approximately 60 percent of the private sector employment. In the developing countries, the roles of SMEs become more crucial as they have the potential to improve income distribution, create new employment, reduce poverty and facilitate export growth (Ramukumba, 2014). In Malaysian, women have played a very important role in the economic development and stabilize the economy in periods of recession (Ndubisi and Kahraman, 2006; Tan, 1990). According to Rozy (2009) women make 50% total population, but only 15% of the women own business enterprises in Malaysia. According to Pages (2005) women entrepreneurs are becoming more important players in the entrepreneurial landscape although there is no data on the number of women involved in small business, but in the last few decades women participation in small businesses increased tremendously. Indeed, there are growing women entrepreneurs in Malaysia (Teoh and Chong, 2008), and they play major roles in promoting the development of Malaysia economic, as well as help providing job opportunities (Isa and Jusoff, 2009).

Although there are some researches on women entrepreneurs, they have been conducted extensively in developed countries, and little has been done on women entrepreneurs in developing economies, such as Malaysia (Alam et al., 2011; Hanafi, 2012; Mahmood & Hanafi, 2012). In a competitive environment, intellectual capital is a vital constituent of an organization however, it was found that there is a lack of studies that examine the impact of intellectual capital on the organizational performance of SMEs (Khaliq & Isa, 2014).

This research will employed quantitative study and the data will be collected from women owned SME using email questionnaires.

The result of this research will be beneficial to several bodies such as the SMEs, business owners, the Malaysian government, as well as all the agencies involved in Malaysia's policy making process. In line with Malaysia to be a knowledge-based economy, the findings will be significant to the government's needs to adopt the best approaches for women owned entrepreneur to compete in competitive business environment.

4.3 Introduction

SMEs has been lead the business phase around the world. Ayyagari, Kunt and Maksimovic (2011) suggested more than 95 percent of enterprises across the world are SMEs, accounting for approximately 60 percent of the private sector employment. In the developing countries, the roles of SMEs become more crucial as they have the potential to improve income distribution, create new employment, reduce poverty and facilitate export growth (Ramukumba, 2014). In Malaysian, women have played a very important role in the economic development and stabilize the economy in periods of recession (Ndubisi & Kahraman, 2006). According to Rozy (2009) women make 50 percent total population, but only 15 percent of the women own business enterprises in Malaysia. According to Pages (2005) women entrepreneurs are becoming more important players in the entrepreneurial landscape although there is no data on the number of women involved in small business, but in the last few decades women participation in small businesses increased tremendously. Indeed, there are growing women entrepreneurs in Malaysia (Teoh & Chong, 2008), and they play major roles in promoting the development of Malaysia economic, as well as help providing job opportunities (Isa & Jusoff, 2009).

Although there are some researches on women entrepreneurs, they have been conducted extensively in developed countries, and little has been done on women entrepreneurs in developing economies, such as Malaysia (Alam et al., 2011; Hanafi, 2012; Mahmood & Hanafi, 2012). In a competitive environment, intellectual capital is a vital constituent of an organization however, it was found that there is a lack of studies that examine the impact of intellectual capital on the organizational performance of SMEs (Khalique & Isa, 2014).