



**FACTORS AFFECTING THE PERFORMANCE PROBLEM
OF
MICRO, SMALL AND MEDIUM ENTERPRISE (MSME)**

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ABSTRACT

In this chapter will discuss the background of the study, problem statement of the study, research question, research objective and significant of the study. This research was focused on the factors affecting the performance problem of micro, small and medium enterprise (MSMEs). Besides that, the main factor that influenced the performance problem was also being studied between human resource problem,

Nowadays, our country Malaysia is facing the bigger challenge in the economy due to the depreciation of the Ringgit currency, Good and Service Tax (GST), which both will directly or indirectly affect the cost of living of Malaysian. Because of that, many businesses regardless of the size had been developed by the people whether as their main source of income, or only for their side income. For example, some people with low income will try to open up small business such as selling traditional cakes, breakfast box, cakes, and food catering. There are also service businesses such as make-up, tailoring, canopy renting, and taxi driving. So with this business opportunity, people will be able to survive in this challenging time without only waiting for the help from others to raise their standard of living. Furthermore, by involvement of the people in the business, it will increase and improve their skill of business management such as skill of accounting. But, what are the problems faced by them? That is why, I had choose this research, because I want to identify, what are the most problem faced by them in order to run the business.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

In this chapter will discuss the background of the study, problem statement of the study, research question, research objective and significant of the study. So, in this research, the characteristic that the researcher wants to describe is the problem that faced by people who involve in the Micro, Small and Medium Enterprises (MSMEs). That is because, the researcher wants to be clear on what factors that be the major constraint for them during running the business which will affect the performance of the business. It also acts as a solver of the community problem to make the country as the developed country in 2020 and increase the standard of living similar to the other developed country. Plus nowadays, there are many types of business run by the Malaysian in order to support their living needs. When they have extra money, thus they able to contribute or do some charity to the community and offer them for a better life.

1.2 OVERVIEW/ BACKGROUND OF STUDY

This research is conducted to describe, explain, and predict the characteristic of the population which focused on the challenges that faced by Micro, Small and Medium Enterprises (MSMEs). In background of the study,