

UNIVERSITI TEKNOLOGI MARA

**RELATIONSHIPS BETWEEN
STAKEHOLDER ORIENTATION,
CORPORATE SOCIAL
RESPONSIBILITY AND
PERFORMANCE OF SMALL AND
MEDIUM ENTERPRISES IN THE
TOURISM SECTOR**

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Thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Science
(Business Management)

Faculty of Business and Management

January 2023

ABSTRACT

The COVID-19 pandemic has unmasked unprecedented impact on numerous business sectors and the tourism sector in Malaysia has not been spared. The tourism industry in Malaysia has been struck the hardest by the drop in tourist numbers as the country closed its borders to tourists. Without tourists' arrival, SMEs performance is likely to be affected and, on this premise, this study seeks to understand the relationship between stakeholder orientation in the tourism industry, corporate social responsibility (CSR) and the performance of Small Medium Enterprises (SMEs) involved in this sector. Freeman theory of stakeholder orientation consisting of market orientation (customer and competitor), employee orientation and supplier orientation was the basis for the research framework and the interaction between stakeholders' orientation and SMEs' performance was postulated to be mediated by corporate social responsibility (CSR). This study employed quantitative method of simple random sampling (probability sampling). A total of 180 small and medium-sized companies involved in the tourism sector were the final through the survey method using a structured questionnaire as the instrument, the study was conducted using E-mail and the results were analysed using Partial Least Squares (PLS) and SPSS statistical tool. The findings of the study for directs relationship indicated that employee orientation (EO) and supplier orientation (SO) have a significant relationship with SMEs performance while customer orientation (CO), competitor orientation (COM) and supplier orientation (SO) has a significant relationship with CSR. In terms of mediation, CO and SO has a significant relationship with CSR and SMEs performance. This study added to the current literature by investigating SMEs performance impact within the onset of the COVID-19 pandemic. The findings may assist SMEs in the tourism sector to develop appropriate strategic initiatives during the pandemic and implement key activities in line with the demands of the tourism sector during such challenging period.

ACKNOWLEDGEMENT

My deepest gratitude to the All-Powerful Allah S.W.T. for giving me the chance to pursue my Masters' degree and complete this research successfully. I would also like to convey my deepest appreciation to my main supervisor, Dr Koe Wei Loon and my co-supervisor, Dr Idris Bin Osman for their guidance and support in completing this long and challenging journey. I am really grateful to be able to finish this thesis on time as I was consistently reminded of the submission date when I updated my progress every week.

I would also like to express my gratefulness to all respondents in the survey who were willing to spend the time to complete my questionnaire. I would not be able to collect any data for this study without their assistance. In addition, I would like to convey my thanks to the Faculty for providing us with the facilities, materials and documents needed for the completion of the thesis. My gratitude to those who were involved directly or indirectly with the completion of the thesis.

A special thanks to my family especially my parents, who gave their unwavering support from the beginning until the completion of the thesis. Without their love and persistent push, my journey would not have been as smooth.

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