

## **SUPERVISOR'S AND PANEL APPROVAL**

‘I hereby acknowledge that this project paper has been accepted as part fulfilment for  
the Degree Bachelor of Technopreneurship with Honours’

Signature : .....

Supervisor Name : DR. NORHIDAYAH BINTI MOHAMAD

Date : .....

Signature : .....

Panel Name : MADAM AZRINA BINTI OTHMAN

Date : .....

**ENTREPRENEUR PROFILING OF MALAYSIAN SMALL BUSINESS  
IN PENINSULAR MALAYSIA**

**NOR ATIKAH A. RAHIM**

This Report Submitted in Partial Fulfillment of the Requirement for the Award  
Bachelor Degree of Technopreneurship With Honours

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Universiti Teknikal Malaysia Melaka

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## DECLARATION

I declare that this project entitled “Entrepreneurs Profiling of Malaysian Small Business in Peninsular Malaysia” is the result of my own research except as cited in the references. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

**Signature** : .....

**Name** : **NOR ATIKAH BINTI A.RAHIM**

**Date** : .....

## DEDICATION

Specially dedicated to my beloved mother and father, Rohana binti Jusoh @ Mamat  
and A.Rahim bin Harun and also family members

Thank you to my supervisor

Dr. Norhidayah binti Mohamad

Thanks to my dear friends

For all the spirituals and moral support that had been given to me all the time.

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May ALLAH bless all of you.

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## ABSTRACT

Small Medium Enterprises (SMEs) are one of the sectors that assist in improving the economy in Malaysia. Statistics show that 98.5% of businesses in Malaysia are SMEs. The Government also provides initiatives to assist and enhance this business in Malaysia. Therefore, the existence of this business is important to contribute to the Malaysian economy. With regard to individuals mobilizing this business, entrepreneurs, and this research has been conducted to find out the profile of entrepreneurs in Malaysian small business in peninsular Malaysia. In addition, this study was also conducted to identify the strengths of the personality and characteristics of Malaysian entrepreneurs. This study also describes the key business factor (KSF) in controlling the company. The qualitative method used in this study is that it involves the theme of a case study company. The results show that the strongest characteristics of the entrepreneur is something that must be in the profile of the entrepreneur itself. In conclusion, the implementation of entrepreneurial profiles among small businesses must be complemented by the strength of the characteristics inherent in the entrepreneur itself. This study also provides a deeper understanding of the KSF that influence in business successful.

*Keywords: Entrepreneurs profile, characteristics of entrepreneurs, KSF influence in business*

## ABSTRAK

Perusahaan Kecil Sederhana (PKS) adalah salah satu sektor yang membantu dalam meningkatkan ekonomi di Malaysia. Statistik menunjukkan bahawa 98.5% perniagaan di Malaysia adalah PKS. Kerajaan juga menyediakan inisiatif untuk membantu dan meningkatkan perniagaan ini di Malaysia. Oleh itu, kewujudan perniagaan ini penting untuk menyumbang kepada ekonomi Malaysia. Berhubung dengan individu yang menggerakkan perniagaan ini, usahawan, dan kajian ini telah dijalankan untuk mengetahui profil usahawan dalam perniagaan kecil di semenanjung Malaysia. Di samping itu, kajian ini juga dijalankan untuk mengenal pasti kekuatan keperibadian dan ciri-ciri usahawan Malaysia. Kajian ini juga menerangkan faktor perniagaan utama dalam mengawal syarikat. Kaedah kualitatif yang digunakan dalam kajian ini ialah ia melibatkan tema sebuah syarikat kajian kes. Hasilnya menunjukkan bahawa ciri-ciri yang paling kuat dari usahawan adalah sesuatu yang mesti ada dalam profil usahawan itu sendiri. Kesimpulannya, pelaksanaan profil keusahawanan di kalangan perniagaan kecil mesti dilengkapi dengan kekuatan ciri-ciri yang wujud dalam usahawan itu sendiri. Kajian ini juga memberikan pemahaman yang lebih mendalam tentang KSF yang mempengaruhi kejayaan perniagaan.

*Kata kunci: profil usahawan, ciri usahawan, pengaruh KSF dalam perniagaan*

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**LIST OF ABBREVIATION & SYMBOL**

f	Frequency
HR	Human Resources
KSF	Key Success Factors
NLF	Neuro-Linguistic Programming
NSDC	National SME Development Council
OEs	Opportunistic entrepreneurs
SME	Small Medium Enterprise
SMIDEC	Small and Medium Industries Development Corporation
SSM	Suruhanjaya Syarikat Malaysia
SPSS	Statistical Package for Social Science
USIM	Universiti Sains Islam Malaysia
R&D	Research and Development
GDP	Gross Domestic Product
N-Ach	Need Achievement

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## CHAPTER 1

### INTRODUCTION

The entrepreneurial profile is an instructional activity that enables people or researchers to understand that linking to an entrepreneur. In this report, the researcher wants to study what is meant by entrepreneurial profiling, personality and characteristic and what is the current business performance among small businesses in Malaysia. It begins with the background of the study, problem statement, the purpose of study, research objectives, research question, and scope and limitation.

#### 1.1 Background of study

Based on Drucker on the page of QuickMBA, the word entrepreneur comes from the French word *entreprendre*, which refers to individuals who undertake the risk of new ventures. Cantillon (1994), a French economist, declared that an entrepreneur invests, transforms and makes a profit or loss. In other words, goods are bought at a certain price, value is added by transforming (the least being repacked) the goods, and the goods are then sold at an uncertain price. In so doing, the entrepreneur undertakes whatever risks associated with the process.

For more than a hundred years the researchers are keen on the process of innovation and the creation of a new venture has been trying to find and construct what the definition is an entrepreneur. This term was first known by Cantillon (1725), which

links the risk activities in the economy thereby for entrepreneurs. Since then, the entrepreneurial discipline has followed some different evolutionary patterns, resulting in a revealing research body some similarities as well as many differences in the characteristics of something entrepreneurs.

Kirzner (1979) has defined entrepreneurs as individuals who are constantly cautious of business opportunities that other people are not aware of it. Entrepreneurs will take action imaginatively, creatively and innovatively. He said:

*“Entrepreneur is more than a just a risk-taker and innovator. He or she is the one who sees the future that no one else has seen that. If this perception is correct, bring about a reordering of resources to produce greater consumer satisfaction and technological efficiency”*

Every year starting from 16th to 21st century, entrepreneurs give a lot of changes in their own fields. But its effect is also wider. Based on searching on the history of entrepreneurs that mention by Insyirah (2011), it has been shown that in the 17th century, there was a risk relationship with entrepreneurs. Entrepreneurs have started to engage in contractual agreements with the government (the contract price has been set). Profit and loss will be determined based on the efforts shown by the entrepreneurs themselves. The name 'entrepreneur' was first used by Cantillon (1725). He noted that this entrepreneur was an economic risk-taking of “buy a certain price-sell at uncertain price”.

Meanwhile, in the 18th century stated by Muester (2018), describe entrepreneurs can be regarded as individuals who have the capital and are distinguished from individuals who need capital. Industrial development around the world has made entrepreneurs striving to seize opportunities for their own progress and country. Every time a change is always happening and entrepreneurs will be tempted to form something better than the existing one.

In the mid-20th century, mention by Joseph & Bernald (2012), entrepreneurs are considered to be the ones who bring change; agents of change of new creation of products, processes or systems. The concept of transforming an important part of entrepreneurship; for example, innovation is an act of introducing something new and requires the ability to create and implement it. In a simple word, the entrepreneur is known as innovators. This is because entrepreneurs are individuals who will start



something new or innovated and introduced to society. Entrepreneurs are able to understand all the stresses in the environment in which they engage in business activities.

For the 21st century that also mentions by Insyirah (2011) and supported by the article of Leaderseconomic (2016), in the history of entrepreneur stated, entrepreneurs can be said to be 'challenging'. This is because they have been using state-of-the-art technologies, competition, employee mobility and accessibility of information in their fields.

As an overview, entrepreneurs play an important role in the economy. These are the people who have the skills and initiatives needed to anticipate current and future needs and bring good new ideas to the market. Successful entrepreneurs in getting start-up risk earned rewards, profits and sustainable growth opportunities.

## **1.2 Problem statement**

Malaysia is currently headed towards industrialized countries by 2020 where the business sector is expected to be important to the country. It is not just a support sector but rather towards providing the foundation and technology to ensure the success of larger enterprise development. The speed of globalization in the 21st century is a major challenge facing all nations today. Malaysia cannot avoid the economic and cultural challenges arising from globalization. This situation can be solved by the emergence of entrepreneurs in small businesses that can improve the country's economy and maintain cultural challenges. Indirectly, this situation provides the opportunities and challenges that entrepreneurs need to develop to expand their business unrestrictedly with geographical boundary constraints. According to Aziz (2010), entrepreneurship in the era of globalization is likely to be more challenging where technology will grow sophisticated, the competition will become more intense and workers' problems and demands will also be more complex.

In 2019, the corporate world needs knowledgeable and capable entrepreneurs in any case. Entrepreneurship in the era of globalization is more emphasis on the aspects of information and communications technology as well as the facilities offered by

current technology in entrepreneurship as well as the importance of information and communication technology to entrepreneurs to form marketing of manufactured goods to be more viable and productive high quality international.

In previous research according to Kuratko (2003), in the last decade, it has witnessed the emergence of activities energetic entrepreneurship around the world. In our zone has produced the highest rates and the lowest in a start-up business in the world. Years of New Zealand show the most rates high in entrepreneurship in the advanced world. China and Australia have consistently accentuated themselves with capabilities entrepreneurship. All countries showing improvement inside the entrepreneurship rate tend to down in rate unemployment. So, the researcher wants to describe business performance among small businesses in Malaysia. Since 15 years ago, entrepreneurship firms which is rapidly growing to contribute much to the economic country (shown in figure 1.1).

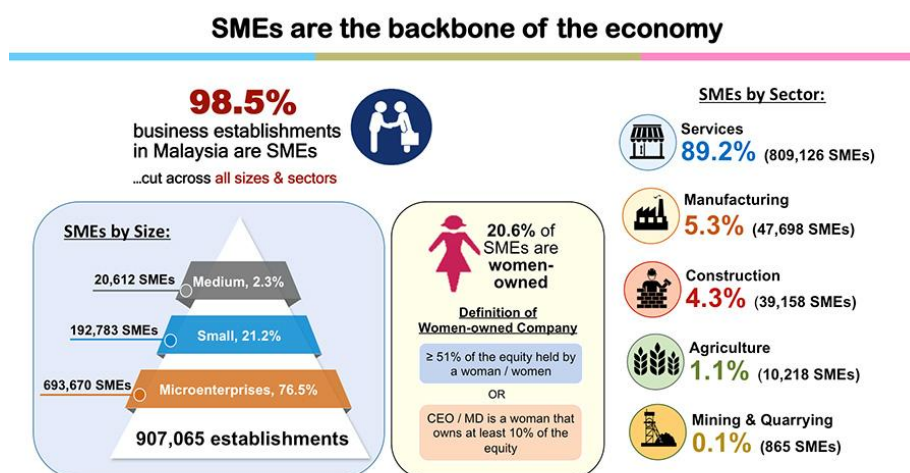


Figure 1.1: SME are the backbone of the economy

Source: Official Websites of SME Corp Malaysia

Among entrepreneurs, they are better known as role models. This can see where they have the characteristics and personality behavior that can make them a model in business improvement. But, in the research by Yan (2010) stated, research to investigate direct links between entrepreneurial personality and characteristic is still very limited. So, the researcher has identified a few lists of entrepreneurial

personalities and characteristics. Even those characteristics and personalities that limited to contribute, but it can also increase success and contribute to the economy's country sometimes. Four key personality traits are chosen that have long been considered to be associated with entrepreneurship; achievement motivation (McClelland, 1961), locus of control (Brockhaus, 1980; Hull et al., 1982).

Zuraini's (2000) study on factors affecting the ability of entrepreneurs Bumiputera that mention on develop their business is through the knowledge owned, the entrepreneur's attitude, the motivation of the entrepreneur to succeed, the capital and the goods used as well as business ethics practiced affecting their business performance. The study of Mamat (2009) states that the goal is a key determinant of a positive attitude in a successful entrepreneur.

Taken from the last passage of the Utusan Online (2019), a number of Malaysian entrepreneurs are among 300 people from 23 countries in the Asia Pacific listed in Forbes 30 under 30 Asia this year (show in figure 1.2). This news stated, they are judged by a panel based on technological capabilities as well as they are listed from 2000 total participation. This shows that the value and quality of entrepreneurs are increasing in Malaysia. It can be described by the researcher to examine the business performance among small businesses in Malaysia in many sections.



Figure 1.2: Malaysian entrepreneurs are among 300 people in Asia Pacific listed in Forbes 30 under 30 Asia

Source: Utusan Online, April 2, 2019

The researcher discovered certain information in the profiling entrepreneur among small businesses in Malaysia such as personality and characteristics and the current business performance. The first information about personality and characteristics covered by motivation, risk-taking, and locus of control give a positive impact to the attitude of entrepreneur. Without the personality and characteristic, the entrepreneur comes falling down in business and goals. Thus, an entrepreneur must have the personality and character that can help them to succeed. It also can help the entrepreneur to improve performance in business.

So, the research showed that entrepreneurship can generate greater potential. However, not all organizations recognize and know about their existence and their influence on improving the country's economy. Almost all new entrepreneurs are concerned about values and elements so they are talented to start a business. This situation proves that small entrepreneurs are more influential in business other than large businesses. The characteristic or personality is very important to the entrepreneur to become them as successful entrepreneurs. Not only have that, but successful entrepreneurs can also grow the economic country. Their success can be demonstrated through their current performance in the business that will be studied by researchers in this research.

### **1.3 Purpose of the study**

The purpose of this study is to identify entrepreneur profiling among small businesses in Malaysia particularly in peninsular Malaysia, the personality and characteristics of the entrepreneur in Malaysia and to examine current business performance among small businesses in Malaysia. Based on the study, independent variables are the profiling of entrepreneur which includes the personality and characteristic of an entrepreneur, meanwhile the dependent variables are the current business performance among small business.

## **1.4 Research Question**

**The question of the study are:**

- 1.4.1 What is the profiling of the entrepreneurs' small business in Malaysia particularly in peninsular Malaysia?
- 1.4.2 What are the personality and characteristics of the entrepreneurs in Malaysia?
- 1.4.3 What is the key success factor (KSF) of SMEs in peninsular Malaysia?

## **1.5 Research Objectives**

The objective of this study is to identify entrepreneur profiling that can enhance small business. Thus, this report will be describing the personality and characteristic that can influence to the business performance in small business in Malaysia.

**The objectives of the study are stated as below:-**

1. To identify entrepreneur profile of small business in Malaysia particularly in southern region of peninsular Malaysia.
2. To identify the personality and characteristic of entrepreneur in Malaysia
3. To examine the KSF influence in small business at peninsular Malaysia.

## **1.6 Scope of Study**

The scope of this study is to define the profiling of entrepreneurs in small businesses in Malaysia of peninsular Malaysia, to know the strongest personality and characteristic of an entrepreneur in small businesses. Entrepreneur in peninsular Malaysia has been chosen to conduct this research and this study will also examine the key success factor in small businesses in Malaysia.

### **1.7 Limitation**

The limitation of this study is that will be focusing on the personality and characteristic that determinants small business and from this personality and characteristic of an entrepreneur, the researcher will examine the key success factor among the small business that includes to the profiling of entrepreneur in small business particularly in peninsular Malaysia.

### **1.8 Summary**

This chapter is consisting of a background of the study, which is related to the small business then goes through to entrepreneur profiling. Then, describes the problem statement for this research which is include of limited personality and characteristic of an entrepreneur. It also includes the purpose of this research that is finding the key success factors among small businesses. This chapter also includes the research questions, research objectives, and scope of this study.

## CHAPTER 2

### LITERATURE REVIEW

This chapter elaborates on the entrepreneur profile of Malaysia's small business. It begins with the definition of entrepreneur and entrepreneurship. Then, followed by the meanings of the profile, overview of small business, the strongest personality and behavioral characteristics of the entrepreneur and the entrepreneur key success factors. Next, the secret of entrepreneurship success in its field, contribution success to the economic development of the country and last with the level of performance achievement of the entrepreneur in small business.

#### **2.1 Definition of Entrepreneurship and Entrepreneurs**

The previous study suggested that entrepreneurs have common traits and behaviors (McClelland, 1961). McClelland describes an entrepreneur as being confident, persevering, diligent, skillful, creative, visionary, versatile and perceptive. A subsequent study by McClelland and Winter (1971), indicated that are certain people have the following entrepreneurial behavior characteristic, independent, self-confident, persuasion, networking, monitoring and planning ability. The entrepreneur also has an established goal, curiosity, demand for quality and efficiency, willingness to the risk, search for opportunity, initiative, and commitment. According to Dolabela & Dornelas (2008), additional traits of an entrepreneur is the ability to stand out and leadership and influence opinions.

Entrepreneurship is a process with distinct but closely related phases; recognition of opportunities, the decision to go ahead and gather the basic resources to start the process, the launch of a new undertaking, judging the success of this undertaking and obtaining the reward of that success (Baron & Shane 2007).

Whatever the meaning of entrepreneurship, the key element is the “entrepreneur”. Schumpeter (1978) explains the importance of this player for the process of economic development, with the making of the businesses and jobs group being essentially based on a change that involves an entrepreneurial act. Fillion (1991) defines the entrepreneur as “someone who conceives”, develops and realizes visions.

Based on the book *Fundamentals of Entrepreneurship* by UiTM Entrepreneurship Study Group (2004), describes entrepreneurs are individuals who actively form or lead their own business or nurture them for growth and prosperity. Individuals may act singly or in teams to actively form business. Active involvement means direct participation and repeating the act as deemed opportune at the other times. An entrepreneur is seldom satisfied with one opportunity successfully exploited. As focused as they may be on a particular project or at a particular time, once the ventures are stable, they are eager to explore more opportunities. In addition, the definition of entrepreneurship also mentions in this book. The entrepreneurship is means a process of creating and expanding businesses that collectively form of force for national development and social prosperity.

## **2.2 Definition of Profiling**

Based on Shorer-Zelter and Galit that mention in analysis of success of mobilization to terror using tools of Neuro-Linguistic Programming (NLP) (2016), describe profiling is the recording and analysis of a person’s psychological and behavioral characteristics, so as to assess or predict their capabilities in a certain sphere or to assist in identifying a particular subgroup of people.

Heeney (2009) defines, profiling is related to the recording and classification of behaviors. This occurs through aggregating information. This often collating information often derived from a number of resources to build profiles on individuals