

**THE ENTREPRENEUR'S BACKGROUND  
CONTRIBUTES TO BUSINESS SUCCESS:A CASE  
STUDY AMONG ENTREPRENEURS IN KOTA  
KINABALU**

**EDWARD BIN BINTY**

**DISSERTATION SUBMITTED IN PARTIAL  
FULFILMENT FOR THE MASTER OF BUSINESS  
ADMINISTRATION**

PERPUSTAKAAN  
UNIVERSITI MALAYSIA SABAH

**SCHOOL OF BUSINESS AND ECONOMICS  
UNIVERSITI MALAYSIA SABAH  
2011**



**UMS**  
UNIVERSITI MALAYSIA SABAH

**UNIVERSITI MALAYSIA SABAH**

**BORANG PENGESAHAN STATUS DISERTASI**

**JUDUL : THE ENTREPRENEUR'S BACKGROUND CONTRIBUTES TO  
BUSINESS SUCCESS: A CASE STUDY AMONG  
ENTREPRENEURS IN KOTA KINABALU**

**IJAZAH : SARJANA PENTADBIRAN PERNIAGAAN**

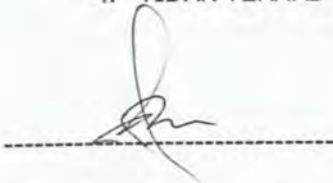
**SESI PENGAJIAN: 2009-2010**

Saya, EDWARD BINTY mengaku membenarkan disertasi sarjana ini disimpan di Perpustakaan Universiti Malaysia Sabah dengan syarat-syarat kegunaan berikut:

1. Disertasi adalah hak milik Universiti Malaysia Sabah
2. Perpustakaan Universiti Malaysia Sabah dibenarkan membuat salinan untuk tujuan pengajian sahaja.
3. Perpustakaan dibenarkan membuat salinan disertasi ini sebagai bahan pertukaran Institusi Pengajian Tinggi
4. TIDAK TERHAD

**PERPUSTAKAAN  
UNIVERSITI MALAYSIA SABAH**

Disahkan oleh;

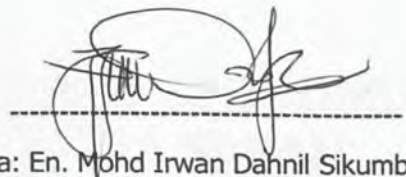


Penulis: EDWARD BINTY



TANDATANGAN PUSTAKAWAN

Alamat: Blok 2A-5-1  
Country Heights Apartments  
Jalan Bantayan  
88450 Inanam  
Kota kinabalu, Sabah



Penyelia: En. Mohd Irwan Dahnail Sikumbang

Tarikh: 20 Jun 2011

**MOHD IRWAN DAHNIL**  
Lecturer  
School of Business & Economics  
Universiti Malaysia Sabah

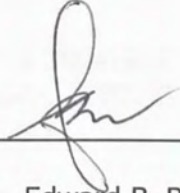


**UMS**  
UNIVERSITI MALAYSIA SABAH

## DECLARATION

I hereby declare that the material in this thesis is my own except for quotations, excerpts, equations, summaries and references, which have been duly acknowledged.

20<sup>th</sup> June 2011



---

Edward B. Binty  
PE 2009 8637C

## CERTIFICATION

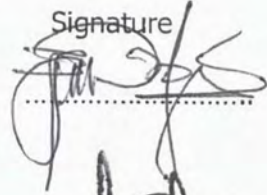
NAME : EDWARD BIN BINTY  
MATRIC NO. : PE 2009 8637 C  
TITLE : THE ENTREPRENEUR'S BACKGROUND CONTRIBUTES  
TO BUSINESS SUCCESS: A CASE STUDY AMONG  
ENTREPRENEURS IN KOTA KINABALU  
DEGREE : MASTER OF BUSINESS ADMINISTRATION  
VIVA DATE : 11 JULY 2011

## DECLARED BY

### 1. SUPERVISOR

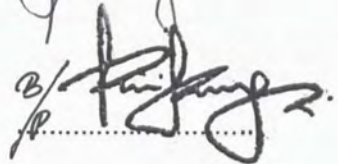
EN. MOHD. IRWAN DAHNIL SIKUMBANG

Signature



### 2. CO-SUPERVISOR

PROF. DR. SYED AZIZI Wafa SYED KHALID Wafa





## ACKNOWLEDGEMENT

I would like to thank and acknowledge to those who have contributed to the completion of this study. I am deeply grateful to Dr. Amran Harun our Research Methodology lecturer, who has devoted in teaching and helping us through this research project. I sincerely thank my supervisors En. Mohd. Irwan Dahnil Sikumbang and Prof. Dr. Syed Azizi Wafa Syed Khalid Wafa for sharing their ideas and guide me. Also not to forget Pn. Julita Joseph the Administrative Officer from Department of Licensing and Finance of Kota Kinabalu City Hall, I am grateful that she has been really supportive in my research and providing the data that I needed. I have also been very fortunate to have friends; Razalie Sindong, A.H. Lizahwati, Barbarawati Richard and Cynthia Lim for the valuable suggestions, input, thoughtfulness and time which they have put into helping me.

There are many other individuals who have contributed significantly to this research project and I would like to thank them. I also thank all my MBA friends and SPE lecturers, it has been an amazing opportunity to know and work with you all. Above all, I thank the Lord for blessing me and my family.

Edward B. Binty  
20<sup>th</sup> June 2011

## **ABSTRACT**

### **THE ENTREPRENEUR'S BACKGROUND CONTRIBUTES TO BUSINESS SUCCESS: A CASE STUDY AMONG ENTREPRENEURS IN KOTA KINABALU**

The purpose of this study is to examine the relationship between entrepreneur's backgrounds and the entrepreneur's success to remain in the business in Kota Kinabalu, specifically at the heart of central business district which is fast growing area in the city. The focus is on entrepreneurs in service sector under the Small Enterprise category. The contribution of service sector to the nation's economy growth has increased steadily. However, it is hardly to find a research done on the success of smaller service-based businesses. Even limited numbers of research on entrepreneur's background as the driving force that leads to survival and business success. This study would intend to fill up the gap of knowledge. The entrepreneur's backgrounds consist of variables such as Education Level, Management Experience, Industry Experience, Age, Parents Owned Business and Marketing Skills. The variables in this study were adopted from the Success versus Failure Prediction Model. As this model becomes the bases of this study, the questionnaire and measurements were also adapted from it. This study involving a sample of 92 entrepreneurs who were selected through systematic sampling design, the database was obtained from the Department of Licensing and Finance of Kota Kinabalu City Hall.

## ABSTRAK

*Tujuan kajian ini dijalankan ialah untuk mengetahui hubungan antara faktor latarbelakang usahawan dengan kejayaan usahawan mengekalkan perniagaan di kalangan usahawan yang terdapat di pusat 'central business district' yang merupakan kawasan paling pesat membangun di Bandaraya Kota Kinabalu. Fokus adalah usahawan-usahawan dalam perniagaan sektor perkhidmatan di bawah kategori Industri Kecil. Sumbangan sektor perkhidmatan terhadap pertumbuhan ekonomi negara telah menunjukkan peningkatan yang berterusan sejak kebelakangan ini. Walau bagaimanapun, agak sukar untuk mendapatkan hasil kajian terhadap kejayaan perniagaan skala kecil dalam perniagaan berasaskan perkhidmatan. Agak terhad juga kajian terhadap latar belakang usahawan yang menjadi faktor penggalak kearah kelangsungan dan kejayaan sesebuah perniagaan. Kajian ini berharap dapat memenuhi ruang tersebut. Latar belakang usahawan yang dikenalpasti adalah Tahap Pendidikan, Pengalaman Mengurus, Pengalaman dalam Industri berkaitan, Umur, Ibubapa yang memiliki perniagaan dan kemahiran dalam pemasaran. Pembolehubah ini diambil daripada 'Success versus Failure Prediction Model' dan model ini adalah sandaran kepada kajian ini. Oleh itu, soalselidik dan pengukuran yang digunakan adalah adaptasi dari model berkenaan. Kajian ini meliputi responden seramai 92 orang yang terpilih melalui persampelan sistematik (systematic sampling design), berdasarkan database yang diperolehi daripada Jabatan Perlesenan dan Kewangan di Dewan Bandaraya Kota Kinabalu.*



## TABLE OF CONTENTS

	Page
<b>TITLE</b>	i
<b>DECLARATION</b>	ii
<b>CERTIFICATION</b>	iii
<b>ACKNOWLEDGEMENT</b>	iv
<b>ABSTRACT</b>	v
<b><i>ABSTRAK</i></b>	vi
<b>TABLE OF CONTENTS</b>	vii
<b>LIST OF TABLES</b>	xii
<b>LIST OF FIGURES</b>	xiii
<b>LIST OF APPENDICES</b>	xiv
<b>Chapter 1: INTRODUCTION</b>	
1.1. Overview	1
1.2. Problem Identification	3
1.3. Problem Statement	6
1.4. Objectives of Study	8
1.5. Scope of Study	9
1.6. Definition of Variables and Measurement.	10
1.6.1 Business Success as Dependent Variable	10
1.6.2 Education level as Independent Variable	11
1.6.3 Management Experience as Independent Variable	11
1.6.4 Industry Experience as Independent Variable	11
1.6.5 Age as Independent Variable	11
1.6.6 Parents owned business as Independent variable.	12
1.6.7 Marketing Skills as Independent Variable	12
1.7. Significance of Study	12
1.8. Organization of the Dissertation	13



## **CHAPTER 2: LITERATURE REVIEW**

2.1.	Introduction	14
2.2.	Relationship between Survival and Business Success.	14
2.3.	Linking the Study with the Success versus Failure Prediction Model.	18
2.4.	Key Term Conceptual Definition: Entrepreneur's Background and Business Success	22
2.4.1.	Education level.	25
2.4.2.	Management Experience.	27
2.4.3.	Industry Experience.	29
2.4.4.	Age	30
2.4.5.	Parents owned business.	32
2.4.6.	Marketing Skills	33
2.5.	Summary	35

## **CHAPTER 3: RESEARCH METHODOLOGY**

3.1.	Introduction	36
3.2.	Research Framework	36
3.3.	Research Hypotheses	37
3.3.1	Relationship between Education Level and Business Success	38
3.3.2	Relationship between Management Experience and Business Success	39
3.3.3	Relationship between Industry Experience and Business Success	39
3.3.4	Relationship between Age and Business Success	40
3.3.5	Relationship between Parents owned Business and Business Success	40
3.3.6	Relationship between Marketing Skills and Business Success	41
3.4.	Research Design	41
3.4.1	Population of Study	41
3.4.2	Sampling Frame	41
3.4.3	Unit of Analysis	42

3.4.4	Sampling of Technique	42
3.4.5	Sampling Size	42
3.4.6	Data Collection	43
3.4.7	Instrument Design	43
3.5.	Data Analysis Method	47
3.6.	Summary	47

## **CHAPTER 4: RESEARCH FINDINGS**

4.1.	Introduction	49
4.2.	Respondent Profile	49
4.3.	Descriptive Analysis	50
4.4.	Factor Analysis	53
4.5.	Reliability Analysis	56
4.5.1	Summary of Reliability Statistics	56
4.6.	Correlation Analysis	57
4.7.	Multiple Regression Analysis	59
4.7.1	Hypotheses Testing	59
4.7.2	Summary of Findings	62
4.8.	Summary	63

## **CHAPTER 5: DISCUSSION AND CONCLUSION**

5.1.	Introduction	64
5.2.	Review of the findings	64
5.2.1	Respondents' Profile Analysis	64
5.2.2	Descriptive Analysis	64
5.2.3	Factor Analysis	65
5.2.4	Reliability Analysis	65
5.2.5	Correlation Analysis	65
5.2.6	Multiple Regression Analysis	66
5.3.	Discussion of findings	66
5.3.1	Relationship between Education Level and Business Success	66
5.3.2	Relationship between Management Experience and Business Success	67

5.3.3 Relationship between Industry Experience and Business Success	68
5.3.4 Relationship between Age and Business Success	68
5.3.5 Relationship between Parents Owned Business and Business Success	69
5.3.6 Relationship between Marketing Skills and Business Success	70
5.3.7 Correlation among all Variables (Education Level, Management Experience, Industry Experience, Age, Parents Owned Business, Marketing Skills and Business Success)	70
5.4. Implications of the study	72
5.5. Limitations of the study	73
5.6. Suggestions for future research	74
5.7. Conclusion	74
<b>REFERENCES</b>	76
<b>APPENDIX</b>	84



## LIST OF TABLES

Table		Page
Table 1.1	Definition of SMEs in Malaysia	2
Table 1.2	Malaysia: Percentage Share of GDP by Sector, 2002-2007	4
Table 1.3	GDP Growth by Economic Activity (in constant 2000 prices)	5
Table 2.1	Explanation of the Variables	18
Table 3.1	Summary of Past Findings	38
Table 3.2	Sample Size for a Given Population Size.	43
Table 3.3	Method of Analysis	47
Table 4.1	Frequency Count and (mean) percentage	50
Table 4.2	Descriptive Statistics	51
Table 4.3	KMO and Bartlett's Test for Independent Variables	53
Table 4.4	Unrotated Eigenvalues and Variance Explained (IV)	54
Table 4.5	Result Factor Analysis for Independent Variables	55
Table 4.6	KMO and Bartlett's Test for Dependent Variable	55
Table 4.7	Unrotated Eigenvalues and Variance Explained (DV)	56
Table 4.8	Summary of Reliability Test	57
Table 4.9	Correlations	58
Table 4.10	Multiple Regression Analysis and Coefficients	60
Table 4.11	Multiple Regression Analysis-Summary Findings	63



## LIST OF FIGURE

	Page
Figure 3. 1     Research Framework	37

## LIST OF APPENDIX

	Page
Appendix A	Questionnaire 84
Appendix B	Factor Analysis Output 89
Appendix C	Reliability Analysis Output 93
Appendix D	Correlation Analysis Output 99
Appendix E	Multiple Regression Analysis Output 100
Appendix F	Descriptive Analysis Output 101

## CHAPTER ONE:

### INTRODUCTION

#### 1.1. Overview

The future force that will stimulate the economy growth and should be reckoned with will be the entrepreneurship. Entrepreneurship has often been cited by many researchers, as the engine of economic growth (Reynolds *et. al.*, 1994). The entrepreneurship could be the answer for a country economics need, by providing job, wealth, innovation and give support to the larger corporations by providing the small material parts, which needed by large company.

The questions that everyone is asking, who are the entrepreneur? It was believed the word 'entrepreneur' came from French word 'entreprendre' which was uttered by French economist Jean-Baptiste Say, he refers entrepreneur as someone who 'undertakes an enterprise, especially a contractor, acting as intermediary between capitals and labor'.

The interpretations could vary from one scholar to another scholar. However, the common characteristic of an entrepreneur are self confidence and optimistic, energetic, diligent, take initiatives, flexible and able to adapt, independent minded and so on. They are also among the key factor of successful entrepreneur in business.

A definition offered by Shane and Venkataraman (2000), in which entrepreneurship categorised under business, seeks to find opportunities to create something new and are discovered or created by specific individuals, later use



various means to exploit or develop them, thus producing a wide range of effects. This definition has received wide acceptance.

**Table 1.1: Definition of SMEs in Malaysia**

Definition of SMEs	Micro Enterprise	Small Enterprise	Medium enterprise
Manufacturing, Manufacturing-related Service and agro-based industries	Sales turnover of <RM250,000 OR full time employees <5	Sales turnover between RM250,000 and <RM10 million OR full time employees between 5 to 50	Sales turnover between RM10 million OR full time employees between 51 to 150
Service, Primary Agriculture and Information and Communication Technology (ICT)	Sales turnover of <RM200,000 OR full time employees <5	Sales turnover between RM200,000 and < RM1 million OR full time employees between 5 and 19	Sales turnover between RM1 million and RM5 million OR full time employees between 20 to 50

Source: Extracted from SME Corp. Malaysia website (2010)

In Malaysia, it is known that SMEs is not just become the backbone of the economic growth but it is identified as catalyst to promote domestic-led growth. Lesson learned from the economic crisis in 1997-1998, has taught us that in order for the economy to prosper, the country should not overly rely on foreign direct investment (FDI). Foreign investor are trying to get the best deal of their investment, their concern is mainly about the escalating cost. They may shift their business to other countries which more profitable, especially if the cost of doing business are cheaper.



## 1.2. Problem identification

Most studies which were carried out in various countries either same or different researcher have concluded that small business is important in job creation (Smallbone and Wyr, 2000) and for some reason smaller businesses are perceived as more innovative than larger firm (Tonge *et. al*, 2000). In some developing countries, it was identified that service sector among the major source of income. Therefore, a lot of attention and research have been done on services but mostly on the larger scale or which involves bigger corporations.

However, not all business venture start as bigger entity, Sexton (1989) stated that new businesses may not automatically become large businesses. Some may begin from small. These small businesses may succeed and grow, there are a lot of contributing factors and among them is the entrepreneur's background. Of all the factors, entrepreneur's backgrounds are believed to be more controversial than others, as it involves human factors which are hard to predict.

As the Malaysia's economy moving out of the traditional economy such as agriculture and manufacturing, the service sector is becoming more important and the future direction of the economy growth.

The contribution of service sector to the nation's GDP has increased steadily and government realizes there is a need to put more effort into it either in policy making or incentives, in order, to get higher benefits of it. Over the years, the services sector has been rapidly growing its size and contribution to the Malaysia economy (Table 1.2). Excluding government services and construction sector, the private sector-led services industry is the largest economic sector in Malaysia. It contributed about 46 percent to GDP in 2007, up from 45 percent in 2002.

**Table 1.2: Malaysia: Percentage Share of GDP by Sector, 2002-2007**

Sector	2002	2003	2004	2005	2006	Jan-Sep 2007
Agriculture	8.3	8.4	8.2	8.0	7.9	7.6
Mining	10.2	10.3	10.0	9.4	8.8	8.5
Manufacturing	29.0	30.0	30.7	30.8	31.1	30.4
Construction	3.9	3.8	3.5	3.3	3.1	3.0
Services						
Private	44.7	43.6	43.7	44.3	44.7	46.4
Government	6.6	6.7	6.6	6.8	7.1	6.9
Less: FISIM*	4.5	4.4	4.2	4.0	3.9	3.9
Plus: Import Duties	1.7	1.6	1.4	1.3	1.1	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: \* Financial Intermediation Services Indirectly Measured

Source: Department of Statistics, Malaysia, National Accounts. Third Quarter 2007.

The other benefit of small business is the creation of employment. According to Normah (2006), micro establishments (entrepreneurs) represent 79.4 percent (411,849) of SMEs and they predominate in the services sector at about 80.4 percent, small establishments constitute 18.4 percent and medium establishment is 2.2 percent. SMEs are contributing about one-third of Malaysia's GDP and providing over 56 percent of total employment in the country (Economic Review, 2010). As such, the role of SMEs is to provide stronger backbone to the Malaysia economy.

As shown in Table 1.3, the services sector is expected to lead by growing at 7.2 per cent per year in the 10 MP.

**Table 1.3: GDP Growth by Economic Activity (in constant 2000 prices)**

	Annual Growth (%)	
	9 <sup>th</sup> Malaysia Plan	10 <sup>th</sup> Malaysia Plan
GDP	4.2	6.0
Agriculture	3.0	3.3
Mining	-0.5	1.1
Manufacturing	1.3	5.7
Construction	4.4	3.7
Services	6.8	7.2

Source: The Economic Planning Unit, Prime Minister's Department, Putrajaya, Tenth Malaysia Plan 2011 – 2015.

In the context of Sabah economy, services sector is a major contributor to Sabah's GDP. In 2005 its contribution is about 48.9 percent, in which wholesale and retail trade, and government services were the highest contributors, each contributing 24.4 percent and 21.7 percent respectively. The services industry also provides the highest number of jobs: 639 000 persons were employed in the services sector, which accounted for 53.3 percent of total employment in Sabah (Yearbook Statistic of Sabah, 2006).

In this study the focus is in Kota Kinabalu which is the capital city of Sabah, it covers an area of 350,702 square kilometres. On 2<sup>nd</sup> February 2000, Kota Kinabalu becomes the sixth city in Malaysia. In Kota Kinabalu City, the zoning method was used to divide the vast area into eight sub zone. An overall, Kota Kinabalu encompasses areas such as Tanjung Aru in Southern goes up until Karambunai and Kota Kinabalu Industrial Park (KKIP) in Northern, Gaya Island and the islands surrounding and Menggatal area. The business concentration is in the town which is also the central business district.

Data from the Department of Licensing and Finance of Kota Kinabalu City Hall, in the year 2010, around 31,438 businesses were registered and issued



permits by the department. They comprises from small units of business such as vendors and hawkers to large size such as hotels, hypermarkets, food-based manufacturing and more.

The entertainment and recreational business shows increasing in numbers of registered business and it is under the service sector. It is interesting to know how service sector especially the small businesses could successfully remain in the market. Because of the contribution of small business to the nation's economy, it is good to see that a lot of actions have been taken by the government to encourage more people to become entrepreneurs. However, it is equally important to know the longevity of the entrepreneur's in business. Therefore, to have understanding of the success and failure of firms will be good, as we would know the condition of our economy.

### **1.3. Problem Statement.**

The main concern of this project is to examine the relationship between the entrepreneur's background and how entrepreneur's success in sustaining a business. As reference of past researches, comparison could be made and whether there is consistency with previous findings. Edelman *et. al.* (2002) suggests the critical resources that a firm have are actually most likely held by the individual entrepreneurs that could be seen from their skills, knowledge, abilities, experience and education. The entrepreneurs is seen as decision maker and have strong influence on the business formation strategy (Masurel *et. al.*, 2003) and responsible for the firm's policy, direction and development (Yu, 2001).

Large number of studies confirmed that the person who forms a business is highly responsible for its success and failure (Hall and Fulshaw, 1993; Shane and Venkataraman, 2000). By focusing on the entrepreneur's background of small business, we would be able to have better understanding of the issues related to entrepreneur's background and business survivability towards the entrepreneur's success in business. As Smallbone *et. al.* (1995) mentioned that the small firms



## REFERENCES:

- Abdullah, M. A. and Baker, M. (Eds.) 2000, Small and Medium Enterprise in Asian Pacific Countries. Vol. 1. Roles and Issues, Science Publisher, Inc., Huntington, New York.
- Ahmad, N. H., Ramayah, T., Wilson, C. and Kummerow, L. 2010. "Is entrepreneurial competency and business success relationship contingent upon business environment? A study of Malaysian SMEs" *International Journal of Entrepreneurial Behaviour & Research*. **16**(3):182-203
- Barringer, B.R. and Jones, F.F. 2004. "Achieving rapid growth - revisiting the managerial capacity problem". *Journal of Development Entrepreneurship*, **9** (1): 73-87.
- Barsley, G. And Kleiner, B.H. 1990. "Small Business management: ensuring your clients's success", *National Public Accountant*, Vol. 35, pp. 30-33
- Bates, T. 1990. "Entrepreneur Human capital inputs and small business longevity". *The Review of Economics and Statistics*. ,**72**(4):551-559
- Baum, J.R., Locke, E.A. and Smith, K.G. 2001. "A multidimensional model of venture growth". *Academy of Management Journal*, **44**(2):292-303
- Beaver, G. 2002. Small Business, Entrepreneurship and Enterprise Development, Pearson Education. Harlow.
- Bird, B. 1995. "Toward a theory of entrepreneurial competency", in Katz, J.A. and Brockhaus, R.H. (Eds), *Advances in Entrepreneurship, Firm emergence, and Growth*, Vol. 2, JAI Press, Greenwich, CT, pp. 51-72.
- Bhutta, M.K.S., Rana, A. I. and Asad, U. 2008. "Owner characteristics and health of SMEs in Pakistan". *Journal of Small Business and Enterprise Development*, **15** (1):130-149
- Bosma, N., van Praag, M., Thurik, R. and de Wit, G. 2004. "The value of human and social capital investment for the business performance start-ups". *Small Business Economic*, **23**: 227-236
- Bruno, A., Leidecker, J. And Harder, J. 1987. "Why firms fail?", *Business Horizons*, **36** (2):50-58
- Carson, D. and Gilmore, A. 2000. Marketing at the interface: Not 'what' but 'how'. *Journal of Marketing Theory and Practices*, Spring : 1 -7

- Chandler, G.N. and Hanks, S. H. 1994. Founder competence, the environment and the venture performance. *Entrepreneurship Theory and Practice*. 18:77-89
- Chrisman, J.J., Baurshmidt, A. and Hofer, C.W. 1998. The determinants of new venture performance: An extended model. *Entrepreneurship: Theory and Practices*, 1: 5-30
- Coakes, S. J., Steed, L. and Ong, C. 2009. *SPSS: Analysis Without Anguish: Version 16 for Windows*. John Wiley and Sons, Australia
- Cooper, A., Dunkelberg, W., Woo, C. and Dennis, W. 1990. *New Business in America: The Firms and Their Owners*, The NFIB Foundation, Washington, DC.
- Cooper, A. and Gimeno-Gascon, F.J. and Woo, C. 1994. "Initial human and financial capital as predictors of new venture performance". *Journal of Business Venturing*. **9**(5): 371- 395
- Crawford, G. 1974. "An analysis of management factors that may contribute to the success or failure of selected small retailing". Dissertation, University of Arkansas, Little Rock, AR.
- Dun and Bradstreet. 1995. Business failure Record, Dun & Bradstreet, New York, NY.
- Eakin, D. H., Joulfaian, D. and Rosen, H. S. 1993. 'Sticking it out: Entrepreneurial survival and liquidity constraints', *Working paper on Industrial Relation Section*. Princeton University. October 1993
- Edelman, L.F., Brush, C.B. and Manolova, T.S. 2002. "The impact of human and organizational resources on small firm strategy". *Journal of Small Business Enterprise Development* . **9**: 236-244
- Economic Review, "Part II- Tenth Malaysia Plan: New role of the public sector and small and medium enterprises to support growth"  
<http://ww2.publicbank.com.my/econreview111-july2010.pdf>.  
Retrieved 17 February 2011.
- Evans, D., & Leighton, L. 1989. "Some empirical aspects of entrepreneurship", *American Economic Review*, **79**(3):519-535.
- Gadenne, D. 1998, "Critical success factors for small business: an inter-industry comparison". *International Small Business Journal*, **17**(1):36-55
- Gaskill, L.A.R., Van Auken, H.E. and Manning, R.A. 1993. "A factor analytical study of the perceived causes of small business failure". *Journal of Small Business Management*, **31** (4):18 -31.



- Chandler, G.N. and Hanks, S. H. 1994. Founder competence, the environment and the venture performance. *Entrepreneurship Theory and Practice*. 18:77-89
- Chrisman, J.J., Baurshmidt, A. and Hofer, C.W. 1998. The determinants of new venture performance: An extended model. *Entrepreneurship: Theory and Practices*, 1: 5-30
- Coakes, S. J., Steed, L. and Ong, C. 2009. *SPSS: Analysis Without Anguish: Version 16 for Windows*. John Wiley and Sons, Australia
- Cooper, A., Dunkelberg, W., Woo, C. and Dennis, W. 1990. *New Business in America: The Firms and Their Owners*, The NFIB Foundation, Washington, DC.
- Cooper, A. and Gimeno-Gascon, F.J. and Woo, C. 1994. "Initial human and financial capital as predictors of new venture performance". *Journal of Business Venturing*. 9(5): 371- 395
- Crawford, G. 1974. "An analysis of management factors that may contribute to the success or failure of selected small retailing". Dissertation, University of Arkansas, Little Rock, AR.
- Dun and Bradstreet. 1995. Business failure Record, Dun & Bradstreet, New York, NY.
- Eakin, D. H., Joulfaian, D. and Rosen, H. S. 1993. 'Sticking it out: Entrepreneurial survival and liquidity constraints', *Working paper on Industrial Relation Section*. Princeton University. October 1993
- Edelman, L.F., Brush, C.B. and Manolova, T.S. 2002. "The impact of human and organizational resources on small firm strategy". *Journal of Small Business Enterprise Development* . 9: 236-244
- Economic Review, "Part II- Tenth Malaysia Plan: New role of the public sector and small and medium enterprises to support growth" <http://ww2.publicbank.com.my/econreview111-july2010.pdf>. Retrieved 17 February 2011.
- Evans, D., & Leighton, L. 1989. "Some empirical aspects of entrepreneurship", *American Economic Review*, 79(3):519-535.
- Gadenne, D. 1998, "Critical success factors for small business: an inter-industry comparison". *International Small Business Journal*, 17(1):36-55
- Gaskill, L.A.R., Van Auken, H.E. and Manning, R.A. 1993. "A factor analytical study of the perceived causes of small business failure". *Journal of Small Business Management*, 31 (4):18 -31.

- Gilmore, A., Carson, D. and Grant, K. 2001. "SME marketing in practice", *Marketing Intelligence and Planning*, **19** (1): 6-11
- Handbook of Household Surveys, Revised Edition, Studies in Methods, Series F, No. 31, United Nations, New York, 1984, para. 15.40.  
<http://stats.oecd.org/glossary/detail.asp?ID=1522>. Retrieved 7 April 2011.
- Harada, N. 2002. "Who succeeds as an entrepreneur? An analysis of the post-entry performance of new firms in Japan". *Japan and the World Economy*, **441**:1-13
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E. & Tatham, R. L. 2006. *Multivariate data analysis* (6th ed.). NJ: Pearson.
- Hall, G. And Fulshaw, S. 1993. "Factors associated with the relative performance amongst small firms in the British Instrumentation sector". *International Entrepreneurship and Business Development*, Klnadt, H. (Ed.) Avebury, Hall and Hofer, Aldershot, pp. 227-237
- Hannan, M. T. and Freeman, J. 1977. "Obstacles to comparative studies". In P.S. Goodman, and Johannes M. Penings and Associates (eds.). *New Perspectives on Organizational Effectiveness*, pp. 106-131. San Francisco: Josey-Bass, Inc.
- Hil, J. And McGowan, P. 1999. "Small business and enterprise development: questions about research methodology". *International Journal of Entrepreneurial Behaviour and Research*. **5**(1):5-18
- Hodgetts, R.M. and Kuratko, D.F. 1992, *Effective Small Business Management*, 4<sup>th</sup>. Ed., Harcourt Brace Jovanovich, San Deigo, FL.
- Hyungrae, J. and Jinjoo, L. 1996. "The relationship between an entrepreneur's background and performance in new venture". *Technovation*. **16** (4) 161-171
- Jensen, S. M. & Luthans, F. (2006, Summer). Relationship between entrepreneurs' psychological capital and their authentic leadership. *Journal of Management Issues*, **18**(2): 254-273.
- Kalleberg, A. L. and Leicht, K.T. 1991. Gender and organizational performance: Determinants of small business survival and success. *Academy of Management Journal*. No. 34, pp. 136-151
- Kangasharju, A. 2000, "Growth of the smallest: determinants of small firm growth during strong macroeconomics fluctuations", *International Small Business Journal*, **19** (1):28-43



- Kanter, R. M. 1979. *The measurement of organizational effectiveness, productivity, performance and success: Issues and dilemmas in service and non-profit organizations*. (PONPO Working Paper No. 8). New Haven, CT: Institution for Social and Policy Studies, Yale University.
- Keats, B.W. and Bracker, G. 1988. "Toward a theory of small firm performance: a conceptual model", *American Journal of Small Business*, **12**: 41-58
- Lussier, R. N. 1995. "A nonfinancial business success versus failure prediction model for young firm", *Journal of Small Business Management*, **33** (1): 8-20
- Lussier, R. N. 1996. "A startup business success versus failure prediction model for the retail industry", *The Mid-Atlantic Journal of Business* (32), June 1996
- Lussier, R.N. and Corman, J. 1996. "A business success versus failure prediction model for entrepreneurs with 0-10 employees", *Journal of Small Business Strategy*, **7** ( 1): 21-35
- Lussier, R.N. and Pfeifer, S. 2000." A comparison of business success versus failure variables between US and Central Eastern Europe Croatian entrepreneurs". *Entrepreneurship Theory and Practice*, Vol. 24 No. 4, pp. 59-67
- Lussier, R.N. and Pfeifer, S. (2001). "A cross-national prediction model for business success", *Journal of Small Business Management*, Vol. 39 No 3, pp. 228-239
- Lussier, R. N. 2005. "A success versus failure prediction model for the real estate industry", *American Journal of Business*, Spring Vol. 20 No. 1
- Lussier, R.N and Halabi, C.E. 2008."An analysis of small business in Chile: A correlational study", *Journal of Small Business and Enterprise Development*, **15** (3):490-503
- MacMillan, I.C and Day, D.L. 1987. "Corporate ventures into industrial markets: dynamics of aggressive entry", *Journal of Business Venturing*, **2** (1): 29-39
- Mambula, C.J. and Sawyer, F. E. 2004. "Act of entrepreneurial creativity for business growth and survival in a constrained economy: Case study of a small manufacturing firm (SMF)". *International Journal of Social Economics*. Vol. 31. Iss. ½, pp. 30-55
- Man, T.W.Y. and Lau, T. 2005, "The context of entrepreneurship in Hong Kong: an investigation through the patterns of entrepreneurial competencies in contrasting industrial environments", *Journal of Small Business and Enterprise Development*, **12** (4): 464-81.

- Masurel, E., Montfort, K.V. and Lentink, R. 2003. "SME innovation and the crucial role of the entrepreneur. Paper presented at the Series Research Memoranda 0001, Free University Amsterdam, Faculty of Economics, Business Administration and Econometrics.
- Markman, G.D. 2007. "Entrepreneurs' competencies", in Baum, J.R., Frese, M. And Baron, R.A. (Eds), *The Psychology of Entrepreneurship*, Lawrence, Earlbaum Associates Publishers, London, pp. 67-92.
- McPherson, M. 2010. "Business practice within South Asian family and non-family firms: A comparative study." *International Journal of Entrepreneurial Behavior and Research*, **16**(5):389-413
- McQueen, J. 1989. "The Causes and Lessons of business failure", *Credit Management*, October, pp. 24-25
- Mintzberg, H. 1973. The nature of managerial work. Harper and Row, New York.
- Normah Mohd. Aris.2006. SMEs: Building Blocks for Economic Growth. *National Statistics Conference, Department of Statistics Malaysia*, 4-5 September 2006.
- Noor H. A, Hasliza A. H. and Siti R. M. Z. 2010. "Is entrepreneurial competency the silver bullet for SME success in a developing nation?", *International Business Management*. **4** (2) :67-75
- Nunnally, J. 1978. *Psychometric theory*. New York: McGraw-Hill
- O'Donnell, A. and Cummins, D. 1999. "The use of qualitative methods in researching networking in SMEs", *Qualitative Market Research: An International Journal*, **2** (2): 82-91.
- Pansiri, J. and Temtine, Z. T. 2010. "Linking firm and managers' characteristics to perceived critical success factors for innovative entrepreneurial support". *Journal of Small Business and Enterprise Development*. **17** ( 1): 45-59
- Parasuraman, A., Berry, L.L. and Zeithaml, V. A. 1983. Service firms need marketing skills, *Business Horizon*, **26**(6): 28-31
- Pennings, J.M., Lee, K. and Witteloostuijn, A. Van. 1998. "Human capital, Social capital and firm dissolution", *Academy of Management Journal*. Vol 41. No. 4, pp. 425-440
- Reynolds, P.D., Carter, N.M., Gartner, W.B. and Greene, P.G. 2004. "The prevalence of nascent entrepreneurs in the United States: Evidence from the Panel Study of Entrepreneurial Dynamics". *Small Business Economics*. 23: 263-284



- Reynolds, P.D., Storey, D and Westhead, P. 1994. Cross National Comparison of the Variation in New Firm Formation Rates. *Regional Studies: The Journal of The Regional Studies Association*. No. 28(4): 443-456.
- Rosa, P. And Scott, M. 1999. "The prevalence of multiple owners and directors in the SME sector: implications for our understanding of start-up and growth", *Entrepreneurship and Regional Development*, **11** ( 1):21-37.
- Sage, G.1993. "Entrepreneurship as an economic development strategy". *Economic Development Review*, **11**: 66-67
- Sandberg, W.R. 1986. *New Venture Performance*. Lexington Books, Toronto, MA
- Sandberg, W.R. and Hofer, C. W. 1987. "Improving new venture performance: the role of strategy, industry structure and the entrepreneur". *Journal of Business Venturing*, **2** (1):5-28
- Schumpeter, J. A.1943. *Capitalism, Socialism and Democracy*, Allen & Unwin, London.
- Sekaran, U. and Bougie, R. 2010. *Research Methods for Business. A Skill Building Approach*. 5<sup>th</sup> Ed. John Wiley & Sons Ltd.
- Sexton, D.L. 1989. "Growth decisions and growth patterns of women-owned enterprises" in Hagan, O., Rivchun, C. and Sexton, D. (Eds), *Growth Decisions and Growth Patterns of Women-Owned Enterprises*, Preager, New York, NY.
- Shane, S. and Venkataraman, S. 2000. "The promise of entrepreneurship as a field of research." *Academic Management Review*, **25**: 548- 556
- Simpson, M., Tuck, N. and Bellamy, S. 2004. "Small business success factors: the role of education and training", *Education and Training*, **46** (8/9):. 481-491
- Singer, B. 1995, "Contours of development", *Journal of Business Venturing*, **10** (4):303 – 329
- Smallbone, D. and Wyer, P. 2000. "Growth and development in the small firm", in Carter, S. And James-Evans, D. (Eds), *Enterprise and Small Business*, Prentice Hall, Harlow.
- Smallbone, D., Leigh, R. and North, D. 1995. "The characteristics and strategies of high growth SMEs", *International Journal of Entrepreneurial Behaviour & Research*, **1** (3): 44-56



- Stokes, D. and Blackburn, R. 2002. "Learning the hard way: the lessons of owner-managers who have closed their businesses", *Journal of Small Business and Enterprise Development*, **9** (1):17-27.
- Stuart, R. and Abetti, P.A. 1990. "Impact of entrepreneurial and management experience on early performance", *Journal of Business Venturing*, **5**: 151-162
- The New Sabah Times*. 2011. 45 percent of entrepreneurs start a business after 30. 10 June 2011: 23
- Thompson, R. 1988. "Business plans: Myth and Reality", *Nation's Business*, August, pp. 16-23
- Tonge, R., Larsen, P. And Roberts, M. 2000. "Information systems investment within high-growth medium-sized enterprises", *Management Decision*, **38** (7): 489-502.
- Valdiserri, G.A. and Wilson, J. L. 2010. "The study of leadership in small business organizations: impact on profitability and organizational success" *Proceeding of the Allied Academy International Conference*, April 14-16 2010, New Orleans, LA
- Vesper, K. 1990. *New Venture Strategies*, Prentice-Hall, Engelwood Cliffs, NJ.
- Watson, K., Hogarth-Scott, S. and Wilson, N. 1998, "Small business start-ups: success factors and support implications". *International Journal of Entrepreneurial Behaviour and Research*, **4** (3): 217-238
- Webster, F. E. 1992. "The changing role of marketing in the corporation", *The Journal of Marketing*, **56** (4): 1-17
- Weitzel, W. And Jonsson, E. 1989. "Decline in organizations: a literature integration and extension". *Administrative Science Quarterly*, **34** (1):91-109
- Westhead, P., and Cowling, M. 1998. "Family firm research: The need for a methodological rethink". *Entrepreneurship Theory and Practice*, **23** (1): 31-56.
- Wijewardena, H., Nanayakkara, G. and De Zoysa, A. 2008. "The owner/manager's mentality and the financial performance of SMEs", *Journal of Small Business and Enterprise Development*, **15** (1): 150-161
- Wilson, J. and Morris, J. 2000. "The size and growth of UK manufacturing and service firms", *The Service Industry Journal*, **20** (2):25-38

- Wood, D.L. 1989. "Why new business fail and how to avoid disaster", *Corporate Cashflow*, August, pp. 26-27
- Yearbook of Statistic Sabah 2006*, Department of Statistics Malaysia, Sabah.2006.
- Yu, T.F.L. 2001, "Towards a capabilities perspective of the small firm". *International Journal of Management Review*. **3**:185-197
- Zhang, Y.2000."Learning function and small business growth". *Managerial Auditing Journal*. **15**(5):228-231