

MALAYSIAN MALAY MICRO BUSINESSES: SUCCESS FACTORS IN LANGKAWI ISLAND

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ABSTRACT - Micro enterprise is synonymous with the business world and plays a vital role in the economic development of all countries including Malaysia. Due to this condition, enterprises need to sustain their performance to survive in the market. The success or failure of this kind of business is very much dependent on business performance, especially the growth of the enterprise. The objective of this study is to investigate the effect of business success factors (capital structure, cash flow management, accounting information, information technology and help and support) on the performance of Malaysian Malay micro businesses, which has not been thoroughly covered before. This current study adopted a quantitative methodology and randomly collected data from 150 micro enterprises in Langkawi Island, Malaysia. The findings of this study revealed that cash flow management, accounting information and help and support have positive and significant effects on business performance, while information technology negatively influences business performance. The findings of this study will extend the current literature in this area, and will help existing, new and potential entrepreneurs of micro business to understand the factors that affect their growth, and also to improve these critical success factors in order to enhance their business performance.

Keywords: Micro Business; Success Factors; Business Performance; Langkawi; Malaysia.

1. INTRODUCTION

Micro and small businesses constitute the majority of businesses in both developed and developing countries. Their contributions to the economic development of a country are important and form the backbone of the world economy [1]. In Malaysia, Small and Medium Enterprises (SMEs) play an important role as an economic agent [2, 3, 4]. SMEs consist of micro, small and medium enterprises, which are differentiated by their total number of full-time employees and total annual sales [5]. According to the recent data, 98.5% of total business establishments in Malaysia are SMEs, of which 21.2% are small businesses and 76.5% are micro enterprises. SMEs contribute about 36.6% of Gross Domestic Product (GDP). They employed 65% of the workforce in 2015, while their total exports increased from 17.7% in 2015 to 18.6% in 2016 [6]. It is crucial to understand the success factors of micro business due to its important contributions to Malaysia's economic development.

A micro business is an enterprise with less than five full-time employees or total annual sales of less than RM300,000 [6]. Micro businesses offer job opportunities to alleviate the issue of unemployment and poverty [7, 8, 9]. In Malaysia, people on low incomes increase their standard of living by their involvement in the production activities of micro businesses [10]. Thus micro businesses contribute to the economic development of a country [11, 12]. They play an important role in the economy and society [13] while helping to boost family income [14].

This kind of business is easy to start because it needs only a small amount of capital and is not too risky, and thus becomes a catalyst in the development of the socio-economy in any country [15]. Micro businesses produce basic goods and services at affordable prices to the public [10]. Their contributions to the economy of a country and globally are beyond question. Therefore, the government of Malaysia committed to helping and supporting them by a large allocation of RM9.5 billion to SMEs in the 2016 budget, of which RM107 million was to spend on high impact programmes, which include the modernization of micro businesses [16]. The government has also set up agencies such as Amanah Ikhtiar Malaysia (AIM) and

Tabung Ekonomi Kumpulan Usahawan Niaga (TEKUN) to cater for their business problems by providing advisory services, visits to the business location, guides to business success (talks, workshops, courses) and also providing loans to start or expand the business. With the help from government agencies, micro businesses now have opportunities and the potential to compete with businesses of other sizes and scales by improving their business performance.

2. ISSUES WITH MALAYSIAN MALAY MICRO BUSINESSES

In Malaysia, the composition of major ethnic groups is Malay 60%, Chinese 23% and Indian 7%. Even though Malays are the biggest ethnic group, however, they are left behind the Chinese in the business sector due to a lack of business ideology [17]. If Malays have the same opportunities in business, they can be as competitive as their competitors [18]. During his time in office, Mahathir, the Malaysian former prime minister, always supported Malays to get involved in business and economic activities to compete and survive in the business market. The Ninth Malaysian Plan 2006 showed that there were increasing numbers of Malay entrepreneurs linked to the government programmes. A variety of programmes has been developed by the government to help and encourage Malays to participate in micro business activities. However, the performance of micro business in Malaysia has not yet reached the target, despite many programmes to help businesses to survive in the market for the long term [19].

Internal problems in the company are the reason that micro businesses fail to sustain their businesses in the market [20]. Small businesses in developing countries are more at risk to failure compared to that in the developed world [20]. Normally, micro businesses are located in rural areas with less access to resources than in urban areas [21]. In addition, the development of micro and small businesses are usually affected by financial barriers [22]. Among the problems faced by micro enterprises is the difficulty to obtain financial support from internal and external sources, higher cost of raw materials, insufficient capital and high wholesale prices [23].

Small businesses were in a weak position due to an increase in dynamic competition against large and modern competitors [24]. Some of the business failure factors of micro businesses in Perak, Malaysia are lack of training and insufficiency in setting business objectives [2]. Among the factors that contributed to the failure of small businesses, including resource limitations, lack of strategic planning processes, firefighting problems and lack of business strategies [25]. Recent studies [26, 3] found that these small businesses have a greater risk of closing as compared to large companies.

SMEs in Malaysia are facing barriers against the growth of their organizations, which include low productivity, low-skilled workers, lack of innovation and competitiveness, as well as weakness in problem solving [27]. These issues reduce business performance. Previous study [28] raised several concerns about the study of SMEs and suggested that in-depth research between academics and government should be encouraged to help the success of SMEs. There are various studies concerning SMEs globally and in Malaysia [29, 30, 31, 32]. The studies focus on strategic planning [33], success factors [34, 35] and women entrepreneurs [36] in SMEs. Few studies have explored the issues in the context of micro businesses in Malaysia [37, 38], especially the issues facing Malay businesses. Indeed, it is important to investigate the success factors in the performance of Malay micro businesses in order to increase their competitiveness in particular industries. Hence, this study aim to look at the success factors that help to improve the performance of Malay micro businesses in Langkawi Island, Malaysia.

Langkawi Island (called Langkawi) is one of the most popular tourist destinations in Malaysia with over 2.5 million tourists visiting the island every year. The island has had a duty-free status since 1987 and shopping activities for duty-free goods have become the main attraction, especially among Malaysians. There are several major events that take place in Langkawi every year, such as the Langkawi International Maritime and Aerospace Exhibition (LIMA), which attract thousands of visitors from all over the world. Le Tour de Langkawi is one of the biggest events in the world of cycling, gathering the best cyclists in the world to this annual event. There is also the yearly Asian Sailing Championship at the Island's National Sailing Center. A study [39] found that the tourism industry had provided the opportunity for local residents in Langkawi to become involved in business activities. However, the extent of business performance and success among Malay businesses is unknown. Previous studies looked at personal initiative and human capital [40], and motivations, marketing and financial competencies [10] as key determinants of the success factors of Malay micro enterprises. This current study focuses on other aspects of success factors such as capital structure, cash flow management, accounting information, information technology and help and support.

3. LITERATURE REVIEW

Business Performance

Business performance plays an important role in an organization to measure the success and ability of the organization to achieve competitive advantages. Business performance is the organization's ability to attain its goals by using resources in an efficient and effective manner

[41]. It is also the ability of the organization to achieve its goals and objectives [42]. While [43] mentioned that business performance is the sum of accomplishments attained by all businesses involved with an organization goal during a given period of time, with the goal meant either for a specific stage or on the overall extent. Business performance is a continual process that remains the focus of the organization in order to ensure the performance of the business is still progressing and increasing [44].

The most appropriate measurements for business performance use both the dimensions of financial performance and non-financial performance [45]. Among the financial measures are profit, turnover, return on investment, fixed assets and productivity [46, 47], and non-financial measures are number of employees, stakeholder satisfaction and market share [48, 46, 47].

One of the most important measures of business performance is growth, especially for small-scale businesses. It is an important aspect of the business because it is used to measure business development over time and helps to improve the quality and performance of management and production and at the same time increase profits. The growth of a business determines the success of its operations by employing more employees and needing more equipment to increase production. The growth of an enterprise has been the subject of study for many years [49, 50, 51, 52]. The studies found a positive relationship between financial management practice and business performance [52], personal high initiative and venture growth [53], accounting information and growth of small business [54].

The effects of capital structure, cash flow management, accounting information, information technology and help and support on the growth of micro businesses are not well documented, especially in the case of micro business in Malaysia. There is need for a study that can help the entrepreneurs in this size sector. For this study, both financial and non-financial measures are included. Financial measures used are revenue, profit and value of fixed assets in the business; and non-financial measures include number of employees and business diversification. All the selected measures are important to value the growth performance of micro business.

Business Success Factors

This study focused on a number of factors affecting business performance including capital structure, cash flow management, accounting information, information technology and help and support.

Capital Structure

Capital structure is an important aspect of a business, especially for micro enterprises to maintain a stable business and to survive in the current economy. It is important to understand the capital structure among SMEs due to the increase in economic contributions by these enterprises globally and in developing countries particularly [55]. Capital structure determines the ability and success of a company, especially SMEs [56].

In corporate finance, capital structure was defined as the composition of capital financing in the form of equity and debt [57, 58]. Additionally, [59] also stated that capital structure always described the percentage of capital used by an organization such as debt, preferred stock and common equity. Similarly, [59] defined capital structure as the way

an organization's assets are financed and it is on the right side of the balance sheet.

One of the biggest challenges faced by SMEs in Malaysia is the lack of access to finance [7, 60]. However, it is no longer an issue with various government supports and initiatives to help SMEs [61]. Also according to their study, the main obstacles for SMEs in obtaining finance from financial institutions or government support agencies are the absence of financial documents and that information about appropriate sources of finance does not reach them.

There are a number of studies on the relationship between a firm's capital structure and its performance [see 62, 63, 64]. Although there is a huge amount of theoretical and empirical research on the relationship between capital structure and organization value, there is still no clear agreement on this matter [65]. [66] suggested that concentrating on the topic of capital structure in micro enterprises represents a new research area, in contrast to current research that is typically only focused on large and listed companies.

Cash Flow Management

Cash flow management can be defined as the constant process to assess the current financial status, create financial objectives and analyse records [67]. Cash, as shown in the financial statement, is the best indicator to measure the well-being of a company, as well as to identify a company's financial strength as stated in the statement of cash flows [68]. The cash flows must be sufficiently maintained on lines of credit to prevent any negative situation, and cash flow problems and poor management are the main causes of failure of adequate financial control [69].

Cash flow plays an important role in attracting investors and building the confidence of investors to invest in a company [70]. [71] highlighted that cash flows are crucial for decision makers because they show the actual flows of money into a company. The statement of cash flows, showing the amount of cash generated from operating activities, is used by investors to assist them in forecasting future cash flows [71]. Similarly, a previous study by [72] reported that cash flows are important and attract the interest of decision makers, because they expect that future cash flows may be affected by current cash flows. Cash flow statements, however, are rarely prepared and used by small-scale enterprises [7].

A business should maintain proper cash flows to increase profitability and survive in the market [73], because the success or failure of a business is very much dependent on the business's ability to generate cash inflows as well as managing cash outflows efficiently [74, 75]. Cash flows are one of the most important records in any business, and small-scale businesses need to prepare this record for monitoring and control [76]. A previous study by [77] has suggested that cash flow management has a significant and positive relationship with business performance.

Accounting Information

Accounting is important to any business because it provides better management control and assists in decision-making, helps to access a new market and maximize profits in the corporate world [78]. Accounting as a language in business provides information about the situations that have happened in the business [79]. Generally, accounting information is crucial in any organization [80].

Accounting involves identification, classification, storage and protection, receipt and transmission, retention and disposal of records for the preparation of financial statements [81]. There are six basic accounting reports and analysis that should be prepared by a company, which include bank reconciliation statement, cash flow statement, income statement, statement of financial position, aging schedule and financial ratios [82]. The importance of setting up a good accounting and management record are to better manage operating costs and to increase efficiency and productivity [83]. Accounting information is also important for financial management planning and control, business decision-making for the survival of the company and to avoid business failure [80]. Furthermore, the information is also important to the modern business due to its use in discovering the actual profitability, due to business susceptibility to fraud [81].

To improve the use of accounting information among micro businesses, [84] proposes the adoption of accounting software by owner-managers. The study by [85] in Zimbabwe revealed that lack of accounting knowledge was the reason for micro businesses did not keep complete accounting records and thus, there is inefficient use of accounting information in financial performance measurement. These businesses require accounting information to support the monitoring and control of financial and other resources. Previous studies found that SMEs and especially micro enterprises do not keep accounting records and thus do not fully use accounting information in business operations [85, 86].

Accounting provides complete information to the owner to guide in making fast and precise financial decisions. Reliable financial information enables the owners to measure the performance of the business. It thus discloses the health of the enterprise [86]. Previous studies have mentioned that accounting records will have a relationship with business performance [80, 81]. The objective of this study is to examine the factors causing the growth of micro business; it is essential to assess how far micro businesses emphasize accounting practices and their application and how this affects their business performance.

Information Technology

The ability to innovate and adopt technological changes is a crucial factor determining the growth of a business. A study under the SME Masterplan has demonstrated that innovation and technology adoption is closely linked to the performance of micro business [4]. The definition of information technology (IT) is all the hardware and software that is essential for an organization in order to achieve its business objectives [87]. [88] mentioned that IT has not only changed the traditional ways of people to acquire information, but also has broken old patterns of production management and has profoundly changed the organization structure of firms in space and time. [88] added that many organizations turn to IT in order to reduce product or service costs, to improve management and decision-making and enhance organization performance in a turbulent environment.

IT is one of the necessary tools for the organization to enhance organizational performance and become successful [89]. A study by [90] has suggested that IT capabilities contribute directly to improved organizational process such as coordination, transaction specific investment, absorptive

capacity and monitoring. The result is consistent with a previous study by [91] who found that the application of information technology enhances the overall performance of SMEs in Malaysia. According to [92], SMEs could increase their competitiveness if they adopt IT in their businesses. The studies by [93] and [94] found that SMEs with IT innovation have higher growth compared to MSEs without it. The literature on technology adoption is extensive, however studies focused on adoption-related issues such as micro-entrepreneurs in developing economies are limited [95]. Therefore, more thorough research on this issue is needed.

Help and Support

Micro and small enterprises face many obstacles to success in business. Being small, they are vulnerable to competition with larger businesses in the open market. Among the barriers are limited access to institutional credit, lack of adequate ongoing support, limited opportunities for skills development and recognition of the problems faced by business. Relevant government agencies are responsible for erecting a number of barriers affecting the stability and survival of micro business. [96] has studied micro businesses in New Zealand and concluded that they need support, particularly social support in order to move from merely surviving in business to being a successful business. [97] found that existing support for start-up and post start-up micro businesses does not adequately address the development needs of micro firms.

The development of micro business is dependent on access to capital, which is critical and essential to them [98]. Microfinance exists and has evolved to cope with the restrictions on formal institutional credit that target borrowers such as micro businesses [99]. This microfinance programme helps micro businesses to expand their business activities and boost income [100]. A study on small credit in Malaysia found that it helps micro entrepreneurs to grow their business [101]. This current study looks at help and support in terms of access to finance, training, monitoring and advice from government related agencies and microcredit from financial institutions.

The conceptual framework of this study is illustrated in Figure 1.

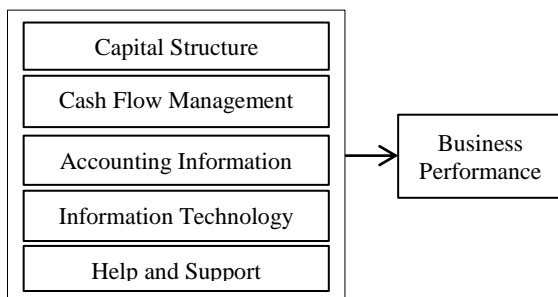


Figure 1: Conceptual Framework of the study

4. RESEARCH DESIGN

This study uses an empirical approach focusing on a quantitative methodology. By implementing a quantitative approach, the relationship between success factors and firm performance can be exposed. The total population for this study is about 37,000, obtained from the SMEs Corp website. In this study, the unit of analysis is a person who owns or manages a micro-enterprise in Langkawi, Kedah. The questionnaire has three sections. The content of Section A is about the demographic profile of respondents; Section B is regarding cash flow management, capital structure, accounting information, information technology and help and support; Section C asks about business performance, looking at the growth of the micro businesses. A random sampling method is used to select the target respondents. By using this method, each unit in the population has an equal chance to be selected [102]. From the total population, 400 targeted respondents were sampled for the study, however, only 150 or 37.5% of questionnaires were returned and used for the final analysis. For the purpose of analysing the data, SPSS version 22 was used to run the distribution, correlation and regression analyses.

5. FINDINGS

Demographic Statistic

Table 1 shows the profile of the respondents in the study. There is a roughly equal involvement between male and female respondents in the study with 80 (53%) male and 70 (47%) female. The majority (61%) of them are 40 years old and above. In terms of education, 49% of respondents have attended secondary school at either level 1 or level 2, and another 50% received a higher education at diploma or degree level. More than 55% of the respondents have been in their respective business for more than seven years, which indicates the maturity of the business and the owners' degree of experience in running the business. About 39% have survived in the market for one to six years. However, looking at the total number of full-time employees, about 35% of owners operated their business alone without any help. This shows that the business is too small with a low production of goods or services. Another 38% and 27% of businesses employ two to three and four to five full-time workers respectively.

More than half of respondents (56%) do not have part-time workers, 37% need one to two part-time workers, less than 7% receive assistance from three to four part-time workers and only one (0.7%) has more than five part-time workers. Out of the total respondents, 84% are running a product-based business and the remaining 16% are offering a service-based business. The majority of the respondents (38%) offer two to three products or services, about 23% of respondents offer more than five products or services. While 25% of them offer only one product or service. They are also asked to estimate their daily income with 70% of them claiming that they received income between RM100 to RM500 daily. Less than 13% generate more than RM500 daily and about 17% earned less than RM100 daily.

Table 1: Profile of respondents

Gender	N	%	Age	N	%	Education level	N	%
Male	80	53.3	21-30	26	17.3	PMR/SRP(secondary school level 1)	6	4.0
Female	70	46.7	31-40	33	22.0	SPM/STAM(secondary school level 2)	68	45.3
Total	150	100	41-50	49	32.7	Matriculation/ Diploma	33	22.0
			51 and Above	42	28.0	Degree	42	28.0
			Total	150	100	Others	1	0.7
						Total	150	100
No. of years in business	N	%	No. of full-time employee(s) including owner	N	%	No. of part-time employee(s) including owner	N	%
Less than 1	9	6.0	1	52	34.7	0	84	56.0
1-3	30	20.0	2-3	57	38.0	1-2	55	36.6
4-6	28	18.7	4-5	41	27.3	3-4	10	6.7
7-10	43	28.6	More than 5	0	0	5 and above	1	0.7
More than 10	40	26.7	Total	150	100	Total	150	100
Total	150	100						
Type of business	N	%	No. of product(s)/ service(s)	N	%	Estimated daily income	N	%
Product	126	84.0	1	37	24.7	Below RM100	26	17.3
Service	24	16.0	2-3	57	38.0	RM101-RM200	43	28.7
Total	150	100	4-5	21	14.0	RM 201-RM300	34	22.6
			More than 5	35	23.3	RM301-RM400	7	4.7
			Total	150	100	RM401-RM500	21	14.0
						RM501-RM700	12	8.0
						RM701-RM1,000	4	2.7
						RM1,001 and above	3	2.0
						Total	150	100

Test of relationships

To test the relationship between all the variables in the study, Pearson product-moment correlation coefficient (r) analysis is used to describe the strength and direction of bivariate relationships and thus show early signs of potential interrelationships in the various relationships. The test is to check the relationship between all of the five independent variables with the dependent variable. There should be at least some relationship, preferably above 0.30 [103]. The strength of the relationships are values between -1.00 to 1.00 with the value of 0 meaning no relationship, and 1.00 and -1.00 indicate perfect positive and perfect negative relationships respectively [103]. [104] provides guidelines to interpret the strength of relationship with small strength (r= 0.10 to 0.29), medium strength (r= 0.30 to 0.49) and large strength (r= 0.50 to 1.00). The direction of the relationship between the variables can be determined by looking at the sign of the correlation coefficient, either positive or negative. A positive sign means there is a positive correlation between the two variables.

The results of the tests of relationships are presented in Figure 2. Overall, it shows that all relationships in the study have positive correlations. In this study, only cash flow management and accounting information have positive and statistically significant correlations of 0.591 and 0.458 respectively, suggesting quite a strong relationship between both independent variables and the dependent variable.

Capital structure and help and support only have small relationships with growth. Information technology and business performance show no significant correlations.

The correlation between each independent variable is also important because the value of relationship should not be 0.70 or more [103]. If this situation exists, omitting one of the variables should be considered. The results in Figure 2 show that the highest value between independent variables is 0.640, which is the correlation between capital structure and help and support. This value is less than 0.70, therefore all variables are retained.

Figure 2: The Correlation Coefficient (r)

	CS	CFM	AI	IT	H&S	BP
CS	1	.224**	.399**	.106	.640**	.221**
CFM	.224**	1	.442**	.375**	.227**	.591**
AI	.399**	.442**	1	.170*	.405**	.458**
IT	.106	.375**	.170*	1	.141	.045
H&S	.640**	.227**	.405**	.141	1	.289**
BP	.221**	.591**	.458**	.045	.289**	1

**correlation is significant at the 0.01 level; * correlation is significant at the 0.05 level (2-tailed)

Test of Reliability and Validity

One of the most commonly used indicators of internal consistency is Cronbach’s alpha coefficient (α). Cronbach’s is used to measure the scale reliability of the collected data [105]. [106] suggested that the Cronbach alpha coefficient of a scale should be above 0.70. Table 2 shows the values of Cronbach’s alpha coefficient with all values for the variables being above 0.70, suggesting very good internal consistency reliability for the scale in this sample. Values above 0.70 are considered acceptable; however, values above 0.80 are preferable [103].

Table 2: The Cronbach’s Alpha

Variables	Items	Cronbach’s Alpha
Cash Flow Management	5	0.893
Capital Structure	5	0.776
Information Technology	5	0.943
Accounting Information	5	0.905
Support and Help	5	0.885
Growth	5	0.912

Hypothesis Testing

Multiple regressions is used to assess the business success factors of capital structure, cash flow management, accounting information, information technology and help and support to predict business performance, in this case, the growth of Malay micro businesses. Figure 3 displays the summary results of the multiple regression analysis.

The results from Figure 3 below show that the beta path coefficient between capital structure and growth (H1) is negative and insignificant ($\beta = -0.058$; $t = 0.697$). The coefficient originating from cash flow management is positive and statistically significant to the growth (H2) at p-value 0.01 ($\beta = 0.557$; $t = 7.563$). The results also show a positive and a statistically significant relationship between accounting information and growth (H3) at p-value 0.01 ($\beta = 0.213$; $t = 2.847$). In terms of information technology, the co-efficient linking the construct with growth is negative but statistically significant at p-value 0.01 ($\beta = -0.214$; $t = 3.188$). Finally, the relationship between the help and support construct and growth is not too strong, but is positive and statistically significant at p-value 0.10 ($\beta = 0.142$; $t = 1.719$). All the five constructs in the study explained 44.5% of the variance of business performance (the growth).

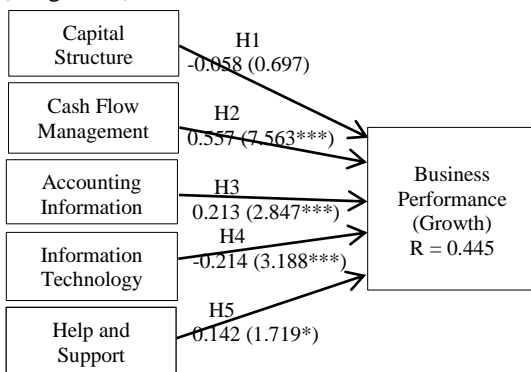


Figure 3: Results of Multiple Regression Analysis

*** significant at p-value < 0.01; ** significant at p-value < 0.05; * significant at p-value < 0.10

6. DISCUSSION

This study examined five independent variables of capital structure, cash flow management, accounting information, information technology and help and support and their

impact on business performance, in this case, the growth of Malay micro businesses in Langkawi. Capital structure has a small relationship with growth, but is not significant in impacting growth. Micro businesses in this study do not see capital structure as essential to impact their business growth. This is due to the poor access to finance and the loan repayment procedures that burden them. They also claimed that they do not have enough capital to run or expand their business. The problems of small businesses in obtaining finance are acknowledged, mostly due to their inability to provide sufficient business information and poor repayment records [61]. Although micro business constituted about 76% of SMEs in Malaysia, only 13% received financial support from financial institutions [107].

Cash flow management has the largest relationship with growth. The better the micro businesses could control and manage their cash flows, the bigger will be the growth of the business. Cash flow management also significantly impacts growth, which is in line with the study by [77]. The beta value for cash flow management is the largest in the model, which means that this variable makes the strongest unique contribution to explain the dependent variable. Small and micro businesses usually use the cash basis rather than the accrual basis in their daily transactions. This characteristic of business may explain the results of the importance of cash flow management. The success or failure of a business mostly depends on the management of cash flows [74, 75].

Accounting information also has quite a strong relationship with growth and it significantly contributes to influence the growth of Malay micro businesses in Langkawi. This finding is in contrast with the findings of previous studies [e.g. 54], where they found that the level of using accounting information is limited among SMEs. Accounting information is important to any business, because accounting is regarded as the language of business. In order to understand the business, one must understand the accounting and use its information in making important business decisions. Some businesses fail because of financial deficiencies such as lack of accounting background and inadequate accounting records [108]. This current study confirmed the importance of accounting information to micro businesses in affecting their business performance.

In terms of information technology, it does not have a significant relationship with growth and also negatively impacts growth. This current result is inconsistent with the finding of a study by [93], where they found that IT was positive and significantly increased the performance of SMEs in Malaysia. Previous studies also found that information technology is important and is one of the necessary tools for the organization to become successful [91]. However, in this current study, the use of information technology by Malay micro businesses is still minimal and it does not significantly impact growth. In today’s era of technology, micro businesses should move from traditional methods of doing business. Micro businesses need to be exposed to more information concerning the uses and benefits of using information technology. The Malay micro businesses in this study avoided and rejected the use of information technology to support, improve and promote their businesses.

Finally, help and supports from related government agencies and financial institutions have a positive relationship with growth. This variable also significantly impacts growth, even though its contribution to growth is the smallest compared to other independent variables in this study. The finding of this study is consistent with previous studies [98, 100, 101]. Related government agencies could improve the help and support available by continuously providing related training, monitoring business and performance, problem solving according to cases, access to low interest loans and variable loan repayment according to their ability, etc.

7. CONCLUSIONS AND RECOMMENDATIONS

This study revealed that cash flow management and accounting information are the most important factors to influence the growth of Malay micro businesses in Langkawi. These findings demonstrate the benefits to micro businesses of applying good practice in cash flow management and accounting information in their business operations. This study has revealed important insights into the business factors that influence the growth of Malay micro businesses. Scant attention had previously been given to the success factors of micro businesses, especially from the Malaysian Malay ethnic perspective. In conclusion, it is possible for Malay micro businesses to survive and compete in the market if they improve their business performance. They should be aware of the areas of competencies that impact growth, and relevant government agencies could play a more active role in helping and supporting these businesses. Overall, this study provides guidelines to existing, new and potential micro businesses to achieve success in their business.

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