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ORIGINAL LITERARY WORK DECLARATION

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ABSTRACT

The past two decades have seen a sharp increase in academic studies and public policy research concerned with the internationalization and performance of small and medium enterprises (SMEs). From this perspective, it is the influence of organizational and environmental characteristics on the internationalization process, as well as the effects of internationalization on firm performance, that have been the focus of scholars. Nevertheless, little is yet known of the internationalization determinants of SMEs in developing countries, and a lack of empirical evidence in the literature provides strong ground for this research.

This study fills the void by documenting the relationships between organizational and environmental characteristics - specifically, entrepreneurial orientation, global mindset, network relationships and government support – internationalization, and firm performance. Notably, the study also distinguishes between the financial and non-financial performance of SMEs, which further adds to its significance.

The specific objectives of the study were to: (1) investigate the effects of entrepreneurial orientation, global mindset, network relationships and government support on internationalization (2) analyze the effects of internationalization on firm performance and (3) examine the mediating effects of internationalization on the relationships between entrepreneurial orientation, global mindset, network relationships and government support, and firm performance.
A quantitative survey methodology was applied using self-administered questionnaire to collect data from a sample of Malaysian SMEs involved in international business. The key informants were the owners or the highest ranking officers of the firms, who were the most knowledgeable about their firms’ characteristics, international operations and performance. The final 237 completed questionnaires yielded an effective response rate of 20 percent. Data collected were then analyzed using structural equation modeling to examine associative relationships among the three main constructs.

The study has discovered several interesting findings which point to differences between international SMEs in developed and developing countries. First, contrary to earlier research in developed countries, current findings showed that entrepreneurial orientation, global mindset and network relationships were not positively related to internationalization. Second, a very strong positive relationship between government support and internationalization was observed here. Thus, unlike the situation in developed countries, government support has emerged as a more powerful determinant of internationalization than organizational characteristics among Malaysian SMEs.

In addition, the results of this study have provided important empirical evidence for the positive effect of internationalization on both financial and non-financial performance of Malaysian SMEs. Internationalization also partially mediates the relationships between entrepreneurial orientation, global mindset,
network relationships and government support, and firm performance. Therefore, the current findings have emphasized internationalization as a key factor toward enhancing the performance of Malaysian SMEs.

The study is expected to make a valuable contribution to knowledge of SME internationalization in developing countries, especially in the context that relates internationalization to organizational and environmental characteristics, and firm performance. It also has implications in the form of best practices for Malaysian SMEs. At the same time, it can provide directions for the government and policy-makers in their effort to develop policies and programs for the betterment of this particular business community.
ABSTRAK

Dua dekad yang lalu telah memperlihatkan peningkatan yang mendadak dalam penyelidikan akademik dan dasar awam berkaitan dengan pengantarabangsaan dan prestasi syarikat-syarikat kecil dan sederhana (SSKS). Dari perspektif ini, pengaruh ciri-ciri organisasi dan alam sekitar terhadap proses pengantarabangsaan, dan juga kesan-kesan pengantarabangsaan kepada prestasi firma, telah menjadi fokus utama. Walau bagaimanapun, terlalu amat sedikit diketahui tentang penentu kepada pengantarabangsaan SSKS di negara-negara membangun, dan kekurangan bukti empirikal dalam kesusasteraan menyediakan asas yang kukuh untuk kajian ini.

Kajian ini mengisi kekosongan dengan mendokumenkan hubungan antara ciri-ciri organisasi dan alam sekitar - khususnya, orientasi keusahawanan, pemikiran global, hubungan rangkaian dan sokongan kerajaan- pengantarabangsaan, dan prestasi firma. Paling ketara, kajian itu juga membezakan antara prestasi kewangan dan bukan kewangan SSKS, yang menambahkan lagi kepentingannya.

Objektif khusus kajian ini adalah untuk: (1) menyiasat kesan orientasi keusahawanan, pemikiran global, hubungan rangkaian dan sokongan kerajaan ke atas pengantarabangsaan (2) menganalisa kesan pengantarabangsaan ke atas prestasi firma (3) mengkaji kesan pengantara pengantarabangsaan pada hubungan antara orientasi keusahawanan, pemikiran global, hubungan rangkaian dan sokongan kerajaan, dan prestasi firma.
Metodologi kajian kuantitatif telah digunakan dengan menggunakan soal selidik yang ditadbir sendiri untuk mengumpul data daripada sampel SSKS di Malaysia yang terlibat dalam perniagaan antarabangsa. Pemberi maklumat utama ialah pemilik atau pegawai tertinggi firma, yang paling berpengetahuan tentang ciri-ciri firma mereka, operasi antarabangsa dan prestasi. Sebanyak 237 soal selidik yang lengkap menghasilkan kadar tindak balas yang berkesan sebanyak 20 peratus. Data yang dikumpul dianalisis dengan menggunakan pemodelan persamaan struktur untuk mengkaji hubungan bersekutu antara tiga konstruk utama.


Di samping itu, hasil kajian ini telah menyediakan bukti empirikal penting untuk menunjukkan kesan positif pengantarabangsaan keatas prestasi kewangan dan
bukan kewangan SSKS di Malaysia. Pengantarabangsaaan juga sebahagiannya
menjadi pengantara hubungan antara orientasi keusahawanan, pemikiran global,
hubungan rangkaian dan sokongan kerajaan, dan prestasi firma. Oleh itu, penemuan
terkini telah menekankan pengantarabangsaaan sebagai faktor utama ke arah
meningkatkan prestasi SSKS di Malaysia.

Kajian ini dijangka dapat menyumbang akan sesuatu yang amat berharga
kepada pengetahuan pengantarabangsaaan SSKS di negara-negara membangun,
terutamanya dalam konteks yang berkaitan pengantarabangsaaan kepada ciri-ciri
organisasi dan alam sekitar, dan prestasi firma. Ia juga mempunyai implikasi dalam
bentuk amalan terbaik untuk SSKS di Malaysia. Pada masa yang sama, ia
memberikan panduan bagi kerajaan dan pembuat dasar dalam usaha mereka untuk
membangunkan dasar-dasar dan program-program untuk kebaikan masyarakat
perniagaan di negara ini.
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# TABLE OF CONTENTS

Original Literary Work Declaration ........................................... ii
Abstract ..................................................................................... iii
Abstrak ...................................................................................... vi
Acknowledgment ........................................................................ ix
List of Figures ........................................................................... xvii
List of Tables ............................................................................. xviii
List of Appendices ...................................................................... xx

## Chapter 1  INTRODUCTION

1.0 Summary ............................................................................... 1
1.1 Background of the Study ..................................................... 1
1.2 Research Objectives ............................................................ 8
1.3 Research Questions ............................................................. 8
1.4 Significance of the Study ..................................................... 9
1.5 Organization of the Thesis ................................................... 13

## Chapter 2  LITERATURE REVIEW

2.0 Summary ............................................................................... 16
2.1 Internationalization ............................................................ 16
  2.1.1 Definition of Internationalization ................................... 20
2.2 Internationalization Theories and Models ......................... 25
  2.2.1 Foreign Direct Investment .............................................. 27
  2.2.2 Monopolistic Advantage .............................................. 27
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.3 International Product Life Cycle</td>
<td>28</td>
</tr>
<tr>
<td>2.2.4 International Portfolio</td>
<td>29</td>
</tr>
<tr>
<td>2.2.5 Internalization</td>
<td>30</td>
</tr>
<tr>
<td>2.2.6 The Eclectic Paradigm</td>
<td>31</td>
</tr>
<tr>
<td>2.2.7 Resource-based</td>
<td>32</td>
</tr>
<tr>
<td>2.2.8 Uppsala Internationalization</td>
<td>33</td>
</tr>
<tr>
<td>2.2.9 Network</td>
<td>34</td>
</tr>
<tr>
<td>2.2.10 International Entrepreneurship</td>
<td>36</td>
</tr>
<tr>
<td>2.3 Dimensions of Internationalization</td>
<td>37</td>
</tr>
<tr>
<td>2.3.1 Extend or Degree of Internationalization</td>
<td>38</td>
</tr>
<tr>
<td>2.3.2 Speed of Internationalization</td>
<td>39</td>
</tr>
<tr>
<td>2.3.3 Scope of Internationalization</td>
<td>39</td>
</tr>
<tr>
<td>2.4 Determinants of Internationalization</td>
<td>40</td>
</tr>
<tr>
<td>2.4.1 Entrepreneurial Orientation</td>
<td>41</td>
</tr>
<tr>
<td>2.4.2 Global Mindset</td>
<td>48</td>
</tr>
<tr>
<td>2.4.3 Network Relationships</td>
<td>52</td>
</tr>
<tr>
<td>2.4.4 Government Support</td>
<td>55</td>
</tr>
<tr>
<td>2.5 Firm Performance</td>
<td>57</td>
</tr>
<tr>
<td>2.5.1 Financial Performance</td>
<td>58</td>
</tr>
<tr>
<td>2.5.2 Non-Financial Performance</td>
<td>61</td>
</tr>
<tr>
<td>2.6 An Integrative Conceptual Model</td>
<td>63</td>
</tr>
<tr>
<td>2.6.1 Internationalization Properties and Performance</td>
<td>65</td>
</tr>
<tr>
<td>2.6.2 Environmental Conditions</td>
<td>66</td>
</tr>
<tr>
<td>2.6.3 Organizational Characteristics</td>
<td>68</td>
</tr>
<tr>
<td>2.6.4 Outcomes of Internationalization</td>
<td>72</td>
</tr>
</tbody>
</table>
# Chapter 3  
**SMALL AND MEDIUM ENTERPRISES IN MALAYSIA**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0 Summary</td>
<td>74</td>
</tr>
<tr>
<td>3.1 Small and Medium Enterprises in Malaysia: An Overview</td>
<td>74</td>
</tr>
<tr>
<td>3.2 Definition of Small and Medium Enterprises in Malaysia</td>
<td>76</td>
</tr>
<tr>
<td>3.3 Profile of Small and Medium Enterprises</td>
<td>80</td>
</tr>
<tr>
<td>3.4 Manufacturing Sector</td>
<td>89</td>
</tr>
<tr>
<td>3.5 Services Sector</td>
<td>94</td>
</tr>
<tr>
<td>3.6 Agriculture Sector</td>
<td>98</td>
</tr>
<tr>
<td>3.7 Performance of Small and Medium Enterprises in Malaysia</td>
<td>102</td>
</tr>
<tr>
<td>3.8 Small and Medium Enterprises: Internationalization and Challenges</td>
<td>110</td>
</tr>
</tbody>
</table>

# Chapter 4  
**THEORETICAL FRAMEWORK AND HYPOTHESES**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.0 Summary</td>
<td>116</td>
</tr>
<tr>
<td>4.1 Proposed Research Model</td>
<td>116</td>
</tr>
<tr>
<td>4.2 Definition and Operationalisation of Constructs</td>
<td>123</td>
</tr>
<tr>
<td>4.3 Research Hypotheses</td>
<td>124</td>
</tr>
<tr>
<td>4.3.1 The Effects of Entrepreneurial Orientation, Global Mindset, Network Relationships and Government Support on Internationalization</td>
<td>124</td>
</tr>
<tr>
<td>4.3.2 The Effects of Entrepreneurial Orientation, Global Mindset, Network Relationships and Government Support on Firm Performance</td>
<td>132</td>
</tr>
<tr>
<td>4.3.3 The Effects of Internationalization on Firm Performance</td>
<td>139</td>
</tr>
</tbody>
</table>
4.3.4 The Mediating Effects of Internationalization on Entrepreneurial Orientation, Global Mindset, Network Relationships, Government Support, and Firm Performance 142

Chapter 5 RESEARCH METHODOLOGY

5.0 Summary 148
5.1 Research Design 148
5.2 Sample Selection Method 149
  5.2.1 Target Population 150
  5.2.2 Sampling Method 151
  5.2.3 Sample Size 152
5.3 Questionnaire Design 154
  5.3.1 Questionnaire Development 154
  5.3.2 Forward and Back Translation 157
  5.3.3 Validation of the Questionnaire 157
  5.3.4 Pilot Test 158
  5.3.5 Final Questionnaire 159
  5.3.6 Independent, Mediating and Dependent Variables 166
5.4 Data Collection 167
5.5 Method of Data Analysis 169

Chapter 6 DATA ANALYSIS AND RESULTS

6.0 Summary 172
6.1 Data Assessment 172
  6.1.1 Data Coding Audit 172
6.1.2 Normality Assessment
6.1.3 Non-Response Bias Assessment
6.1.4 Reliability Assessment
6.1.5 Construct Validity Assessment

6.2 Descriptive Statistics Analysis

6.3 Confirmatory Factor Analyses
6.3.1 Evaluating the Fit of the Model
6.3.2 Measurement Model for Entrepreneurial Orientation
6.3.3 Measurement Model for Global Mindset
6.3.4 Measurement Model for Network Relationships
6.3.5 Measurement Model for Government Support
6.3.6 Measurement Model for Internationalization
6.3.7 Measurement Model for Financial performance
6.3.8 Measurement Model for Non-Financial performance
6.3.9 Reliability Assessment

6.4 The Structural Model
6.4.1 Mediation Test

6.5 Hypothesis Testing
6.5.1 The Effects of Entrepreneurial Orientation, Global Mindset, Network Relationships and Government Support on Internationalization
6.5.2 The Effects of Entrepreneurial Orientation, Global Mindset, Network Relationships and Government Support on Firm Performance
6.5.3 The Effects of Internationalization on Firm Performance
Chapter 7  CONCLUSION AND RECOMMENDATIONS

7.0 Summary 251

7.1 Discussion of Results 251
  7.1.1 Relationship between Entrepreneurial Orientation, Global Mindset, Network Relationships, Government Support and Internationalization 253
  7.1.2 Relationship between Entrepreneurial Orientation, Global Mindset, Network Relationship, Government Support and Firm Performance 260
  7.1.3 Relationship between Internationalization and Firm Performance 264
  7.1.4 Internationalization as a Predictor of Firm Performance 266

7.2 Limitations of the Study 267

7.3 Implications of the Study 268
  7.3.1 Theoretical 268
  7.3.2 Methodological 271
7.3.3 Managerial 271
7.4 Suggestions for Future Research 273
References 276
LIST OF FIGURES

Figure 2.1: The international entrepreneurship conceptual model 64

Figure 4.1 Proposed Research Model 122

Figure 6.1: 1st Order Confirmatory Factor Analysis Output Model for Entrepreneurial Orientation 201

Figure 6.2: 2nd Order Confirmatory Factor Analysis Output Model for Entrepreneurial Orientation 202

Figure 6.3: 3rd Order Confirmatory Factor Analysis Output Model for Entrepreneurial Orientation 203

Figure 6.4: 4rd Order Confirmatory Factor Analysis Output Model for Entrepreneurial Orientation 204

Figure 6.5: Final Order Confirmatory Factor Analysis Output Model for Entrepreneurial Orientation 205

Figure 6.6: Final Order Confirmatory Factor Analysis Output Model for Global Mindset 207

Figure 6.7: Final Order Confirmatory Factor Analysis Output Model for Network Relationships 209

Figure 6.8: Final Order Confirmatory Factor Analysis Output Model for Government Support 211

Figure 6.9: Final Order Confirmatory Factor Analysis Output Model for Internationalization 212

Figure 6.10: Final Order Confirmatory Factor Analysis Output Model for Financial Performance 213

Figure 6.11: Final Order Confirmatory Factor Analysis Output Model for Non-Financial Performance 214

Figure 6.12: The Path Diagram of Hypothesized Mediated Full Structural Model 217

Figure 6.13: The Unmediated Model 219

Figure 6.14: The Mediated Model 220

Figure 6.15: The Path Diagram of Hypothesized Unmediated Full Structural Model 222

Figure 7.1 Proposed Future Research Model 275
**LIST OF TABLES**

Table 2.1: Definitions of Internationalization 22
Table 3.1: Definition of Small and Medium Enterprises in Malaysia 78
Table 3.2: Profile of Small and Medium Enterprises 81
Table 3.3: Profile of Small and Medium Enterprises in Manufacturing Sector 90
Table 3.4: Profile of Small and Medium Enterprises in Services Sector 95
Table 3.5 Profile of Small and Medium Enterprises in Agriculture Sector 99
Table 3.6: Small and Medium Enterprises Value-Added and Overall Gross Domestic Product Growth (Annual change in %) 105
Table 3.7: SME Contribution to GDP in Selected Countries (% share) 106
Table 3.8: Small and Medium Enterprises GDP and Overall GDP Growth by Key Economic Activity in 2011 (at 2005 prices) 107
Table 4.1 Working Definitions of Main Constructs 123
Table 5.1 Summary of Measures for the Study’s Main Constructs 160
Table 6.1: Firm Characteristics by Respondent Groups (n = 237) 176
Table 6.2: Result of Reliability Analysis 178
Table 6.3: Exploratory Factor Analysis of Entrepreneurial Orientation 180
Table 6.4: Exploratory Factor Analysis of Global Mindset 181
Table 6.5: Exploratory Factor Analysis of Network Relationships 182
Table 6.6: Exploratory Factor Analysis of Government Support 183
Table 6.7: Exploratory Factor Analysis of Internationalization 184
Table 6.8: Exploratory Factor Analysis of Financial Performance 185
Table 6.9: Exploratory Factor Analysis of Non-Financial Performance 186
Table 6.10: Profile of Small and Medium Enterprises 188
Table 6.11: Summary of Goodness-of-Fit Indices (Absolute fit indices) 199
Table 6.12: Summary of Goodness-of-Fit Indices (Incremental fit indices) 199
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 6.13</td>
<td>Summary of Goodness-of-Fit Indices (Parsimonious fit indices)</td>
<td>200</td>
</tr>
<tr>
<td>Table 6.14</td>
<td>Entrepreneurial Orientation Model Fit Statistics (n = 237)</td>
<td>206</td>
</tr>
<tr>
<td>Table 6.15</td>
<td>Global Mindset Model Fit Statistics (n = 237)</td>
<td>208</td>
</tr>
<tr>
<td>Table 6.16</td>
<td>Network Relationships Model Fit Statistics (n = 237)</td>
<td>210</td>
</tr>
<tr>
<td>Table 6.17</td>
<td>Government Support Model Fit Statistics (n = 237)</td>
<td>211</td>
</tr>
<tr>
<td>Table 6.18</td>
<td>Internationalization Model Fit Statistics (n = 237)</td>
<td>213</td>
</tr>
<tr>
<td>Table 6.19</td>
<td>Non-Financial performance Model Fit Statistics (n = 237)</td>
<td>215</td>
</tr>
<tr>
<td>Table 6.20</td>
<td>Result of Reliability Analysis</td>
<td>215</td>
</tr>
<tr>
<td>Table 6.21</td>
<td>Regression Weights Default model</td>
<td>223</td>
</tr>
<tr>
<td>Table 6.22</td>
<td>Summary of Standardized Paths for Step 4</td>
<td>229</td>
</tr>
<tr>
<td>Table 6.23</td>
<td>Summary of Hypotheses and Results</td>
<td>233</td>
</tr>
<tr>
<td>Table 6.24</td>
<td>Summary of t-test Results by Business Status</td>
<td>236</td>
</tr>
<tr>
<td>Table 6.25</td>
<td>Summary of ANOVA Results by Industry</td>
<td>238</td>
</tr>
<tr>
<td>Table 6.26</td>
<td>Summary of ANOVA Results by Annual Total Sales (Manufacturing)</td>
<td>240</td>
</tr>
<tr>
<td>Table 6.27</td>
<td>Summary of ANOVA Results by Annual Total Sales (Services &amp; Agriculture)</td>
<td>241</td>
</tr>
<tr>
<td>Table 6.28</td>
<td>Summary of ANOVA Results by Number of Full-Time Employee (Manufacturing)</td>
<td>243</td>
</tr>
<tr>
<td>Table 6.29</td>
<td>Summary of ANOVA Results by Number of Full-Time Employee (Services &amp; Agriculture)</td>
<td>244</td>
</tr>
<tr>
<td>Table 6.30</td>
<td>Summary of ANOVA Results by Location</td>
<td>247</td>
</tr>
<tr>
<td>Table 6.31</td>
<td>Summary of ANOVA Results by Ownership Status</td>
<td>250</td>
</tr>
</tbody>
</table>
LIST OF APPENDICES

Appendix A: Questionnaire in English and Bahasa Malaysia 320
Appendix B: Normality Assessment Results 339
Appendix C: Analysis of Non-Response Data by Selected Measurement Items and Constructs 341
Appendix D: Output of SPSS and AMOS Analysis 346