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Name of Candidate: Mohd Najib Bin Md Saad (I.C/Passport No: 690830-07-5003)

Registration/Matric No: CHA 080014

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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.

Kajian ini telah menemui beberapa penemuan menarik yang menunjukkan perbezaan antara SSKS antarabangsa di negara-negara maju dan membangun. Pertama, bertentangan dengan kajian sebelum ini di negara-negara maju, penemuan terkini menunjukkan bahawa orientasi keusahawanan, pemikiran global dan rangkaian hubungan tidak mempunyai hubungan positif dengan pengantarabangsaan. Kedua, hubungan positif yang sangat kuat antara sokongan kerajaan dan pengantarabangsaan diperlihatkan dalam kajian ini. Oleh itu, tidak seperti keadaan di negara-negara maju, sokongan kerajaan telah muncul sebagai penentu yang amat kuat kepada pengantarabangsaan daripada ciri-ciri organisasi di kalangan SSKS di Malaysia.

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. Pengantarabangsaan juga sebahagiannya menjadi pengantara hubungan antara orientasi keusahawanan, pemikiran global, hubungan rangkaian dan sokongan kerajaan, dan prestasi firma. Oleh itu, penemuan terkini telah menekankan pengantarabangsaan sebagai faktor utama ke arah meningkatkan prestasi SSKS di Malaysia.

Kajian ini dijangka dapat menyumbangkan sesuatu yang amat berharga kepada pengetahuan pengantarabangsaan SSKS di negara-negara membangun, terutamanya dalam konteks yang berkaitan pengantarabangsaan 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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