

**FACTORS INFLUENCING THE BUSINESS PERFORMANCE OF
AMANAH IKHTIAR MALAYSIA (AIM) BUSINESS OWNERS**

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**MASTER OF SCIENCE (MANAGEMENT)
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**FACTORS INFLUENCING THE BUSINESS PERFORMANCE OF
AMANAH IKHTIAR MALAYSIA (AIM) BUSINESS OWNERS**

**BY
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Othman Yeop Abdullah
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ABSTRACT

For Malaysia to be a high income nation, it must be able to compete effectively with other developed nations in the region and global stage. Therefore, more employment and business opportunities particularly in micro and small scale business need to be created by the government. One of the government strategies to implement the entrepreneurship programs is through micro financing programs. However, despite the rise of micro business owners, the survival and business performance of these firms is also questionable. Therefore, the study was conducted to measure the business performance of AIM business owners in three years or since its establishment. In addition, this study was also conducted to determine the relationship between the source of financing and entrepreneurial culture with business performance of AIM business owners. A total of 420 questionnaires were distributed to the AIM business owners in Klang Valley region who are the recipients of microfinance program provided by AIM. However, only 386 questionnaires were returned and were usable for further analyses. All hypotheses were tested using SPSS version 22. Based on the correlation analysis' result, it was suggested that the source of financing and entrepreneurial culture is correlated to AIM business owners' business performance. Besides that, the linear regression results indicated a significant relationship between source of financing and entrepreneurial culture with the business performance even though the relationship showed was moderate. Based

on the result, some recommendations were proposed together with the limitation of the study which provides opportunity for further research.

Keywords: High income nation, micro and small scale business, business performance, micro financing programs, source of financing, entrepreneurial culture

ABSTRAK

Untuk menjadikan Malaysia sebagai sebuah Negara berpendapatan tinggi, ianya perlu bersaing secara berkesan dengan Negara-negara membangun yang lain di peringkat global. Justeru, lebih banyak peluang pekerjaan dan perniagaan perlu diwujudkan oleh Kerajaan terutamanya di dalam perniagaan berskala mikro dan kecil. Salah satu strategi Kerajaan untuk melaksanakan program keusahawanan ialah melalui program pembiayaan mikro. Walau bagaimanapun, berikutan peningkatan jumlah peniaga-peniaga mikro, prestasi perniagaan dan daya saing syarikat sebegini turut menjadi persoalan. Oleh itu, kajian ini dijalankan untuk mengukur prestasi perniagaan peniaga-peniaga peniaga Amanah Ikhtiar Malaysia (AIM) di dalam tempoh tiga tahun ataupun sejak penubuhannya. Selain itu, kajian ini dilakukan untuk menentukan hubungan di antara sumber pembiayaan dan budaya keusahawanan dengan prestasi perniagaan peniaga-peniaga AIM ini. Sebanyak 420 borang soal selidik telah diedarkan kepada peniaga-peniaga AIM di Lembah Kelang. Walau bagaimanapun, hanya 386 borang soal selidik ini dikembalikan dan digunakan untuk tujuan analisis. Hipotesis-hipotesis kajian diuji menggunakan perisian SPSS versi 22 dan berdasarkan kepada analisis korelasi, adalah dicadangkan bahawa sumber pembiayaan dan budaya keusahawanan adalah mempunyai hubungan dengan prestasi perniagaan. Selain itu, analisis regresi linear menunjukkan kedua-dua pemboleh ubah ini mempunyai hubungan yang sederhana terhadap prestasi

perniagaan peniaga-peniaga AIM. Berdasarkan kepada dapatan kajian, beberapa cadangan telah dibincangkan beserta dengan limitasi kajian yang menyediakan peluang untuk kajian pada masa hadapan.

Kata kunci: Negara berpendapatan tinggi, perniagaan berskala mikro dan kecil, prestasi perniagaan, program mikro kredit, sumber pembiayaan, budaya keusahawanan

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LIST OF ABBREVIATIONS

ADB	–	ASIAN DEVELOPMENT BANK
AIM	–	AMANAH IKHTIAR MALAYSIA
CCM	–	COMPANIES COMMISSION OF MALAYSIA
DOSM	–	DEPARTMENT OF STATISTICS MALAYSIA
ETP	–	ECONOMIC TRANSFORMATION PROGRAM
GDP	–	GROSS DOMESTIC PRODUCT
GTP	–	GOVERNMENT TRANSFORMATION PROGRAM
MBI	–	MAYBANK INVESTMEN BANK
NKRA	–	NATIONAL KEY RESULTS AREAS
SME	–	SMALL AND MEDIUM ENTERPRISES
SME CORP.	–	SME CORPORATION MALAYSIA
SPSS	–	STATISTICAL PACKAGE FOR SOCIAL SCIENCE
USM	–	UNIVERSITI SAINS MALAYSIA
10MP	–	TENTH MALAYSIAN PLAN

CHAPTER 1

INTRODUCTION

1.1 Introduction

This section presents the general introduction on the subject matter of the study as a general overview. Therefore, issues such as background of the study, problem statement, research questions and research objectives of the study are deliberated. Besides, other important issues like significance of the study and scope and limitations of the study and operational definitions are presented and discussed for more elaborate and detail study. Organization of the thesis is also provided at the end of the chapter.

1.2 Background of the Study

As the nation moves into the 21st century and with the rapid growth of technology where information at the finger tips, Malaysia find itself in a state of transition. Our society is becoming more educated and better informed with the higher expectation that gives the idea that what have been carried out before may never again be satisfactory or pertinent to them (Baginda, 2002). Ever since independence in 1957,

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