

Small and Medium-Sized Business in Malaysian Economy: Case of Turkish Entrepreneurs in Kuala Lumpur

Saim Kayadibi, Refik Polat and Yahya Fidan

Small and medium-sized businesses (SMSB) become increasingly important for the whole world with their compatibility and flexibility structures. These small and Medium-sized business, which provide a large portion of production with their adaptability features in changes, which play a significant role in economies in the rapidly changing and intense competition world as well. In this study, it is aimed to investigate the common problems of Turkish origin SMSB operating in the capital city Kuala Lumpur of Malaysia will be examined in terms of governance and efficiency. The subject matter will be investigated theoretically on the basis of business through conducting survey and questionnaire methods which will be analyzed by SPSS.

Keywords: Turkish Investors; Entrepreneurship; Management; Organization; Malaysian Economy.

JEL Codes: A11, L26, F21 and O53

1. Introduction:

This study is an evaluation of the contribution of entrepreneurial competencies and business success in small and medium sized enterprises (SMEs) in the context of Malaysian economy. Entrepreneurship drives economic development because it generates income, fosters profits, increases employment, and promotes social responsibility¹²³. In socio economic perspective, the health of small business sector is very important for the overall economic growth potential and future strength of an economy. There has been more written about small business growth in recent years

Assoc. Prof. Dr. Saim Kayadibi, Deputy Director, International Affairs Division (IAD), teaching in the Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia (IIUM), email: saim@iium.edu.my and skayadibi@yahoo.com

Assoc. Prof. Dr. Refik Polat, Department of Mechanical Engineering, Faculty of Engineering, 78050, Karabük Turkey. Email: refikpolat@hotmail.com The author would like to thank Mahmudul Haque, his research assistant, for his significant contribution to this project.

Prof. Dr. Yahya Fidan, Dean of the Faculty Economics and Management Sciences, Department of Business Administration, 78050, Karabük Turkey. Email: yahyafidan@karabuk.edu.tr

¹ Cox, P., Friedman, B.A., & Tribunella, T. (2011-in press). Relationships among Cultural Dimensions, National Gross Domestic Product, and Environmental Sustainability, unconditionally accepted by National Business and Economics Society, 12(6).

² Friedman, B. A. (2011). The Relationship between Governance Effectiveness and Entrepreneurship. International Journal of Humanities and Social Science, 1(17), 221-225.

³ Acs, Z.J., Desai, S., & Klapper, L.F. (2008). What Does "Entrepreneurship" Data Really Show? Small Business Economy, 31, 265-281.

than any other aspect of management. One of the main reasons is the contribution of expanding enterprises to economic development and unemployment reduction, which, generally, has attracted the attention of researchers and policy makers in many countries⁴. It is undeniable fact that Small and Medium Enterprises (SMEs) plays important role in the economic development for all countries. In Malaysia, the SMEs represent more than 95% of the total business establishments, contribute more than 40% of the total output, more than 60% of total employment, and more than 45% of total value-added since year 2000 (Central Bank of Malaysia, 2010).

The development of the SME sector in Malaysia has been phenomenal, contributing significantly to the economic growth process over the years (BNM, 2010)⁵. The Malaysian Government's commitment to, and concern for, the development of SMEs has been clearly evident since early 1970s. The 'New Economic Policy' was introduced in 1971, which aimed to improve people's welfare and restructure ethnic economic imbalances.

The government's commitment to the development of SMEs can also be seen in the second Industrial Master Plan (IMP2), which ended in 2005, which is followed by the Third Industrial Master Plan (IMP3) 2006 -2020 to coincide with the country's vision for 2020 (MITI,2005).

Small and medium-sized businesses (SMSB) become increasingly important for the whole world with their compatibility and flexibility structures. These small and Medium-sized business, which provide a large portion of production with their adaptability features in changes, which play a significant role in economies in the rapidly changing and intense competition world as well. Through an empirical study of Turkish entrepreneurs in different sectors, this study explores the characteristics and attributes of Turkish entrepreneurs and their attitudes towards entrepreneurship and the entrepreneurial process and post-start-up of business in Malaysia. We also explore the motives, locus of control, and demographic attributes of Turkish entrepreneurs. The exposition of the paper can be highlighted as follows: We first review the literature on entrepreneurial research with a specific focus on different lines of research streams and focus on identifying the theoretical framework of motivational effectiveness of Turkish business environment in Malaysia.

In this study, it is aimed to investigate the common problems of Turkish origin SMSB operating in the capital city Kuala Lumpur of Malaysia will be examined in terms of governance and efficiency in order to find solutions and their contribution to the Malaysian economy will be elaborated. The subject matter will be investigated theoretically on the basis of business through conducting survey and questionnaire methods which will be analyzed by SPSS.

⁴ Bernice K. and Meredith G. (1997), Relationships among owner/manager personal values, business strategies, and enterprise performance. *Journal of Small business Management*, 35:2, 37-64.

⁵Central Bank of Malaysia. (2010). *SME Annual Report 2005*. Retrieved July 7, 2012, from <http://www.bnm.gov.my/index.php?ch=103&pg=456&ac=526&yr=2005>.

Objectives of study

- To identify the dominant internal factor of Small Medium Entrepreneurs performance In Malaysia.
- To identify the dominant external factor of Small Medium Entrepreneurs performance in Malaysia
- To identify the most important determinant of Turkish Small Medium Entrepreneurs performance in Malaysia.

2. Literature Review:

Small and Medium Enterprises (SMES):

The definition of SMEs is based on two criteria: The total sales turnover/revenue by a business in a year or the number of full-time employees by a business. Generally SMEs in Malaysia are defined as follows: Manufacturing sector: Sales turnover of less than RM25 million or full-time employee of less than 150. Services and other sectors: Sales turnover of less than RM5 million or full time employee of less than 50. In addition to that according to www.wikipedia.org a small business is a business that is privately owned and operated, with a small number of employees and relatively low volume of sales.

SME (Small and Medium Enterprise) plays a major role in the Malaysian economy. The development of SMEs has received much attention since the implementation of the New Economic Policy (1971-1990). It was then emphasized in the Second Long Term Malaysian Plan (1991-2000). Radient⁶ explained that the importance of small and medium-sized businesses in helping the economic development of Malaysia cannot be refuted. Besides creating job opportunities, SMEs play a crucial role in contributing to the prosperity of big and multinational corporations. They enhance the industry through their creativity and innovation. It is a response to Gibb's⁷ call to delve into the unique contribution of an entrepreneur in determining a firm's performance. As such, the present study applies the Theory of Entrepreneurial Competency to describe the link between the behaviors and attributes of the business owner and business success Bird⁸ & Man and Lau⁹ arguing that those who hold key positions in the organization have a significant influence on the organization's success or failure. Entrepreneurial competencies are defined as "underlying characteristics such as generic specific knowledge, motives, traits, self-images, social roles, and skills which result in venture

⁶ Radient (2008). Background. Definition and Characteristics of SME in Malaysia.

⁷Gibb, A.A. (2005), "The entrepreneur as the core competence of the firm: implication for management educators", Entrepreneurship, Innovation, and Small Business Network, No. 2.

⁸Bird, 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.

⁹Man, 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*, Vol. 12 No. 4, pp. 464-81.

birth, survival, and/or growth” (Bird)¹⁰. Baum et al.¹¹ define this concept as “individual characteristics such as knowledge, skills, and/or abilities required to perform a specific job”. Building on this view, Kiggundu¹² conceptualizes entrepreneurial competencies as “the total sum of entrepreneurs’ attributes such as attitudes, beliefs, knowledge, skills, abilities, personality, expertise and behavioral tendencies needed for successful and sustaining entrepreneurship”.

Contribution of entrepreneurs of the country of destination cannot be denied it. Ayda et. al (2010) concluded that the producers of these migrants contribute to the growth of various products and services, not only because they are skilled and competent, but because of social relations with local communities. In a study of Turkish migrant entrepreneurs in Switzerland, Baycan-Levent & Kundak¹³ found that the movement of a foreign employee to an entrepreneur is very common and easily among Turkish immigrants. Socio-cultural norms of factors, government policies and the educational system in the host country Switzerland to make people less inclined to become entrepreneurs. Mustafa & Chen¹⁴ studied on how five entrepreneurs- can be the internationalization of business and the role of transnational family network. The results showed that the producers of these migrants have access to resources and using the relationship between transnational borders is through family and kinship networks that allow them to simultaneously engage in social and business activities in both countries. In Malaysia, Asan Ali Golam Hassan¹⁵ discusses the profile of migrant workers who emigrated to this country have tried to formulate a hypothetical case in respect of employment and the status of environment in which they were originally migrant workers to Malaysia starts from a labor and now has become entrepreneurs. Based on hypothetical cases studied, he found that the foreign workers have shift jobs, and now has become entrepreneurs in Malaysia. It is expected that the involvement of foreign traders will result in a slower efforts to improve the indigenous group in business activity because of the competition between local and foreign entrepreneurs. These findings reinforce the importance of his study.

Contributions of SMEs to the Malaysian Economy

As previously indicated, in terms of their numbers, SMEs represent majority of the total number of business establishments in the Malaysian economy. As an important

¹⁰ Bird, 1995, p. 51

¹¹Baum, J.R., Locke, E.A. and Smith, K.G. (2001), “A multidimensional model of venture growth”, *Academy of Management Journal*, Vol. 44 No. 2, pp. 292–303.

¹²Kiggundu, M.N. (2002), “Entrepreneurs and entrepreneurship in Africa: what is known and what needs to be done”, *Journal of Developmental Entrepreneurship*, Vol. 7 No. 3, pp. 239–58.

¹³Baycan-Levent, T., Kundak, S., (2009) “Motivation and Driving Forces of Turkish Entrepreneurs in Switzerland”, *Innovation: The European Journal of Social Science Research*, 22:3, 283–308.

¹⁴Mike Mustafa and Stephen Chen, 2010. *Intergenerational Transfer of Social Capital in Transnational Entrepreneurship*.

¹⁵Asan Ali Golam Hassan. 2009. *Ketidak Seimbangan Wilayah: Rangkaian Sebab-Musabab Kumulatif*. In Hasnah Ali (ed). *Pembangunan Wilayah*. Bangi: Penerbit UKM

representative of the business community, SMEs unquestionably form a vital component as well as contribute significantly to the national economy.

Collectively, their contributions to the economy are almost as significant as those of the larger enterprises. Even though SMEs may not match the resources and capabilities of the larger companies, they are known to make many important contributions. As far as Malaysia is concerned, the impact of SMEs on its economy can be seen from the various economic aspects such as the production of goods and services, employment opportunities, income generation, and increment in the amount of manufactured products exported by SMEs.

Representing 99% of total establishments, SMEs are important agents of growth of Malaysia's economy

Contribution of SMEs to the Economy		
	As at Year 2010	Forecast for Year 2020 (based on SME Masterplan)
GDP	31.9%	41%
Exports	19%	25%
Employments	59%	62%

Source: SME Corporation Malaysia and Department of Statistics Malaysia

In above table, it depicts that SME has great contribution on GDP, Export and Employment sector in Malaysian Economy. Moreover, the Malaysian SMEs further contribute to the total savings in the economy, assist in income distribution, served as a useful training ground for industrial workers and entrepreneurs, introduce innovations, stimulate competition, and in certain cases they are able to produce goods and services more efficiently as well as effectively than the bigger companies.

The figures further indicate that increasing numbers of SMEs are performing various functions for large companies in Malaysia. Over the years, they have played a significant role as supporting firms to large manufacturers in industries such as automotive, wood products, chemicals, machinery and equipment, engineering, electrical and electronics. In realizing the supporting role played by SMEs, the government has made various attempts to link SMEs with the large firms since the Fourth Malaysia Plan (1981 to 1985).

Presently, through the Ministry of International Trade and Industry (MITI), the government is increasingly promoting the linkages between SMEs and large firms such as MNCs (Multinational Corporations) and GLCs (Government-linked Companies). Business linkages between SMEs, MNCs and GLCs are created through various

programs such as Outsourcing Programme, the Franchise Development Programme, The Vendor Development Programme, the Industrial Linkage Programme, and the Global Supplier Programme. For example, since the introduction of the Vendor Development Programme (VDP), many small businesses have been developed as vendors in various industries in the manufacturing sector. In the year 2000, more 250 SMEs were converted into vendors in at least 10 different industries in the manufacturing sector. Over the years, the total numbers of vendors under the Program have been increasing steadily. At the same time, growing numbers of large local corporations, particularly the government-linked corporations (GLCs) as well as the multinational companies (MNCs) are actively participating in the VDP programme as anchor companies.

The above section briefly highlights some of the contributions of SMEs to the national economy. However, to help us better understand their important roles in the Malaysian economy, the following section explains more specifically their valuable contributions in terms of their numbers, economic outputs, job opportunities, export potentials, savings, training, stimulating competition, assisting large companies, innovation, as a seed-bed for big companies to grow, and also as a breeding ground for new business ventures and entrepreneurs, especially women entrepreneurs.

Employment Efficiency:

For employment efficiency, company need to improve in several way like stimulating employment should address, amongst other things, reforms of tax and benefit systems to make work pay, active labor market policies to improve employability, the modernization of work organization including more flexible employment contract arrangements, efforts to encourage geographical and occupational labor mobility and efforts to make collective bargaining systems more employment-friendly. Turkish entrepreneur in Malaysia are really looking at their employment efficiency which actually leads to contribute on Malaysian economy.

H2: Employment Efficiency increases Effectiveness of Turkish Company to contribute on Malaysian economy.

Productivity Efficiency:

Policy measures for all the foreign company may attempt to raise investment in both human and physical capital and to enhance the innovation potential of the economy. Foreign Entrepreneur need to recognize the importance of stimulating investment since capital accumulation raises labor productivity and increases potential growth. Similarly, increased investment tends to go hand in hand with technical progress, which together with better functioning markets is reflected in a rise in total factor productivity. Thus, that entrepreneur should focus on raising investment in human capital through education and training, in innovation and R&D, in transport networks and in the adoption of information and communication technologies (ICT). In addition to these direct measures, product market reforms are needed to increase competition and reduce monopoly rents in previously sheltered sectors, often in the form of removing entry barriers. Product market liberalization/deregulation may also have straightforward

implications for efficiency. For example, new entrants may use more advanced technologies compared to incumbent producers. Similarly, previously sheltered sectors may be forced to reduce labor hoarding and excess capacity given the higher competitive pressures.

H2: Productivity Efficiency increases Effectiveness of Turkish Company to contribute on Malaysian economy.

Technological Efficiency:

Technological efficiency implies the integration of various technologies and applications using the Internet and also other modern machineries for production¹⁶. Organizations are not self-sufficient; they interact with the environment. Thus, many organizations use the modern technology to integrate activities of the value chain, including the suppliers, customers, and distribution channels to derive competitive advantage¹⁷. Global firms especially, are more likely to use the modern technology to exchange information with customers and suppliers, integrating business processes, and after sales and support¹⁸. E-commerce also enhances intra-organizational processes by integrating various functions within organizations¹⁹. Besides, with such integration, companies can operate more efficiently by creating larger inter-organizational virtual structures with their customers, distributors, and suppliers²⁰. Several studies found technology integration essential and significant for company performance which leads to contribute on Malaysian economy. Zhu et al²¹ analyzed the factors affecting effectiveness of company value and identified technology readiness, firm size, global scope, financial resources, and regulatory environment as the significant predictors. Of these, technology readiness which includes infrastructure, Web site functionality, and information integration is the most effective factor in e-business value. Therefore, we hypothesize:

H3: Technology Efficiency increases Effectiveness of Turkish Company to contribute on Malaysian economy.

Business performance:

¹⁶Hong, W. and Zhu, K., 2006, "Migrating to internet-based e-commerce: Factors affecting e-commerce adoption and migration at the firm level," *Information & Management*, 43(2), 204-221.

¹⁷Phan, D.D., 2003, "E-business development for competitive advantages: A case study," *Information & Management*, 40(6), 581-590.

¹⁸Kraemer, K.L., Gibbs, J., and Dedrick, J., 2005, "Impacts of globalization on e-commerce use and firm performance: A cross country investigation," *The Information Society*, 21(5), 323-340.

¹⁹Garces, S.A., Gorgemans, S., Sanchez, A.M., and Perez, M.P., 2004, "Implications of the Internet-an analysis of the Aragonese hospitality industry, 2002," *Tourism Management*, 25(5), 603-613.

²⁰Phan, D.D., 2002, "E-business success at Intel: An organization ecology and resource dependence perspective," *Industrial Management & Data Systems*, 102(4), 211-217.

²¹ Zhu, K., Kraemer, K.L., Xu, S., and Dedrick, J., 2004, "Information technology payoff in e-business environments: An international perspective on value creation of e-business in the financial services industry," *Journal of Management Information Systems*, 21(1), 17-54.

Similarly, Buttner and Moore²² stated that business performance is usually measured from the economic perspectives of growth in sales or employees; and/or by the increase in profits. As most people generally equate money and profits as the best way to measure individual and business success, many might not view a majority of people owned businesses as successful due to it being smaller in size and slower in growth. As a result, some entrepreneur defines business success from an economic viewpoint. A handful of entrepreneurs measure success as and when they can see that they are an economically valuable resource Dhaliwal²³. This is to say that once they feel they are generating an income and contributing to the national economy in foreign country and as well as home country, that and only then do they feel that they have attained some measure of success. A study by Davies-Netzley²⁴ found that gross receipts and sales of foreign entrepreneur owned businesses remain significantly lower than those of local owned firms.

H4: Business performance increases Effectiveness of Turkish Company to contribute on Malaysian economy.

3. The Methodology:

To collect the data this research used self administered survey by following convenient sampling on various Turkish company in Malaysia. However, this research utilized convenience sampling over random sampling due to practical reasons.

Area of study:

In this study researcher's surveyed respondent from the Turkish company in different places of Malaysia especially in Klang Valley in Kuala Lumpur.

Data collection and Sampling Procedure:

In this study, primary data was collected through distribution of questionnaires. Primary data collection method included survey questionnaires. Self-structured questionnaire was developed to collect the required primary data from the Turkish entrepreneur from Klang Valley area in Malaysia.

Structured questionnaires were systematically distributed utilizing a convenient sampling method in various shopping mall and educational institutions. The principal component analysis was comprised with 28 Turkish entrepreneurs. For this intention total of 50 instruments was distributed among to the potential respondents for this study. Also the secondary data was collected from company website and Ministry of Industry and Finance, Malaysia.

Data Analysis:

²²Buttner, E. H. and Moore, D. P. (1997). Women's Organizational Exodus to Entrepreneurship: Self - Reported Motivations and Correlates with Success. *Journal of Small Business Management*, 35 (1): 34-46.

²³Dhaliwal, S. (2000). *Entrepreneurship - A Learning Process: The Experiences of Asian Female Entrepreneurs and Women In Business*. Education + Training, 8: 455-452.

²⁴Davies-Netzley, Sally, A. (1998). *Gendered Capital: Entrepreneurial Women in American Society*. New York: Garland Publishing, Inc.

The first stage of the data analysis was used means, standard deviations and percentages of the respondent's frequency and their demographic profile. The second stage of the data analysis conducted with exploratory factor analysis (EFA) to identify the factor structure for measuring the Effectiveness of Turkish Company to contribute on Malaysian economy and check the validity and the reliability of the scale. The decision to consider a factor as significant is identified by a factor loading greater than 0.5 and an eigenvalue equal to or greater than 1 Cronbach's alpha coefficient was used to test the reliability of the scale. The third and final part of the data analysis will be employed by multiple regression analysis to test hypothesis.

Theoretical Framework:

This entire research rests on the basis of the theoretical framework. Since the theoretical framework offers the conceptual foundation to proceed with the research, and since a theoretical framework is none other than identifying the network of relationships among the variables considered important to the study of any given problem situation, it is essential to understand what a variable means in this study. Based on the literature review; this research concentrates on conceptual framework factors influencing Effectiveness of Turkish Company on Malaysian Economy. This framework emphasizes variables such as Employment efficiency, Productivity Efficiency, Capital Efficiency, Capital Efficiency and Performance of the company. These independent variables are positively related to the fast Effectiveness of Turkish Company on Malaysian Economy. The detailed diagram framework is given below in Figure1

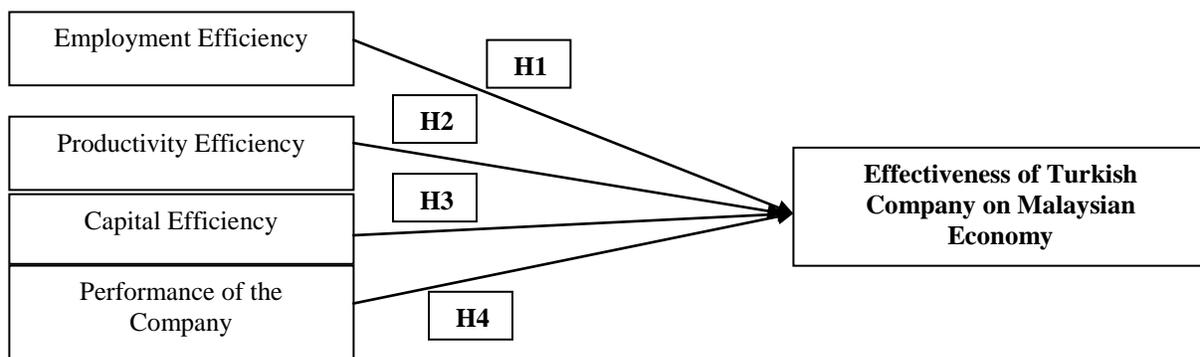


Figure 1: Theoretical Framework for Factor Influencing of Fast Effectiveness of Turkish company on Malaysia Economy

4. Findings and Discussion:

Demographic Profile:

Table 1: Demographic Information of respondents

Item	Frequency	Item	Frequency
Task of the person	General Manager: 2	Year of Establishment	Before 2000: 3
	Deputy G Manager: 1		2000-2005 : 11
	Business Owner: 22		2006-2010 : 12
	Director of Business:3		2011-2012: 2
	Others: 0		Total: 28
Total: 28			
Legal Status	Joint stock company: 4	Industry of the Business	Trade: 11
	LTD liability company: 24		Marketing: 1
	Individual:		Production: 6
	ordinary partnership:		Service: 4
	Total: 28		Farm:6
		Food: 0	
		Other: 0	
		Total: 28	
International Quality Certificate	ISO 9000: 16	Gender In personnel	Male: 20
	ISO 22000: 14		Female:: 8
	ISO 14000: 8		Total: 28
	OHSAS 14000: 0		
	HACCP: 0	Number of Personnel in Place of business	1-5: 17
	SA 8000: 0		6-10:: 10
	CE: 0		11-15: 1
	Other: 0		More than 15: 0
Total: 28			
Partner of Business: 21			
Professional Manager: 7			
Top Manager Education level	Primary Education: 0		
	Undergraduate: 10		
	Postgraduate: 18		
	Total: 28		

Summary of Descriptive Statistics

There are four variables were used to measure each of the attributes that related with development of Malaysian Economy by Turkish entrepreneurship. In descriptive statistics, Table 2 represents the means and standard deviations for each item which related effectiveness of entrepreneurship. Four variables were measured effectiveness of Turkish entrepreneurship based on the Turkish entrepreneurs company in Malaysia;

such as Employment efficiency, Productivity Efficiency, Technological Efficiency and Business Performance.

In addition, for the Employment efficiency, the higher score with a mean was 3.96 (s.d. = .644), which means that the reason for Professional Executive Employment because of taking a more rational decision in their own business. The mean for units available in business was 1.75(s.d = .758), examining that R&D and quality customer care are the most common department in Turkish company in Malaysia. The mean for decision making 2.36 (s.d = .786) also depicts that most of the decision is taken by owner or partners. The mean for annual plan and budget (1.00) depicts that the entire Turkish entrepreneur has budget plan for doing their business in future. The mean for during the staff on reception was 1.46 which means that the staff is selected by interviews and the proper way. It proved that the selection of staff is highly appreciated and it will make the company efficient as result this company will be more productive also. The mean for problem faced by the company was 2.82 which examined that most of the company employee actually wants the high salary because of their high level of education; it leads company to loss the revenue few amount because from the profit they have to pay the high amount of salary. The mean for training system in company was 1.21; it means that almost all the Turkish company in Malaysia provided training facility for their employees. And the last part of the question examined that how the company communicates with their partners or employees and from the means and s.d depicts that all the Turkish company is using mail for the communication purpose.

In productivity efficiency, the resulted higher score same as the result of the employment efficiency, with an average mean of 3.74, meaning company are making a profit because of their productivity efficient which leads to contribute on Malaysian economy. In the category of Technological efficiency, from the mean of all the question explained that the Turkish company in Malaysia has real technological efficiency in the sense of advantage which give a big amount of profit for the Malaysian economy also because technological advantage make them easier to make production and also delivered the product to the customer.

The Turkish company gave rating with a average mean of 3.29 (s.d = .684) in Business performance of the company, meaning that the level of performance is lower than employment efficiency, productivity efficiency and capital efficiency.

Table 2 (a): Means and Standard Deviation for Descriptive Statistics

Code	Variables	Means	S.d
Employment Efficiency			
RPEEB	The reason for Professional Executive Employment of Business	3.96	.664
Units	What are the units that available in business	1.75	.758
SD	Who is taking strategic decisions in business?	2.36	.786
AB	Is the annual plan and budget are made in business	1.00	.742
SB	What will do anyone in business is specific?	1.43	.727
Staff	What happens during the staff on reception?	1.46	.738
Prob	What are the problems faced by the business while providing of staff and skilled labor?	2.82	.719
TA	Is it been organized regular training activities for employees?	1.21	.767
CI	How is communication been provided in business?	1.00	.688
Productivity Efficiency			
RFC	What are the business reasons for not working at full capacity?	2.71	.703
OSP	How the operation is scheduled to production?	1.82	.719
FAP	What are the factors affecting the production of the enterprise?	1.89	.722
DELS	What are the difficulties encountered in the labor supply?	3.82	.749
CU	What is the average rate of capacity utilization for last 3 years?	2.71	.678
Technological Efficiency			
AM	What is the age of the machine stock in the enterprise?	3.65	.676
RK	Is loss rate kept?	1.57	.669
SM	Is scheduled maintenance performed?	1.61	.686
SAM	What is the source of acquiring machinery and equipment?	1.00	.657
RRTI	Reason of recent technological investment	3.51	.646
CBS	How has the capital been obtained when business set up?	2.82	.680
BFA	How is business financing the activities?	5.21	.693
Business Performance			
PFM	What is the problem of sales and marketing in the enterprise?	1.18	.690
PSD	Products which are sold to domestic markets and what rate? (%)	1.25	.651
PSF	Products which are sold to Foreign markets and what rate? (%)	2.39	.707
WCP	What are the ways companies do business with provincial industry?	3.29	.684
PMP	Is Productivity measurement performed?	1.82	.767
IND	Which indicators are calculated? If it is done.	1.00	.688
PPEW	What is the main problem that prevent efficient work?	2.79	.774

RD	Does business have R&D unit?	1.64	.717
Five	At last five year about your business	1.00	.693
Grants	Do you use government grants? respondents.	2.00	.694

Reliability Analysis

Interitem Consistency Reliability is a test of consistency of respondent's answers to all the items in a measure. The most popular test of interitem consistency reliability is the Cronbach's coefficient alpha, which is used for multi point –scaled items. From the table, The Reliability Statistics, we got the Cronbach's Alpha .891, which means that our measuring is very consistent.

Table 3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.891	.893	34

Factor Analysis

To assess the dimensionality of the consumer intention of purchasing products fast food restaurants, factor analysis was performed using the principal factor/component (PF) method, followed by the varimax rotation. Table 4 shows the results of the factor analysis test for the variables. The Kaiser –Meyer-Olkin (KMO) value which is a measure of sampling adequacy, was found to be 0.772, suggesting that the factor analysis had proceeded correctly and that sample was adequate. The results of the Bartlett's Test of Sphericity were also significant, which indicates that the factor analysis processes were correct and suitable for testing multidimensionality. From the Table, it has revealed that Kaiser-Meyer-Olkin (KMO) Measures of sampling Adequacy in our study is 0.772. This is a good result as it exceeds 0.5 Bartlett's Test of Sphericity is 0.000, meaning that factors that form the variable is adequate.

Table 4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.772
Bartlett's Test of Approx. Chi-Square	360.330
Sphericity	
df	91
Sig.	.000

Five factors were extracted which together accounted for 68.3 percent of the variance. The factors were labeled as Employment Efficiency (Factor 1), Productivity Efficiency (Factor 2), Technological Efficiency (Factor 3), and Business Performance (Factor 4).

Table 5 (a): Output of factor analysis

Items	Employment		Productivity		Technological	
	Business	Efficiency (F1)	Efficiency (F2)	Efficiency (F3)	Performance (F4)	
The reason for Professional Executive Employment Of business		.862				
What are the units that available in business		.794				
Who is taking strategic decisions in business?		.721				
Is the annual plan and budget are made in business		.660				
What is the business reasons for not working at full capacity			.823			
How the operation is scheduled to production			.546			
What are the factors affecting the production of the enterprise			.667			
What are the difficulties encountered in the labor supply			.763			
What is the average rate of capacity utilization for last 3 years			.731			
What is the age of the machine stock in the enterprise			.651			
Is loss rate kept?			.531			
Is scheduled maintenance performed			.663			
What is the source of acquiring machinery and equipment			.581			
Reason of recent technological investment			.783			
How has the capital been obtained when business set up			.754			
How is business financing the activities			.673			
What is the problem of sales and marketing in the enterprise			.831			
Products which are sold to domestic markets and what rate			.785			
Is Productivity measurement performed			.667			
What is the main problem that prevent efficient work			.551			

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 4 iterations.

Degree of Relationship and Hypothesis Testing:

Multiple regression analysis has also been used for the purpose of hypothesis testing. It is meant to determine the factors that might significantly affected the factor influences of Turkish entrepreneur to contribute on Malaysian economy. For these purpose, this research has applied the model of multiple regressions with five independent variables as described below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon_n$$

Where;

β_0 = Y intercept (a constant, the value of Y when all X values are zero)

β = The regression coefficient associated with each X

β_1 =Slope of Y with variable X1 holding X2, X3, X4 constant.

β_2 =Slope of Y with variable X2 holding X1, X3, X4 constant.

β_3 =Slope of Y with variable X3 holding X1, X2, X4 constant.

β_4 =Slope of Y with variable X4 holding X1, X2, X3 constant.

X= independent variable

X1=Independent variable 1 (Employment Efficiency)

X2= Independent variable 2 (Productivity Efficiency)

X3= Independent variable 3 (Technological Efficiency)

X4= Independent Variable 4 (Business Performance)

And based on the computed results of multiple regression Model, we could derive

Y= Dependent variable (Effectiveness of Turkish Company on Malaysian Economy)

The model summary of Table: noticed that how much of the variance in the dependent variable (Turkish Company Effectiveness) is explained by the model (which includes the Employment Efficiency, Productivity Efficiency, Technological Efficiency, and Business Performance)? In this research, the value is .780. Expressed as a percentage, this means in our model explains 78.0% of the variance in Effectiveness of Turkish Company on Malaysian Economy. However, to assess the statistical significance of the result, it is necessary to look at the ANOVA Table. This tests the null hypothesis that multiple R in the population equals 0. The model in this research reaches statistical significance (sig. =.000; this really means $p < .0005$). From the Coefficients Matrix Table the Standardized Beta Coefficients give a measure of the contribution of each variable to the model.

Table 6: Model Summary (b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889a	.791	.780	.559

A Predictors: (Constant), Employment Efficiency; Productivity Efficiency; Technological Efficiency; Business Performance
b Dependent Variable: Effectiveness of Turkish Company on Malaysian Economy.

Table 7: ANOVA (b)

Model		Sum Squares of	df	Mean Square	F	Sig
1	Regression	111.205	5	22.241	71.058	.000
	Residual	28.422	4	.313		
	Total	140.682	99			

A Predictors: (Constant), Employment Efficiency; Productivity Efficiency; Technological Efficiency; Business Performance
b Dependent Variable: Effectiveness of Turkish Company on Malaysian Economy.

Table 8: Coefficient matrix

Model	Unstandardized		Standardized		T	Sig.	Co.
linearity	Coefficients		Coefficients		Statistics		
	B	Std. Error	Beta		Tolerance	VIF	
1 (Constant)	-1.151	.500		-2.30	.23		
Employment Efficiency	.319	.061	.323	-5.256	.000	.588	1.701
Productivity Efficiency	.369	.047	.697	7.820	.000	.728	1.373
Capital Efficiency	.775	.089	.432	8.711	.001	.347	2.880
Performance of The Company	.417	.132	.245	3.162	.002	.370	2.701

A Predictors: (Constant), Employment Efficiency; Productivity Efficiency; Technological Efficiency; Business Performance
b Dependent Variable: Effectiveness of Turkish Company on Malaysian Economy.

A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. The t and Sig (p) values give a rough indication of the impact of each predictor variable- a big absolute t value and small p value suggests that a predictor variable is having a large impact on the criterion variable. If the correlation with other variables is high, suggesting the possibility of multicollinearity. The other value given is the VIF (Variance inflation factor), which is just the inverse of the tolerance value (1 divided by tolerance). VIF values above 10 would be a concern here, indicating multicollinearity. In this research the tolerance value for all the independent variables is within .728 to .347 which is not even less than .10 therefore, we have not violated the

multicollinearity assumption. This is also supported by the VIF values which are less than 10. The next thing we want to know is which of the variables included in the model contributed to the prediction of the dependent variable. Ignoring any negative signs out the front in our data analysis we find that the largest beta coefficient is .697, which is for productivity efficiency. This means that this variable makes the significant or unique contribution to explaining the dependent variable for Effectiveness of Turkish Company on Malaysian Economy, when the variance explained by all other variables in the model is controlled for. The beta values for Employment Efficiency (.323); Technological Efficiency (.432); Business Performance (.245), made less of a contribution. The next part we will discuss the parameters. We all know that in multiple regressions the model takes in the form of equation. The equation from the SPSS output gives us the estimates of b- values and these values indicate the individual contribution of each predictor of the model. If we replace the b values into equation we find that we can define the model as in equation. (Y) Effectiveness of Turkish Company on Malaysian Economy = $b_0 + (.323) (X_1 = \text{Employment Efficiency}) + .697 (X_2 = \text{Productivity Efficiency}) + .432 (X_3 = \text{Technological Efficiency}) + .245 (X_4 = \text{Business Performance})$. So if we put our values into the equation it will be; Effectiveness of Turkish Company on Malaysian Economy = $-1.1511 + .323 X_1 + .697 X_2 + .432 X_3 + .245 X_4$.

Testing Of Hypothesis

For the significance tested of each variable, from the table we have checked the value in the column marked sig. This tells us whether this variable is making a statistically significant unique contribution to the equation. If the sig value is less than .05 the variable, as we run the regression at 95% confidence level, is making a significant unique contribution to the prediction of the dependent variable, hence, we can reject our hypothesis. If it is greater than .05 then we can conclude that variable is not significant unique to the prediction of our dependent variables and we can accept our hypothesis. In our research, P value of Employment Efficiency (H1) is .000 means $P < 0.05$. Thus H1 is rejected which means that product Employment Efficiency in Turkish company does have significant relationship with Effectiveness of Turkish Company on Malaysian Economy. The P value of productivity efficiency, the second variable (H2), is .001 means $P < 0.05$.

Thus H2 is rejected which means that productivity efficiency does have a significant relationship with Effectiveness of Turkish Company on Malaysian Economy. The P value of Technological Efficiency, the third variable (H3), is 0.005 means P is equal to 0.05. Thus H3 is merely rejected which means that Technological Efficiency does have a significantly affected with Effectiveness of Turkish Company on Malaysian Economy. And lastly the p-value of Business performance of the company which is 0.002 implies that it has a huge influence in terms of Turkish Company Effectiveness in Malaysian Economy.

Managerial Implications:

The managerial implications of the study findings can be determined in many ways based on results. Turkish entrepreneur should broad up their business and need to spread in all over the Malaysia which will contribute more on Malaysian economy. This

can help Turkish entrepreneur to increase their efficiency in every sector and also they will realize how they are contributing to another countries economy as well as their own country. All those matters should be played by Turkish entrepreneur by using their assumption about the process that can taken by owners towards their business. For example, Turkish entrepreneur should provide a suggestion about their qualities of service and product. They should be more innovative in their messages to create freshness and fulfill Malaysian and International customers demand by using new technology and giving new product. Turkish entrepreneur should provide much loyal to Malaysian government to give them satisfaction such as increase facilities, new entertainment and more. All these can make Malaysian Government impressed with Turkish company and they will get more benefit from the government for doing business here. Turkish entrepreneur should alert country's situations that can impact on economy. This is because sometimes country is not going with stable economy, on that time may be government will impose more tax on entrepreneurs but still it is important to understand the government conditions and environment of the economy then only entrepreneurs will get benefit for that in the future.

Limitation of Study:

In this study, there are several limitations to this research about Turkish entrepreneur's contribution on Malaysian Economy. Firstly, this study only focuses on factors influencing the perception of Turkish company's owner about the company contribution on Malaysian economy. This research is not focused on more secondary data. Secondly, this study is very limited by time and cost. It would be very time consuming to separate surveys that cover all the company established in Malaysia. Some of the company was not helped for collecting data which was also limitation of this research. Moreover, information can be biased due to the collection method and collector. This can happen when people are very limited with time and lack of experience about effectiveness of company on Malaysian economy. Entrepreneur who helped those surveys were not doing with professionals and did not follow a systematic method during the answered surveys. They also lacked time to answer the surveys in more detail which can affect preciseness in answering. It was found that during the office period, Respondents are more focused on their intention to do something else rather than giving their time to evaluate surveys.

Furthermore, these researches are more focused in certain places at Klang Valley. This research should be conducted in every state where Turkish entrepreneur are doing their business to get more details about their perception in company effectiveness on Malaysian economy. A Klang Valley entrepreneur is different compared to others locations because this place is more developed city compared to others-Temerloh, Tampin, Kuala Terengganu and more. Different places have different condition and situation for their business and also for profit condition and production as well.

Future Plan of the research:

The limitations stated above present opportunities for future research. This research only comprised with Klang Valley area. Further research can be done on all the important part in Malaysia combining all other countries entrepreneur in Malaysia. Thus,

this research should give more time and cut cost by using other alternatives to provide surveys. For example, mail is a device which can give the surveys directly to respondents without providing any cost.

5. Conclusion:

In conclusion, result showed that each of alternative hypotheses had been accepted. Each of alternative hypotheses was related with literature review. Hypothesis alternatives have positively significant relationship Effectiveness of Turkish Company on Malaysian Economy. Most of Turkish entrepreneur also satisfied with their company overview. Based on findings, some of recommendations had been applied for fast Turkish entrepreneur in future: such as managerial recommendation and recommendations.

References:

- Acs, Z.J., Desai, S., & Klapper, L.F. 2008, What Does "Entrepreneurship" Data Really Show? *Small Business Economy*, 31, 265-281.
- Asan Ali Golam Hassan. 2009, *Ketidak Seimbangan Wilayah: Rangkaian Sebab-Musabab Kumulatif*. In Hasnah Ali (ed). Pembangunan Wilayah. Bangi: Penerbit UKM
- Baum, J.R., Locke, E.A. and Smith, K.G. 2001, "A multidimensional model of venture growth", *Academy of Management Journal*, Vol. 44 No. 2, pp. 292-303.
- Baycan-Levent, T., Kundak, S., 2009, "Motivation and Driving Forces of Turkish Entrepreneurs in Switzerland", *Innovation: The European Journal of Social Science Research*, 22:3, 283-308.
- 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.
- Buttner, E. H. and Moore, D. P. 1997, Women's Organizational Exodus to Entrepreneurship: Self -Reported Motivations and Correlates with Success. *Journal of Small Business Management*, 35 (1): 34-46.
- Bernice K. and Meredith G. 1997, Relationships among owner/manager personal values, business strategies, and enterprise performance. *Journal of Small business Management*, 35:2, 37-64.
- Central Bank of Malaysia. 2010, *SME Annual Report 2005*. Retrieved July 7, 2012, from <http://www.bnm.gov.my/index.php?ch=103&pg=456&ac=526&yr=2005>.
- Cox, P., Friedman, B.A., & Tribunella, T. 2011, Relationships among Cultural Dimensions, National Gross Domestic Product, and Environmental Sustainability, unconditionally accepted by *National Business and Economics Society*, 12(6).
- Davies-Netzley, Sally, A. 1998, *Gendered Capital: Entrepreneurial Women in American Society*. New York: Garland Publishing, Inc.
- Dhaliwal, S. 2000, Entrepreneurship – A Learning Process: *The Experiences of Asian Female Entrepreneurs and Women In Business*. Education + Training, 8: 455-452.

- Friedman, B. A. 2011, The Relationship between Governance Effectiveness and Entrepreneurship. *International Journal of Humanities and Social Science*, 1(17), 221-225.
- Garces, S.A., Gorgemans, S., Sanchez, A.M., and Perez, M.P., 2004, "Implications of the Internet-an analysis of the Aragonese hospitality industry, 2002," *Tourism Management*, 25 (5), 603-613.
- Gibb, A.A. 2005, "The entrepreneur as the core competence of the firm: implication for management educators", Entrepreneurship, Innovation, and Small Business Network, No. 2.
- Hong, W. and Zhu, K., 2006, "Migrating to internet-based e-commerce: Factors affecting e-commerce adoption and migration at the firm level," *Information & Management*, 43(2), 204-221.
- Kiggundu, M.N. 2002, "Entrepreneurs and entrepreneurship in Africa: what is known and what needs to be done", *Journal of Developmental Entrepreneurship*, Vol. 7 No. 3, pp. 239-58.
- Kraemer, K.L., Gibbs, J., and Dedrick, J., 2005, "Impacts of globalization on e-commerce use and firm performance: A cross country investigation," *The Information Society*, 21(5), 323-340.
- 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*, Vol. 12 No. 4, pp. 464-81.
- Mike Mustafa and Stephen Chen, 2010, *Intergenerational Transfer of Social Capital in Transnational Entrepreneurship*.
- Phan, D.D., 2003, "E-business development for competitive advantages: A case study," *Information & Management*, 40(6), 581-590.
- Phan, D.D., 2002, "E-business success at Intel: An organization ecology and resource dependence perspective," *Industrial Management & Data Systems*, 102(4), 211-217.
- Radiant 2008. Background. Definition and Characteristics of SME in Malaysia.
- Zhu, K., Kraemer, K.L., Xu, S., and Dedrick, J., 2004, "Information technology payoff in e-business environments: An international perspective on value creation of e-business in the financial services industry," *Journal of Management Information Systems*, 21(1), 17-54.