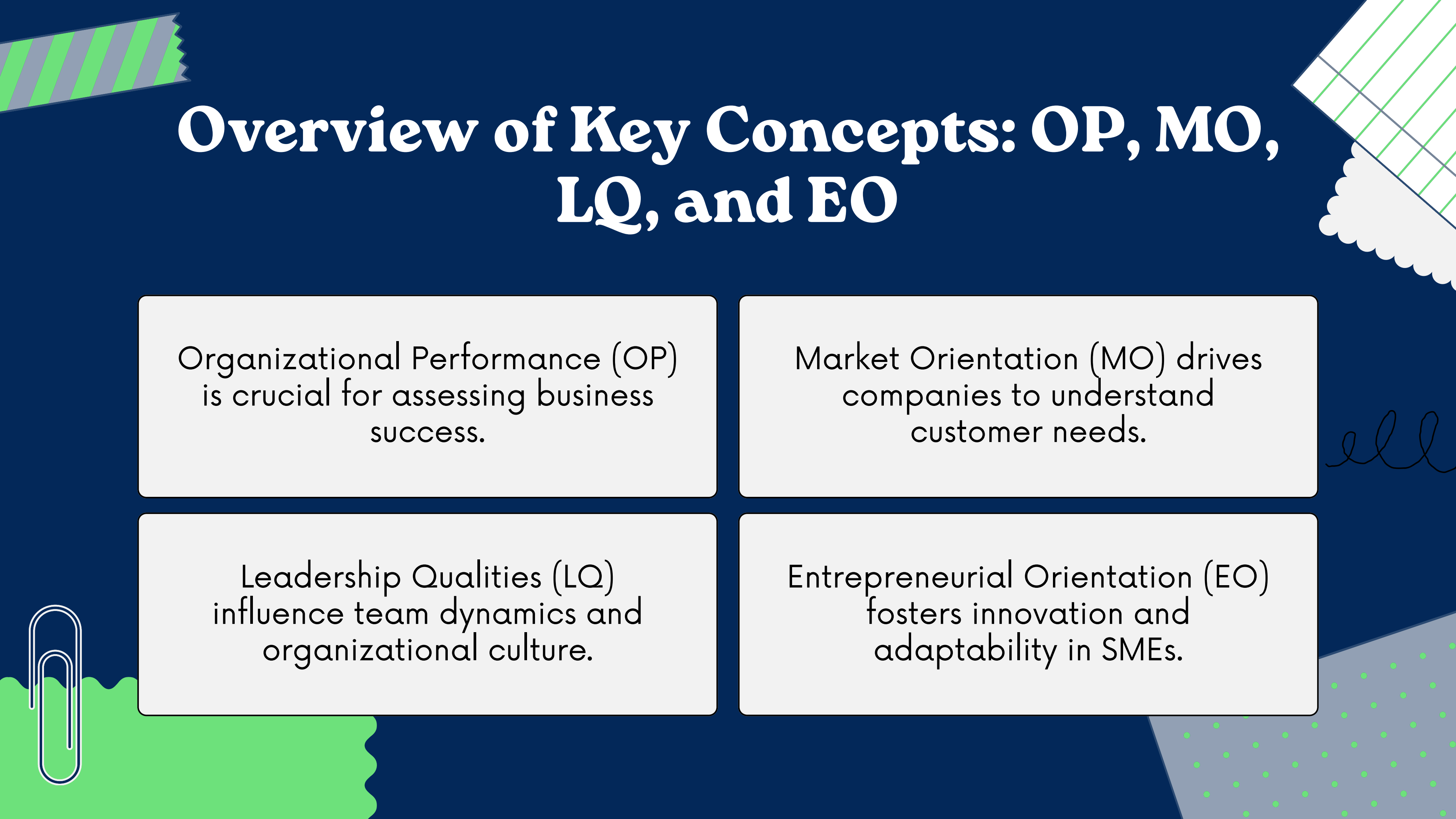


**“MALAYSIA SMEs ORGANIZATIONAL
PERFORMANCE (OP), MARKET
ORIENTATION (MO), LEADERSHIP
QUALITIES (LQ) AND
ENTREPRENEURSHIP ORIENTATION
(EO): THE CASE OF SABAH”**

**PHD CANDIDATE: JOHN AMBROSE (DG1811001T)
SUPERVISOR: AP DR GEOFFREY HARVEY TANAKINJAL**

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Overview of Key Concepts: OP, MO, LQ, and EO

Organizational Performance (OP) is crucial for assessing business success.

Market Orientation (MO) drives companies to understand customer needs.

Leadership Qualities (LQ) influence team dynamics and organizational culture.

Entrepreneurial Orientation (EO) fosters innovation and adaptability in SMEs.

Background and Rationale

Understanding the **context and importance** of this study is crucial to address the challenges faced by SMEs in Malaysia. The unique market dynamics in Sabah reveal that effective organizational performance is influenced by market orientation, leadership qualities, and entrepreneurial orientation. This research aims to fill existing gaps in the literature by providing insights into the specific factors that shape the growth and sustainability of SMEs, ultimately contributing to the economic development of the region.



Problem Statement Overview

This research addresses critical issues faced by **Malaysia's SMEs** in Sabah related to their **organizational performance**. The study identifies gaps in **market orientation**, **leadership qualities**, and **entrepreneurial orientation** that hinder growth. By understanding these challenges, we aim to provide insights into how SMEs can improve their operational effectiveness and adapt to a competitive landscape. The outcomes may contribute to enhancing the overall business environment in the region.



Research Objectives and Expected Outcomes

This section outlines the key goals of the study, focusing on understanding the dynamics of SMEs in Malaysia and their organizational performance.

Objective 1: Assess Market Orientation

To evaluate how **market orientation** influences organizational performance among SMEs in Sabah, providing insights for strategic improvements.

Objective 2: Analyze Leadership Qualities

To investigate the impact of **leadership qualities** on enhancing organizational performance, fostering a culture of innovation and adaptability.

Objective 3: Examine Entrepreneurial Orientation

To explore the role of **entrepreneurial orientation** in driving growth and competitiveness within the context of Malaysian SMEs.

Research Questions Driving the Thesis

This section outlines the core questions that **guide** the exploration of SMEs' performance in Sabah, Malaysia.

Primary Research Question

What is the relationship between **organizational performance** and market orientation in Malaysian SMEs?

Secondary Research Question 1

How do leadership qualities influence **entrepreneurial orientation** in SMEs?

Secondary Research Question 2

What moderating effects does market orientation have on the **performance outcomes** of SMEs in Sabah?

Theoretical Foundation of the Study

This section outlines the **key theories** that underpin the research, providing a framework for understanding the dynamics of SMEs in Malaysia.

Resource-Based View

The Resource-Based View emphasizes how **internal resources** and capabilities contribute to competitive advantage and **organizational performance** in SMEs.

Market Orientation Theory

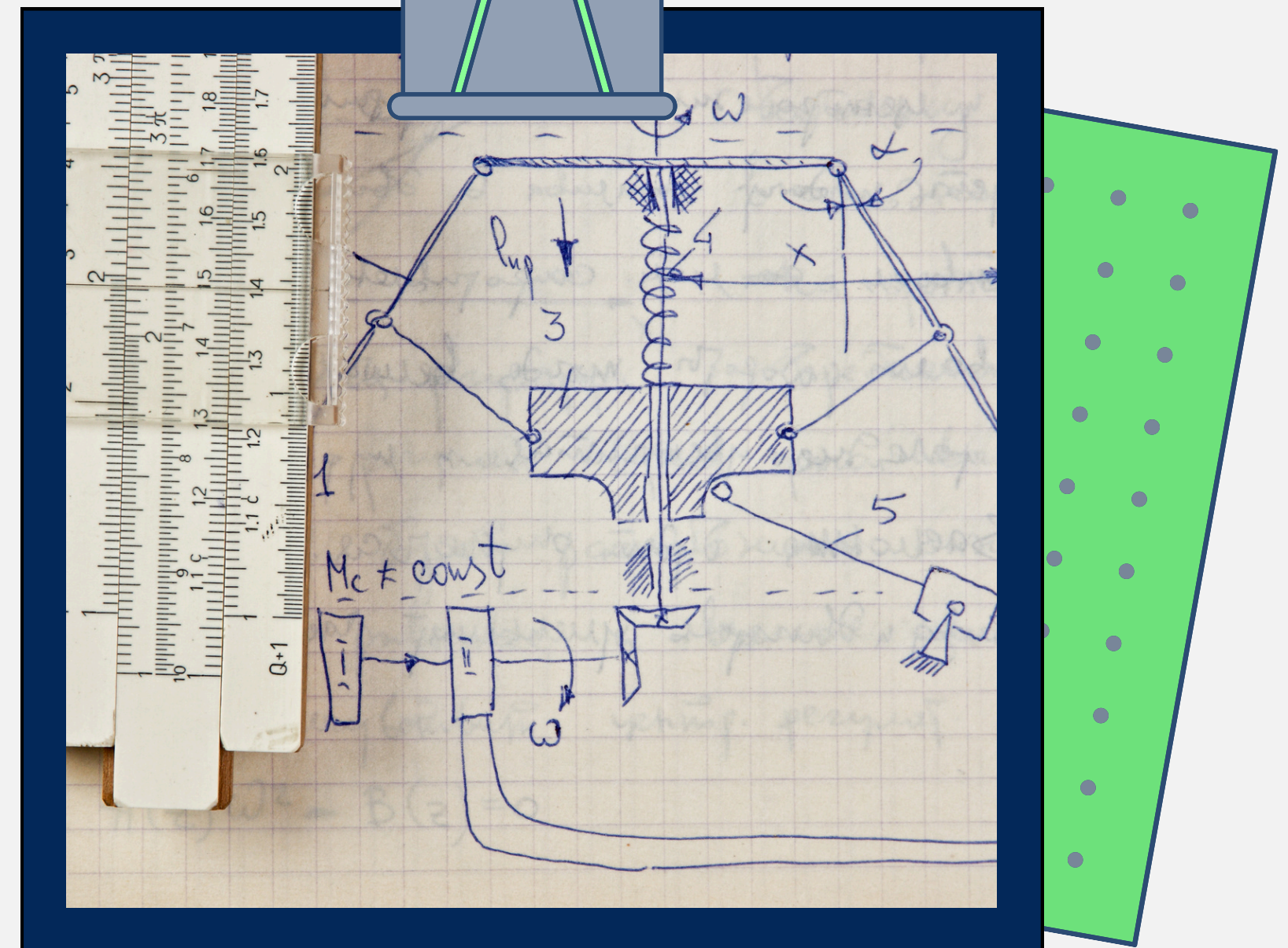
Market Orientation Theory highlights the importance of **customer-focused strategies** that enhance organizational performance through better alignment with market needs.

Transformational Leadership Theory

Transformational Leadership Theory suggests that effective leadership **fosters innovation** and employee commitment, which are critical for achieving high performance in organizations.

Conceptual Framework of Theoretical Relationships

This framework illustrates the interconnections between Organizational Performance (OP), Market Orientation (MO), Leadership Qualities (LQ), and Entrepreneurial Orientation (EO). It highlights how these dimensions interact and influence each other within the context of Malaysian SMEs, particularly in Sabah, to drive effective business practices and outcomes.



Exploring the **dynamic interactions** within SMEs in Sabah.

Research Design and Approach

The methodology for this research focuses on a **mixed-methods approach**. This includes both quantitative and qualitative data collection to comprehensively assess the impact of organizational performance in Malaysian SMEs. Surveys will be conducted to gather quantitative data about market orientation, leadership qualities, and entrepreneurial orientation. Additionally, interviews will provide qualitative insights into the contextual factors affecting these dynamics. This approach ensures a robust understanding of the interrelationships and **enhances the validity** of the findings.



Key Findings: Summary of Path Analysis Results

Significant **positive correlation** between Market Orientation and Organizational Performance.

Entrepreneurial Orientation enhances **Leadership Qualities**, impacting overall performance positively.

Leadership Qualities serve as a **mediating factor** in performance outcomes.

Organizational Performance is **highly influenced** by both Market Orientation and Entrepreneurial Orientation.

Mediation and Moderation Results: Key Insights from the Analysis

Mediation explains how leadership qualities influence organizational performance through market orientation.

Moderation examines the impact of entrepreneurial orientation on the relationship between market orientation and performance.

Understanding these concepts can enhance strategic **decision-making** within SMEs in Sabah.

The analysis provides a **framework** for improving organizational effectiveness through targeted interventions.

Theoretical Contributions Overview

The research on Malaysia's SMEs sheds light on the **critical interplay** between Organizational Performance, Market Orientation, Leadership Qualities, and Entrepreneurial Orientation. It enhances existing knowledge by integrating these variables into a cohesive framework that reflects the unique dynamics of Sabah's business environment. The findings contribute to both academic literature and practical applications, offering valuable insights for policymakers and business leaders aiming to improve SME effectiveness and responsiveness in a competitive market.



Practical Implications of Research

The findings of this research underscore the importance of enhancing **organizational performance** through effective market orientation and leadership qualities. Businesses in Sabah's SME sector can apply these insights to improve their operational strategies, ensuring they are responsive to market demands. By fostering entrepreneurial orientation, leaders can drive innovation and adaptability, leading to sustainable growth. Implementing these strategies will not only boost individual organizational success but also contribute significantly to the overall economic landscape of Malaysia.



Limitations of the Study

This research faces several **key limitations** that should be acknowledged. Firstly, the **sample size** may not fully represent all SMEs in Sabah, potentially affecting the generalizability of the findings. Additionally, the study relies on self-reported data, which can introduce **response bias**. External factors, such as economic fluctuations or regulatory changes, may also impact outcomes, making it challenging to isolate the effects of the identified variables. These constraints should be considered when interpreting the results and their implications for practice.



Future Research Directions

In order to expand our understanding of **SMEs in Malaysia**, future research should explore the influence of cultural factors on organizational performance and market orientation. Additionally, longitudinal studies could provide insights into how leadership qualities evolve over time and affect entrepreneurial orientation. Exploring the role of technology adoption and digital transformation in enhancing market responsiveness could also yield significant findings. Engaging with a diverse range of SMEs could further enrich the findings and implications of subsequent investigations.



Conclusion: Summary of Insights

In summary, the research highlights the **interconnectedness** of Market Orientation, Leadership Qualities, and Entrepreneurial Orientation in enhancing Organizational Performance among Malaysian SMEs. Our findings indicate that effective leadership and a strong market orientation significantly contribute to better performance outcomes. Additionally, acknowledging the unique characteristics of SMEs in Sabah has important implications for policy-making and business strategies. This study provides a foundation for further exploration into the dynamics that drive success in the region's entrepreneurial landscape.



Acknowledgements: Recognition of Contributions

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**Thank you for your
attention!**