


**ENTREPRENEUR'S PERSONALITY TRAITS AND FIRM PERFORMANCE OF  
MALAYSIAN SMES: MEDIATED BY MARKET ORIENTATION**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p><b>Received</b> 14 November 2022</p> <p><b>Accepted</b> 16 January 2023</p>	<p><b>Purpose:</b> This study aims to recognize crucial factors related with entrepreneurs, based on the Malaysian SMEs. The study also explores the factors affecting entrepreneurs and their success. Understanding their crucial success factors and challenges can help us better understand entrepreneurs' personality traits and strategic orientation needed by them.</p>
<p><b>Keywords:</b></p> <p>Entrepreneurs; Malaysian SMEs; Personality Traits; Market Orientation; Firm Performance.</p>	<p><b>Theoretical framework:</b> This study indicates the remaining ideas, particularly those related to resource acquisition, entrepreneurship strategy, and organization, may be helpful in analyzing how, why, and when opportunities are taken advantage of. This study demonstrates that strategic decisions act as a mediator in the relationships between resource endowments and company performance.</p>
	<p><b>Design/methodology/approach:</b> Data from SME's owners and senior managers Malaysian businesses were gathered through a countrywide survey. The Malaysian Statistical Department's database provided the sample frame from which SMEs' population was counted. These SMEs were chosen at random; they worked in the manufacturing sector. The final group of SMEs to which the surveys were sent out consisted of 800 people, and 412 of them responded, or 64% of the total number. A 7-point Likert scale was used to create the questionnaire.</p> <p><b>Finding:</b> The study has discovered that relationship of need for cognition (NFC) and firm performance (FP) are partially mediated by market orientation (MO). Meaning, MO is partially mediated in the decision of NFC towards FP. It is strongly suggested that business owners who have NFC may have carefully considered the advantages of MO before deciding to implement MO as their strategic orientations. In actuality, the organization favors and emphasizes tasks that require developing original solutions to challenges. Additionally, they excel at solving complicated issues.</p> <p><b>Research, Practical &amp; Social Implication:</b> The study contributes to a better understanding entrepreneurs crucial success factors and challenges can help us better understand entrepreneurs' personality traits and strategic orientation needed by them.</p> <p><b>Originality/value:</b> This finding might serve as a guide for how strategic orientations should be implemented in any organization. The choice of a suitable orientation within the business is essential in a collectivist society like Malaysia since the employer-employee connection is viewed as a "family link" where it is crucial that there be confidence between the two parties and encourages both sides to take initiative at work.</p> <p>Doi: <a href="https://doi.org/10.26668/businessreview/2023.v8i1.1260">https://doi.org/10.26668/businessreview/2023.v8i1.1260</a></p>

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## TRAÇOS DE PERSONALIDADE DO EMPRESÁRIO E DESEMPENHO FIRME DOS SMES DA MALÁSIA: MEDIADOS PELA ORIENTAÇÃO DO MERCADO

### RESUMO

**Objetivo:** Este estudo visa reconhecer fatores cruciais relacionados aos empreendedores, com base nas PMEs malaias. O estudo também explora os fatores que afetam os empreendedores e seu sucesso. A compreensão de seus fatores cruciais de sucesso e desafios pode nos ajudar a entender melhor as características de personalidade e orientação estratégica dos empreendedores necessárias para eles.

**Estrutura teórica:** Este estudo indica as idéias restantes, particularmente aquelas relacionadas à aquisição de recursos, estratégia empresarial e organização, podem ser úteis na análise de como, por que e quando as oportunidades são aproveitadas. Este estudo demonstra que as decisões estratégicas atuam como um mediador nas relações entre as dotações de recursos e o desempenho da empresa.

**Design/metodologia/abordagem:** Dados de proprietários de PMEs e gerentes sênior de empresas da Malásia foram coletados através de uma pesquisa em todo o país. O banco de dados do Departamento de Estatística da Malásia forneceu o quadro de amostra a partir do qual a população das PMEs foi contada. Estas PMEs foram escolhidas ao acaso; elas trabalhavam no setor de manufatura. O último grupo de PMEs para o qual as pesquisas foram enviadas consistia de 800 pessoas, das quais 412 responderam, ou 64% do número total. Uma escala de 7 pontos Likert foi usada para criar o questionário.

**Encontrar:** O estudo descobriu que a relação entre a necessidade de cognição (NFC) e o desempenho firme (FP) é parcialmente mediada pela orientação de mercado (MO). Ou seja, o MO é parcialmente mediado na decisão do NFC em relação ao FP. É fortemente sugerido que os empresários que têm NFC podem ter considerado cuidadosamente as vantagens do MO antes de decidir implementar o MO como suas orientações estratégicas. Na realidade, a organização favorece e enfatiza tarefas que requerem o desenvolvimento de soluções originais para os desafios. Além disso, eles se destacam na solução de questões complicadas.

**Pesquisa, Implicação prática e social:** O estudo contribui para uma melhor compreensão dos fatores e desafios cruciais de sucesso dos empreendedores, que podem nos ajudar a entender melhor os traços de personalidade e orientação estratégica dos empreendedores que eles necessitam.

**Originalidade/valor:** Esta descoberta pode servir como um guia de como as orientações estratégicas devem ser implementadas em qualquer organização. A escolha de uma orientação adequada dentro da empresa é essencial em uma sociedade coletivista como a Malásia, pois a conexão empregador-empregado é vista como um "vínculo familiar" onde é crucial que haja confiança entre as duas partes e encoraja ambas as partes a tomarem a iniciativa no trabalho.

**Palavras-chave:** Integridade do Auditor, Qualidade da Auditoria, Auditoria, Reputação de Auditoria.

## RASGOS DE PERSONALIDAD DEL EMPRESARIO Y RENDIMIENTO DE LA PYME MALAYA: MEDIACIÓN DE LA ORIENTACIÓN AL MERCADO

### RESUMEN

**Antecedentes:** La creciente presión de las partes externas para mejorar la calidad de la auditoría y aumentar la credibilidad de los estados financieros. A medida que se suceden los escándalos financieros corporativos, surgen peticiones para que la profesión mejore su calidad en la auditoría. El público habla continuamente de la integridad del auditor en el desempeño de sus tareas, que sin duda desempeña un papel importante en la determinación de la calidad de la auditoría.

**Objetivo:** Este estudio pretende volver a explorar el concepto de integridad del auditor y comprender su impacto en la calidad de la auditoría.

**Metodología:** Enfoque de estudio cualitativo destinado a volver a describir la integridad del auditor desde la perspectiva de los auditores en Oriente Medio, en particular en el Sultanato de Omán, utilizando el Focus Group Discussion (FGD). Para este estudio se eligieron seis auditores con amplia experiencia y que ocupan un cargo importante en las empresas de auditoría.

**Resultados:** El estudio reveló que la integridad es el factor determinante de la calidad de la auditoría y está muy relacionada con la reputación. En esta profesión, la reputación es crucial, y la integridad es la mejor manera de mantener una reputación.

**Implicaciones sociales y prácticas:** La reputación es el activo más valioso, y su pérdida puede afectar a la viabilidad de la profesión. Según el DGF, los auditores son plenamente conscientes de la importancia de la integridad para mantener la reputación de la profesión y facilitar las transacciones con los clientes y el público.

**Palabras clave:** Integridad del Auditor, Calidad de la Auditoría, Auditoría, Reputación de la Auditoria.

## INTRODUCTION

There isn't a single definition of SMEs that is commonly acknowledged, and definitions of SMEs vary considerably around the globe. (Omar and Ismail, 2010; Hooi, 2006). The Micro, small, and medium-sized are the three categories into which they are divided in Malaysian SMEs. The size, revenues, or sales turnover of SMEs can be used to distinguish them from large and small businesses or microenterprises, their assets and the amount of full-time employees they have, as well. (Hashim and Abdullah, 2000). Malaysian SMEs mostly operate in the manufacturing, business, and agriculture sectors. Furthermore, because small- and medium-sized businesses (SMEs) dominate the Malaysian FMI, the present study concentrated on these firms. (MIDA, 2012). While there are certainly more, the issue of having competitive advantages should be at the top of the list for food and beverage industry. Making these issues a priority, according to Joseph Vitiello (2016), is the key to solving them before tackling minor ones. Specifically, this study was to determine the mediating role of market orientation in the relationships between entrepreneurial traits i.e. internal locus of control and need for cognition and firm performance of SMEs in Malaysian FMI. In order to address the problems identified in this study, the main research question is does the market orientation mediate the relationship between entrepreneurial traits i.e. internal locus of control, and need for cognition and firm performance of SMEs in Malaysian FMI?

On the theoretical side, this study helps to enrich the existing collection of literature by filling in the gaps identified. There is a limited study in the context of Malaysian entrepreneurs such as the studies of Shafie and Fakhrul, 2011; Fuad and Bohari, 2011; Halim, Muda, and Amin, 2011; Idar, Yusoff and Mahmood, 2012; Zainol, Daud and Muhammad, 2012; Rusnifaezah Musa, 2016 and Nasir, Al Mamun and Breen, 2017 has considered mediating impacts of external factors, such as strategic orientations respectively in the relationship between entrepreneurial traits and firm performance empirically. This study also brings significant contributions on the practical side. Specifically, this study developed a framework that can be used to test and highlight the investigation of the mediating role of strategic orientation on the relationship between entrepreneurial traits and firm performance. It is hoped that the research framework can be adapted and applied by food manufacturing industries as a framework in real industry. The main objective of this work is to find entrepreneur's personality traits and firm performance of Malaysian SMEs through crucial success factors.

## LITERATURE REVIEW

### *Issues surrounding Malaysian entrepreneurs*

Small and medium-sized businesses (SMEs) significantly increase the nation's employment, value-added goods, and manufacturing production (SMIDEC, 2002). Despite the recognition of the significance of SMEs and the emphasis on their development in economic policies, Malaysian SMEs nevertheless face some sizable obstacles and difficulties (Saleh and Kuppusamy, 2007). The issues that Malaysian SMEs frequently deal with are listed in Table 1. There are nine challenges that Malaysian SMEs must overcome, although studies generally focus on three of them: lack of knowledge and information, restricted access to capital, and human resource limitations.

Table 1 Challenges Faced by the Malaysian SMEs

<b>Challenges</b>	<b>APEC</b>	<b>SMIDEC</b>	<b>Ting (2004)</b>
Access to finance	/	/	/
Human resource constrains	/	/	/
Technology adaptation		/	/
Global competition		/	/
Lack of knowledge and information	/	/	/
Lack of comprehensive SMI policies	/		
Inconsistence definition of SMEs	/		
Many agencies dealing with SMEs	/		
Inadequate data on SMEs	/		

Source: Ting (2004), Hoq et al. (2009), Wan, (2013)

Despite the challenges faced by SMEs, some entrepreneurs have succeeded and flourished well in Malaysia or in other similar dynamic environments. This raises a question, “what are the contributing factors towards achieving a superior SMEs business performance when the majority of others failed to perform well?” From Malaysian perspectives, human capital with inimitable characteristics is needed by SMEs in the FMI (Talib, Ali and Idris, 2013; Zain, Anas, Hassan, Lehar, and Shamsuddin, 2012; Saleh and Ndubisi, 2006; APEC, 1994).

Food Manufacturing Industry (FMI) firms compete against the adverse impacts or in other words, the unanticipated results of taking a particular action such as managing and retaining customers. Hence, having a unique set of personality traits in this industry is highly significant. Ahmad (2007) has recognized the importance of personality traits in determining firm performance. However, there is inconsistency in regard to identifying the key success factors of businesses. Besides, very few studies consider the impact of external and internal success factors for a business in a single study (Ahmad, 2007). Yet, the results of studies

conducted in the context of western countries are mostly not applicable in the Asian countries because of contextual differences.

### ***Strategic Orientation***

Previous literature revealed that SMEs firm performance was explained on the basis of strategic orientation. Researchers have separately used strategic orientation or by combining the two orientations to describe the SMEs performance (Pratono, Al-Mashari, & Del Giudice, 2016; Irwin, Landay, Aaron, McDowell, Marino, & Geho, 2018; Adams, Freitas, & Fontana, 2019; Didonet, Fiarne, & Simmons, 2020). Strategic orientations are considered as a critical organizational resource that helps firms to achieve sustainable competitive advantage (Barney, 1991; Amit and Schoemaker, 1993; Pratono, Darmasetiawan, Yudiarso, Jeong, 2019). In numerous studies, researchers stated that SMEs' limited resources and competencies make it difficult for them to expand their target markets and employ economies of scale to gain a competitive edge (Hoq and Chauhan, 2011; Inmyxai and Takahashi, 2009; Leonidou, Leonidou, Fotiadis, & Zeriti, 2013). Other studies have also described the advantages of using the combination of strategic orientation to describe the competitive advantage and firm performance. For example, Hult et al. (2004) revealed that organizations could achieve sustainable competitive advantage by utilizing different kinds of strategic orientation and balancing off the combinations. As strategic orientation is important for SMEs in developing countries, several studies proposed to further examine the impact of mixed or different orientations under the context of SMEs performance in developing countries (Chandrakumara et al., 2011; Pratono et al., 2016; Ogbari, Ibidunni, Ogunnaike, Olukundu, & Amaihian, 2018). In addition, Grimmer, Miles, Byrom, & Grimmer (2018) validate that strategic orientation could better predict for the significant relationship towards the performance of SMEs. Thus, the present study focuses on market orientation (MO) as strategic orientation that basis the performance of the firm.

### ***Personality traits of entrepreneurs***

The growth of particular human capital qualities may help business owners make strategic decisions that can help small businesses survive in any adverse situation. (Huggins, Prokop, & Thompson, 2017). In entrepreneurial context of operating business in a competitive and uncertain environment, entrepreneurs with “internal locus of control” (ILOC) have a tendency to have faith that the failure or success of their business is the outcome of their own actions, while entrepreneurs with external locus of control” tend to believe that the failure or



success of their business occurs due to the external factors such as uncertain business environment (Valentine, Hanson, & Fleischman, 2019; Tentama & Abdussalam, 2020). Baumeister (2016) expected that individuals would have a great motivation to seek new opportunities when they have confidence to control the events of their lives. Their study also shows the positive impact of ILOC on the growth of firm. Hsiao, Ren, & Chen (2016) stated that a close relationship exists between individuals' locus of control and level of innovation, proactiveness, and risk taking. Higher ILOC usually encourages individuals to have long-term plans to be achieved in future. These individuals have broader vision for their future and they are able to adapt the approaches during different circumstances faced by the firms. Such relationship is stronger and more visible in small firms operating in an uncertain business environment.

Individuals' need for cognition (NFC) is a term used to describe a propensity to become interested in and like thinking (Cacioppo and Petty, 1982). Individuals have naturally variable levels of NFC, as evidenced by the psychology research (Cacioppo et al., 1996; Wu, Parker, & De Jong, 2014). NFC as an antecedent to an individual acting innovatively. According to Cacioppo et al. (1986), for a high level of NFC's individual, this feature typically has a more positive outlook in difficult situations that need a lot of thought. Murali et al. (2005) mentioned that people with greater level of NFC favor to search information more extensively, while people with lower level of NFC are more likely to act according to their gut feelings and perceptions. Also, they prefer interpersonal sources to obtain required information. Nonetheless, according to Di Zhang and Bruning (2011) and Sandra & Otto (2018) the NFC has not undergone a thorough analysis in the areas of strategic management and entrepreneurship. The data showed that business owners and managers with high levels of NFC are better at making flexible judgments (Mensmann & Frese, 2019; Estelami, 2020). In this sense, the entrepreneurs are expected to behave at the similar level of NFC, if people with high level of NFC act in certain specific patterns (Di Zhang and Bruning, 2011). Entrepreneurs with high level of NFC emphasize more on logical arguments and would likely be making strategic decisions based on thorough market research as opposed to trusting their gut. Strategic orientations like MO encourage entrepreneurs to utilize and create market intelligence. By utilizing market intelligence, high level of cognitive capacity is used to analyze and give responses in various situations.

### ***Firm performance***

Firm performance determines firm's success, in which Alchian and Demsetz (1972) suggested to define firm performance by comparing the values created by firms with the values expected by the owners in return. According to AgileChilli (2017), a company's ability to launch new product lines in order to fend off competitors and sustain growth is crucial to its success. Although creating new products can lead to the opening of new revenue streams, there is always a danger of failure (Pratono, 2018). A significant problem is having the ability to quickly create new items or versions while also consistently coming up with innovative concepts. As a result, it is clear from examining the development of SMEs in the Malaysian food manufacturing industry that the chain of processing food items has a substantial impact relating to the full processing chain, including agricultural production, food processing, and distribution of food to consumers. Alam (2010) and Kamasak (2018) conclude that SMEs may run into problems along the way with their tangible and intangible resources' availability, structures of institutional, organizational and managerial issues, internal and external environments, and others that will most likely have an impact on the growth of the businesses.

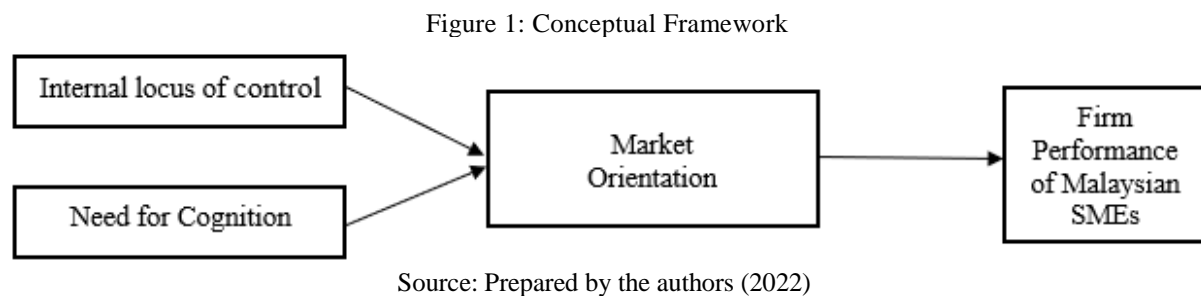
### ***The mediating effect of market orientation (MO)***

The relationship between market orientation (MO) and firm performance has been widely reported in the literature, however Di Zhang and Brunning (2011) and Hamzah, Othman, & Hassan (2020) explicitly used market orientation as a mediating variable between personality traits and firm performance. Adapting to the research, market orientation is utilized to improve the relationship between personality traits and firm performance. Additionally, it shows a more intricate interplay between the two. There might be situations where personality features have a direct impact on how well a firm performs, but more often than not, the characteristics of the decision-personality maker's would have been utilized of the existing firms in a way that improved their performance. For example, individual who are more active in searching information would seek to evaluate better alternatives in making the best choice (need for cognition). This would result in higher sales (better business performance), but it might also have happened because a new marketing strategy (market orientation) was successful in luring in new clients (Lai, 2016; Baber, Kaurav, & Paul, 2020). According to Creswell (2009), a mediating variable sits between the independent and dependent variables, and market orientation is the mediating variable that adjusts the dependent variable, business performance, based on the independent variable, personality traits. Thus, it is hypothesized that:

**H1** – Personality traits of ILOC influence on firm performance is mediated through the adoption of market orientation.

**H2** – Personality traits of NFC influence on firm performance is mediated through the adoption of market orientation.

### *Conceptual Framework*



## **METHODOLOGY OF STUDY**

### ***Research Approach and Study Design***

This study has adopted the quantitative data collection technique, using questionnaires, with quantitative data analysis procedures. The quantitative analysis methodology would be used in this research rather than the qualitative research method used for the larger sample size of the target respondent. This method will help the researcher in determining the mediating effect of market orientation in the relationship between internal locus of control, need for cognition and firm performance of Malaysian SMEs in FMI. As suggested by Preacher and Hayes (2004; 2008), mediating analyses were then conducted using Bootstrapping technique embedded in SEM-AMOS software as suggested by. The objectives of the study influenced the choice of the approach by where the researcher is bent on analysing the study results numerically.

### ***Population and Sample Size***

This study aimed to investigate the mediating effect of MO in the relationship between ILOC, NFC and firm performance of Malaysian SMEs in FMI. First, the population was limited to firms engaged in manufacturing activities by comparing with other industries which are the second major contributors after services industry to gross output in the SMEs (DOSM, 2011). Second, the population is divided into characteristics of importance for the research which is food manufacturing organizations. the SMEs in the manufacturing industry by sub sector in



2010, which indicates that food product is the second largest of sub sector representing 15% (6,016) out of 37, 861 firms in manufacturing industry (DOSM, 2011). Third, researcher categorized it according to states in Peninsular Malaysia. A listing of the database from SME Corp 2011 was obtained and the respondents were selected based on stratified random sampling with 3,640 food manufacturer organizations in Peninsular Malaysia. For this study, researcher proposed to obtain the minimum 370 samples as suggested by Mark et al. (2009).

### ***Research Instrument***

There are three parts in the set of questionnaires - Section A indicates demographic profile information, section B indicates independent variable, section C represents the mediating variables and section D designates for dependent variable. The resulting questionnaire consisted of eight demographics questions and twenty-eight of the questions consisted of a range of responses of strongly agree, neutral, agree, disagree, and strongly disagree, on a 5-point Likert scale.

### ***Procedure for Data Collection and Analysis***

In this study, SEM model-fitting programs will use analysis of moment structures (AMOS) 18.0 software and statistical package PASW 19.0 to conduct analysis and it provides a user-friendly environment through its graphical interface. The key reason to select SEM over multiple regression or factor analysis in SPSS is that this approach is more accurate and capable of producing superior results. As a result, a model should be created using the underlying ideas. Additionally, SEM allows for the combination of the multivariate techniques of factor analysis and multiple regression (Hair et al., 2010). Basically, the mediating effects are embedded in three forms, namely indirect effects, partial mediation, and full mediation (Hair et al. 2010). Under the broad umbrella of mediation test, in the new millennium, bootstrap method by Preacher and Hayes (2004) have received wide attention (Hayes 2009). Thus, this study using this method in analysing the mediating effect.

## FINDINGS AND DISCUSSION

Table 2 The demographic background of the respondents

		Total
<b>Gender</b>	Male	189
	Female	207
Total		396
<b>Firm size (number of employees)</b>	Less than 5 (Micro)	252
	Between 5 to 50 (Small)	61
	Between 50 to 150 (Medium)	47
	More than 150 (Large)	36
Total		396
<b>Industry</b>	Prepared food products	192
	Beverages products	105
	Agricultural produce products	62
	Edible products and preparations	37
Total		396

Source: Prepared by the authors (2022)

Table 2 depicts the number of respondents based on their gender, firm size and industry involved in this research. The results revealed that majority of the respondents were female 207 and male 189. From this figure, it shows that majority of respondents of this study are female. Then, the respondents were grouped into micro, small, medium and large companies based on the classification by SME Corp (2013). Next, the type of industries involved in this research were prepared food products, beverages products, agricultural produce products and edible products and preparations. The results indicated that there were relative similarities in the distribution of type of industries and respondents' population from this study.

Table 3 Descriptive analysis

Variables	Mean	Median	Std. Deviation	Cronbach Alpha
Internal locus of control	5.12	5.14	.83	.97
Need for cognition	5.70	5.75	.72	.90
Market orientation	5.79	5.70	.82	.93
Firm performance	5.03	5.00	1.08	.97

Note: N = 396

Source: Prepared by the authors (2022)

Table 3 indicates the mean, median and standard deviations as well as Cronbach's Alpha of all variables. Entrepreneurial characteristics are measured by two constructs, namely internal locus of control (ILOC) and need for cognition (NFC). All variables of entrepreneurial characteristics had mean values greater than 5.0, indicating that respondents were generally satisfied with the statements presented in the questionnaire. The median value of ILOC is 5.14

and NFC is 5.75. The reliability of these constructs indicated by the Cronbach's alpha value are .90 for NFC, and .97 for ILOC. Furthermore, the mean value of market orientation is 5.79, median value is 5.70 while standard deviation value is .82. The reliability of this construct is .93 as indicated by the Cronbach's alpha value. Last but not least, this research presents the dependent variable of the firm performance utilizing 5 measurement items. The mean value of firm performance is 5.03, median is 5.00 and standard deviation is 1.08. The reliability of these factors is .97 as indicated by the Cronbach's Alpha value.

With the prior description in hand, Mathieu and Taylor's recommendations were used in this study (2006). If an indirect impact is not statistically significant ( $p > 0.05$ ), then no mediation effects are seen. Great evidence of partial mediation is when both the direct and indirect effects ( $p < 0.05$ ) are substantial. However, the full extent of the mediation is revealed if the indirect effect ( $p < 0.05$ ) is significant while the direct effect ( $p > 0.05$ ) is not. Table 4 provides specifics on the degree of mediation.

Table 4 Degree of mediation effects

Predictor → Mediator → Criterion	Direct Effect	Indirect Effect	Lower Bound	Upper Bound	Degree of Mediation
ILOC → MO → FP	0.1172	0.0234**	-0.0586	0.0675	Full mediation
NFC → MO → FP	-0.0286**	0.0258**	-0.0031	0.0657	Partial mediation

Notes: \*\*\* p value < 0.01; \*\* p value < 0.05; \* p value < 0.10 (two-tailed test)

ILOC = Internal locus of control; NFC = Need for cognition; MO = Market orientation; FP = Firm performance.

Source: Prepared by the authors (2022)

As indicated in Table 4, ILOC → MO → FP reveals the full mediation where is the indirect effect ( $p < 0.05$ ) is significant but the direct effect ( $p > 0.05$ ) is not significant.

NFC → MO → FP indicates that the indirect effects ( $p < 0.05$ ) and direct effects ( $p < 0.05$ ) are significant. Thus, the study has discovered that relationship of NFC and FP are partially mediated by MO. It is strongly suggested that business owners who have NFC may have carefully considered the advantages of MO before deciding to implement MO as their strategic orientations. In actuality, the organization favors and emphasizes tasks that require developing original solutions to challenges. Additionally, they excel at solving complicated issues. MO is partially mediated in the decision of NFC towards FP.

This study has also indicated a strong influence of entrepreneurial characteristics towards firm performance in the Malaysian food manufacturing industry. Furthermore, market orientation denotes a good indicator as a mediator variable and proven to have full and partial mediating effects on how personality traits and business performance interact. The findings in

this study revealed the mediating effect of MO holds true for ILOC to a certain extent. In other words, relationship between ILOC and FP is completely mediated by MO in order to reach greater firm performance. Entrepreneurs that have a strong ILOC tend to emphasize market orientation (MO) more since it puts more of an emphasis on external factors like consumers and rivals. Furthermore, this study also revealed that entrepreneurs with NFC aren't willing to seek directions from their customers or competitors. Tasks requiring the development of novel solutions to issues are preferred and given particular priority by the firm. Complex problem solving is where NFCs excel. Furthermore, they don't care how or why something works; in their organization, it suffices for them to know that it completes the task at hand. They are more concerned with problem solving than they are about solving industry-specific issues like erratic supply and subpar raw materials, high labour costs and a shortage of skilled labour, challenges obtaining financing and inadequate technological inputs, and issues relating to changes and the implementation of governmental industrialization policies.

## **CONCLUSIONS AND RECOMMENDATIONS**

This research is through the empirical findings that investigate the relationships between personality traits, strategic orientation and firm performance simultaneously in the context of Malaysian food manufacturing. This study suggests that the remaining theories, particularly those related to resource acquisition, entrepreneurship strategy, and organization, may be helpful for examining how, why, and when opportunities are utilized. This study supports the idea that strategic decisions act as a mediator in the relationships between resource endowments and company performance. Tsoukas (2002) projected that by meticulously developing the best strategic orientations for their company, entrepreneurs, and senior management teams, efficient techniques for harnessing their individual talents to build a sustained competitive advantage for the company would be found. Thus, the implementation of market orientations needs a holistic approach of the firm and should take into account resources owned by firms, organizational culture and behavior, strategies, organizational structures, processes and operations or the business model. On the other hand, the implementation process should be seen as a change process in terms of reshaping the business model. The personality traits of entrepreneurs in SMEs could be included in the development of organization culture for the business strategy's formulation is influenced by entrepreneurial characteristic itself. In other words, the selection of the business strategies and the cultural development are the practices of "actions" or the personality traits of the managers/owners. Thus, the findings are reliable with the idea put forth by Jones et al. (2007) that the performance of SMEs' businesses depends on their owners and

managers. Besides, the complementing the resource-based vision of organizations, human capital is an important resource endowment (Penrose, 1959). This finding might serve as a guide for how strategic orientations should be implemented in any organization. It is also intriguing to recognize that in a collectivist society like Malaysia, the choice of a suitable orientation within the business is essential in a collectivist society like Malaysia since the employer-employee connection is viewed as a "family link" where it is crucial that there be confidence between the two parties and encourages both sides to take initiative at work. In addition, Malaysia, a calm or laid-back society, has minimal uncertainty avoidance and does not actually perceive innovation as a danger.

Future research should also compare the variable (strategic orientation) as a moderator against the alternate model (strategic orientation) as a mediating variable. Another alternative is to conduct a comparison study of SMEs operating in other manufacturing industries, which could aid in identifying and contrasting the usefulness of various personality qualities in these various industries. This might also paint a more comprehensive view of the usefulness of personality traits for the entire SME sector. Future studies could examine this association in more detail to comprehend the consequences more clearly. Nevertheless, the present study shown that the Malaysian SMEs in food manufacturing industry works on specific characteristics in practicing certain strategic orientation and the influence of government support received, where the improvements in firm performance are how the benefits are realized. The present study has, therefore, achieved the objectives set in the beginning.

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