

Research Article

Entrepreneurial Attitude Orientation and Market Orientation in Malaysia

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Abstract: In Malaysia Small and Medium Enterprises (SMEs) are a significant part of the nation wealth creation and economic. In Malaysia, majority of established businesses are small and medium enterprises with high employment share. The Malaysian government is definite that the framework of the economic transformation plan can raise the small and medium enterprises in developing countries. Therefore, the objective of this study is to thoroughly exploring the predictor which encourages the market orientation practice from the entrepreneurial attitude orientation perspective of the Malaysian entrepreneurs. The contributors of this study are focused on the knowledge body on market orientation to better comprehending of the specific factors that are crucial for business such as small and medium enterprises to help in the country wealth creation.

Keywords: Entrepreneurial attitude orientation, Malaysia, market orientation, SMEs

INTRODUCTION

Recently in Malaysia, Small and Medium Enterprises (SMEs) are seen to be a very important sector in terms of creation of wealth and eco-system and these could be tracked to 1971 following the nation's new economic policy implementation. As far as the Malaysian economy is concerned small and medium enterprises is seen to be the backbone therefore, it is pivotal to try to understand the reason why some of the SMEs succeed while others fail within the business purview of Malaysia. Muhammad Masroor (2010) highlighted that by the time customers buy goods and services and profit is recorded, that is success for small business. Small business makes an effort towards retaining its customer by developing strong ties and providing value products and services. Indeed it is evident that small and medium enterprises adopt market policy concept. The market strategy concept is forms part of the foundation of the (MO) market orientation (Narver and Slater, 1990). if an organization is focused on becoming market oriented, in the long run that organization is possible to have the skill to deliver customer value which is so superior (Morgan and Srong, 1998). Lewrick *et al.* (2011) indicate that every organization that identifies market oriented culture and practiced is an organization that could retain competitive advantage for the fact that market orientation serves as the basis for competitive advantage.

Further research of market orientation in Malaysia is supports the perception that Market Orientation's

impact on the performance of the organization is quite significance has significant (Ramayah *et al.*, 2011).

Another study focused on the effect of MO has on small and medium enterprises at the same time corroborates that market orientation appears to be essential determinant in the attainment of small and medium enterprises (Muhammad Masroor, 2010). The study more so represents that SME's are been driven by competitor orientation while inter-functional coordination and customer orientation are not function that are relative.

Furthermore, Aldrich and Auster (1986) highlighted that small and medium enterprises are regularly associated with smallness and newness. Small and medium enterprises are market oriented extraordinarily and having the ability to effectively compete able to compete with big organizations that are well established. Nevertheless there wasn't any declaration on the distinctiveness of the entrepreneur which trails MO at the same time leading to competitive edge. Therefore, it's necessary having good understanding of the attitude of an entrepreneur on market orientation within environments of Small and Medium Enterprise (Ainul *et al.*, 2012).

Considering the established issue, the significance of the study is to develop conceptual framework on those elements that would tend to influence market orientation in order to address these issues and at the same time reviews on how entrepreneurial attitude encourages an entrepreneur to practice MO is been

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provided by this study and to further improve competitive advantage (Raju *et al.*, 2011).

The purpose of the current research is to address these issues by improving a conceptual framework on the elements that would impact the market orientation. In addition, the current research provides reviews on how entrepreneurial attitude encourages an entrepreneur to exercise market orientation and to improve competitive advantage.

MATERIALS AND METHODS

The current study is focused on literatures on market orientation and entrepreneurial attitude orientation in small and medium enterprises in Malaysia.

Market orientation: Organization who aspires to remain on top of the market and cultivates a market sensing competence, which is referred to as MO (Chao and Spillan, 2010). More often in business behavior, MO is reviewed especially when it lets managers to garner information from the current needs and respond in an entrepreneurial way in order to supply better customer values. This is based on the fact that the organization is able to understand customer driven creation nature at the same time improving a MO culture therefore this requires lots of brainpower coupled with time (Pelham and Wilson, 1996). Kohli and Jaworski (1990) indicate that market orientation is fundamental to culture building for the fact that an organization that targets to be market oriented organization requires to develop working adjustment and self-assessment system, tactically gather knowledge and analyze competitors and customers within the market and finally find a way of circulating information generally to the organization as a whole.

Deshpande (1999) believed that market Orientation could simply be referred to as market driven, customer focused and customer centric. Market orientation is referred to the organizational philosophy that creates effective and efficient behavior within organizations and also it emphasizes the significance of greater values for the buyers and increases the preeminence of the performance in business (Narver and Slater, 1990). The duo further said market orientation is comprised of three developmental parts, which are competitor orientation, customer orientation and inter-functional coordination. The major dimension of market orientation that emphasizes the habit that employee places the customer satisfaction first in their day-to-day activities is customer orientation in other words the customer is the king or customer is always right while competitor orientation implies active examining of potential and existing rivals within market place at the same time gather competitive intelligence to identify

various approaches of the competitors (Ainul *et al.*, 2012).

It is important to spread the information about marketplace amongst the divisions and units of a particular organization and to come up with a system which will help in achieving through proper coordination a positive market orientation (Narver and Slater, 1990). One of the main objectives of market-oriented organizations could be seen as to examine at the same time understand clearly the customers articulated and latent needs acquiring greater solutions to those needs (Slater and Narver, 1995; Kohli and Jaworski, 1990). Two significant features of market oriented organizations namely:

- Ascertaining the present and attest needs of the customers
- Instituting protective measures against actual or anticipated actions portrayed by the competitors (Slater, 1996)

In fact, information related resources are the key relating market orientation and organizational performances (Olavarrieta and Friedmann, 2008).

Entrepreneurial attitude orientation: The practice of market intelligence is affected by many possible sources despite that, Entrepreneurial Attitude Orientation (EAO) appears to be very reliable measurement when it comes to evaluation of entrepreneurs attitude regarding decision making processes, practices and one of the best approach is attitude especially when compared with demographic features or personality features nevertheless the approach serves as basis in building psychological qualities of the entrepreneur (Robinson *et al.*, 1991).

Individual's potential action can't be manipulated by the uniqueness in the demography perhaps by specific response to a particular situation measuring attitude in the demographic approach is another issue entirely which tend to generalize the individual groups within the population (Rychlak, 1981). There is also an oversight in the personality approach, which is not effective in determining the approach base on the rise in the margin of faults, which the tools used, caused and there isn't connection to the research notion (Fishbein and Ajzen, 1977).

We could see in these reports that attitudinal method is applied since the ability of learning and accumulation of knowledge differs from one person to another. A suggestion that attitudinal element hint a person's judgmental attitude towards some behavior while ones perceived social pressures is being signaled by normative beliefs in order to act or not to act on a particular behavior (Fishbein and Ajzen, 1977). Entrepreneurs who excelled exhibit highly robust achievements needs (McClelland *et al.*, 1953; Rotter, 1966) locus of control, Self-esteem and innovation. The Entrepreneurial Attitude Orientation approach assumes

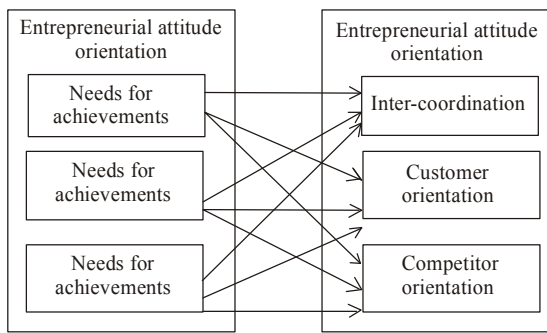


Fig. 1: Research model

the concept of these variables at the same time instills three components which affect cognition and conation to the four subscales. These four subscales measure entrepreneurship and have a significant interrelatedness between the subscales. Robinson *et al.* (1991) indicate that there exists significant difference on every element of the EAOs subscale when it comes to measuring non entrepreneur and the entrepreneur groups.

Conceptual framework: Smilor (1997) highlighted that true entrepreneurs always learn from personal experience at the same time learn from the experiences of others. As it is believed that not taking risk is risky so when taking business decisions entrepreneurs takes calculative risks and continuously looking for data to assist their business analysis and support their evaluation. Entrepreneurs need to be innovative and resourceful in order to develop and achieve competitive edge. In an attempt to address the above mentioned issues, this study intends to use the conceptual framework below as Fig. 1. The variables namely EAO is reflected to have an influence on the market orientation.

Considering the aforementioned explanation, the anticipated hypothesis could be seen as under:

- H1:** The needs for achievement, innovation subscales and locus of control are positively related to inter-functional coordination.
- H2:** The needs for achievement, innovation subscales and locus of control are positively related to competitor orientation.
- H3:** The needs for achievement, innovation subscales and locus of control are positively related to customer orientation.

RESULTS AND DISCUSSION

Data shall be collected through questionnaire, which shall be self-administered and distributed to the Small and Medium Enterprise holders from numerous industries working in the Peninsular Malaysia. The type of enquiry to be deployed for the purpose of this study shall be cross sectional where data will be collected in

an uncontrolled setting at one point of time. Questionnaires will be designed in both English and Malay languages and perhaps the instrument to be used in measurement are going to be structured questionnaire. The participants shall have the options of responding in either of the two languages as much as it gives them comfort, i.e., the language that is been used in their day-to-day business. Prior to running a pilot study and a data collection, which shall be, quantitative, initial interviews will be conveyed among 10 respondents to obtain a fresh view of their experiences in practicing market orientation.

CONCLUSION

Qiu (2008) believes that managers with high level of Entrepreneurial attitude orientation and highly market orientation firms are more active in market scanning and much better at evaluating the weakness and strength of their firms. Businessman such as entrepreneurs should control infuse the intangible or tangible assets to decide on good business strategy and to infuse an organizational culture that creates an effective and efficient behavior that escalate the firms' performance. Furthermore, McClelland *et al.* (1953) indicates that new global economy entrepreneurs require exhibiting strong needs for achieving, self-esteem locus of control (Rotter, 1966) and also innovation is required to exist in a market because the global market strongly is competitive.

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