# FACTORS INFLUENCING BUSINESS RESILIENCE POST COVID-19 PANDEMIC AMONG MICRO AND SMALL ENTERPRISES (MSE) IN KELANTAN

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DEGREE OF ENTREPRENUERSHIP (COMMERCE) WITH HONOURS
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# FACTORS INFLUENCING BUSINESS RESILIENCE POST COVID-19 PANDEMIC AMONG MSE IN KELANTAN

by

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**ASSESSMENT FORM FOR RESEARCH PROJECT I**

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**Research Topic:** "**Factors Influencing Business Resilience Post COVID-19 Pandemic among Micro and Small Enterprises (MSE) in Kelantan"**

**ASSESSMENT RUBRICS FOR RESEARCH PROJECT I: REFLECTIVE NOTE (Weight 20%)**

| NO. | CRITERIA | PERFORMANCE LEVELS | | | | Weight | TOTAL |
|---|---|---|---|---|---|---|---|
| | | POOR (1 MARK) | FAIR (2 MARKS) | GOOD (3 MARKS) | EXCELLENT (4 MARKS) | | |
| 1. | Determination (CLO1; C1, A3: CS/CT/TS) | Is not determined and does not put in any effort in completing the research report in group | Is determined but puts in little effort in completing the research report in group | Is determined and puts in reasonable effort in completing the research report in group | Is very determined and puts in maximum effort in completing the research report in group | ____ x 1 (Max: 4) | |

| NO. | CRITERIA | PERFORMANCE LEVELS | | | | Weight | TOTAL |
|---|---|---|---|---|---|---|---|
| | | **POOR (1 MARK)** | **FAIR (2 MARKS)** | **GOOD (3 MARKS)** | **EXCELLENT (4 MARKS)** | | |
| 2. | Commitment (CLO1; C1, A3: CS/CT/TS) | Is not committed and does not aim to complete on time and/ or according to the requirements | Is committed but makes little effort to complete according to the requirements | Is committed and makes reasonable effort in fulfilling some of the requirements | Is very committed and makes very good effort in fulfilling all the requirements, without fail. | ____ x 1 (Max: 4) | |
| 3. | Frequency in meeting supervisor (CLO1; C1, A3: CS/CT/TS) | Has not met the supervisor at all | Has met the supervisor but less than five times | Has met the supervisor for at least five times | Has met the supervisor for more than five times | ____ x 1 (Max: 4) | |
| 4. | Take corrective measures according to supervisor's advice (CLO1; C1, A3: CS/CT/TS) | Has not taken any corrective action according to supervisor's advice | Has taken some corrective actions but not according to supervisor's advice, or with many mistakes | Has taken some corrective actions and most are according to supervisor's advice, with some mistakes | Has taken corrective actions all according to supervisor's advice with few mistakes | ____ x 1 (Max: 4) | |
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**Research Topic: "Factors Influencing Business Resilience Post COVID-19 Pandemic among Micro and Small Enterprises (MSE) in Kelantan"**

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| 2. | Non-verbal Communication<br><br>(CLO2; A3/CS) | Exhibits very poor body language. Does not have any eye contact with the audience and appears to avoid the audience. | Makes eye contact with the audience at times. But the behavior is not consistent. | Makes good eye contact with the audience. The body language is good. | Makes excellent eye contact with the audience. The body language is pleasing. . | ____ x 1<br><br>(Max: 4) | |
| 3. | Appropriate use of visual aid<br><br>(CLO2; A3/CS) | Uses visual aids very poorly and the use interferes with the presentation | Uses visual aids but not very effective in aiding the presentation. The usage distorts the presentation at times. | Uses visual aids effectively. The usage of technology flows with the presentation. | Uses visual aids very effectively. The usage enhances the quality of presentation. | ____ x 1<br><br>(Max: 4) | |
| 4. | Appearance<br><br>(CLO2; A3/CS) | Has a very poor sense of attire and appearance does not reflect a "business appearance". | Is well groomed and the appearance is acceptable for research report presentations. | Is well groomed and has a good "business appearance. | Is very well groomed and has a very pleasing and professional appearance. | ____ x 1<br><br>(Max: 4) | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 5. | Confidence and Ability to Answer Questions<br><br>(CLO2; A3/CT) | Exhibits a very low level of confidence and appears visibly 'shaky'. Finds it difficult to answer questions. | Exhibits low level of confidence at times. Does not appear to be confident in answering questions | Exhibits a high level confidence. Does a good job in answering questions. | Exhibits a very high level of confidence. Is perfectly at ease while answering questions. | ____ x 1<br><br>(Max: 4) | |
| | **TOTAL** | | | | | **/20** | |

**Research Topic: "Factors Influencing Business Resilience Post COVID-19 Pandemic among Micro and Small Enterprises (MSE) in Kelantan"**

**ASSESSMENT RUBRICS FOR RESEARCH PROJECT I: RESEARCH REPORT (Weight 60%)**

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|---|---|---|---|---|---|---|---|
| | | POOR (1 MARK) | FAIR (2 MARKS) | GOOD (3 MARKS) | EXCELLENT (4 MARKS) | | |
| 1. | Introduction<br><br>(CLO1; C1, A3) | Background of study, Problem Statement, Research Objective and Research Question is lack of clarity and focus | Background of study, Problem Statement, Research Objective and Research Question is written but with inconsistent focus. | Clearly written of Background of study, Problem Statement, Research Objective and Research Question with good facts. | Very clear of Background of study, Problem Statement, Research Objective and Research Question with very good facts. | ____ x 2.5<br><br>(Max: 10) | |
| | | Background of study, Problem Statement, Research Objective and Research Question is written | Background of study, Problem Statement, Research Objective and Research Question is written less | Background of study, Problem Statement, Research Objective and Research Question is written | Background of study, Problem Statement, Research Objective and Research Question is written very | ____ x 1.25<br><br>(Max: 5) | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | unsystematic and unscientific.<br><br>Scientific refers to researchable topic | systematic and less scientific.<br><br>Scientific refers to researchable topic | systematic and scientific.<br><br>Scientific refers to researchable topic | systematic and scientific.<br><br>Scientific refers to researchable topic | | |
| 2. | Overall Proposal Format<br><br>(CLO2; C2, A3) | Submit according to the deadline and adhere to the required format | The research proposal is not produced according to the specified time and/ or according to the format. | The research proposal is produced according to the specified time but fails to adhere to the format. | The research proposal is produced on time, adheres to the format but with few weaknesses. | The research proposal is produced on time, adheres to the format without any weaknesses. | ____ x 0.25<br><br>(Max: 1) | |
| | | Writing style (clarity, expression of ideas and coherence) | The proposal is poorly written and difficult to read. Many points are not explained well. Flow of ideas is incoherent. | The proposal is adequately written; Some points lack clarity. Flow of ideas is less coherent. | The proposal is well written and easy to read; Majority of the points are well explained and flow of ideas is coherent. | The proposal is written in an excellent manner and easy to read. All of the points made are crystal clear with coherent argument. | ____ x 0.25<br><br>(Max: 1) | |
| | | Technicality (Grammar, theory, | The report is grammatically, theoretically, technically and logically incorrect. | There are many errors in the report, grammatically, theoretically, technically and logically. | The report is grammatically, theoretically, technically and logically correct in most of the | The report is grammatically, theoretically, technically, and logically perfect in all chapters | ____ x 0.25 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | logic and reasoning) | | | chapters with few weaknesses. | without any weaknesses. | (Max: 1) | |
| | Overall Proposal Format<br><br>(CLO2; C2, A3) | Reference list (APA Format) | No or incomplete reference list | Incomplete reference list and/ or is not according to the format | Complete reference list with few mistakes in format adherence | Complete reference list according to format | ____ x 0.25<br><br>(Max: 1) | |
| | | Format organizing (cover page, spacing, alignment, format structure, etc.) | Writing is disorganized and underdeveloped with no transitions or closure. | Writing is confused and loosely organized. Transitions are weak and closure is ineffective. | Uses correct writing format. Incorporates a coherent closure. | Writing includes a strong, beginning, middle, and end with clear transitions and a focused closure. | ____ x 0.25<br><br>(Max: 1) | |
| 3. | Literature review<br><br>(CLO2; C2, A3) | | • Does a poor job in summarizing the relevant literature review | • Weak in summarizing the literature review | • Critically analyzes but does not summarize effectively | • Critically analyzes and summarizes effectively | ____ x 1 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | (Max: 4) | |
| | | • Does not provide adequate reference of literature review | • Provide some reference of literature review | • Provide adequate reference of literature review | • Provide strong reference of literature review | ____ x 1 (Max: 4) | |
| | | • Weak research framework | • Adequate research framework | • Feasible research framework | • Sound research framework | ____ x 0.75 (Max: 3) | |
| | | • Framework is not link with the literature and the research issues | • Framework has a weak link with the literature and the research issues but some major weaknesses exist | • Framework has a good link with the literature and the research issues but some minor weaknesses exist | • Framework has a strong link with the literature and the research issues | ____ x 1 (Max: 4) | |
| 4. | Research method (CLO3; C3, P3, A3) | • Research methodology is designed poorly | • Research methodology is adequately designed | • Research methodology is good and can address most of the research issues | • The methodology is sound and can address all of the research issues | ____ x 1.75 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | (Max: 7) | |
| | | • Unable to clearly identify the type of research (Quantitative/ Qualitative) | • Able to identify the type of research (Quantitative/ Qualitative) | • Clearly identify the type of research (Quantitative/ Qualitative) | • Clearly identify the type of research with good support (Quantitative/ Qualitative) | ____ x 1.5 (Max: 6) | |
| | | • There is no data collection method specified | • Data collection method used are not appropriate | • Data collection method used are appropriate with some explanations | • Data collection method used are appropriate with good explanations | ____ x 1.5 (Max: 6) | |
| | | • Wrong interpretation of Research Tools and Analysis | • Lack interpretation of Research Tools and Analysis | • Good interpretation of Research Tools and Analysis | • Very good and clear interpretation of Research Tools and Analysis | ____ x 1.5 (Max: 6) | |
| **TOTAL** | | | | | | | **/60** |

**TOTAL MARKING SCHEME**

| Assessment | Marks Given By Supervisor | Marks Given By Examiner | Total |
|---|---|---|---|
| (A) Reflective Note (20%) | | [redacted] | |
| (B) Oral Presentation (20%) | | | / 2 = |
| (C) Research Report (60%) | | | / 2 = |
| **Grand Total** | | | |

Name of Supervisor/ Examiner: _____Signature: _____Date: _____

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**Abstract**

The COVID-19 pandemic, an unprecedented global crisis, disrupted businesses and economies worldwide. Micro and small enterprises (MSE) in Malaysia face the challenge of maintaining their business resilience after COVID-19 in terms of financial strategy, digital transformation, and dynamic capability. The aim of this study is determining relationship and contribution a financial strategy, digital transformation, and dynamic capability to business resilience for MSEs in Kelantan. A quantitative research study was conducted online and physical with 155 MSEs in Kelantan, through a Google Form and booklet. The researchers used the Statistical Package for the Social Sciences (SPSS) version 26 to analyse the results of the data obtained. The findings indicate that all hypotheses have been accepted, with the dynamic ability demonstrating the highest correlation coefficient. The study employed multiple linear regression analysis to examine the effect of factors on the business resilience among micro and small enterprises (MSEs). The study findings indicate that the utilisation of dynamic capabilities and digital transformation has had a favourable impact on the ability of micro and small enterprises (MSEs) to withstand and recover from business challenges. Consequently, this study has various implications that are relevant as they provide an overview of the factors influencing the business resilience of micro and small firms in Kelantan. This study also contributes as a basic element to facilitate the development of initiatives that aim to help Micro and Small Enterprises (MSE) in their recovery and progress after the pandemic.

**Keywords:** COVID-19, Business Resilience, Financial Strategies, Digital Transformation, and Dynamic Capabilities.

# CHAPTER 1

# INTRODUCTION

## 1.1 Background of the study

The emergence of a new virus called SARS-CoV-2 caused a global pandemic known as COVID-19. It spreads rapidly and affects people's health, economy, and daily life worldwide (Ciotti et al., 2020). Governments, doctors, and scientists are working hard to understand and find ways to stop the virus. Among the measures taken by the government to prevent the spread of this epidemic is to oblige people to wear masks, keep a distance from others, and be vaccinated to stay safe (Lone & Ahmad, 2020). These measures are essential to slow down the virus and protect vulnerable groups. Micro and small enterprises (MSE) are vital to economies worldwide, creating jobs and driving innovation. When COVID-19 hit in 2019, MSEs faced enormous challenges. The closures and restrictions imposed by the government to curb the spread of the COVID-19 epidemic have caused lower demand and supply chain problems, making it difficult for these businesses to survive (Gourinchas et al., 2020). Many people, especially MSEs, struggle to get financial help or adapt to online methods. The pandemic shows how weak MSEs are as they need support to create jobs and help the economy bounce back by understanding their struggle during COVID-19 (Tien, 2022).

SMEs' business significantly contributes to the country's economy. In Malaysia, MSEs are also vital contributors to the nation's economy, accounting for approximately 38.3% of Malaysia's Gross Domestic Product in 2018 (Isa & Razak, 2021). A company is classified as a micro-enterprise if it employs fewer than five people or its sales turnover is less than RM300,000. A small enterprise is defined as one that employs more than five people but fewer than 75 employees and whose sales turnover is between RM 300,000 and RM 3 million. (Lim & Teoh, 2021). During the COVID-19 outbreak in Malaysia, almost all economic sectors in

Malaysia could not be carried out as usual due to the implementation of the Movement Control Order (MCO) made by the Malaysian government to stem the transmission of the COVID-19 outbreak (Kassim et al., 2020). The adoption of the MCO during the COVID-19 pandemic in Malaysia has negatively impacted MSEs in terms of logistics, consumer demand, workforce, consumer behavior, and finances to survive in business in Malaysia (Hamdan et al., 2021).

According to Zamzuri et al. (2020), COVID-19 was first detected in Malaysia on 25 January 2020 among three Chinese citizens who entered Malaysia through Singapore on 23 January 2020. On 30 January 2020, there were eight confirmed cases of COVID-19, all involving Chinese citizens. The first local infection of COVID-19 was identified on 4 February 2020, and the number of infected individuals remained below 25 until 1 March, when the number of cases increased to 29 (Ministry of Health Malaysia 2020). The total number of COVID-19 cases then increased steadily before a sharp rise starting on 14 March. The first two deaths due to COVID-19 were reported on 17 March, after which cases of death increased steadily, though the number remained below 100 until 29 April. As of 30 April, the mortality rate due to COVID-19 was 1.70%, lower than the global average of 7.1% (World Health Organization 2020). The Malaysian government has taken responsibility by implementing the MCO to break the chain. To avoid spreading the virus to most people starting on 18 March 2020 (Hashim et al., 2021).

The implementation of the MCO requires all Malaysians to stay at home and practice social distancing (Moni et al. 2021). All store business operations have been ordered to close. The Malaysian economy is also affected, as businesses and MSEs experience disruptions, closures, and loss of revenue. The economic recession caused many Malaysians to lose their jobs. Travel restrictions, including border closures and closures, disrupted tourism, international trade, and the movement of people (Abhari et al., 2022). All store business

operations have been ordered to close. As a result, this has affected most businesses in Malaysia, especially MSEs.

### 1.2 Problem Statement

The COVID-19 pandemic, an unprecedented global crisis, disrupted businesses and economies worldwide. MSEs encountered significant challenges in the realms of financial stability (Civelek et al. 2021). During the Movement Control Order (MCO), more than 70% of MSEs ceased operations, with approximately 60% of them experiencing no income. Less than 40% of MSEs managed to sustain their operations for three months, and 19% of them incurred losses amounting to RM100,000 and above (Hasan et al., 2022). The impact of the COVID-19 pandemic resulted in 37,415 businesses declaring bankruptcy. Of this total, 26,007 were micro-MSEs, and an additional 2,738 were small-MSEs (Rashid et al., 2022). MSEs often encounter obstacles in the realm of digital transformation due to their limited budgets because the sales drop during COVID-19 (Astuti et al. 2022). They struggle to allocate funds for online advertising, social media marketing, and search engine optimization (SEO). In addition, it is worth noting that MSEs often have a deficiency in the requisite knowledge and skills pertaining to proficient digital transformation strategies. This includes a limited understanding of various platforms such as Shoppe, TikTok, Google Ads, and Facebook Ads, as well as search engine optimization (SEO) tactics, content marketing, collaboration tools, and email marketing (Ab Rani et al., 2022).

Dynamic capabilities for MSEs refer to their ability to adapt, innovate, and respond to changes in the business environment (Clampit et al., 2022). Amid the post COVID-19 pandemic, MSEs encountered specific challenges in cultivating and utilizing dynamic capabilities. These challenges included financial strain due to lockdowns and disrupted supply chains, uncertain market conditions requiring adaptive strategies, barriers to adopting new

technologies, supply chain disruptions affecting resilience efforts, challenges in adapting to remote work environments, barriers to accessing traditional markets, human resource management complexities, and the need to navigate regulatory changes effectively (Muna et al., 2022). MSEs had to exhibit agility, innovation, and resilience to address these issues, with external support from governments and industry associations playing a vital role in guiding and assisting MSEs through these unprecedented challenges (Muneeb et al., 2023).

The importance of business resilience for MSEs in Malaysia amid the post-COVID-19 pandemic is far-reaching, influencing financial strategy, digital transformation, and dynamic capabilities. Regarding financial strategy, resilience ensures the ability to weather economic uncertainties by maintaining stability and implementing contingency plans (Štimac et al., 2020). digital transformation must be adaptable, emphasizing online channels and effective communication to respond to changing market conditions (Amin, 2021). Dynamic capabilities, encompassing adaptability and innovation, play a crucial role in overall resilience by enabling MSEs to sense market changes, seize opportunities, and reconfigure resources as needed (Weaven et al., 2021). The holistic integration of resilience across these dimensions is paramount for MSEs to not only endure the challenges presented by the pandemic but also to sustain and enhance their competitiveness in the evolving business landscape.

This study examines the ramifications of the post-COVID-19 pandemic on MSEs entrepreneurs. Specifically, our research delves into the intricate challenges encountered in their day-to-day business operations, encompassing various dimensions such as fluctuations in demand and supply, shifts in customer base, disruptions in cash flow, complexities in employee management, and alterations in advertising promotional strategies and dynamic capability MSE in post-COVID-19 (Zutshi et al., 2021). Our research aims to quantify the extent of the impact caused by the post-COVID-19 on the business operations of MSE entrepreneurs

(NVHH et al., 2021). This research is particularly interested in investigating how these entrepreneurs adapt to this unforeseen situation by integrating new trends and innovative business strategies to enhance their resilience. This research aims to uncover practical solutions that can provide help to MSEs entrepreneurs as they navigate the hurdles posed by the ongoing pandemic crisis. Our ongoing research endeavors to pinpoint the financial resilience measures, digital transformation and dynamic capability tactics employed by these entrepreneurs to navigate this unprecedented situation effectively.

### 1.3 Research Question

- What is the relationship between financial strategies and business resilience among MSEs?
- What is the relationship between digital transformation and business resilience among MSEs?
- What is the relationship between dynamic capability and business resilience among MSEs?
- What is the most contribution factors of financial strategies, digital transformation, and dynamic capability contributing to business resilience among MSEs?

### 1.4 Research Objective

- To determine the relationship between financial strategies and business resilience among MSEs.
- To determine the relationship between digital transformation and business resilience among MSEs.
- To determine the relationship between dynamic capability and business resilience among MSEs.

- To identify the most contribution factors of financial strategies, digital transformation, and dynamic capability on business resilience among MSEs.

## 1.5 Scope of The Study

The scope of the study is to survey the business resilience among MSEs in Kelantan, Malaysia. There are several studies related to entrepreneurship and factors that affect business resilience among MSEs. Business resilience is essential to entrepreneurship, and resilient firms are more likely to succeed. In addition, this study examines financial strategies, digital transformation, dynamic capabilities and business resilience of MSEs in Kelantan. Data collection is conducted through MSEs entrepreneurs in Kelantan and the researcher choose a specific research methodology to collect data from the selected respondents. A minimum sample size of 129 respondents is needed for this study. The questionnaire study would be conducted using Google Forms and booklet, each respondent is required to answer all questions.

## 1.6 Impact of the study

The global COVID-19 pandemic has exerted a significant influence on businesses around the globe, with MSEs being particularly affected (Rosimah et al., 2022). This study aims to investigate the various resilience strategies adopted by Micro and Small Enterprises (MSEs) across diverse domains, encompassing areas such as financial strategies, dynamic capabilities, and digital transformation, particularly in times of adversity. Through an examination of the strategies and successes of MSEs in navigating and prospering amidst the global pandemic, this research endeavour aims to offer significant insights and exemplary approaches that can be beneficial for other enterprises encountering comparable difficulties.

### 1.6.1 Facilitating the Provision of Financial Resources

The enhancement of financial accessibility for MSEs is of utmost importance in fostering economic growth, as highlighted. According to the World Bank (2019), the enhancement of this can be achieved by the implementation of inclusive financial policies and the promotion of partnerships between banks and MSEs. These measures enhance the resilience of MSEs and contribute to the general stability of the economy in times of adversity, as exemplified by the COVID-19 pandemic.

### 1.6.2 Mentorship Programmers

Mentoring programs are significant in facilitating the growth and advancement of MSEs. The act of matching seasoned mentors with subject matter experts in MSE facilitates the transfer of knowledge, the enhancement of skills, and the provision of strategic direction (Wyrwich & Stuetzer, 2019). These programs have a significant role in fostering improved entrepreneurial outcomes and long-term viability. In addition to that, the ability to effectively tackle the obstacles encountered by MSEs through tailored coaching and assistance. Therefore, in the context of this research, guidance appears as an important catalyst for the growth and resilience of small and medium enterprises.

### 1.6.3 Networks of Business Support

The establishment of a business support network is crucial for the achievement of MSEs. In this context, the research emphasizes the significance of their contribution in facilitating the provision of resources, facilitating information exchange, and fostering chances for collaboration. Therefore, these networks enhance the resilience of MSEs and promote the development of innovative practices. Hence, the use of business support networks holds significance for MSEs as it provides them with opportunities

for achieving sustainable growth, enhancing adaptability, and attaining a more advantageous position within the competitive business environment (Zheng, 2021).

## 1.7 Definition of Term

### 1.7.1 Business Resilience

According to Liu et al. (2022), business resilience is the capability of an organization to withstand and recover from unforeseen disruptions, whether they are manufactured or natural, by effectively adapting, managing risks, and ensuring the continuity of its operations and value proposition. In this study, business resilience can be defined as the ability of an organization to withstand and adapt to unexpected disruptions, whether they are caused by internal or external factors (Cosentino & Paoloni, 2021).

### 1.7.2 Financial Strategies

According to Dahiya et al. (2023), they involve various aspects such as budgeting, saving, investing, debt management, risk management, and retirement planning. By implementing financial strategies, individuals and businesses can optimize their financial resources, minimize financial risks, make informed decisions, and improve their overall financial position (Dahal, 2021). In this study, financial strategies refer to the plans and actions taken by individuals, businesses, or organizations to effectively manage their finances, achieve financial goals, and create wealth (Fenton-O'Creevy & Furnham, 2022).

### 1.7.3 Digital Transformation

According to Martinčević & Kozina (2021), digital transformation refers to the process of utilizing digital technologies to bring about comprehensive changes in existing business operations and services, or create entirely new ones, in response to evolving market demands and customer expectations (Martinčević & Kozina, 2021). In this study, digital transformation is the integration of digital technology into various aspects of an organization, including processes, services, and business models, to drive improvements and innovation (Wicaksana & Isfania, 2022).

### 1.7.4 Dynamic Capabilities

According to Witek-Hajduk and Zaborek (2022), dynamic capabilities allow organizations to strategically leverage their resources and competencies to gain a competitive advantage in a rapidly evolving business landscape. This includes the capacity to learn and acquire new capabilities, integrate and reconfigure existing resources, and actively shape the external business environment (Kamp et al., 2021). In this study, dynamic capabilities refer to an organization's ability to adapt and respond to changes in its external environment (Trabucco & Giovanni, 2021).

### 1.7.5 Micro and Small Enterprises (MSEs)

According to Yaacob and Mat Radzi (2022), the definition of MSE is based on sales turnover and divides companies into two categories micro and small, this description accurately captures the limited financial and human resource capacities of MSEs. In this study, the definition of MSEs by using certain quantitative factors. MSEs may be identified in the manufacturing sector based on two criteria: a sales turnover of at most RM50 million or an employment criterion of no more than 200 people. In

contrast, firms operating in the services and other sectors are classified as MSEs based on their sales income not exceeding RM20 million or an employment limit of 75 people (Omar et al., 2020).

## 1.8 Organization of the Thesis

**Chapter 1:** Introduction. The research is summarized in this chapter. For instance, this chapter provides an overview of the elements that influence MSE entrepreneurs' business resilience. The problem statement has been thoroughly discussed, and then the research question, purpose, scope of the study, significance of the study, definition of terms, and organization of the proposal.

**Chapter 2:** Literature Review. This chapter evaluates the literature, particularly on the elements that affect MSE entrepreneurship's business resilience. This chapter focuses on the study's introduction, a description of the fundamental theory, and earlier research connected to this one. A conceptual framework has been constructed based on the variables that have been addressed, and in this chapter, hypotheses have been developed to evaluate the theory's validity. A conclusion is supplied at the end of this chapter to wrap things up.

**Chapter 3:** Research Methodology. The research approach that the researcher would employ to address all of their inquiries is the main topic of this chapter. As a result, this chapter discusses some topics, including an introduction, the research design, and data-gathering techniques. The study population, sample size, sampling strategies, and the creation of the instruments needed to carry out the study are all covered in this chapter as well. Additionally, a description of variable measurement, data analysis methodologies, and the study's conclusion have all been highlighted in this chapter.

**Chapter 4:** Result of the data analysed. This chapter explained the results of the data analysed by the researcher to study the factors that affect the business resilience of micro and small enterprises (MSE) after the spread of the COVID-19 epidemic in Kelantan. Researchers used the SPSS application (Statistical Package for the Social Sciences), also known as IBM SPSS Statistics, a software package used for data analysis researchers collect. The number of respondents who successfully obtained and answered the questionnaire was 155.

**Chapter 5:** Discussion of the results. In this chapter, discusses the results of the research conducted in Chapter 4. The obtained data has been analyzed to discover the elements influencing the business resilience of micro and small enterprises (MSE) in Kelantan after the COVID-19 pandemic. This chapter focuses on analyzing the results obtained from the data findings, providing recommendations for the study objectives, and drawing conclusions from the research. Most of the discussion will pertain to the research aims.

# CHAPTER 2

# LITERATURE REVIEW

## 2.1 Introduction

This chapter evaluates the literature, particularly on the elements that affect researchers studying MSEs business resilience in Malaysia. This chapter focused on the study's introduction, a description of the fundamental theory, and earlier research connected to this one. A conceptual framework has been constructed based on the variables that have been addressed, and in this chapter, hypotheses have been developed to evaluate the theory's validity. A conclusion is supplied at the end of this chapter to wrap things up (Lim et al., 2022).

### 2.1.1 Micro and Small Enterprises

MSEs play a crucial role in global economies, particularly in developing nations. According to the World Bank SME Finance Report, MSEs constitute approximately 90% of businesses and over 50% of worldwide employment. In emerging economies, formal SMEs contribute up to 40% of the national income (GDP). These figures increase when accounting for informal SMEs. SMEs, often forming the backbone of the middle class, are vital for social stability, innovation, inclusive growth, and poverty alleviation (Sana et al., 2020).

In the context of Malaysia, SMEs make substantial contributions to the economy. The SME Annual Report (2018-19) reveals that Malaysian MSEs contributed 38.3% to the overall GDP, 17.3% to total exports, and 66.2% to total employment. Furthermore, 98.5% of business establishments in Malaysia are MSEs. The MSE sector demonstrated robust growth, with an average annual growth rate of 6.2% from 2016 to 2018, surpassing the overall GDP growth rate of 5.0%. This trend has been consistent since 2004, with MSEs consistently outperforming

the broader economic growth. The contribution of MSEs to the GDP increased from 37.0% in 2015 to 38.3% in 2018 (SME Annual Report 2018).

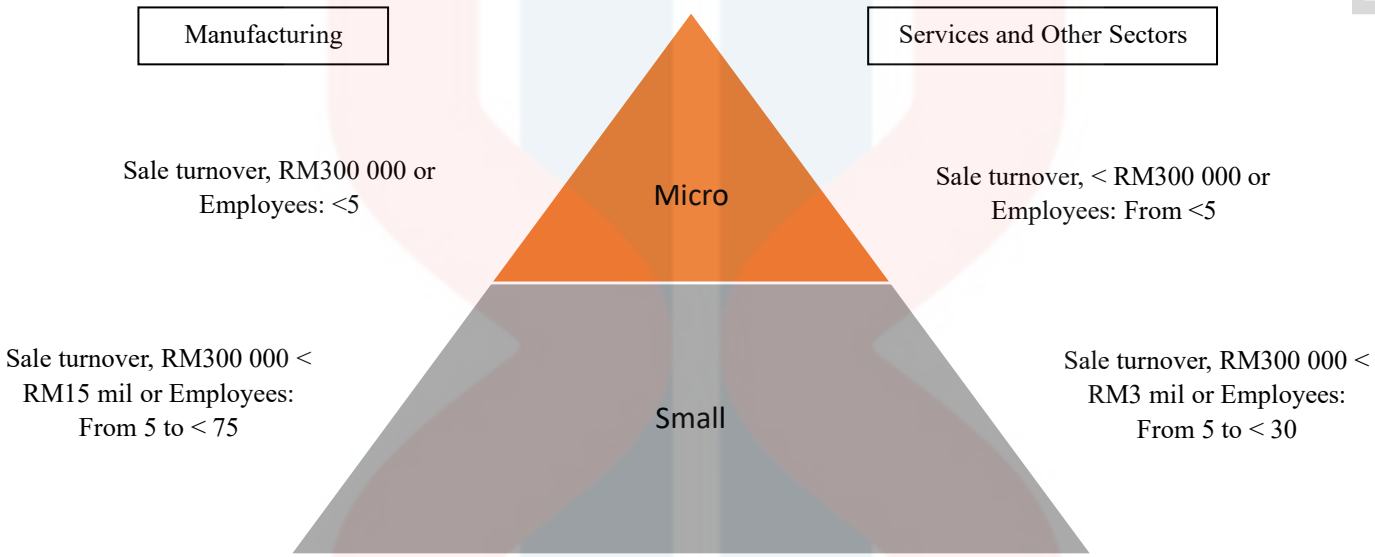


*Figure 1 : Criteria of the SMEs*

Source: Mohamad et al., (2022).

### 2.1.2 Business Resilience

Business resilience encounters challenges from diverse internal and external risk factors. Internally, businesses contend with factors like the model, value proposition, location, management practices, owner relationships, employee safety, and resource access, significantly impacting resilience (Harel, 2021). Externally, risk factors include natural events such as floods, wildfires, and pandemics, geopolitical challenges like wars and acts of terrorism, economic uncertainties including recessions and crises, technological threats such as system breakdowns and cyberattacks, corporate risks like fraud and legal claims, and miscellaneous risks such as oil spills and plane crashes (Richards & Dixon, 2020). Effectively addressing this array of risks

is crucial for businesses to fortify their overall resilience in the face of uncertainties (Kotsios, 2023).

According to Hadjielias et al. (2022), with the unprecedented global crisis precipitated by the COVID-19 pandemic, the ability of businesses to demonstrate resilience is paramount for successful adaptation to the post-COVID era. This study centers on the concept of psychological resilience. Specifically, it examines individual owner-managers, aiming to analyze the resilience of small businesses in response to the challenges posed by the pandemic. This study used qualitative research and engaged 35 small business owner-managers.

The study delves into the micro-foundations of resilience demonstrated by these businesses during the COVID-19 pandemic. It illuminates the responses and resilient attributes exhibited by owner-managers, both on a personal and leadership level, elucidating how these qualities facilitated resilient actions within the small business domain. By employing a psychological lens, this study presents an innovative conceptualization of resilience in small businesses, exploring the intricate interplay of individual characteristics, professional roles, and organizational dynamics at the nexus of person, function, and organization.

According to Putritamara et al. (2023), this research examined the influence of dynamic capabilities and digital transformation on business resilience amid the COVID-19 Pandemic, using data from 388 micro, small, and medium enterprises (MSMEs) engaged in beekeeping in Indonesia. The Structural Equation Model (SEM) analysis was conducted through Smart PLS 3.0 software. The study's main findings indicate that dynamic capability significantly enhances MSMEs' digital transformation. Notably, the critical role of digital transformation in improving firm resilience was

explicitly observed in family-operated micro, small, and medium enterprises. However, digital transformation's impact on firm resilience was negligible in small non-family businesses. The study revealed that digital transformation mediates the relationship between dynamic capability and business resilience.

Furthermore, the research identified varied effects across micro, small, and medium-sized firms. Considering the firm's scale, these outcomes suggest tailored policy recommendations for developing beekeeping enterprises. These findings have broader implications at the national level, providing valuable insights for decision-making regarding the intangible assets of MSME livestock products in developing nations.

### 2.1.3 Financial Strategies

The financial strategy involves organizing systemic activity to achieve financial goals by forming, allocating, and utilizing financial resources. It aims to maximize the company's value through effective management and comprehensive, proactive management of its financial resources. This strategy covers four areas there is managing revenue, controlling costs, ensuring liquidity and financial security, and overseeing the financial department. In terms of functionality, the financial strategy includes diagnosing and analyzing the current financial position of the company, forecasting its future position, optimizing both current and noncurrent assets, managing the use of internal and external funds, establishing policies for income distribution, taxes, prices, depreciation, dividends, securities, and ensuring financial provision for the company's activities (Štimac et al., 2020).

According to Wang et al. (2021), the foundation of a company's success lies in its ability to maintain a competitive advantage, and the business strategy serves as a strategic roadmap that aims to achieve this advantage by shaping the company's financial results. This study investigates the interrelationship between business strategy, competitive advantage, and financial strategy. The objective is to determine whether companies adopt a diversified financial strategy based on their chosen business strategy and to analyze the role of competitive advantage in this decision-making process. This research uses a composite index and evaluates investments that do not match maturity to measure the risks associated with business and financial strategies. This study analyzes the text of annual reports used to create dummy variables that measure competitive advantage.

The study uses data from A-shares listed on China's Shanghai and Shenzhen stock exchanges between 2007 and 2016. The research reveals a significant trend where the level of risk associated with business and financial strategies tends to move in the opposite direction to companies that pursue business strategies. Aggressive ones tend to use a conservative financial approach, resulting in less overall risk. For companies with a competitive advantage, this negative correlation weakens. Further analysis underlines the significant impact of factors such as company ownership, free cash flow, and internal control quality on the interaction between business strategy and financial strategy.

According to De Almeida et al. (2021), money-related attitudes between individuals who are in debt and those who are not, with a particular focus on their financial concerns and money management abilities. The research examines how these attitudes affect economic behaviour, including keeping financial records, adjusting

budgets, and monitoring spending habits. Over-indebted participants were obtained from NGOs for consumer defence and categorized into two subgroups: those facing debt due to internal factors such as poor financial management and those due to external factors such as unemployment. Non-indebted participants were selected through convenience sampling. The findings revealed that debt-free individuals showed more positive attitudes towards money than both categories of over-indebted individuals.

Additionally, those who are over-indebted due to external factors show a better mood than those who are over-indebted due to internal reasons. Although financial management behavior was similar across all groups, non-indebted individuals more diligently monitored their financial balances. Regression analysis shows that money-related attitudes are essential in explaining differences in economic behavior among consumers, regardless of their indebtedness status. This attitude remains influential even after considering socioeconomic factors such as education, income, age, and gender. Further analysis comparing money attitudes and financial behavior between the three subgroups (not heavily indebted, heavily indebted for internal reasons, and heavily indebted for external reasons) showed no significant differences.

### 2.1.4 Dynamic Capability

Dynamic capabilities refer to the ability of a business to align with opportunities and user needs through learning processes that are challenging for others to replicate (Chen & Ahmad 2020). According to George and Danial (2020), identified three key components of dynamic capabilities: the capacity to sense and shape opportunities and threats, the ability to seize opportunities, and the capability to sustain competitiveness by enhancing, combining, protecting, and, when necessary, reconfiguring the enterprise's resources. Sensing capability involves a firm's ongoing capacity to scan,

identify, and explore opportunities across diverse technologies and markets. This continual acquisition of new information and knowledge is crucial in fast-changing markets, which can pave the way for innovative opportunities (Vu, 2020).

According to Weaven et al. (2021), dynamic capabilities are essential for the survival and expansion of SMEs during an economic recession. This study uses a qualitative approach, specifically instrumental case-based collective methods, and in-depth interviews with various groups of participants, including successful and unsuccessful franchisees, independent SMEs, business and franchising experts, and franchisors in the Australian context. The objective is to develop a comprehensive framework that describes the factors that influence the success of SMEs. The study underlines the critical role of the nature of business owners and firm resources as fundamental elements in the mechanisms that support the survival of SMEs.

It outlines three dimensions of dynamic capability: sensing related to business evaluation and information acquisition, seizure, which includes decisions related to product portfolio, investment in technology and human resources, and reconfiguration, which includes innovation, decentralization, and knowledge management (Erzse 2023). The research highlights the dominance of routine aspects of performance, emphasizing the adaptability and context-specific nature of the use of dynamic capabilities among SMEs. This scholarly investigation addresses a significant gap in the entrepreneurship literature by examining the dynamic capabilities of SMEs in an uncertain market environment, focusing on uncovering both observable and practical aspects. By elucidating these complex dynamics, this study enriches our understanding of SMEs' operational strategies and practices employed by SMEs during challenging economic periods, contributing valuable insights to entrepreneurship research.

### 2.1.5 Digital Transformation

Digital transformation includes the implementation of digital technology to expand existing business models, restructure organisational structures, redefine resource allocation, and reevaluate relationships with stakeholders (Frank et al., 2019). With the advent of Industry 4.0, the notion of digital transformation has gained significant prominence in research. Industries such as service, manufacturing, healthcare, and education have specifically contributed to this growing interest. The primary focus of research has been to investigate the impact of digital transformation on key variables that determine the success of an organisation, including innovation, efficiency, competitive advantage, customer value creation, quick decision-making in relation to customers and competitors, and cost reduction.

In the past, Greek research on micro and small-sized enterprises (MSEs) mostly focused on analysing the impact of external economic shocks, such as the 2008 financial crisis (Frank et al., 2019). Recent observations emphasise the importance of the "green and digital agenda" because of the significant influence of natural disasters (such as earthquakes and fires) and events like the COVID-19 outbreak on corporate activities. These unique events cause notable changes in entrepreneurial domains, including company strategies, ways of life, cultural standards, and social engagements (Ratten, 2020). They have a significant impact on micro and small-sized enterprises' ability to obtain funding and stay in business (Brown et al., 2020), leading to a transition in digital transformation from traditional manufacturing to less conventional economic activities, which is in line with the operations of most MSEs (Kargas and Varoutas, 2020).

A marketing strategy refers to a comprehensive and strategic plan formulated to attain specific business objectives through efficiently promoting a product or service to a designated target audience (Lyu et al., 2022). Organizations that adeptly adapt their marketing strategies following dynamic environmental circumstances are more inclined to attain favorable outcomes (Zhang & Hu, 2021). Therefore, this strategic approach encompasses various undertakings, such as conducting market research, establishing product positioning, determining pricing strategies, selecting distribution channels, and implementing promotional campaigns. An effective marketing strategy is customized to the target market's distinct attributes and considers the competitive environment. In the contemporary and ever-evolving landscape of business, incorporating digital marketing, active engagement on social media platforms, and a customer-centric orientation are imperative elements that contribute to the efficacy of a marketing strategy.

During periods of market-disruptive shocks, micro and small-sized enterprises (MSEs) frequently encounter greater vulnerabilities compared to larger corporations due to their lower resources, a phenomenon known as the "liability of smallness" (Eggers 2020). Consequently, micro and small-sized enterprises (MSEs) display reluctance in dedicating their restricted resources to projects (Lee at el. 2015) or new endeavours that involve higher financial risk following the crisis. Nonetheless, their profound comprehension of consumer requirements enables them to skilfully recognise, evaluate, and take advantage of possibilities during times of crisis (Beliaeva et al. 2020). By capitalising on robust client-manager connections and their nimble nature, small companies are able to adeptly navigate crises and utilise valuable information to successfully respond to market upheavals. Despite resource limitations, micro and small-sized enterprises (MSEs) demonstrate resilience by using their strong customer

relationships and ability to adapt quickly. This enables them to identify opportunities and effectively handle market fluctuations in times of crisis.

Academic research highlights the positive impacts of digital transformation, but businesses face significant difficulties and uncertainty since it is intricate and expensive (Matt et al., 2015). The implementation phase necessitates significant modifications, including the design of new processes, the creation of novel tasks, the innovation of business models (Reis et al. 2018), the integration of technology, and the cultivation of a digital culture (Majchrzak et al., 2016). Additionally, it may also call for the establishment of new performance indicators. Nevertheless, several sectors and businesses have not fully adopted digital transformation, primarily due to obstacles in investment and the lack of feasible business models (Filotto et al. 2021). Although digital transformation has been demonstrated to be advantageous, its implementation is hindered by barriers like as high expenses, intricate processes, and the requirement for substantial organisational restructuring. These obstacles hinder the extensive implementation across many industries and organisations. Embarking on the path of digital transformation necessitates substantial financial commitment, strategic reorganisation, and the development of inventive business frameworks, which pose obstacles to the general adoption across many industries and organisations.

Scuotto et al. (2021) analyse a sample of 2,156,360 European MSEs to investigate the relationship between the digital skills of individuals and the digital expansion and innovation of MSEs. The report highlights the crucial importance of internal digital capabilities in facilitating quick adaptation to market changes and tackling intricate digital transformation obstacles. Specifically, the results emphasise that recruiting employees with digital expertise can give organisations a competitive edge. This study highlights the crucial significance of internal digital competency in

micro and small-sized enterprises (MSEs), emphasising its influence on the organization's capacity to adjust to market fluctuations and successfully traverse the intricacies of digital transformation. This study emphasised the need of developing internal digital skills in micro and small-sized enterprises (MSEs). It demonstrates that hiring personnel with advanced digital literacy can provide a competitive edge by enhancing the ability to adapt and effectively handle the challenges of digital transformation.

Greek micro and small-sized enterprises (MSEs) are in urgent need of embracing digital transformation, which is mostly dependent on creating and executing strong digital business models (Mamo, W. B. 2022). Nevertheless, there are still obstacles that remain: a lack of digital literacy among senior executives, limited sources of finance for digital initiatives, and insufficient backing from the government. Although the internet has accelerated the process of digitization, the majority of micro and small-sized enterprises (MSEs) currently view it primarily in terms of enhancing customer satisfaction and utilising various tools. Foreign suppliers are actively promoting digitalization, while local competitors are falling behind in their efforts to drive operational and cultural changes.

## 2.2 Underpinning Theory

### 2.2.1 Resource-Based View Theory

The Resource-Based View (RBV) theory is a strategic management concept that emphasizes a firm's internal resources and skills as the primary drivers of long-term competitive advantage (Were, 2022). Although RBV theory is not commonly linked directly to business resilience, it may be utilized to comprehend how a company's resource base and competencies enhance its ability to withstand and recover from

difficulties and interruptions. (Han and Park, 2019). The RBV hypothesis highlights the significance of organizations having distinct and valuable resources and capabilities to enhance their competitive advantage. Within corporate resilience, companies with unique and resilient assets are likelier to possess the necessary tools to endure and bounce back from disturbances (Wuryaningrat et al., 2019).

The RBV theory also emphasizes the notion of resource immobility, which posits that specific resources cannot be readily transferred or duplicated by rivals (Wuryaningrat et al., 2019). Companies with immobile resources may possess a competitive advantage in terms of resilience, as their distinctive assets are not readily substitutable. The citation is from Tani et al. (2018). The idea emphasizes the significance of synergistically integrating resources and capacities (Demestichas & Daskalakis 2020). Within business resilience, companies with resource combinations that enable them to respond to a wide range of problems and disruptions effectively are more inclined to exhibit resilience. (Purwanti & Hapsari, 2022). By integrating these ideas, a more thorough comprehension of how companies might establish and sustain resilience in ever-changing and unpredictable settings may be achieved.

### 2.2.2 Dynamic Capabilities Theory

Dynamic Capability Theory is a strategic management concept emphasizing a company's capacity to adjust, create, and transform itself in reaction to a volatile and unpredictable business environment (Olajide & Okunbanjo, 2020). It has substantial ramifications for the ability of a corporation to withstand and prosper amid shocks and challenges, highlighting the need for survival and growth. Business resilience, within the framework of Dynamic Capability Theory, refers to the capacity of a company to effectively react and recover from different external disruptions, adjust to evolving market circumstances, and ultimately sustain or enhance its performance over a while

(Arokodare & Asikhia, 2020). Dynamic Capability Theory pertains to the ability of a firm to identify and capitalize on opportunities, which in turn contributes to its resilience.

Dynamic Capability Theory posits that companies must cultivate the capacity to perceive alterations in their surroundings and capitalize on possibilities that emerge from disruptions (Tonder et al., 2020). Identifying and capitalizing on opportunities that arise from crises or disorders is crucial for company resilience since it increases the likelihood of recovery and prosperity (Arokodare & Asikhia, 2020). The reconfiguration of business resources is essential in the context of dynamic capacities. During periods of disorder, organizations need to possess the capability to redistribute and merge their resources, including both tangible and intangible assets, to adjust to emerging difficulties (Anderson et al., 2020). The reallocation of resources is a critical component of company resilience.

Furthermore, the thesis underscores the need for organizations to be strategically adaptable. Business resilience is strengthened when a company can promptly adapt its strategy and business model in reaction to unforeseen circumstances, such as economic recessions, interruptions in the supply chain, or technological advancements (Lopes et al., 2019). According to González and Campbell (2018), organizations that cultivate emotional competencies can achieve a competitive edge. They have a more substantial capacity to endure interruptions and embrace their flexibility to achieve superior performance compared to their less resilient competition (Haile & Tüzüner, 2022). To summarize, Dynamic Capability Theory provides a beneficial framework for comprehending how companies may enhance their business resilience by cultivating the ability to perceive, adjust, and exploit alterations and disruptions in their surroundings.

## 2.3 Hypotheses Statement

This study aims to examine the link between the independent and dependent variables by developing hypotheses.

**H1:** There is a significant relationship between financial strategies and business resilience among MSEs.

**H2:** There is a significant relationship between digital transformation and business resilience among MSEs.

**H3:** There is a significant relationship between dynamic capability and business resilience among MSEs.

**H4**: There is a significant contribution of financial strategies, digital transformation, and dynamic capability towards business resilience among MSEs.

## 2.4 Conceptual Framework

In this study, the researcher applied the Resource-Based View (RBV) and Dynamic Capabilities theories. According to the RBV theory, a corporation's competitive advantage is attributed to its internal resources and capabilities (Chen et al., 2021). Financial strategies involve the effective allocation and utilization of financial resources. According to the study by Lopes et al. (2021), establishing unique market positions is the primary focus of Digital Transformation. Within the RBV theory, a firm's ability to maintain resilience is contingent upon the distinctive amalgamation of tangible and intangible resources that are challenging to imitate (Stancu et al. (2020).

Figure 3 shows the independent variables that are financial strategies, digital transformation, and dynamic capabilities that influence the dependent variable that is business resilience among MSEs in Kelantan.

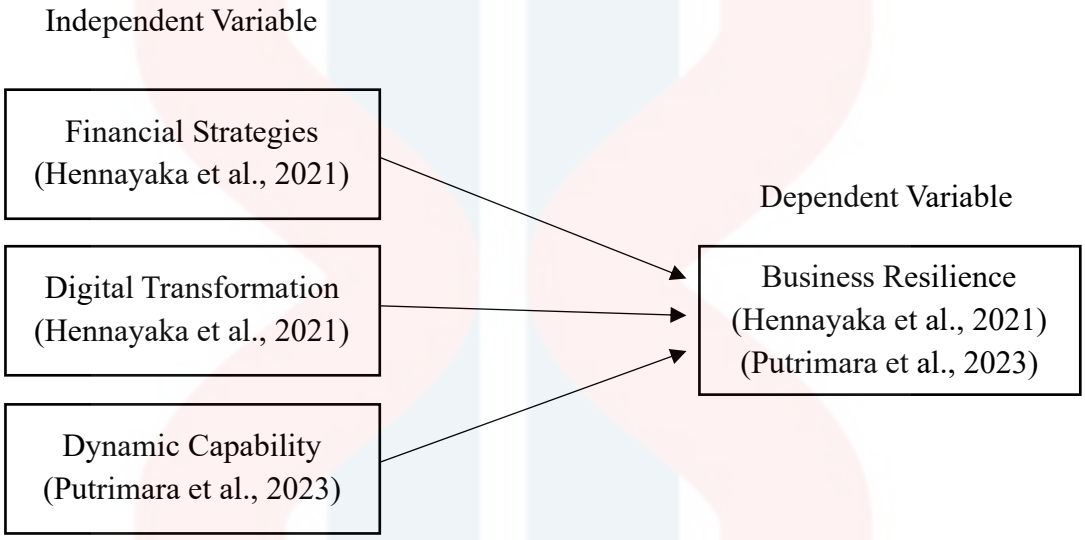


*Figure 2 : Conceptual Framework*

Besides that, dynamic capabilities theory emphasizes a firm's agility in adapting to change, learning, and innovating (Santiago, 2020). When applied to financial and digital transformation this concept highlights the significance of promptly adapting to changing market conditions and organizational requirements. According to the study by Arokodare and Asikhia (2020), the primary focus of the theory is centered around a firm's ability to perceive, capture opportunities, and adaptively reorganize its resources, hence contributing to maintaining resilience for long-term competitive advantage (Ogunleye et al., 2021).

## 2.5 SUMMARY / CONCLUSION

In summary, the subject matter explored in this chapter pertains to the literature review. A literature review entails a comprehensive examination and analysis of existing scholarly

works conducted by prior academics about a particular subject. Furthermore, a thorough literature evaluation ensures the alignment between the researcher's theoretical framework and the developed theory. By employing this methodology, the researcher can utilize the outcomes of the preceding investigation as a frame of reference in addressing the challenges that emerge during the execution of the study. The researcher is responsible for identifying and utilizing prior studies as a framework to inform investigations centred on entrepreneurial resilience within the domains of finance, digital transformation, and dynamic capability of the post-COVID-19 Pandemic. The second chapter of this study delved into the fundamental theory, thesis statements, and framework concepts.

# CHAPTER 3

# RESEARCH METHOD

## 3.1 Introduction

A research technique is a systematic approach, process, or methodology employed to collect information or data for analysis, intending to uncover novel insights or develop a more comprehensive understanding of a specific subject matter (Mujiyati et al., 2020). This section of the study elucidates the research methodology employed by the researcher. This study has outlined the research methodology used in the investigation. This chapter additionally address many complementary aspects of the research, including the sample size, sampling methodologies, and instruments employed to identify the respondents, guide decision-making, and determine the tools or instruments utilized. In addition, the researcher provides an overview of the methodology used for data collecting and the procedures employed for data analysis.

## 3.2 Research Design

This study uses descriptive research to investigate MSEs' business resilience post-COVID-19 in Malaysia (Sharma et al., 2022). The researcher would test the theory and analytical design to investigate the relationship between financial strategy, dynamic capability, and digital transformation. Thus, quantitative approach is used conducted online and physical through a Google Form. The study's results should be examined quantitatively to see the correlation between variables and other variables, and it is much more accessible because it allows the establishment of facts and making predictions (Shi et al., 2022). The researcher used a set of questionnaires to collect data since it is a relatively fast and practical approach to getting quick information from respondents who are MSEs in Malaysia. In addition, large-scale surveys using questionnaires help in statistics generation and data collection (Li & Ren, 2020).

### 3.3 Data Collection Methods

Data collection is one of the methods that focuses on obtaining and measuring information about the variables being studied. The researcher can address every aspect of the study questions, variables, hypotheses, and outcome evaluation by obtaining data (Benjamin, 2021). The selection of the sample may come after determining the data that has been collected (Lobe et al., 2020). This study makes use of primary data. The targeted respondents are MSEs at Kelantan who must fully complete the provided questionnaire to meet the research project requirements (Aithal & Aithal, 2020). Using a Google form and booklet, the questionnaire would be created with the research topic, study goals and objectives, and a declaration of confidentiality for the respondents' personal information (Ruliyanti et al., 2021).

### 3.4 Study Population

To achieve the objectives and goals of the study, the researcher specifically selected the micro and small enterprise (MSEs) population in Kelantan, Malaysia. A population refers to a collective of individuals from whom statistical data is gathered (Hamza et al., 2023). The population for this study consisted of (MSEs) owners who have registered and regulated their businesses through the SSM (Bernoster et al., 2018).

### 3.5 Sample Size

In research, the term "sample size" refers to the numerical quantity of individuals who have been surveyed or subjected to testing (Tetteh,2020). In this study, the researchers used the Gpower software to calculate the minimum sample size required. Since the research has four predictors, the researchers set the effect size 0.15 and the power needed as 0.95. Therefore, the minimum sample size required was 129. Therefore, the number of respondents who

successfully obtained and answered the questionnaire given by the researcher to the respondents through Google Forms or the questionnaire was 155.

### 3.6 Sampling Techniques

Research samples are usually generated through two main categories of sampling methods such as probability sampling and non-probability sampling. Probability sampling approaches, such as simple random sampling and stratified sampling, are widely regarded as more robust due to their ability to provide a representative sample that yields unbiased outcomes (Ahmad et al., 2019). Therefore, the use of non-probability sampling is preferred in this study due to its ability to establish a precise association between the population and the sample. Probability sampling is a sampling technique that ensures each member of a population has an equal opportunity to be picked for inclusion in the sample (Huang & Sathye, 2015).

This study employed purposive sampling as the chosen sample technique. Purposive sampling is a sampling technique classified within the realm of non-probability sampling methods. The process entails the intentional identification and inclusion of individuals or products in a research study, taking into consideration specific qualities or properties that are directly relevant to the objective of the investigation (Aclan & Osorno, 2022). The sampling approach is employed by researchers when their intention is to pick individuals who possess specific qualities or possess unique experiences that are of relevance to the study (Santos et al., 2022). Therefore, through the purposive sampling technique used in this study can directly provide extensive knowledge and skills in the COVID- 19 pandemic. This is because the business has been operating for more than 5 years and the business owner has gone through phases during the COVID-19 pandemic.

### 3.7 Research Instrument Development

Research instruments encompass a diverse array of tools at the disposal of researchers, facilitating the collection, analysis, and evaluation of data pertinent to their particular field of study (Zhang et al., 2022). The tool as mentioned above, offers a systematic structure for gathering data and can manifest in diverse formats, contingent upon the research goals and the characteristics of the obtained data (Rahid, 2022). This study aims to construct a questionnaire with a set of inquiries to gather primary data from individuals representing small and medium enterprises (MSEs). Questionnaires can be created using Google Forms and distributed via multiple digital platforms, including email, WhatsApp, and numerous social media outlets (Ruliyanti et al., 2021). In this study, the questionnaire adapts from Hennayaka et. al., 2021 and Putritamara et al., 2023.

*Table 3.1: Questionnaire Composition*

| Section | Item | Number of Items | Sources |
|---|---|---|---|
| A | Demographic Data | 9 | Hennayaka et al., 2021 & Putritamara et al., 2023 |
| B | Business resilience | 15 | Putritamara et al., 2023 |
| C | Financial Strategies | 11 | Hennayaka et al., 2021 |
| D | Digital Transformation | 10 | Putritamara et al., 2023 |
| E | Dynamic Capabilities | 17 | Putritamara et al., 2023 |

The questionnaire designed comprises five distinct sections. Section A provide a thorough overview of the demographic data about the participants. The objective of section B is to collect empirical data on the degree to which business resilience is employed to survive in the business environment. The objective of section C is to collect empirical data on the degree to which financial strategies are employed to manage the given circumstances. Subsequently, the implementation of section D would be implemented to gather data on how digital transformation are employed to address the resilience of micro and small companies (MSEs) within the business sector. Section E specifically developed to gather data on how dynamic capabilities enhance business resilience within micro and small-sized enterprises (MSEs). The questionnaire would be assessed using a seven-point Likert scale (Kusmaryono et al., 2022).

### 3.8 Pilot Test

A pilot test would be conducted before the actual distribution of the questionnaire to the respondents. The purpose of conducting a pilot test is to determine the validity of each variable to identify defects and errors in the questionnaire and to ensure that the material and questions are clear and easy to understand. Kweno & Ombaba (2020), also asserted that, in principle, pilot tests are conducted to avoid the occurrence of fatal defects in studies that consume time and money. According to Nkangu et al. (2020), certain studies propose that a sample size of more than 30 per group is advisable, but others advocate a minimum of 12 samples per group. Determining the appropriate sample size is crucial in comprehending the viability of participant recruiting and research design.

In order to conduct this study, a sample of 30 respondents was chosen from the target population and distributed to small and medium businesses (MSE) situated in the Perak region.

The distribution would be administered electronically using Google Forms and questions, including measuring instruments related to the topic determined for the study. This pilot test took five days for the waiting period of data collection, starting on 1 December 2023 until 5 November 2023. In any research approach, the primary consideration is validity and reliability, which are essential variables in ensuring the relevance of the questionnaire. The pilot test findings' reliability assessed later using Cronbach's alpha reliability test. Cronbach's alpha is a statistical metric that enables researchers to evaluate the internal consistency and reliability of many items, measurements, or evaluations using the Cronbach's alpha scale (Khan, 2022).

### 3.9 Procedure for Data Analysis

SPSS, which stands for Statistical Package for the Social Sciences version 26, is a powerful software tool commonly utilized by researchers for data analysis (Wu & Ho, 2023). According to Adilah and Navitas (2022), it offers a wide range of capabilities, including calculating statistical variables, correlation analysis, factor analysis, and hierarchical linear model studies. Additionally, SPSS is frequently used to analyze questionnaires for descriptive statistics and model estimates (Zulaiha & Triana, 2023). Its ability to handle data mining projects makes it an invaluable resource for researchers across various fields. Moreover, the software can process mathematical and statistical data and present descriptive statistics such as mean and standard deviation. As a result, the researchers employed several types of analysis in this study, including reliability analysis, normality, descriptive analysis, Spearman correlation, and Multiple linear regression.

#### 3.9.1 RELIABILITY ANALYSIS

In this study, researchers used reliability analysis to evaluate the measurement reliability between the dependent variable and the independent variable. Our purpose is

to use this analysis to determine the reliability of the variables found in this study. For example, the dependent variable is business resilience, while the independent variables are financial strategies, digital transformation, and dynamic capabilities are the independent variables. Additionally, reliability metrics would be applied to each item. Cronbach's Alpha, for example, is a reliability coefficient that examines how well items are related. Cronbach's alpha is considered good between 0.7 and 0.8 and excellent if it is between 0.8 and 0.9 (Mumtaz & Sabir, 2022). The Cronbach Alpha score is less than one. It indicates a strong relationship between the dependent and independent variables. If the results obtained are consistent, the study's results can be trusted.

*Table 3.2: Cronbach's Alpha*

| Cronbach's Alpha Coefficient Range | Strength of Association |
|---|---|
| <0.60 | Poor |
| 0.60 to <0.70 | Moderate |
| 0.70 to <0.80 | Good |
| 0.80 to <0.90 | Very Good |
| >0.90 | Excellent |

Sources: Tavakol and Dennick (2011)

### 3.9.2 Normality

Researchers use Kolmogorov Smirnov and Shapiro-Wilk to test normality in this research. Kolmogorov Smirnov and Shapiro-Wilk refer focused on the obtained p-values and sample size. According to Yang and Berdine (2021), the Kolmogorov-Smirnov test is employed for (N>50), the Shapiro-Wilk test is a more suitable procedure for smaller sample sizes (N<50), while it can also handle higher sample sizes. The two tests mentioned above asserts that the data come from a population that is normally distributed. The null hypothesis is accepted, and the data are referred to as normally

distributed when P > 0.05. Therefore, by analysing the Kolmogorov Smirnov and Shapiro-Wilk values, researchers can determine whether the data follows a normal distribution or not, which is crucial for ensuring the validity and accuracy of the inferential analysis.

### 3.9.3 Descriptive Analysis

In this study, researchers used descriptive analysis to analyse the data in percentage, frequency, mean, mode, median, and standard deviation. According to (Andres, 2022), descriptive analysis aims to summarize information and data sets in a rapid and straightforward summary of sample size and sample size. Use descriptive analysis to make it easy to look at data. Demographic parameters such as age, religion, education level, gender, data analysis, percentages, and frequencies are often utilized (Khairisham et al., 2023). Therefore, researchers employed this descriptive analysis to investigate the demographic data of the respondents, notably in questionnaire section A.

### 3.9.4 Inferential Analysis

In research, inferential analysis served the purpose of examining the hypotheses made by establishing the associations between independent factors, and the dependent variable (Seta & Phiri, 2019). The inferential methods used in this study included the use of Spearman Correlation and Multiple Linear Regression.

#### 3.9.4.1 Spearman Correlation

Researchers used Spearman's correlation analysis to find out how the dependent and independent factors were connected. Spearman's similarity can be found with the normalcy test (Wang et al., 2023). The researcher aims to use

this analysis to determine which hypothesis is acceptable and which is rejected. For example, the Spearman correlation is used to test four variables. Therefore, the dependent variable in this study is business resilience (DV). On the other hand, financial strategies, dynamic capabilities, and digital transformation are all independent variables (IV). Consequently, the researcher used Spearman's correlation analysis to investigate the many correlations and important relationships among the variables in this study.

*Table 3.3: Correlation Coefficient*

| Size of Correlation | Interpretation |
|---|---|
| 0.90 to 1.00 (-0.90 to -1.00) | Very high positive (negative) correlation |
| 0.70 to 0.90 (-0.70 to -0.90) | High positive (negative) correlation |
| 0.50 to 0.70 (-0.50 to -0.70) | Moderate positive (negative) correlation |
| 0.30 to 0.50 (-0.30 to -0.50) | Low positive (negative) correlation |
| 0.00 to 0.30 (-0.00 to -0.30) | Negligible correlation |

Sources: Newcastle University (2022)

### 3.9.4.2 Multiple Linear Regression

In this study, the researchers use multiple linear regression analysis to investigate the association between two or more independent factors and a single dependent variable. Multiple linear regression is a statistical approach used to predict variables by considering the influence of two or more independent variables (Pandit et al., 2021). This study aims to use multiple linear regression analysis because this study has more than one independent variable, which includes financial strategies, dynamic capabilities, and digital transformation, and one dependent variable, business resilience. Consequently,

the researcher uses multiple linear regression analysis to ascertain the magnitude of the association between the independent and dependent variables.

Before commencing data analysis, it is essential to conduct a test for the requirements of multiple regression analysis and the results show in appendix A. The results of the assumption test show the Scatterplots for variable financial strategies, digital transformation, dynamic capabilities, and business resilience, show that this assumption had been met because the relationship between business resilience, financial strategies (Appendix 1), digital transformation (Appendix 2), and dynamic capabilities (Appendix 3) is linear. Analysis of collinearity statistics shows this assumption has been met because the VIF of each independent variable score were well below 10, , digital transformation is 1.470 (Appendix 4), dynamic capabilities is 1.470 (Appendix 4), and financial strategies is 1.746 (Appendix 5). The tolerance scores of each independent variable are above 0.2, financial strategies are 0.496 (Appendix 5), digital transformation is 0.680 (Appendix 4) and dynamic capabilities is 0.680 (Appendix 4). There for, there is no multicollinearity in this data.

The Durbin-Watson statistic showed that this assumption had been met, as the obtained value was close to 2 (Durbin-Watson = 2.024) (Appendix 6). Our plot of standardized residuals vs standardized predicted values showed no obvious signs of funnelling, suggesting the assumption of homoscedasticity has been met (Appendix 7). The P-P plot for the model suggested that the assumption of normality of the residuals may have been met because this data points closer the dots touch the line at all (Appendix 8). Cook's Distance values

for this study were all under 1, suggesting individual cases were not unduly influencing the model (Appendix 9).

The researchers conduct outlier tests to ascertain whether the dataset's values could reasonably be a result of chance variation or if they are exceptionally extreme, suggesting other potential causes such as an unusual test sample, human error, or instrument malfunction. . for our dataset and the result of outlier show in appendix A. The researchers use box plot to test the outlier on business resilience (Appendix 10), financial strategies (Appendix 11), digital transformation (Appendix 12), and dynamic capabilities (Appendix 13). The researchers clear that dataset if the data show the outlier in box plot.

### 3.10 Summary / Conclusion

The research methodology used in the study has been detailed in this chapter. The quantitative method has been chosen because it allows the researcher to use a larger sample size to make more reliable generalizations. The data collection method used by the researcher is an online survey using Google Forms. For this study, the researcher used both primary and secondary data. On the other hand, the study population is MSEs entrepreneurs in Kelantan.The researcher used purposive sampling, which is non-probability sampling, where methods are available to improve the accuracy of relevant data collection.

# CHAPTER 4

# DATA ANALYSIS AND FINDINGS

## 4.1 Introduction

This chapter explained the results of the data analysed by the researcher to study the factors that affect the business resilience of micro and small enterprises (MSE) after the spread of the COVID-19 epidemic in Kelantan. Researchers used the SPSS application (Statistical Package for the Social Sciences), also known as IBM SPSS Statistics, a software package used for data analysis researchers collect. The number of respondents who successfully obtained and answered the questionnaire was 155.

## 4.2 Preliminary Analysis

### 4.2.1 Pilot Test

A pilot test was carried out before the actual distribution of questionnaires to respondents to determine the validity of each variable, identify defects and errors in the questionnaires, and check that the material and questions were explicit and easy to comprehend.

The SPSS analysis using Cronbach's alpha determined that all question constructs exhibited acceptable reliability because the alpha was larger than 0.7. Besides, no problems were associated with the questionnaire's validity, and the participants' feedback was positive. The results of the pilot test are given below.

*Table 4.1: Reliability Test for Pilot Test*

| Variables | Number of terms | Cronbach's Alpha | Strength |
|---|---|---|---|
| Business Resilience (DV) | 15 | 0.980 | Excellent |
| Financial strategies | 11 | 0.871 | Good |
| Digital Transformation | 12 | 0.987 | Excellent |
| Dynamic capabilities | 17 | 0.996 | Excellent |
| Overall | 55 | 0.958 | Excellent |

According to the findings of the SPSS analysis that was carried out with the help of Cronbach's alpha, it was established that all of the questionnaire's variables demonstrated acceptable levels of reliability (0.958) and could proceed with the study because the alpha was larger than 0.7. The table shows the values for Cronbach's alpha reliability coefficients for business resilience, financial strategies, digital transformation, and dynamic capabilities. Each reliability coefficient is closer to 1 than 0, revealing high internal business resilience, financial strategies, digital transformation, and dynamic capabilities. The Cronbach alpha results encourage and increase confidence in the business resilience, financial strategies, digital transformation, and dynamic capabilities survey instruments used in this study. This indicates that the questionnaires have been approved for this research, and the responder has shown a high understanding of the questions. Based on the results, these four survey instruments were considered reliable and internally consistent.

### 4.3 Demographic of Respondent Profile

The survey encompassed 155 respondents, affording nuanced insights into their diverse profiles across multiple facets. Regarding gender distribution, the study shows, with 49% identified as female and 51% as male. The racial composition predominantly comprised Malays (86.5%), succeeded by Chinese (7.1%), Indians (3.2%), and individuals from other ethnic backgrounds (3.2%). Educational attainments displayed variability, as 23.2% of respondents held STPM/Diploma qualifications, 32.9% pursued undergraduate studies, 23.2% completed SPM, and a marginal 1.3% attained Ph.D. status.

The heterogeneous business landscape reflected in the dataset indicated a preponderance of services (38.1%), with manufacturing (10.3%), construction (1.9%), quarrying 0.6% and food and beverages (49.0%) sectors also represented. Furthermore, businesses with fewer than 5 employees constituted 43.2%, and those with 5 to less than 29 employees accounted for 56.8% of the respondents. Geographically, businesses were dispersed across urban (40.6%), rural (32.9%), and town (26.5%) areas.

The temporal aspect of business operations exhibited diversity, with the majority (60.6%) operating within the 5 to 10 years range, followed by 32.3% in the 11 to 15 years range, and 7.1% with more than 16 years of operation. Annual sales figures manifested variance among categories, with 39.4% reporting less than RM 300,000, 56.1% falling within the RM 300,000 – RM 700,000 range, and 4.5% within the RM 700,000 – RM 15,000,000 range. This comprehensive profile furnishes a nuanced comprehension of the multifaceted characteristics inherent in the surveyed participants.

*Table 4.2: Respondent 's Demographic Profile*

| **Respondent Profile** | **Classification** | **Frequency**<br>**N = 155** | **Percentage (%)** |
|---|---|---|---|
| Gender | Female | 76 | 49.0 |
| | Male | 79 | 51.0 |
| Race | Malay | 134 | 86.5 |
| | Chinese | 11 | 7.1 |
| | India | 5 | 3.2 |
| | Others | 5 | 3.2 |
| Education Level | SPM | 36 | 23.2 |
| | STPM/Diploma | 66 | 42.6 |
| | Undergraduate | 51 | 32.9 |
| | PhD | 2 | 1.3 |
| Business Type | Service | 59 | 38.1 |
| | Manufacturing | 16 | 10.3 |
| | Construction | 3 | 1.9 |
| | Quarrying | 1 | 0.6 |
| | Food and Beverages | 76 | 49.0 |
| Employee | Less than 5 | 67 | 43.2 |
| | 5 to less than 29 | 88 | 56.8 |
| Business Location | Urban | 63 | 40.6 |
| | Rural Area | 51 | 32.9 |
| | Town | 41 | 26.5 |
| Business Experience | Less than 5 years | 4 | 2.6 |

| | | | |
|---|---|---|---|
| | 5 years - 10 years | 88 | 56.8 |
| | 11 years – 15 years | 51 | 32.9 |
| | More than 16 years | 12 | 7.7 |
| Business Operation | 5 years - 10 years | 90 | 60.6 |
| | 11 years – 15 years | 50 | 32.3 |
| | More than 16 years | 11 | 7.1 |
| Annual Sales | Less than RM 300 000 | 61 | 39.4 |
| | RM 3000 000 – RM 7000 000 | 87 | 56.1 |
| | RM 7000 000 – RM 15000 000 | 7 | 4.5 |

### 4.4 Descriptive Analysis

As a result, the researcher analyzed each variable to determine the average value and standard deviation to see and explain each relationship between the variables. According to Nestorov (2019), descriptive analysis transforms unprocessed data into a format that is easier to identify and visualize. In other words, descriptive analysis reasonably minimizes the complexity of large data sets (Saket et al., 2019). However, frequency distribution analyses provide a summary of the respondents' demographics. After data analysis, the collected data be neatly arranged in straightforward graphic analyses, such as charts, tables, and graphs. The descriptive analysis givesrespondents' attributes and comprehensive data.

#### 4.4.1 Mean Score for Each Variable

The results for descriptive statistics are shown in the table, where dependent variables refer to the Business Resilience. On the other hand, the independent variable consists of three factors: IV 1 refers to Financial Strategies, IV 2 refers to Digital Transformation, and IV 3 refers to Dynamic Capabilities. According to the analysis results, the mean score for the DV is

(M= 5.68, SD=0.465). In terms of the independent variable, the mean score of Financial Strategies is (M=4.91, SD= 0.859), followed by Digital Transformation (M= 5.50, SD= 0.613), and Dynamic Capabilities (M= 5.67, SD= 0.457). As a result of the findings, the variable for Business Resilience has the highest mean with an average of (M=5.68), while Financial Strategies has the lowest mean with an average of (M=4.91).

The variables' mean score and standard deviation are shown in the table below. These variables are measured using descriptive statistics on a 7-point Likert scale (1=strongly disagree to 7=strongly agree).

*Table 4.3: Mean Score for Each variable (n=155)*

| Item | Variables | Mean | Std. Deviation | N |
|---|---|---|---|---|
| DV | Business Resilience | 5.68 | 0.465 | 155 |
| IV 1 | Financial Strategies | 4.91 | 0.859 | 155 |
| IV 2 | Digital Transformation | 5.50 | 0.613 | 155 |
| IV 3 | Dynamic Capabilities | 5.67 | 0.457 | 155 |

### 4.4.2 Descriptive Analysis for Dependent Variables

The table shows the mean values for business resilience. From the study results, the researcher found the highest mean is 5.87 and std. deviation is 0.797 which is respondents understand that the pandemic has impact on the business. Meanwhile, the lowest mean is 5.41, and std. deviation is 0.952, indicating that respondents continue maintaining the supply network during the pandemic. In conclusion, the study's results showed that the respondent agreed with the stated questions.

*Table 4.4: Mean Score for Business Resilience (n= 155)*

| No. | Business Resilience | Mean | Std. Deviation |
|---|---|---|---|
| 1 | I can take quick actions to deal with business changes. | 5.53 | 0.870 |
| 2 | I am prepared to manage business challenges that can foresee. | 5.61 | 0.817 |
| 3 | I can develop new business alternatives to take advantage of the pandemic situation. | 5.77 | 0.857 |
| 4 | I can meet customer needs without disruption. | 5.54 | 0.892 |
| 5 | I continued to maintain the supply network during the pandemic. | 5.41 | 0.945 |
| 6 | I prepared myself when the news of the pandemic broke. | 5.77 | 0.804 |
| 7 | I understand that the pandemic has an impact on the business. | 5.87 | 0.787 |
| 8 | I plan strategies for dealing with future business disruptions. | 5.76 | 0.806 |
| 9 | I recognized the business threats posed by the COVID-19 pandemic. | 5.75 | 0.801 |
| 10 | I can react quickly to the negative effects of selling a business after a pandemic. | 5.71 | 0.814 |
| 11 | I have sufficient internal resources (financial, human resources, production) to deal with unexpected business changes, such as a pandemic. | 5.67 | 0.884 |
| 12 | I prepare myself as a business manager to deal with a future crisis. | 5.74 | 0.805 |

| | | | |
|---|---|---|---|
| 13 | I have good communication with customers in business. | 5.83 | 0.807 |
| 14 | I managed to deal with the crisis caused by the pandemic. | 5.64 | 0.807 |
| 15 | I responded quickly to the threats that arose after COVID-19. | 5.63 | 0.831 |

### 4.4.3 Descriptive Analysis for Independent Variable

The tables show the mean values for independent variables: financial strategies. From the study results, the researcher found the highest mean of 5.88 and std. deviation is 1.065, the respondent cut non-essential business expenses during post-COVID-19. Meanwhile, the lowest mean is 3.24, and the std. deviation is 2.135, indicating the respondents hired an external financial services consultant or auditor to improve financial performance post-COVID-19. In conclusion, the study showed that the respondents agreed with the questions.

*Table 4.5: Mean Score of Financial Strategies (n=155)*

| No. | Financial Strategies | Mean | Std. Deviation |
|---|---|---|---|
| 1 | I use the emergency fund to cover the lack of income during COVID-19. | 4.9 | 1.701 |
| 2 | I explore opportunities to diversify products to stabilise revenue streams. | 5.39 | 1.153 |
| 3 | I took the government's financial initiative such as PRIHATIN during COVID-19. | 4.04 | 2.085 |
| 4 | I made a financial loan to a commercial bank to survive post-COVID-19 | 3.94 | 1.935 |

| | | | |
|---|---|---|---|
| 5 | I have a specific risk management plan in business finance post-COVID-19 | 5.45 | 1.100 |
| 6 | I made a loan to a family member to survive post-COVID-19 | 4.94 | 1.884 |
| 7 | I restructured the business debt to reduce the financial stress of the business during post-COVID-19. | 5.12 | 1.099 |
| 8 | I implemented a financial management system to improve financial performance post-COVID-19. | 5.45 | 0.898 |
| 9 | I will make sure cash flow doesn't stop to get working capital reserves without resorting to hasty loans | 5.85 | 0.850 |
| 10 | I hired an external financial services consultant or audit to improve financial performance post-COVID-19 | 3.24 | 2.135 |
| 11 | I cut non-essential business expenses during post-COVID-19. | 5.88 | 1.065 |

The tables show the mean values for the independent variable, Digital Transformation. From the study results, the researcher found the highest mean of 6.17 and std. the deviation is 0.851, the respondent integrates digital technology (WhatsApp et al., and data storage platforms (Google Drive) in running a business. Meanwhile, the lowest mean is 4.65, and the std. deviation is 1.415, indicating the respondents use online platforms, such as Google Drive, to store data related to the business. In conclusion, the study showed that the respondents agreed with the questions.

*Table 4.6 : Mean Score of Digital Transformation (n=155)*

| No. | Digital Transformation | Mean | Std. Deviation |
|---|---|---|---|
| 1 | I use online platforms to store data related to the business, such as Google Drive. | 4.65 | 1.415 |
| 2 | I use emails to support the business. | 4.91 | 1.520 |
| 3 | I use software such as Microsoft Word and Excel to run a business. | 5.04 | 1.432 |
| 4 | I use social media (such as Instagram, Facebook, TikTok, Twitter, and YouTube) to support my business. | 6.17 | 0.851 |
| 5 | I use the website to support the business. | 5.74 | 1.638 |
| 6 | I can integrate digital technology (WhatsApp, Instagram, Facebook, YouTube, data storage platforms (Google Drive) in running a business. | 6.13 | 0.862 |
| 7 | The role of digital technology, such as social media, storage platforms, and analytical tools, can change my business model. | 5.64 | 0.810 |
| 8 | I feel that social media helps me connect directly with suppliers. | 5.67 | 0.750 |
| 9 | I feel that digital technology can maintain business market shares in the future | 5.59 | 0.726 |
| 10 | I feel that digital technology helps strengthen the business' internal capabilities. | 5.77 | 0.786 |

The tables show the mean values for the independent variable, Dynamic Capabilities. From the study results, the researcher found the highest mean of 6.00 and std. the deviation is 0.926, the respondent has regular customers. Meanwhile, the lowest mean is 5.07, and the std. deviation is 1.410, indicating the respondents can control product prices. In conclusion, the study showed that the respondents agreed with the questions.

*Table 4.7: Mean Score of Dynamic Capabilities (n=155)*

| No. | Dynamic Capabilities | Mean | Std. Deviation |
|---|---|---|---|
| 1 | I can identify new, more profitable technologies. | 5.28 | 0.881 |
| 2 | I have regular customers. | 6.00 | 0.926 |
| 3 | I can understand market conditions. | 5.92 | 0.781 |
| 4 | I always try to identify obstacles that make business processes inefficient. | 5.71 | 0.773 |
| 5 | I can identify new opportunities in the business that competitors have not discovered. | 5.74 | 0.803 |
| 6 | I constantly look for ideas to improve the product quality. | 5.80 | 0.886 |
| 7 | I must be proactive to business changes during the pandemic to anticipate challenges that threaten sustainability. | 5.75 | 0.786 |
| 8 | I continue to improve business strategies to take advantage of the current situation. | 5.75 | 0.784 |
| 9 | I maintained the best business model during the pandemic. | 5.68 | 0.946 |
| 10 | I implement changes in the business plan to be flexible. | 5.59 | 0.851 |

| | | | |
|---|---|---|---|
| 11 | I can adapt the business processes to respond to changing business priorities. | 5.63 | 0.756 |
| 12 | I can maintain consistency amid the changes in the business caused by the pandemic. | 5.74 | 0.798 |
| 13 | I can grow employees' sense of responsibility to succeed in changing business plans for the better. | 5.74 | 0.986 |
| 14 | I can plan future investments in the business. | 5.64 | 0.765 |
| 15 | I try to create effective communication in the business. | 5.81 | 0.765 |
| 16 | I can create new products that are different from competitors. | 5.57 | 0.940 |
| 17 | I can control product prices. | 5.07 | 1.410 |

**4.5 Validity and Reliability Analysis**

The most popular measure of internal consistency and reliability is Cronbach's alpha. It is regarded as a measure of a scale's reliability when the range between 0 and 1 allows for an efficient correlation. If the alpha value is less than 0.6, it is deemed unreliable; however, values more than indicate that the results (questionnaires) are acceptable. It will be utilized to determine whether the independent and dependent variables areacceptable for this study. In addition, the analysis permits the investigation to establish whether these sets of items have a high degree of stability in measuring variables.

The table shows Cronbach Alpha's results for Business Resilience, Financial Strategies, Digital Transformation, and Dynamic Capabilities. Each construct is based on the reliability of its measurements, as denoted by Cronbach's Alpha coefficient. Business Resilience demonstrates a commendable level of internal consistency, evidenced by a Cronbach's Alpha

coefficient of 0.838 with a classification of "Very Good." Similarly, Financial Strategies and Digital Transformation both manifest levels of internal consistency deemed as "Good," supported by Cronbach's Alpha coefficients of 0.786 and 0.771. Dynamic Capabilities, characterized by a Cronbach's Alpha coefficient of 0.827 and encompassing 17 items, achieve a notably high level of internal consistency, reinforcing the reliability of measurements in capturing dynamic capabilities. In summation, the table provides a nuanced and rigorous evaluation of measurement reliability for each construct, contributing to a comprehensive understanding of the robustness and trustworthiness of the key variables under examination in the research inquiry.

*Table 4.8: Cronbach's Alpha Result*

| **Variable** | **Cronbach's Alpha** | **Numbers of items** | **Results** |
|---|---|---|---|
| Business Resilience | 0.838 | 15 | Very Good |
| Financial Strategies | 0.786 | 11 | Good |
| Digital Transformation | 0.771 | 10 | Good |
| Dynamic Capabilities | 0.827 | 17 | Very Good |

**4.6 Normality Test**

The table shows the normality tests conducted in the study using SPSS, specifically using the Kolmogorov-Smirnov and Shapiro-Wilk tests. To consider the data to be normally distributed, the P-value should be greater than 0.05 (P>0.05). However, a P-value less than 0.05 (P<0.05) indicates a non-normal distribution. The results show that the P-values for all variables of business resilience, financial strategy, digital transformation, and dynamic capabilities are less than 0.05 in the normality test, indicating that the data is not normally distributed.

*Table 4.9: Normality Test*

| Variable | Kolmogorov Smirnov | | | Shapiro-Wilk | | |
|---|---|---|---|---|---|---|
| | Statistic | N | Sig. | Statistic | N | Sig |
| Business resilience | 0.102 | 155 | 0.000 | 0.981 | 155 | 0.029 |
| Financial strategies | 0.093 | 155 | 0.002 | 0.982 | 155 | 0.040 |
| Digital transformation | 0.104 | 155 | 0.000 | 0.963 | 155 | 0.000 |
| Dynamic capabilities | 0.081 | 155 | 0.014 | 0.980 | 155 | 0.022 |

a. Lilliefors Significance Correction

### 4.7 Hypothesis Testing

This section examined the link between independent variables and dependent variables using Spearman Correlation analysis. An overall view of the strength and direction of the linear relationship between the independent and dependent variables may be obtained using correlation analysis (Wang et al., 2023). The strength of the link between the dependent variable and several predictor variables, as well as the significance of each predictor to the relationship, are also analyzed in this part using multiple linear regression, frequently with the effects of other predictors statistically excluded (Uyanık et al., 2022).

#### 4.7.1 Hypothesis 1

**H1:** There is a significant relationship between financial strategies and business resilience among MSEs.

*Table 4.10: Spearman Correlation results between business and financial strategies.*

| Correlations | | |
|---|---|---|
| | | **Business resilience** |
| **Financial strategies** | Correlation coefficient | 0.446** |
| | Sig. (2-Tailed) | 0.000 |

**. Correlation is significant at the 0.01 level (2-tailed)

Based on the table above, there was a significant, low positive correlation between financial and business resilience. The relationship between the variables is low positive which is stated as (***P***<0.05, r=0.446). Therefore, there was a statistically significant relationship between financial strategies and business resilience. It is a positive correlation. This means that this study accepts the hypothesis.

### 4.7.2 Hypothesis 2

**H2: There is a significant relationship between digital transformation and business resilience among MSEs.**

*Table 4.11: Spearman Correlation result between business resilience and digital transformation*

| **Correlations** | | |
|---|---|---|
| | | **Business resilience** |
| **Digital transformation** | Correlation coefficient | 0.494** |
| | Sig. (2-Tailed) | 0.000 |

**. Correlation is significant at the 0.01 level (2-tailed)

Based on the table above, there was a significant, low positive correlation between financial strategies and business resilience. The relationship between the variables is low positive which is stated as (***P***<0.05, r=0.494). Therefore, there was a statistically significant relationship between digital transformation and business resilience. It is a positive correlation. This means that this study accepts the hypothesis.

### 4.7.3 Hypothesis 3

**H3:** There is a significant relationship between dynamic capability and business resilience among MSEs.

*Table 4.12: Spearman Correlation results between business resilience and dynamic capabilities*

| Correlations | | |
|---|---|---|
| | | **Business resilience** |
| **Dynamic capability** | Correlation coefficient | 0.550** |
| | Sig. (2-Tailed) | 0.000 |

**. Correlation is significant at the 0.01 level (2-tailed)

Based on the table above, there was a significant, moderate positive correlation between dynamic capability and business resilience. The relationship between the variables is moderate positive which is stated as (***P***<0.05, r=0.550). Therefore, there was a statistically significant relationship between dynamic capabilities and business resilience. It is a positive correlation. This means that this study accepts the hypothesis.

### 4.7.4 Hypothesis 4

**H4**: There is a significant contribution of financial strategies, digital transformation, and dynamic capability towards business resilience among MSEs.

*Table 4.13: Multiple Linear Regression*

| Model | Variable | Multiple Liner Regression | | | | |
|---|---|---|---|---|---|---|
| | | R Square | R Square Change | b | T-stat (95%, CI) | ***P***-value |
| 1 | Dynamic capability | 0.390 | 0.343 | 0.392 | 4.887(0.233,0.551) | 0.000 |
| 2 | Digital transformation | 0.343 | 0.047 | 0.225 | 3.282(0.089,0360) | 0.001 |

Dependent Variable: Business Resilience

The table 4.11 show, the finding showed R Square for model 1 is 0.390 which indicates 39% of the variation in the business resilience can be explained by Dynamic capability. For model 2 in the table 4.13 show the R Square is 0.343 which indicates 34.3% of the variation in the business resilience can be explained by digital transformation. the most contribution variable is dynamic capability which contributes 34.3% to business resilience. It is followed by the digital transformation which contributes 4.7% to business resilience.

The results of multiple linear regression show the variable digital transformation, there is a significant relationship between dynamic capability and business resilience (***P***<0.05). B=0.392; In every unit increase of dynamic capability, business resilience will increase by 39.2%%, 0.392(b). For variable digital transformation, there is a significant relationship between digital transformation and business resilience (P<0.05). B=0.225; In every unit increase of digital transformation, business resilience will increase by 22.5%, 0.225(b). The final equation is based on $y=bo + bix_1 + b_1x2$ is y=2.237+0.392 (dynamic capability) +0.225 (digital transformation).

Hence, there is a no significant contribution of financial strategies, digital transformation, and dynamic capability towards business resilience among MSEs because only two variables have the contribution is digital transformation, and dynamic capability. The financial strategies not contribution on business resilience among MSEs.

**4.8 Summary/Conclusion**

In this chapter, the researcher detailed the entire research analysis, which includes preliminary analysis of the demographic profile of the respondents, descriptive analysis, reliability test, correlation analysis normality test and multiple liner regression. This study obtained a total of 155 respondents from the total population consisting of MSE in Kelantan.

The primary applications and methodologies employed for collecting respondent data include the distribution of questionnaires through Google Forms and the use of paper booklets. After data collection, we analysed the data using the Statistical Package for Social Sciences (SPSS) version 26 and found that the variables were accepted based on the results of reliability analysis, Correlation analysis was conducted using Spearman Correlation to analyse the relationship between the independent variable and the dependent variable and this study also used multiple linear regression to determine that the dependent variable has a contributions significant effect on the independent variable.

*Table 4.14*: Summary of hypotheses testing results.

| **Research Objective** | **Hypotheses** | **Results** | **Spearman's Rho Correlation** | **Status** | **Decision** |
|---|---|---|---|---|---|
| **R1:** To determine the relationship between financial strategies and business resilience among MSEs. | **H1:** There is a significant relationship between financial strategies and business resilience among MSEs. | P=0.000 (P<0.05) | r=0.446 | Accepted | Low positive |
| **R2:** To determine the relationship between | **H2:** There is a significant relationship between | P=0.000 (P<0.05) | r=0.494 | Accepted | Low positive |

| | | | | | |
|---|---|---|---|---|---|
| digital transformation and business resilience among MSEs. | digital transformation and business resilience among MSEs. | | | | |
| **R3:** To determine the relationship between dynamic capability and business resilience among MSEs. | **H3:** There is a significant relationship between dynamic capabilities and business resilience among MSEs. | P=0.000 (P<0.05) | r=0.550 | Accepted | Moderate positive |

# CHAPTER 5

# DISCUSSION AND CONCLUSION

## 5.1 Introduction

In this chapter, discusses the results of the research conducted in Chapter 4. The obtained data has been analyzed to discover the elements influencing the business resilience of micro and small enterprises (MSE) in Kelantan after the COVID-19 pandemic. This chapter focuses on analyzing the results obtained from the data findings, providing recommendations for the study objectives, and drawing conclusions from the research. Most of the discussion will pertain to the research aims.

## 5.2 Key Findings

This study was conducted through an online application, involving a total of 155 respondents from Micro and Small Enterprises (MSEs) in Kelantan. All the objectives of the study were successfully accomplished. The questionnaire was analyzed via SPSS to acquire more precise and thorough outcomes. In chapter four, which focuses on the reliability test, we discovered that the coefficient of the reliability test falls within the range of 0-1. This range encompasses all measurement tests conducted on the variable. Hence, the outcomes of the questionnaire employed in this investigation consistently demonstrate high levels of quality, with Cronbach's Alpha Coefficient ranging from around 0.70 to less than 0.80 and from 0.80 to less than 0.90.

For demographic purposes, respondents are categorized based on gender, race, education level, business type, employment status, business location, business experience, business operation, and yearly sales. The study revealed that the predominant gender involved was male. The respondents in the location or industry analyzed show a higher proportion of

men, suggesting gender disparities in entrepreneurship. According to this observation, it can be demonstrated that male respondents exert greater impact on business ownership in the region. The primary race was Malay, the high representation of Malays in business ownership among the study population mirrors the demographic makeup of the region and its impact on entrepreneurship within this specific group. Malays had the ability to have significant influence in business ownership in the region due to socio-cultural factors. The most common business type was Food and Beverages, the investigated area has a high frequency of Food and Beverage firms, indicating a substantial potential for interest and career prospects in this industry. Hence, in this locality, these features contribute to the widespread appeal of this specific category of enterprise. The prevalent business location was Urban, greater business concentration in urban regions suggest improved access to resources, markets, and infrastructure that are favorable for entrepreneurial endeavors. Urban environments frequently offer superior networking chances to a wide client base and infrastructure that aids business operations.

Next, the typical business experience and operation spanned from 5 to 10 years, according to this study, there is a certain degree of consistency and sustainability during this timeframe. Hence, this timeframe signifies a pivotal phase during which their enterprise can surmount initial obstacles and formulate a plan for expansion. The annual sales ranged from RM 3000 000 to RM 7000 000 in this study there is a high percentage, the reported sales range provides a measure of the scope of the firms within this surveyed group, serving as a potential demonstration for these enterprises. This range exerts a significant influence on the businesses and can indirectly bolster the local economy. The percentage with STPM/diploma level of education is higher as 42.6%. A significant proportion of participants with a STPM/diploma education level expressed that formal education at this level can serve as a prerequisite or a prevalent benefit for entrepreneurship in this setting. This educational level equips individuals with the requisite information and abilities to initiate and sustain business operations. Among

the 155 responders, 88 respondents of them have between 5 and 29 employees, while 67 respondents of them have less than 5 employees. The inclusion of Micro and Small Enterprises (MSE) among the participants emphasizes the range of business sizes in the population analyzed. Micro-enterprises often face different obstacles and make significant contributions to the economy, including adaptability, specialization in specific sectors, and active involvement with local communities.

Furthermore, the researcher found that independent variables such as financial strategies, digital transformation, and dynamic capabilities had a strong correlation with the effectiveness of business resilience among MSEs, as indicated by the research hypothesis. The survey findings indicate that dynamic capability has the greatest mean value of 5.67, followed by digital transformation with a value of 5.50, and the lowest mean value is observed for financial strategy at 4.91. The investigated independent factors (financial strategy, digital transformation, and dynamic capabilities) demonstrate substantial associations with business resilience among micro and small enterprises (MSEs). This association demonstrates that these characteristics significantly influence MSE's capacity to adjust to changes and sustain operations during difficult periods. Comprehending this hierarchy of elements enables Micro and Small Enterprises (MSEs) to efficiently allocate their labour and resources. These findings indicate that although a financial strategy is necessary, placing more emphasis on dynamic capabilities and digital transformation might enhance resilience to the requirement for adaptability and technological readiness in the current business environment.

The hypothesis demonstrated a direct relationship between digital transformation, dynamic capabilities, and business resilience among micro and small enterprises (MSEs). The correlation coefficients of 0.494 and 0.550 indicate a moderate positive link between these two characteristics and business resilience in micro and small businesses (MSE). The results indicated that digital transformation and dynamic capabilities have the greatest influence on

enhancing business resilience in micro and midsize businesses (MSEs). The correlation analysis indicated that there is a positive relationship between the development in digital transformation and dynamic capabilities, and the increase in MSE business resilience. This suggests that these factors had a significant impact on the ability of businesses to resist adversities in the business sector, both during and after the pandemic.

Finally, the results of the study prove that most respondents consisting of micro-entrepreneurs and small enterprises have agreed and chose digital transformation and dynamic capabilities have led to an increase in business resilience. In addition, these findings also suggest that firms should prioritize investments and plans that include both financial management and the improvement of adaptive and technological skills. Businesses can increase their resilience in a dynamic business landscape by integrating financial strategy with digital transformation and dynamic capabilities. This approach allows them to effectively deal with uncertainty and capitalize on opportunities.

### 5.3 Discussion

This study examines four suggested hypotheses. The objective of the present study is to assess the correlation between financial strategies, digital transformation, and dynamic capabilities in micro and small enterprises (MSE) using the resource-based view (RBV) theory and dynamic capability theory.

#### 5.3.1 Financial Strategies and Business Resilience.

Based on the findings of the study, this study shows that there is a significant relationship between financial strategies and business resilience among micro and small enterprises (MSE). The results of this study corroborate the findings of previous researchers Wang et al. (2021), who demonstrated a positive correlation between financial strategies and

business resilience. This is because the foundation of a company's success hinges on its capacity to sustain a competitive edge, and business strategy functions as a strategic blueprint that seeks to attain this advantage by influencing the company's financial choices. The study's findings provide new insights into financial strategies that enable micro and small business (MSE) traders to acquire knowledge and expertise.

Given exposure to them to various ideas of effective financial strategies, MSE traders are prepared to identify and seize business chances in any circumstance. Creating and following a practical budget promotes effective distribution of resources and mitigates superfluous expenditures (Anessi-Pessina et al., 2020). A realistic budget serves as a strategic instrument that enables Micro and Small Enterprises (MSEs) to make prudent decisions on resource allocation and ensures that expenses are in line with their priorities. By fostering financial discipline, MSE traders could reduce unnecessary expenditure, enhance operational effectiveness, and bolster the overall resilience of their firm.

Furthermore, this study demonstrates that financial strategies have an impact on the business resilience of micro and small enterprise (MSE) entrepreneurs by optimizing their capital structure. By providing them with opportunities to participate in courses or programs focused on debt level management and meticulous interest rate analysis (Birkland, T. A. 2019). This can help mitigate excessive strain on the firm during difficult periods. In addition, the allocation of cash towards research and development, as well as the utilization of technology and innovation, aids firms in effectively adjusting to changing market requirements (Bharadiya, J. P. (2023). This enables organizations to anticipate and adjust to evolving market demands. Therefore, strategic investment enhances competitiveness, fortitude, and enduring sustainability.

### 5.3.2 Digital Transformation and Business Resilience.

in terms is a significant relationship between digital transformation and business resilience because digital transformation can give lot benefit to the business especially MSE in term of increased efficiency. Digital transformation encompasses the integration of digital technology to enhance current business models, restructure organizational frameworks, redefine resource distribution, and reassess interactions with stakeholders. The study's findings align with previous research (Frank et al., 2019), indicating that possessing technological expertise constitutes a manifestation of digital transformation. Furthermore, not all Micro and Small Enterprises (MSEs) possess the necessary resources or competence to conduct a thorough digital transformation. Although MSEs have limitations in resources, there is data that clearly demonstrates the significant correlation between digital transformation and the improved ability of businesses to withstand and recover from challenges.

Digital transformation enables firms to enhance their agility and effectively respond to market fluctuations or external circumstances (Janssens, J. 2019). This adaptability enables them to swiftly modify their approach, offering, or solution in reaction to unforeseen obstacles. Apart from that, Rapid adaptability is also a crucial advantage that guarantees the organization's responsiveness and competitiveness in dynamic market conditions. This ability to adapt is derived from efficient procedures, automated workflows, and data-informed decision-making facilitated by digital transformation (Chirumalla, K. 2021). This enables micro and small enterprises (MSE) to strengthen their businesses to confront unpredictability and competition in a constantly evolving external environment.

Furthermore, the research discovered that digital transformation enhances productivity and optimizes the company resources of micro and small enterprise (MSE) entrepreneurs. The reason for this is that the incorporation of technology frequently results in heightened operational efficiency and the optimization of resources (Baloch, N., & Rashid, A. 2022).

Enhancing efficiency not only bolsters the financial standing of MSEs but also enhances their ability to withstand challenges by assuring optimal utilization of resources. Consequently, can enhance the resilience of firms by decreasing expenses and enhancing overall efficiency.

### 5.3.3 Dynamic Capabilities and Business Resilience.

Based on the findings of the study, this study argues that there is a strong significant relationship between dynamic capabilities and business resilience among micro and small enterprises (MSE). The three primary components of dynamic capabilities are the aptitude to recognize and exert control over opportunities and threats, the capability to capitalize on opportunities, and the ability to enhance and reorganize corporate resources to sustain competitiveness. Sensing competence pertains to a company's ongoing capacity to scrutinize, identify, and explore opportunities in diverse technologies and markets. The results of this study align with prior research (Chen & Ahmad, 2020), indicating that possessing a flexible ability to adjust to user requirements and opportunities is achieved through a demanding learning process. The study emphasizes the importance of dynamic capabilities, which can strengthen resilience in an evolving market.

The first results of the survey emphasize that most respondents have acknowledged the existence of regular consumers among MSE traders. This implies a consistent and loyal clientele, showing the formation of enduring ties. Customer loyalty plays a crucial role in the durability of Micro and Small Enterprises (MSEs) as it ensures a steady stream of income and is the foundation for long-term business expansion. Moreover, a consistent clientele enhances the robustness of MSE traders by shielding them from market fluctuations. Regular customers generating new business through favorable word-of-mouth promotion, so reinforcing the sustainable expansion and financial stability of MSE traders (Coelho, A., et al. 2019).

Furthermore, the implementation of dynamic capabilities enables organizations to cultivate a culture that consistently promotes innovation. This entails the expeditious advancement and execution of novel products, services, or processes in reaction to emergent issues (Bacq, S., et al. 2020). To remain competitive with other dealers, it is necessary to foster a culture that promotes innovative thinking, streamlined decision-making processes, and the capability to swiftly adopt novel ideas. Moreover, micro and small enterprise (MSE) traders who embrace and integrate new technologies into their business operations play a crucial role in developing dynamic capacities, enabling them to effectively adapt to the digital era (Rodríguez-González et al., 2023). Hence, it is necessary to incorporate sophisticated techniques in order to enhance operational efficiency, competitiveness, and resilience.

### 5.3.4 Digital Transformation and Dynamic Capability Towards Business Resilience.

Based on the results, dynamic capabilities have the most significant contribution to business resilience. This is evident under multiple regression analysis, where to compare the contribution of each independent variable, the use of r squared change is essential. According to the data, the largest r squared change value is dynamic capabilities, followed by digital transformation. This emphasizes the importance of organizational adaptive capacity, innovative prowess and learning abilities in navigating challenges effectively (Chen, Y., et al. 2023). Additionally, it suggests also fostering dynamic capabilities is important for businesses that aim to increase resilience in the face of uncertainty and disruption. In addition, strategic importance also fosters dynamic capabilities as a fundamental element of a resilient business strategy.

The next contributor is digital transformation. The significance of digital transformation in enhancing corporate resilience is becoming increasingly apparent, as it is evident in its ability to enhance operational efficiency. By incorporating digital technology, firms can

enhance operational efficiency and effectively allocate resources (Kafi & Adnan, 2022). Furthermore, digital transformation acts as a catalyst for innovation within a business, providing the means to continually evolve and stay competitive amidst a dynamic market. This results in expediting the reaction time to alterations. Hence, this component holds significant importance in establishing a modern and thriving business environment.

Moreover, the findings show that financial strategy has no role in increasing firm resilience. The lack of financial support for business resilience can be linked to the financial approach used during and after the Movement Control Order (MCO) (Saidi, N., 2021). During and after a crisis, firms often face difficulties in recovery or adaptation, making conventional financial strategies inadequate. MCO reveals the limitations of relying solely on financial measures for resilience, as operational and strategic aspects become important. Successful business sustainability requires a holistic approach that goes beyond financial factors. To improve a business's ability to survive and recover from challenges, it is important to implement a comprehensive strategy that integrates operational adaptability and careful contingency planning.

### 5.4 Implication of The Study

This study aims to understand the factors that affect the business resilience of micro and small enterprises (MSE) post the COVID-19 pandemic in Kelantan. This study had implications for business, government, and MSEs. The COVID-19 pandemic had a profound impact on the global economy, and micro and small enterprises have been particularly hard hit (Marolt, 2022). It is essential to understand the specific factors that influenced the resilience of MSEs post-pandemic to develop effective strategies for recovery and long-term sustainability in Kelantan (Prambudi et al., 2022).

Understanding these factors not only benefits MSEs themselves, but also provides valuable insights for government policymakers and business support organizations (Harding et al., 2022). By identifying the critical success factors and barriers to achieving resilience for MSEs, stakeholders can better tailor their support and interventions to address the specific needs of these enterprises (Mudalige, 2022).

Additionally, identifying the resilience strategies being adopted by MSEs that have managed to survive and even thrive post-COVID-19 will provide valuable lessons for other businesses facing similar challenges (Belkhanchi et al., 2023). This study contributes to the body of knowledge on the resilience of MSEs in the context of a global crisis focusing on larger enterprises and industrial sectors. Overall, the implications of this study are significant as they provided insights into the factors influencing the business resilience of micro and small enterprises in Kelantan. These insights can inform policy decisions and support programs to help MSEs recover and thrive in the post-pandemic era.

### 5.5 Limitation of The Study

The execution of this study project has been accomplished with success. Nevertheless, there are still certain constraints that we must surmount during our scientific endeavor. The limits have minimal indirect effects on our ability to complete the project, as they only slightly disrupt the process of obtaining results for our study endeavor. One of the disadvantages of the study is its limited scope and time frame. This study is limited to examining only one state, specifically Kelantan. Even if the desired number of participants is achieved, it will still require some time to verify that the number of responders is accurate and enough.

Furthermore, the research undertaken is restricted solely to quantitative analysis, which constitutes a notable restriction of the study that must be acknowledged.

Confining study solely to quantitative methods will pose challenges for the researchers in gathering comprehensive data. The study is constrained to three distinct independent variables: financial strategy, digital transformation, and dynamic capabilities. Consequently, the researchers in this study must enhance their capacity to explore supplementary aspects.

The study also faces the drawback of relying on the respondents' sincerity in completing the Google Forms. The feedback provided by MSEs in the state of Kelantan may also be impacted by external influences, such as a desire to expedite the completion of the survey form. This is significant because certain survey respondents may hastily and inaccurately answer without thoroughly reading the survey questions. Respondents may encounter challenges in comprehending the stipulations of the provided inquiries. Indirectly, this can compromise the accuracy and relevance of the data we get. It is important to acknowledge the constraints of this study since they can potentially affect our research effort.

### 5.6 Recommendation/Suggestion for The Future Research

In this study, the researchers has provided numerous recommendations and options for further investigations. The study focused on Micro and Small Enterprises (MSEs) in Kelantan, and a small sample size was used due to limited time available. Owing to the limited sample size, the findings exhibit variability and may not accurately reflect the overall population (Faller et al., 2023). Consequently, one of the researchers' suggestions for the future is to broaden their research sample to encompass the entirety of Malaysia, rather than solely focusing on MSEs. The researcher encountered challenges in obtaining information regarding the independent variable, necessitating increased effort to get said information. Consequently, the researchers propose conducting future studies in both quantitative and qualitative forms to

enhance the diversity of results and gather additional information. This facilitates the gathering of further data by future researchers, leading to the generation of more substantial outcomes (Maulida & Hadi, 2022). In addition, the researchers solely examined three independent variables in this study: financial strategy, digital transformation, and dynamic capacities. Consequently, the researchers in this study must enhance their capacity to explore supplementary aspects. Based on this, the researchers propose that further studies should be conducted with additional independent variables to determine the primary factors that can facilitate MSE following the COVID-19 pandemic in Kelantan.

Furthermore, the data collection process is conducted utilizing Google Forms. Consequently, because not all participants fully completed the questionnaire, the data collected is unreliable. Furthermore, certain participants failed to fully respond to the questionnaire, necessitating the researchers to seek supplementary responders. Alternative data collection methods, such as interviews, might be employed to complement and validate the information acquired using the Google form questionnaire. Hence, future research endeavors should investigate methods to enhance participant involvement and mitigate the likelihood of inaccurate answers. To enhance cooperation and accuracy from respondents, it is beneficial to use incentives, create a user-friendly survey interface, and effectively communicate the significance of the study. Ultimately, forthcoming researchers have the option to employ direct interpersonal methods. This approach enables the researcher to elucidate the inquiries in the questionnaire with greater clarity. Consequently, gathering this information can indirectly assist the respondent in providing a more accurate response.

### 5.7 Overall Conclusion of The Study

This study examined the primary factors that contribute to the ability of micro and small enterprises (MSEs) to withstand and recover from challenges. The primary objective of this

study was to assess the degree of business resilience exhibited by Micro and Small Enterprises (MSE). The variables examined as potential determinants influencing corporate resilience include financial strategy, digital transformation, and dynamic capabilities. Furthermore, this study employs quantitative techniques. Data was collected from 155 participants for this study using a questionnaire. Hence, the investigation of this study encompasses the evaluation of reliability, descriptive analysis, Spearman correlation, and multiple linear regression. The variable analysis results demonstrate that all independent and dependent variables possess a Cronbach Alpha coefficient exceeding 0.6. The data demonstrated a link among all the variables. Thus, it is anticipated that future researchers will be capable of conducting similar examinations employing various sampling strategies and including additional independent elements.

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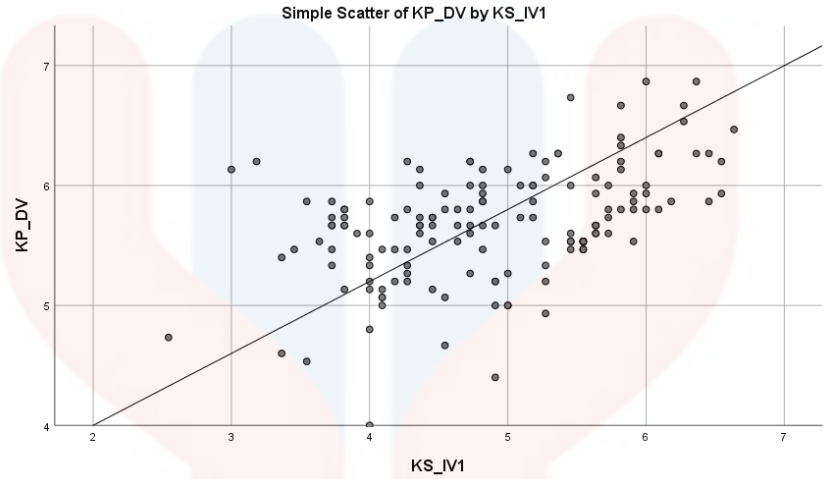
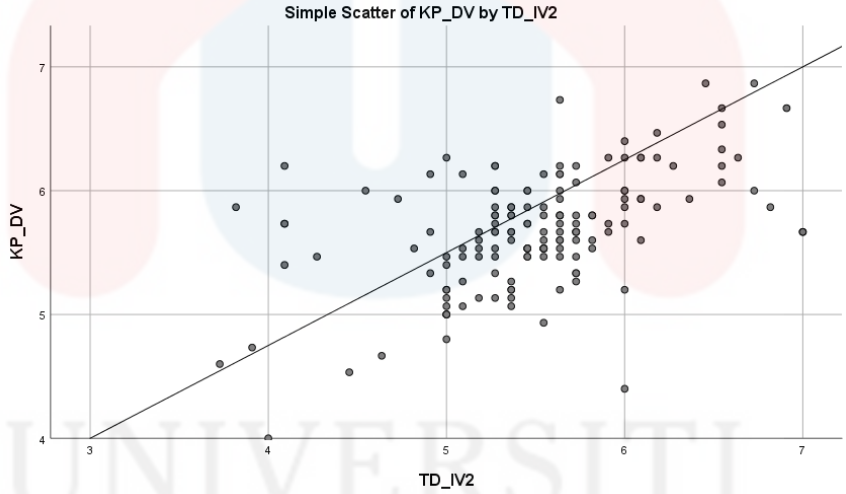
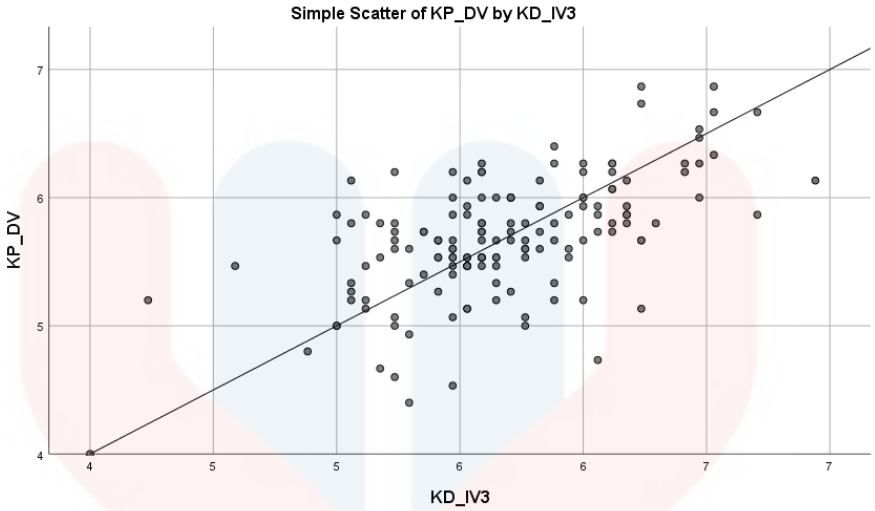
## Appendix A




*Appendix 1: Assumption test 1 for business resilience and financial strategies*




*Appendix 2: Assumption test 1 for business resilience and digital transformation*




*Appendix 3: Assumption test 1 for linear of business resilience and dynamic capabilities*

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | 2.255 | .376 | | 5.991 | .000 | | |
| | KD_IV3 | .604 | .066 | .594 | 9.136 | .000 | 1.000 | 1.000 |
| 2 | (Constant) | 2.007 | .369 | | 5.435 | .000 | | |
| | KD_IV3 | .449 | .077 | .441 | 5.802 | .000 | .680 | 1.470 |
| | TD_IV2 | .206 | .058 | .271 | 3.565 | .000 | .680 | 1.470 |

a. Dependent Variable: KP_DV

*Appendix 4: Assumption test 2 for collinearity statistics*

**Excluded Variables[a]**

| Model | | Beta In | t | Sig. | Partial Correlation | Collinearity Statistics | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Tolerance | VIF | Minimum Tolerance |
| 1 | KS_IV1 | .249[b] | 3.512 | .001 | .274 | .786 | 1.273 | .786 |
| | TD_IV2 | .271[b] | 3.565 | .000 | .278 | .680 | 1.470 | .680 |
| 2 | KS_IV1 | .161[c] | 1.963 | .051 | .158 | .573 | 1.746 | .496 |

a. Dependent Variable: KP_DV

b. Predictors in the Model: (Constant), KD_IV3

c. Predictors in the Model: (Constant), KD_IV3, TD_IV2

*Appendix 5: Assumption test 2 for collinearity statistics*

**Model Summary[c]**

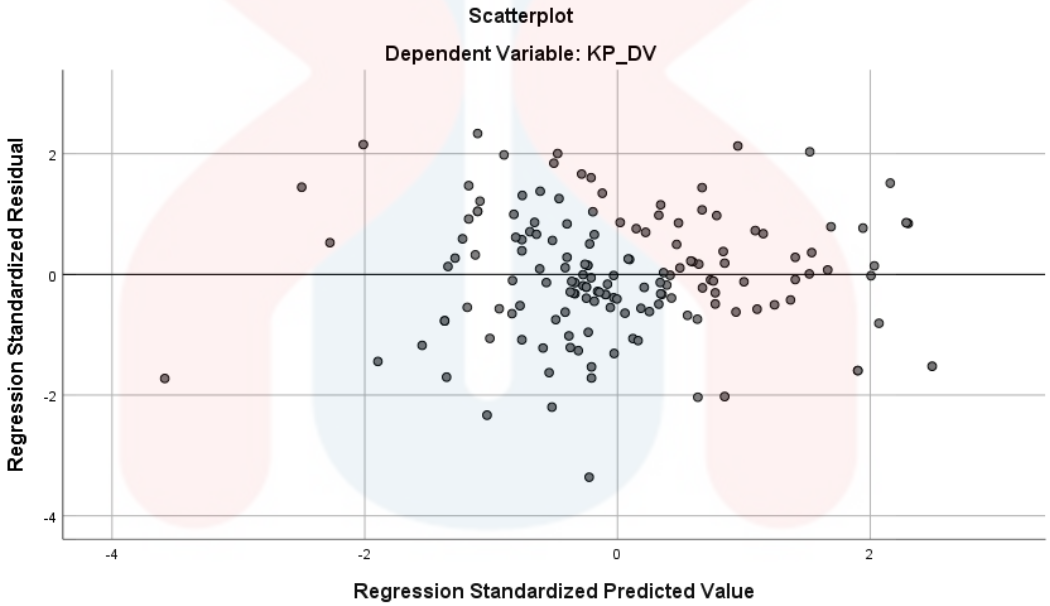
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .594[a] | .353 | .349 | .375 | |
| 2 | .635[b] | .403 | .395 | .362 | 2.024 |

a. Predictors: (Constant), KD_IV3

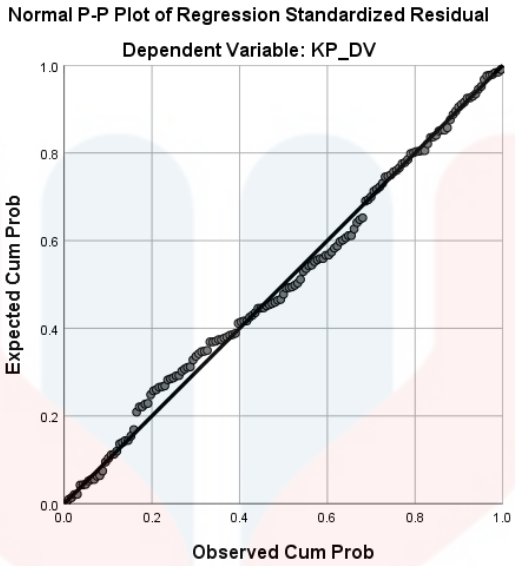
b. Predictors: (Constant), KD_IV3, TD_IV2

c. Dependent Variable: KP_DV

*Appendix 6: Assumption test 3 Durbin-Waston*




*Appendix 7: Assumption test 4 for homoscedasticity*



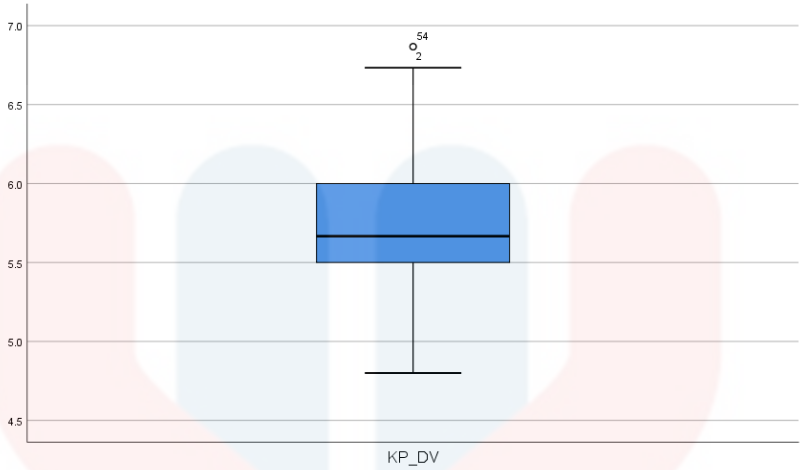

*Appendix 8: Assumption test 5 for P-P Plot*

**Residuals Statistics[a]**

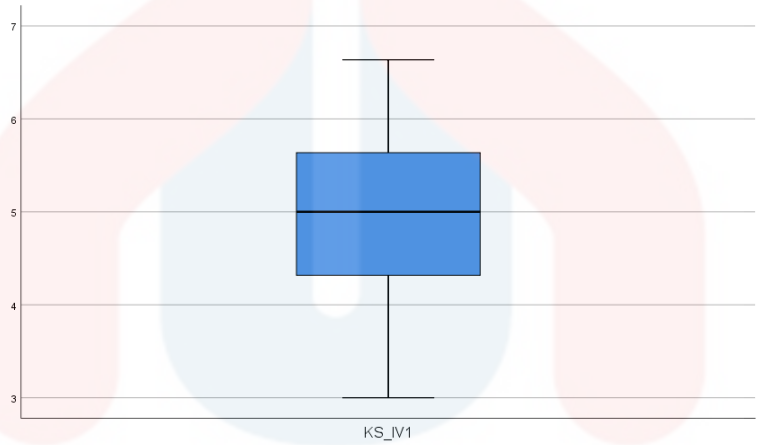
| | Minimum | Maximum | Mean | Std. Deviation | N |
|---|---|---|---|---|---|
| Predicted Value | 4.62 | 6.42 | 5.68 | .295 | 155 |
| Std. Predicted Value | -3.583 | 2.490 | .000 | 1.000 | 155 |
| Standard Error of Predicted Value | .029 | .124 | .047 | .018 | 155 |
| Adjusted Predicted Value | 4.69 | 6.44 | 5.68 | .295 | 155 |
| Residual | -1.216 | .845 | .000 | .359 | 155 |
| Std. Residual | -3.360 | 2.334 | .000 | .993 | 155 |
| Stud. Residual | -3.406 | 2.399 | -.001 | 1.008 | 155 |
| Deleted Residual | -1.249 | .892 | .000 | .370 | 155 |
| Stud. Deleted Residual | -3.532 | 2.437 | -.001 | 1.016 | 155 |
| Mahal. Distance | .007 | 17.179 | 1.987 | 2.779 | 155 |
| Cook's Distance | .000 | .203 | .010 | .025 | 155 |
| Centered Leverage Value | .000 | .112 | .013 | .018 | 155 |

a. Dependent Variable: KP_DV

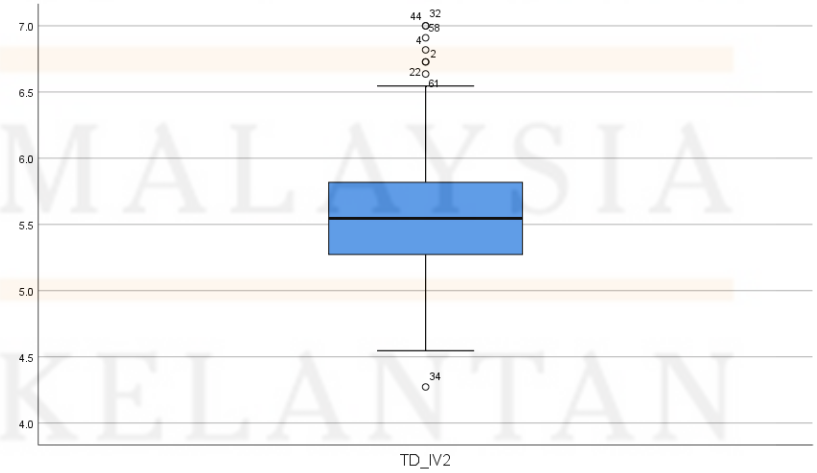
*Appendix 9: Assumption test 6 for Cook's*



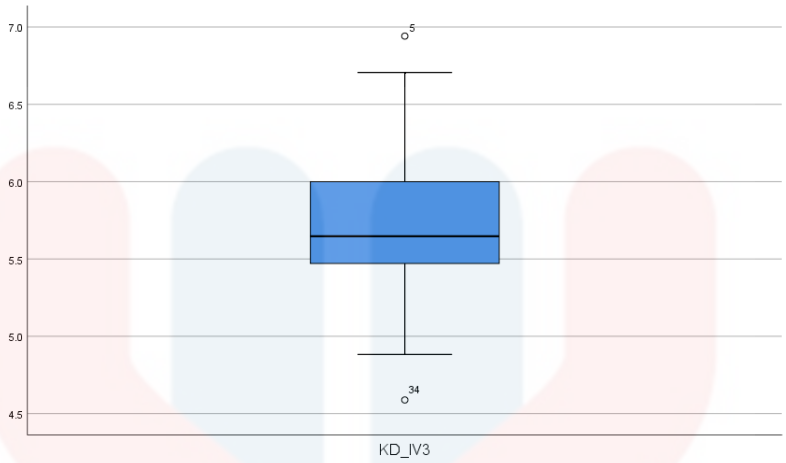

*Appendix 10: Outlier Test of Business Resilience*




*Appendix 11: Outlier Test of Financial Strategies*




*Appendix 12: Outlier Test of Digital Transformation*




*Appendix 13: Outlier Test of Dynamic Capabilities*

## Appendix B

**Questionnaire (Malay Language)**


**Faktor-faktor yang Mempengaruhi Daya Tahan Perniagaan Perusahaan Mikro dan Kecil (MSE) Selepas Pandemik COVID-19 di Kelantan**

Salam sejahtera kepada semua responden yang dihormati,

Kami merupakan pelajar tahun akhir Fakulti Keusahawanan dan Perniagaan (FKP) Universiti Malaysia Kelantan (UMK) yang mengikuti pengajian Ijazah Sarjana Muda Keusahawanan (Perdagangan) dengan Kepujian. Kami sedang menjalankan tinjauan penyelidikan mengenai "**Faktor-faktor yang Mempengaruhi Daya Tahan Perniagaan Perusahaan Mikro dan Kecil (MSE) Selepas Pandemik COVID-19 di Kelantan**". Penyertaan anda dalam penyelidikan ini amat dihargai. Soal selidik akan mengambil masa kira-kira 5 hingga 10 minit masa berharga anda. Respons anda akan dirahsiakan dan digunakan untuk tujuan akademik sahaja.

**Tinjauan ini disediakan oleh:**

| | |
|---|---|
| **ANIS FADZLEEN BINTI JAMARI** | **MUHAMMAD ZAHIN AKMAL BIN KAMRULZAMAN** |
| **NUR IFFAH AQILAH BINTI SUPIAN** | **ROSNAWATI** |

**BAHAGIAN A: DEMOGRAPHIC RESPONDENT**

**Sila tandakan (/) dan isi tempat kosong dengan jawapan yang sesuai.**

1. Jantina.

| | |
|---|---|
| | Perempuan |
| | Lelaki |

2. Bangsa.

| | |
|---|---|
| | Melayu |
| | Cina |
| | India |
| | Lain-lain<br>Nyatakan: |

3. Peringkat Pendidikan.

| | |
|---|---|
| | SPM |
| | STPM/ Diploma |
| | Sarjana Muda |
| | Doktor Falsafah |

4. Apakah jenis perniagaan anda?

| | |
|---|---|
| | Perkhidmatan |
| | Pembuatan |
| | Pembinaan |
| | Perlombongan |
| | Makanan dan Minuman |
| | Pertanian |

5. Berapa ramai pekerja yang bekerja pada perniagaan anda?

| | |
|---|---|
| | Kurang dari 5 |
| | 5 hingga kurang dari 29 |
| | 30 hingga kurang dari 75 |

6. Lokasi Perniagaan.

| | |
|---|---|
| | Bandar |
| | Luar Bandar |
| | Pekan |

7. Pengalaman Berniaga.

| | |
|---|---|
| | Kurang 5 tahun |
| | 5 tahun-10 tahun |
| | 11 tahun - 15 tahun |
| | lebih dari 16 tahun |

8. Berapa lama perniagaan anda telah beroperasi?

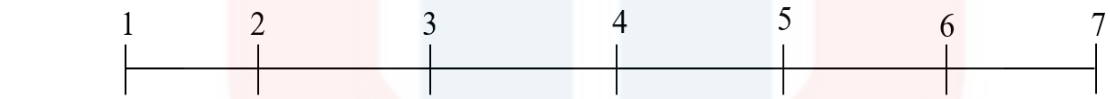
| | |
|---|---|
| | Kurang 5 tahun |
| | 5 tahun-10 tahun |
| | 11 tahun - 15 tahun |
| | lebih dari 16 tahun |

9. Berapakah purata jualan tahunan yang diperolehi?

| | |
|---|---|
| | Kurang RM 300 000 |
| | RM 300 000 - RM 7 000 000 |
| | RM 7 000 000 - RM 15 000 000 |

**BAHAGIAN B : DEPENDENT VARIABLE**

**Sila bulatkan tahap persetujuan anda dengan pernyataan berikut dengan memilih nombor yang diberikan:**



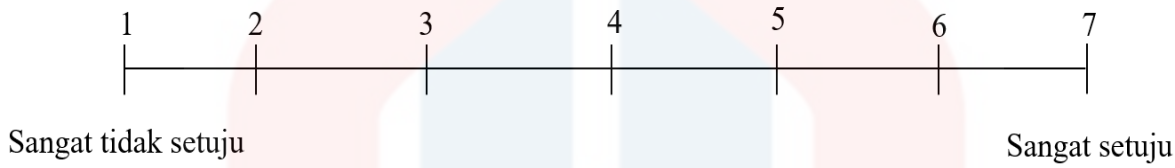

Sangat tidak setuju — Sangat setuju

| | Ketahanan Perniagaan | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 1. | Saya boleh mengambil tindakan pantas untuk menangani perubahan perniagaan. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2. | Saya bersedia untuk menguruskan cabaran perniagaan yang boleh dijangkakan. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3. | Saya boleh membangunkan alternatif perniagaan baharu untuk memanfaatkan situasi pandemik. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4. | Saya boleh memenuhi keperluan pelanggan tanpa gangguan. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5. | Saya terus mengekalkan rangkaian bekalan semasa pandemik. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6. | Saya mempersiapkan diri apabila berita tentang wabak itu tersebar. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7. | Saya faham bahawa wabak ini memberi kesan kepada perniagaan. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8. | Saya merancang strategi untuk menangani gangguan perniagaan pada masa hadapan. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9. | Saya menyedari ancaman perniagaan yang ditimbulkan oleh pandemik COVID-19. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 10. | Saya boleh bertindak balas dengan cepat terhadap kesan negatif penjualan perniagaan selepas pandemik. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11. | Saya mempunyai sumber dalaman yang mencukupi (kewangan, sumber manusia, pengeluaran) untuk menangani perubahan perniagaan yang tidak dijangka, seperti pandemik itu. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 12. | Saya menyediakan diri saya sebagai pengurus perniagaan untuk menangani krisis masa depan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 13. | Saya mempunyai komunikasi dengan pelanggan dalam perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 14. | Saya berjaya menangani krisis yang disebabkan oleh pandemik itu. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 15. | Saya bertindak balas dengan cepat terhadap ancaman yang timbul selepas COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

**BAHAGIAN C : INDEPENDENT VARIABLES**

**Sila bulatkan tahap persetujuan anda dengan pernyataan berikut dengan memilih nombor yang diberikan:**




| **Strategi kewangan** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
|---|---|---|---|---|---|---|---|---|
| 1. | Saya mengunakan tabung kecemasan untuk menampung kekurangan pendapatan semasa COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 2. | Saya terokai peluang untuk mempelbagaikan produk untuk menstabilkan aliran hasil. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 3. | Saya mengambil inisiatif kewangan kerajaan seperti insentif PRIHATIN semasa COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 4. | Saya membuat pinjaman kewangan kepada bank perdagangan untuk bertahan selepas COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 5. | Saya membuat pelan pengurusan risiko dalam kewangan perniagaan pasca COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 6. | Saya membuat pinjaman kepada ahli keluarga untuk bertahan semasa pasca COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 7. | Saya menyusun semula hutang perniagaan untuk mengurangkan tekanan kewangan perniagaan semasa pasca COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 8. | Saya melaksanakan sistem pengurusan kewangan untuk meningkatkan prestasi kewangan semasa pasca COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 9. | Saya akan memastikan aliran tunai tidak berhenti untuk mendapatkan rizab modal kerja tanpa menggunakan pinjaman tergesa-gesa. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 10. | Saya mengupah perunding perkhidmatan kewangan luar atau audit untuk meningkatkan prestasi kewangan selepas COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 11. | Saya mengurangkan perbelanjaan perniagaan yang tidak penting semasa pasca COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| **Transformasi Digital** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
|---|---|---|---|---|---|---|---|---|
| 1. | Saya menggunakan platform dalam talian untuk menyimpan data yang berkaitan dengan perniagaan, seperti Google Drive. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 2. | Saya menggunakan e-mel untuk menyokong perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 3. | Saya menggunakan perisian seperti Microsoft Word dan Excel untuk menjalankan perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 4. | Saya menggunakan media sosial (seperti Instagram, Facebook, TikTok, Twitter dan YouTube) untuk menyokong perniagaan saya. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 5. | Saya menggunakan laman web untuk menyokong perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 6. | Saya boleh mengintegrasikan teknologi digital (WhatsApp, Instagram, Facebook, YouTube, platform penyimpanan data (Google Drive) dalam menjalankan perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 7. | Peranan teknologi digital, seperti media sosial, platform storan dan alat analisis, boleh mengubah model perniagaan saya. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 8. | Saya merasakan bahawa media sosial membantu saya berhubung terus dengan pembekal. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 9. | Saya merasakan bahawa teknologi digital boleh mengekalkan bahagian pasaran perniagaan pada masa hadapan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 10. | Saya merasakan bahawa teknologi digital membantu mengukuhkan keupayaan dalaman perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| **Keupayaan Dinamik** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
|---|---|---|---|---|---|---|---|---|
| 1. | Saya boleh mengenal pasti teknologi baharu yang lebih menguntungkan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 2. | Saya mempunyai pelanggan tetap. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 3. | Saya boleh memahami keadaan pasaran. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 4. | Saya sentiasa cuba mengenal pasti halangan yang menjadikan proses perniagaan tidak cekap. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 5. | Saya boleh mengenal pasti peluang baru dalam perniagaan yang pesaing tidak ditemui. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 6. | Saya sentiasa mencari idea untuk meningkatkan kualiti produk. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 7. | Saya perlu proaktif terhadap perubahan perniagaan semasa pandemic untuk menjangka cabaran yang mengancam kelestarian perniagaan . | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 8. | Saya terus menambah baik strategi perniagaan untuk memanfaatkan keadaan semasa. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 9. | Saya mengekalkan model perniagaan yang terbaik semasa pandemik. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 10. | Saya melaksanakan perubahan dalam rancangan perniagaan agar fleksibel. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 11. | Saya boleh menyesuaikan proses perniagaan untuk bertindak balas terhadap perubahan keutamaan perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 12. | Saya boleh mengekalkan konsistensi di tengah-tengah perubahan dalam perniagaan disebabkan oleh pandemik. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 13. | Saya boleh meningkatkan rasa tanggungjawab pada pekerja untuk berjaya dalam perubahan rancangan perniagaan ke arah yang lebih baik. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 14. | Saya boleh merancang pelaburan masa depan dalam perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 15. | Saya cuba mewujudkan komunikasi yang berkesan dalam perniagaan. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 16. | Saya boleh mencipta produk baharu yang berbeza daripada pesaing. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 17. | Saya boleh mengawal harga produk. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

**Questionnaire (English Language)**



UNIVERSITI MALAYSIA KELANTAN

**Factors Affecting the Business Resilience of Micro and Small Enterprises (MSE) After the COVID-19 Pandemic in Kelantan**

Greetings to all dear respondents,

We are final-year students from the Faculty of Entrepreneurship and Business (FKP) Universiti Malaysia Kelantan (UMK) pursuing a Degree in Bachelor of Entrepreneurship (Commerce) with Honours. We are conducting a research survey on "**Factors Affecting the Business Resilience of Micro and Small Enterprises (MSE) After the COVID-19 Pandemic in Kelantan**". Your participation in this research is greatly appreciated. The questionnaire will take about 5 to 10 minutes of your valuable time. Your response will be kept private and used exclusively for academic purposes only.

**This survey was prepared by:**

| | |
|---|---|
| **ANIS FADZLEEN BINTI JAMARI** | **MUHAMMAD ZAHIN AKMAL BIN KAMRULZAMAN** |
| **NUR IFFAH AQILAH BINTI SUPIAN** | **ROSNAWATI** |

**SECTION A: DEMOGRAPHIC OF RESPONDENTS**
**Please tick (/) and fill in the blanks with the appropriate answer.**

10. Gender.

| | |
|---|---|
| | Female |
| | Male |

11. Race.

| | |
|---|---|
| | Malay |
| | Chinese |
| | Indian |
| | Others<br>State: |

12. Education Level.

| | |
|---|---|
| | SPM |
| | STPM/ Diploma |
| | Undergraduate |
| | PhD |

13. What is your business type?

| | |
|---|---|
| | Service |
| | Manufacturing |
| | Construction |
| | Mining |
| | Food and Beverages |
| | Agriculture |

14. How many employees work in your business?

| | |
|---|---|
| | Less than 5 |
| | 5 to less than 29 |
| | 30 to less than 75 |

15. Location Business.

| | |
|---|---|
| | Urban |
| | Rural Area |
| | Town |

16. Business Experience.

| | |
|---|---|
| | Less than 5 years |
| | 5 years-10 years |
| | 11 years - 15 years |
| | More than 16 years |

17. How long has your business been operating?

| | |
|---|---|
| | Less than 5 years |
| | 5 years-10 years |
| | 11 years - 15 years |
| | More than 16 years/ |

18. How much is the average annual sales earned?

| | |
|---|---|
| | Less than RM 300 000 |
| | RM 300 000 - RM 7 000 000 |
| | RM 7 000 000 - RM 15 000 000 |

**SECTION B: DEPENDENT VARIABLE**

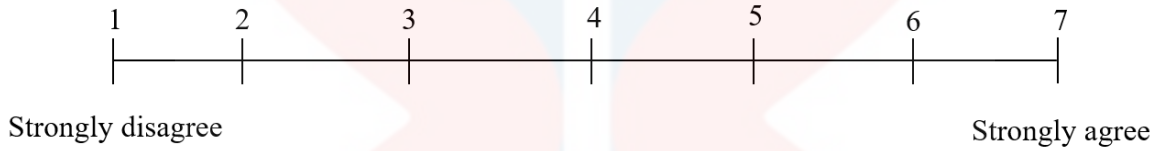
**Please circle your degree of agreement with the following statements by selecting the numbers given:**


| | Business Resilience | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| 1. | I can take quick actions to deal with business changes. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2. | I am prepared to manage business challenges that can foresee. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3. | I can develop new business alternatives to take advantage of the pandemic situation. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 4. | I can meet customer needs without disruption. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 5. | I continued to maintain the supply network during the pandemic. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 6. | I prepared myself when the news of the pandemic broke. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 7. | I understand that the pandemic has an impact on the business. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8. | I plan strategies for dealing with future business disruptions. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 9. | I recognized the business threats posed by the COVID-19 pandemic. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 10. | I can react quickly to the negative effects of selling a business after a pandemic. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 11. | I have sufficient internal resources (financial, human resources, production) to deal with unexpected business changes, such as a pandemic. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 12. | I prepare myself as a business manager to deal with a future crisis. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 13. | I have good communication with customer in business. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 14. | I managed to deal with the crisis caused by the pandemic. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 15. | I responded quickly to the threats that arose after COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

**SECTION C: INDEPENDENT VARIABLES**

**Please circle your degree of agreement with the following statements by selecting the numbers given:**




| **Financial strategies** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
|---|---|---|---|---|---|---|---|---|
| 1. | I use the emergency fund to cover the lack of income during COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 2. | I explore opportunities to diversify products to stabilise revenue streams. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 3. | I took the government's financial initiative such as PRIHATIN during COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 4. | I made a financial loan to a commercial bank to survive post-COVID-19 | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 5. | I have a specific risk management plan in business finance post-COVID-19 | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 6. | I made a loan to a family member to survive post-COVID-19 | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 7. | I restructured the business debt to reduce the financial stress of the business during post-COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 8. | I implemented a financial management system to improve financial performance post-COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 9. | I will make sure cash flow doesn't stop to get working capital reserves without resorting to hasty loans | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 10. | I hired an external financial services consultant or audit to improve financial performance post-COVID-19 | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 11. | I cut non-essential business expenses during post-COVID-19. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| **Digital Transformation** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
|---|---|---|---|---|---|---|---|---|
| 1. | I use online platforms to store data related to the business, such as Google Drive. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 2. | I use emails to support the business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 3. | I use software such as Microsoft Word and Excel to run a business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 4. | I use social media (such as Instagram, Facebook, TikTok, Twitter, and YouTube) to support my business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 5. | I use the website to support the business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 6. | I can integrate digital technology (WhatsApp, Instagram, Facebook, YouTube, data storage platforms (Google Drive) in running a business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 7. | The role of digital technology, such as social media, storage platforms, and analytical tools, can change my business model. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 8. | I feel that social media helps me connect directly with suppliers. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 9. | I feel that digital technology can maintain business market shares in the future | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 10. | I feel that digital technology helps strengthen the business' internal capabilities. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| **Dynamic capabilities** | | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
|---|---|---|---|---|---|---|---|---|
| 1. | I can identify new, more profitable technologies. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 2. | I have regular customers. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 3. | I can understand market conditions. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 4. | I always try to identify obstacles that make business processes inefficient. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 5. | I can identify new opportunities in the business that competitors have not discovered. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 6. | I constantly look for ideas to improve the product quality. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 7. | I must be proactive to business changes during the pandemic to anticipate challenges that threaten sustainability. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 8. | I continue to improve business strategies to take advantage of the current situation. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 9. | I maintained the best business model during the pandemic. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 10. | I implement changes in the business plan to be flexible. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 11. | I can adapt the business processes to respond to changing business priorities. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 12. | I can maintain consistency amid the changes in the business caused by the pandemic. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 13. | I can grow employees' sense of responsibility to succeed in changing business plans for the better. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 14. | I can plan future investments in the business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 15. | I try to create effective communication in the business. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 16. | I can create new products that are different from competitors. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| 17. | I can control products prices. | **1** | **2** | **3** | **4** | **5** | **6** | **7** |

## Appendix C

**Gantt Chart**

| Weeks / Tasks | W 1 | W 3 | W 2 | W4 | W5 | W6 | W7 |
|---|---|---|---|---|---|---|---|
| Identification of title research area, and samples. | | | | | | | |
| Meeting and discussion with the supervisor. | | | | | | | |
| Make problem statement research questions. | | | | | | | |
| Define the conceptual framework and literature review. | | | | | | | |
| Choose population, sample size, and sampling techniques. | | | | | | | |
| Procedure for data analysis. | | | | | | | |
| Drafting questionnaire. | | | | | | | |
| Submission of final Research Proposal | | | | | | | |
| Checking of the questionnaires | | | | | | | |
| Correction of the questionnaires | | | | | | | |

| Weeks / Tasks | W 8 | W 9 | W 10 | W 11 | W 12 | W 13 | W 14 |
|---|---|---|---|---|---|---|---|
| Checking the reliability of the questionnaire | | | | | | | |
| Distribution the questionnaire to respondent | | | | | | | |
| Analyse the data using SPSS | | | | | | | |
| Start writing chapter 4 | | | | | | | |
| Start writing chapter 5. | | | | | | | |
| Correction chapter 4 and 5 | | | | | | | |
| Submission full report | | | | | | | |