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Entrepreneurial leadership effect on SME'S performance in Malaysia

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***Abstract*---**In the present complicated and turbulent corporate climate, several researchers have proposed that the expanding ineffectiveness of more conventional methods to strategy needs a more entrepreneurial approach. A more entrepreneurial approach, such as entrepreneurial leadership, has been recommended by several people. Because SMEs are regarded as the nation's economic backbone, it is critical to comprehend how entrepreneurial leadership may impact organizational performance. The goal of this study is to learn more about the impact of entrepreneurial leadership (EL) on Malaysian small businesses. We looked at the performance of SMEs in Malaysia to investigate whether the characteristics of entrepreneurial leadership, entrepreneurial orientation, and technical innovation competency influenced the results. Entrepreneurial orientation, team creativity, dynamic skills, and competitive advantage all play a role in

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the relationship between entrepreneurial leadership and SMEs' success in this study. Based on consistent PLS-SEM analysis, data from 210 Malaysian small and medium-sized businesses (SMEs) was collected and validated. Entrepreneurial leadership has a substantial influence on entrepreneurial attitude and team creativity, as well as dynamic capabilities and competitive advantages. Thus, we can provide practical recommendations for promoting and managing entrepreneurial innovation. Researchers developed a theoretical model that combines entrepreneurial leadership, entrepreneurial attitude, and SME success (SMEs). Research shows that entrepreneurial leadership has a positive influence on the entrepreneurial attitude of employees. Entrepreneurial leadership that promotes a more entrepreneurial attitude boosts a company's motivation for innovation, risk-taking, and reactiveness (Engelen *et al.*, 2015). Technological Innovation Capabilities seem to have little direct influence on the success of small businesses, but they have a positive effect on entrepreneurial motivation. From these findings, Malaysian small and medium-sized enterprises may derive various practical applications. Entrepreneurial leadership is critical to a company's capacity to increase efficiency and profitability.

***Keyword*---**Performance, Entrepreneurial leadership, Orientation, Dynamic, Creativity, Competition.

Introduction

It is projected that entrepreneurship and entrepreneurial leadership would play a significant role in the success of firms in many growing nations, which will shift from an industrial society to an entrepreneurial one during the next several decades (Casillas and Moreno, 2010; Jones and Rowley, 2011; Muchiri and McMurray, 2015; Seo and Lee, 2019; Van Trang, Do and Luong, 2019; Lisa, 2020). Small and medium-sized businesses (SMEs) are more successful than their bigger counterparts, according to several researchers. There have been several studies since (Jones and Butler, 1992) drew the first link between business and other academic subjects. Many studies have examined how organizations might encourage entrepreneurial activity and strategic decisions that lead to exceptional results (Shirokova *et al.*, 2016; Chakrabarti and Mondal, 2020; Engidaw, 2021). A company's "entrepreneurial mentality" is characterized by long-term ambitions and the capacity to seize unique market chances. Studies show that a more entrepreneurial approach to business may lead to greater financial success. Companies that have an entrepreneurial attitude are more likely to take advantage of opportunities because they are more committed and dedicated to the organization's goals (Girod and Whittington, 2017). After multiple failures to meet expectations, an explanation of the many possible outcomes of the technique was needed. "When a company's founders have a strong leadership style, it has a greater chance of success. Without good leadership, it is impossible to execute an entrepreneurial attitude. In today's dynamic and competitive economic context, traditional leadership tactics have been demonstrated to be ineffective, as we've seen. Mediators were used in previous studies to show how these relationships

and the influence they had on business performance were highlighted (Patel, Messersmith and Lepak, 2013; Al Mamun and Fazal, 2018; Mirza, Mahmood and Waqar, 2022; Mozumdar *et al.*, 2022). With no cooperation, an independent investigation has been undertaken of entrepreneurialism, leadership, firm success, and the mediating factors. What can be learned from this method is limited since entrepreneurial behavior is affected by the surrounding environment and mediating factors.

Asia has the highest concentration of small and medium-sized enterprises (SMEs) in the world. Additionally, small and medium-sized businesses (SMEs) foster entrepreneurship and serve as suppliers to bigger firms in the industry while also providing employment and advancing technology (Seo and Lee, 2019). They are a catalyst and a major driver of inclusive and balanced growth. SMBs provide the backbone of the private sector (SMEs). If growth slows, they may help keep the economy steady until the economy recovers. Small and medium-sized enterprises (SMEs) face a lot of competition from large organizations these days, and they're feeling the strain. There must be an ongoing improvement in small and medium-sized businesses to succeed. Small and medium-sized businesses (SMEs) may make use of a wide range of strategies and tactics to keep up with and even benefit from rapidly shifting market circumstances and threats (Covin and Wales, 2019). Entrepreneurs may have a big impact on the success or failure of a company. To stay on top of the competition in an ever-changing market, company owners and executives use entrepreneurial leadership to restructure their businesses (Patel, Messersmith and Lepak, 2013; Al Mamun and Fazal, 2018; Covin and Wales, 2019; Engidaw, 2021). Existing items need to be produced in new ways, and this may be done by exploring new sources of raw materials or by creating new distribution channels for products and services. To achieve these objectives, certain management philosophies and procedures tailored to the unique needs of entrepreneurs must be adopted. Learning-oriented people are continually on the lookout for and ready to incorporate new concepts into their present worldviews. Because of their capacity to absorb, exchange, and apply information, these companies have the potential to create and execute new ideas. Businesses of all sizes are increasingly placing a high value on new ideas and technologies (SMEs).

Literature Review

Business Performance

Successful organizations are built on the foundations of financial and nonfinancial performance (Seo and Lee, 2019). Starting with financial values and operations, it is possible to determine the health of an organization. Brand reputation, customer satisfaction, organizational effectiveness, and innovation projects are all examples of non-financial success. Non-financial performance is more often concerned with long-term sustainable growth than it is with short-term survival for companies. Non-financial performance is less important in the early phases of a startup or small company than financial success (Kostopoulos, Bozionelos and Syrigos, 2015; Engidaw, 2021). When it comes to startup development, however, the most important factor is to control and blend both performance types (Seo and Lee, 2019).

A company's entrepreneurial principles may be shown in its operations and the inspiration of its employees via innovative products and processes. The intersection of entrepreneurship and management is where an entrepreneur's leadership may be found. When an organization has big goals, entrepreneurial leadership helps workers achieve them (Ferraro and Iovanella, 2017; Musara and Nieuwenhuizen, 2020). What the leadership team stands for has an enormous influence on the entire strategy and performance of the firm. Entrepreneurial CEOs are more likely to create a lasting effect on their staff because of the weaknesses in established firms' processes and behavioral conventions. 'Owners and CEOs of smaller businesses may exert more control over the company's goals and performance because of their greater independence. According to several studies, commercial ventures cannot be successful without the leadership of an entrepreneurial entrepreneur. Due to current market realities, CEOs must adapt their leadership style. Businesses require leaders that encourage employees to think and act creatively to succeed (Sarkkinen and Kässi, 2013). Transformational and entrepreneurial leadership styles have been shown to affect staff creativity.

Entrepreneurial Leadership and Entrepreneurial Orientation

A growing interest among academics has been focused on how leadership effects a company's ability to be innovative, take risks, and take aggressive action. A link between entrepreneurial leadership and entrepreneurial orientation was revealed (Lisa, 2020), who found that transformational leaders, in particular, had a positive influence on the innovation of their organizations. The capacity of a leader to motivate his or her subordinates to go above and beyond what is expected of them and to take more ownership of the outcomes of their work is essential to fostering entrepreneurialism (Casillas and Moreno, 2010; Musara and Nieuwenhuizen, 2020). Leaders may also encourage their employees to think beyond the box by introducing organizational reforms (Muchiri and McMurray, 2015; Ferraro and Iovanella, 2017). When assigning duties, leaders take into account the level of expertise and quality of the workforce (Sarkkinen and Kässi, 2013). It is by listening to and understanding each worker's unique features that mentors encourage entrepreneurialism in the workplace. Small enterprises are seldom included in studies on entrepreneurial leadership and entrepreneurial orientation, such as one conducted by (Van Trang, Do and Luong, 2019). This means that small and medium-sized enterprises (SMEs) need to conduct a thorough inquiry into the nature of this connection. Accordingly, this study proposes the following hypothesis in response to this discussion:

H1. Entrepreneurial Leadership has a significant relationship with Entrepreneurial Orientation.

As an example, the term "enterprise orientation" (EO) is used to describe an organization's proclivity towards initiating new projects or making investments in untapped areas. As a consequence, a company's profitability and goodwill have been found to decline. This means that small and medium-sized businesses (SMEs) must innovate and adapt or face extinction. The small size and adaptability of EO businesses make it easier for them to keep up with the ever-changing business landscape. Small and medium-sized businesses may benefit greatly from EO, according to some empirical evidence. When comparing

profitability, companies with EO tend to outperform those without it (Farmer, Yao and Kung-Mcintyre, 2011; Mirza, Mahmood and Waqar, 2022). For the benefit of their key stakeholders and customers, they actively investigate new opportunities and continually innovate in order to improve the quality of their goods and services, increasing customer happiness, sales growth and their reputation as a leading brand in their industry (Dossou *et al.*, 2021). As a consequence, here is our alternative hypothesis:

H2. Entrepreneurial Orientation has a significant relationship with SME Performance.

Technological Innovation Capabilities

There has been a lot of past research showing a link between TIC and entrepreneurialism. For the creation of novel ideas that may be financially feasible, there are hitherto unexplored resources provided by entrepreneurial orientation in particular. The spirit of entrepreneurship has also been connected to new ideas (Isabirye and Hewitt, 2021). "Innovativeness," according to the authors' study, can be found in a component of EO that has a high degree of entrepreneurial orientation. Risk-taking may also have a role in promoting the creation of new products and processes, according to research (Seo and Lee, 2019; Alshammari *et al.*, 2020; Chakrabarti and Mondal, 2020). Therefor it is possible that the notion stated in the following research

H3. Technological Innovation Capabilities have a significant relationship with Entrepreneurial Orientation.

TIC's entire strategy relies heavily on the creation of new products and services. In this definition, TIC encompasses product and process innovation. As a first step, product innovation skills must focus on the interrelated processes that are employed to produce distinctive goods (Chirico and Nordqvist, 2010; Cho and Lee, 2018a; Mozumdar *et al.*, 2022). A company's ability to use manufacturing technology to choose and apply new production techniques to improve its inventive capacity. Every corporation must modernize TIC because of the shorter product life, more global competition, and simpler duplication. To maximize output and sales volume, a corporation should place a high value on innovation as a platform. Previous research has linked TIC to entrepreneurialism, according to our findings (Tehrani, Montanari and Carson, 1990; Bierly and Daly, 2007; Jia, Huang and Man Zhang, 2019). A focus on entrepreneurship may contribute to the development of innovative ideas that have the potential to be commercially successful. As a result, innovation has been linked to an entrepreneurial mentality as well.

H4. Technological Innovation Capabilities have a significant relationship with SME Performance.

Team Creativity

For instance, (Heise, 1972; Matsuno, Mentzer and Özsomer, 2002; Lumpkin, Cogliser and Schneider, 2009; Short *et al.*, 2010) have evaluated the influence of an organization's ability to innovate on its overall performance. Many studies have demonstrated that TIC may improve a company's bottom line. Numerous studies have examined the relationship between a company's performance and numerous TICs. Innovation in products gives a company the ability to stand out from the

competition and modifies its market positioning. A resource-based view of innovation suggests that product innovation abilities may be essential for developing and preserving competitive advantage in the marketplace. In part, this is due to the difficulty of reproducing these diverse things, which has a positive impact on the company's performance. By encouraging their staff to work together toward a common goal, the leaders of a firm reinforce the relationship between entrepreneurial leadership and collaborative innovation.

H5. Entrepreneurial Leadership has a significant relationship with Team Creativity.

There has been a lack of focus on innovation and corporate performance (Adomako, Quartey and Narteh, 2016). For a long time, academics have maintained that small businesses can't survive without new ideas. Creative thinking is linked to corporate success, according to scientific research (Chirico and Nordqvist, 2010). In some research, the link between creativity and business success and competitiveness is assumed without any evidence. Observations from this investigation are utilized to back up the hypothesis.

H6. Team Creativity has a significant relationship with SME Performance.

Dynamic Capability

Entrepreneurial leadership seems to be linked to dynamic traits. According to several research, entrepreneur leadership has a positive correlation with dynamic capabilities, even if the micro-process issue has not been studied. Several studies have shown that managers' cognition has a significant impact on the creation and extension of dynamic capabilities (Chiles, Bluedorn and Gupta, 2007; Korsgaard and Anderson, 2011). To that end, the company's leadership takes critical judgments on how to effectively manage the company's limited resources in order to optimize the company's capacity to adapt and expand" (Chirico and Nordqvist, 2010; Jones and Rowley, 2011). As a consequence, we may infer the following from this investigation:

H7. Entrepreneurial Leadership has a significant relationship with Dynamic Capability.

A correlation with the success of a firm and its subsequent growth and the ability of a product's development team to absorb knowledge into the process (Chirico and Nordqvist, 2010). Managers with dynamic talents may leverage their present resources to construct new value-creating strategies and contribute to the production, evolution, and recombination of additional resources into competitive advantages (Korsgaard and Anderson, 2011). In an ever-evolving environment, even with all the resources available to them, companies can't always count on their success to be certain (Engidaw, 2021). If entrepreneurial resources were not dynamically converted into competitive advantages, commercial performance would be nonexistent (Shirokova *et al.*, 2016). It is possible, based on these findings, that

H8. Dynamic Capability has a significant relationship with SME Performance.

Competitive Advantage

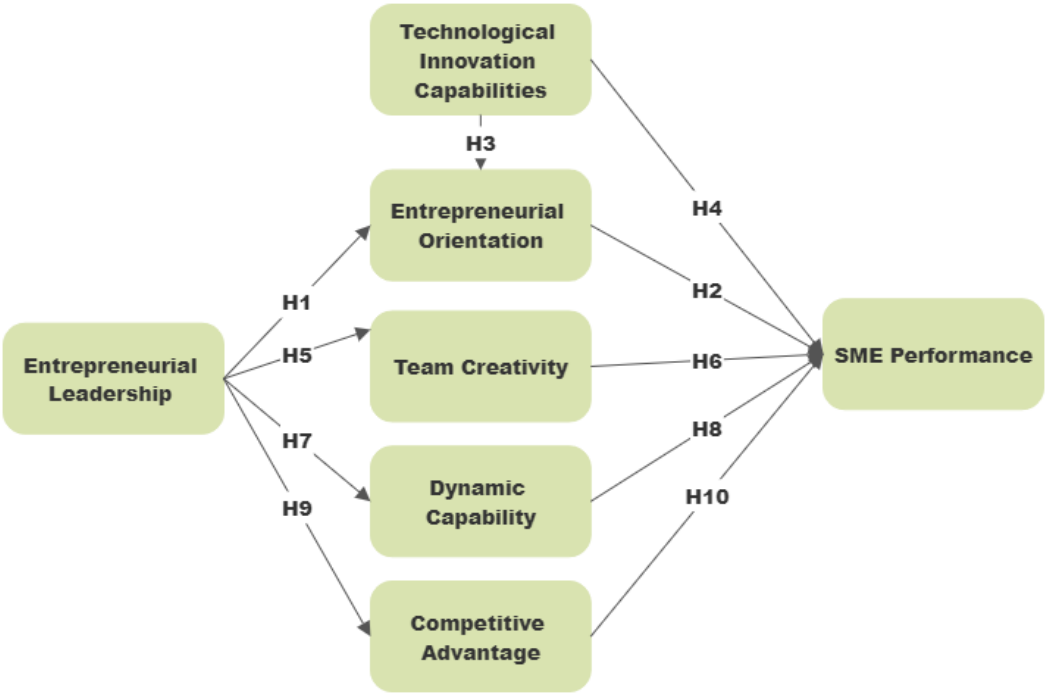
In a market that is always evolving, companies with dynamic capabilities can quickly react by integrating their internal and external resources. If you're looking to take advantage of an opportunity, there are two ways you may do so: For "opportunity identification," a means-to-end connection paradigm may be employed to identify value in specific markets or technical conditions (Baer, 2012; Duran *et al.*, 2016; Shirokova *et al.*, 2016). The ability to link resources with demand is key to a company's success in making use of this valuable resource. Because of this, a company's productive set influences opportunity identification, which covers all of the productive possibilities that the firm's entrepreneurs will perceive and exploit. A necessary first step in discovering new possibilities is realizing just how little you do! To discover new business opportunities, a company and the market may benefit from a wide-ranging information exchange network.

H9. Entrepreneurial Leadership has a significant relationship with Competitive Advantage.

The relationship between competitive advantage and company success has been investigated in the past (Farmer, Yao and Kung-Mcintyre, 2011; Ferraro and Iovanella, 2017; Dossou *et al.*, 2021). Competitive advantage and performance in manufacturing sector supply chains might be linked (Shirokova *et al.*, 2016). Research reveals that a company's competitive edge has a significant influence on its performance. When it comes to boosting both competitive advantage and corporate success, employee-driven performance is more probable. Here's what this piece of writing suggests:

H10. Competitive Advantage has a significant relationship with SME Performance.

Research Framework



Methodology

It is causal research since it involves looking at the relationship between the independent and dependent variables. SMEs' performance in Malaysia is one of the primary foci of this study, which seeks to examine the relationship between performance and entrepreneurial leadership items. In Malaysia, quantitative research may be used to examine SME performance and entrepreneur leadership. Employee demands and statistical data are used in this investigation. With the use of statistical and mathematical tools, this study collects data from an organized survey. Using primary data, this study was able to acquire individual viewpoints since primary data is often gathered for a specific topic or subject under inquiry, which means that the data are likely to be current. To obtain primary data in real-time, a standardized questionnaire will be administered to 218 participants. Questionnaire Design is a methodical process in which the researcher studies numerous formats of questions, investigates several characteristics that describe the survey in question, then very carefully answers the questions and organizes the questionnaire design.

According to an established query, only a few possible responses are permitted. No pre-determined questions are asked, and replies are open in the unstructured questionnaire. There has been a systematic survey used to obtain the data for this study. Structurally defined relates to how data is collected. Each component of the survey is broken down into two sub-sections. For a better understanding of the respondent's background, the first set of questions is demographic, consisting of five questions ranging from Q1 to Q5. Convenience sampling of 97 attempts is

also left largely up to the interviewer to get a sample of convenient elements (Shirokova *et al.*, 2016). This collection of samples qualifying units is described in Hair and colleagues' paper as a "sample framework" (2006). Since the project's sample structure does not apply to the study's unexpected sampling procedures, it was not given the go-ahead.

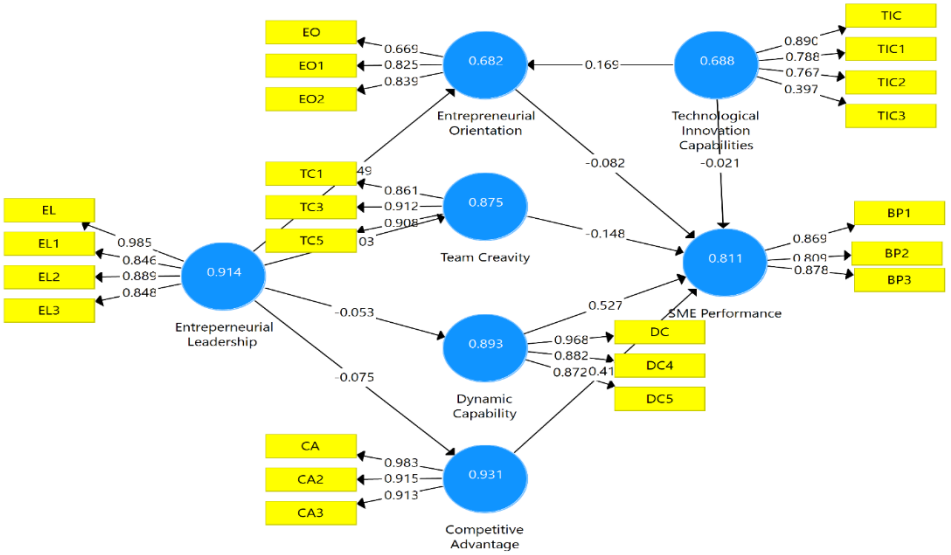
It's been established that there are three key components to effective leadership. Five independent factors and two mediating variables are involved. To assess popular support or opposition to a particular subject, the Likert scale was developed (Fowler, Susan B.; Lapp, 2019). Prediction models may be built using a wide range of parameters using PLS-SEM.

Data Analysis

Category		Frequency	Percent	Valid Percent
Gender	Female	112	51.4	51.4
	Male	76	34.9	34.9
	Prefer not to say	30	13.8	13.8
	Total	218	100.0	100.0
Age	16-25	48	22.0	22.0
	26-35	156	71.6	71.6
	36- 45	14	6.4	6.4
	Total	218	100.0	100.0
Education	Degree	123	56.4	56.4
	Diploma	46	21.1	21.1
	Doctorate	4	1.8	1.8
	High School	2	.9	.9
	Master's	43	19.7	19.7
	Total	218	100.0	100.0
Sector	Education	8	3.7	3.7
	Hardware	49	22.5	22.5
	Multimedia	69	31.7	31.7
	Network & Cyber security	80	36.7	36.7
	Software	12	5.5	5.5
	Total	218	100.0	100.0
Experience	From 3 years to 5 years	120	55.0	55.0
	From 6 years to 10 years	16	7.3	7.3
	Less than 3 years	82	37.6	37.6
	Total	218	100.0	100.0

The respondents of this study are mostly female 112 people and 76 of them are male in percentages 51% and 34.9% through 30 out of the total 218 respondents preferred not to state their gender for this study. This illustrates that most respondents from Malaysian SMEs are female, this finding is consistent with the national census data of Malaysia of 2019. Grouping the respondent's age categories for simplifications I have used 5 continuous scales, these are 16-25, 26-35, 36-45, 46-55, and 56+. Most of the respondents are between 26-35 age

group in number 156 or 71.6%, the second-largest category is 16-25 years in number 48 (22%), other percentages are 6.4% thought this respondent's group doesn't have anyone above 45 years old. In tabulation 4.3, University graduate or Degree holds respondents are 56.4% and Diploma holding respondents are 21.1% plus 2 respondents are a high school or out of a total of 218 respondents. Only 4 respondents have a Doctorate and 43 have a master's degree. According to table 4.4 and figure 4.4 respondents are mostly associated with SMEs that are doing business in network & cyber security in number 80 out of 218, respondents from multimedia associated SMEs are 69, Hardware SMEs are 49, 12 and 8 are from Software and Educational SMEs association ranked by the number of respondents in this study. Respondents indicated that 120 of the SMEs they are associated with are 3 to 5 years old, 82 indicated that.



Crunch's alpha should be greater than or equal to 0.70 based on (Reardon *et al.*, 2017). On the other hand, found that several 0.600 was acceptable (Greer *et al.*, 2018). This study has a Cronbach's alpha of 0.650, which is considered acceptable since it is more than 0.60 (Hair *et al.*, 2012, 2014). It is reasonable to assume that the measures used in this study are accurate and reliable.

Constructs	Items	VIF	Outer Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted
Entrepreneurial Leadership	EL1	16.565	0.985	0.914	0.941	0.799
	EL2	3.941	0.846			
	EL3	4.600	0.889			
	EL4	4.327	0.848			
	EL5	Terminated				
Entrepreneurial Orientation	EO1	1.222	0.669	0.682	0.823	0.610
	EO2	1.418	0.825			
	EO3	1.430	0.839			
	EO4	Terminated				

	EO5	Terminated				
Technological Innovation Capabilities	TIC1	2.046	0.890	0.688	0.815	0.540
	TIC2	1.758	0.788			
	TIC3	1.585	0.767			
	TIC4	1.046	0.397			
	TIC5	Terminated				
	TIC6	Terminated				
	TIC7	Terminated				
Team Creativity	TC1	2.080	0.861	0.875	0.923	0.799
	TC2	Terminated				
	TC3	2.502	0.912			
	TC4	Terminated				
	TC5	2.750	0.908			
Dynamic Capability	DC1	6.114	0.968	0.893	0.934	0.825
	DC2	Terminated				
	DC3	Terminated				
	DC4	3.138	0.882			
	DC5	3.113	0.872			
Competitive Advantage	CA1	11.839	0.983	0.931	0.956	0.879
	CA2	5.478	0.915			
	CA3	4.788	0.913			
	CA4	Terminated				
SME Performance	BP1	1.965	0.869	0.811	0.889	0.727
	BP2	1.553	0.809			
	BP3	2.059	0.878			
	BP4	Terminated				
	BP5	Terminated				

The t statistics indicate the strength of the relationship between the independent and dependent variables, while the p value indicates the relationship's significance. Thus, path Competitive Advantage -> SME Performance (t= 5.090, p= 0.000), Dynamic Capability -> SME Performance (t= 7.294, p= 0.000), Entrepreneurial Leadership -> Entrepreneurial Orientation (t= 19.994, p= 0.000), Entrepreneurial Orientation -> SME Performance (t= 1.972, p= 0.049), Team Creativity -> SME Performance (t= 2.108, p= 0.035), Technological Innovation Capabilities -> Entrepreneurial Orientation (t= 2.881, p= 0.004) proven to be significant. The completed model is shown in Figure 4.8. Entrepreneurial Leadership -> Competitive Advantage (t= 1.101, p= 0.271), Entrepreneurial Leadership -> Dynamic Capability (t= 0.752, p= 0.452), Entrepreneurial Leadership -> Team Creativity (t= 1.480, p= 0.139), Technological Innovation Capabilities -> SME Performance (t= 0.172, p= 0.863) are not significant when the research takes a liberal approach.

	Sample Mean	Standard Deviation	T Statistics	P Values	Decision
Competitive Advantage -> SME Performance	0.419	0.082	5.090	0.000	Supported
Dynamic Capability -> SME	0.528	0.072	7.294	0.000	Supported

Performance					
Entrepreneurial Leadership -> Competitive Advantage	-0.074	0.068	1.101	0.271	Not Supported
Entrepreneurial Leadership -> Dynamic Capability	-0.052	0.070	0.752	0.452	Not Supported
Entrepreneurial Leadership -> Entrepreneurial Orientation	0.750	0.037	19.994	0.000	Supported
Entrepreneurial Leadership -> Team Creativity	-0.102	0.069	1.480	0.139	Not Supported
Entrepreneurial Orientation -> SME Performance	-0.083	0.042	1.972	0.049	Supported
Team Creativity -> SME Performance	-0.149	0.070	2.108	0.035	Supported
Technological Innovation Capabilities -> Entrepreneurial Orientation	0.165	0.059	2.881	0.004	Supported
Technological Innovation Capabilities -> SME Performance	-0.004	0.043	0.172	0.863	Not Supported

Discussion

Accidentally, it's been established that fostering an entrepreneurial culture in the company's upper management may lead to better results. (Muchiri and McMurray, 2015; Miller, Steier and Le Breton-Miller, 2016; Shirokova *et al.*, 2016). The involvement of mediators made this much more difficult (Goldfarb and King, 2016; Girod and Whittington, 2017). Researchers developed a theoretical model that combines entrepreneurial leadership, entrepreneurial attitude, and SME success (SMEs). Research shows that entrepreneurial leadership has a positive influence on the entrepreneurial attitude of employees. Entrepreneurial leadership that promotes a more entrepreneurial attitude boosts a company's motivation for innovation, risk-taking, and proactiveness (Engelen *et al.*, 2015). Technological Innovation Capabilities seem to have little direct influence on the success of small businesses, but they have a positive effect on entrepreneurial motivation. To what extent an SME's success is affected by its entrepreneurial strategy is up for debate. This study, in contrast to previous findings, indicated that the entrepreneurial strategy used by a company was a key predictor of its success (Muchiri and McMurray, 2015; Wales, Wiklund and McKelvie, 2015; Miller and Le Breton-Miller, 2017; Cho and Lee, 2018a). It contributes to the body of information on company-level entrepreneurialism and effective relationships that already exist since most research has been undertaken in developed nations (Al Mamun and Fazal, 2018). If this positive correlation between entrepreneurship and success can be replicated in the hyper-competitive and unstable environment of emerging nations, we need to know it. Previous studies have shown that this study's findings are similar to those (Cho and Lee, 2018b; Covin and Wales, 2019; Alshammari *et al.*, 2020). A previous study (Zahra, Wright and Abdelgawad, 2014) has shown that team creativity is a significant relationship between entrepreneurial leadership and the performance of small and medium-sized businesses. The owner's entrepreneurial leadership allows the creative resource to be leveraged for increased performance by encouraging employees to join in generating collective innovation (Goldfarb and King, 2016). According to previous

research (Ferraro and Iovanella, 2017), SMEs operate better when they have employees with dynamic abilities, and our findings support that theory. Leaders must invest and resource allocation decisions to create dynamic capabilities (Heeley, Matusik and Jain, 2007; Basso, Fayolle and Bouchard, 2009). An ever-changing business environment needs dynamic abilities to remain relevant (Wales, Gupta and Mousa, 2011). SME success is heavily influenced by their competitive advantages, according to previous studies (Avolio *et al.*, 2004; McKinley, Latham and Braun, 2014). It's also tested whether or not entrepreneurial leadership and competitive advantage are linked. So the results of this research evaluated whether or not competitive advantage is a good predictor of entrepreneurial leadership and small company success. Researchers(Green, Welsh and Dehler, 2003) have proven that entrepreneurial leadership is a company's competitive edge.

Conclusion

An important contribution might be derived from the study results. An entrepreneurial mindset, entrepreneurial leadership, creative teamwork, dynamic abilities, a competitive edge, and company success are all present in the theoretical paradigm of this research at the same time. Entrepreneurial leadership has a direct impact on the performance of Malaysian businesses, according to this study. The third advantage of this study is that it gives insight into how this influence affects Malaysian SMEs. From these findings, Malaysian small and medium-sized enterprises may derive various practical applications. Entrepreneurial leadership is critical to a company's capacity to increase efficiency and profitability. It's not always possible to improve the measure in reality. For this reason, Malaysian companies would be wise to concentrate their efforts on establishing a strong foundation for Information and Communications Technology (TIC) as well as encouraging team creativity and flexibility. However, the study's flaws must also be taken into account. Small and medium-sized businesses in Malaysia are the subject of this inquiry. Some data in Malaysia's economy are based on subjective factors, such as the country's distinct demographics. If these findings are transferred to another location, such as an international business or even a Malaysian enterprise in a different city or province, there will be an issue. Recent alterations in the business climate might have an impact on these studies' findings and conclusions. To fit everything into the theoretical framework, there was not enough time or money. Entrepreneurial orientation and corporate performance have been connected to specific personality traits, such as the desire for success (Miller, Steier and Le Breton-Miller, 2016) and the capacity to exert internal control (Fottler, 1981). Other factors may play a role in explaining the link between entrepreneurial attitude and performance. Future studies may address the route for exploration based on the identified restrictions. It is possible to broaden the scope of research, for example, to different industries or locations. Adding or removing mediating variables might be done based on the study's goals and objectives. When it comes to high-tech industries, TIC is a common name. There is a risk that TIC may fade away in future research where technology is not the primary emphasis. In addition, a stronger framework may be developed from the present research. Entrepreneurial leadership and performance may be somewhat influenced by competitive advantage. Despite this, a company's success is still tremendously

aided by the benefit of the competition. The association between entrepreneurial orientation and performance is best explained by including this variable as a mediating component in the conceptual model. Firstly, this study stresses that entrepreneurial leadership has a good and powerful influence on the business context of Malaysian SMEs. Entrepreneurial leadership is capable of enhancing the performance of a Malaysian business via organizational variables such as team innovation, dynamic capabilities, and competitive advantage. Malaysian small and medium-sized enterprises (SMEs) benefit from TIC as part of this process as well. Also important is the role of dynamic skills, which relate Malaysian SMEs role.

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