



# INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



## Intellectual Capital and Bumiputera SME Performance: A Methodological Triangulation

Sakinah Mat Zin, Ahmad Azrin Adnan, Rosfatihah Che Mat

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v12-i3/12213>

DOI:10.6007/IJARBSS/v12-i3/12213

**Received:** 07 January 2022, **Revised:** 12 February 2022, **Accepted:** 28 February 2022

**Published Online:** 14 March 2022

**In-Text Citation:** (Zin et al., 2022)

**To Cite this Article:** Zin, S. M., Adnan, A. A., & Mat, R. C. (2022). Intellectual Capital and Bumiputera SME Performance: A Methodological Triangulation. *International Journal of Academic Research in Business and Social Sciences*, 12(3), 139–152.

**Copyright:** © 2022 The Author(s)

Published by Human Resource Management Academic Research Society ([www.hrmars.com](http://www.hrmars.com))

This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: <http://creativecommons.org/licenses/by/4.0/legalcode>

**Vol. 12, No. 3, 2022, Pg. 139 – 152**

<http://hrmars.com/index.php/pages/detail/IJARBSS>

JOURNAL HOMEPAGE

Full Terms & Conditions of access and use can be found at  
<http://hrmars.com/index.php/pages/detail/publication-ethics>



# INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



[www.hrmars.com](http://www.hrmars.com)

ISSN: 2222-6990

## Intellectual Capital and Bumiputera SME Performance: A Methodological Triangulation

Sakinah Mat Zin<sup>1</sup>, Ahmad Azrin Adnan<sup>2</sup>, Rosfatihah Che Mat<sup>3</sup>

<sup>1,3</sup>Faculty of Business and Management, Universiti Teknologi MARA, 18500 Machang, Kelantan, Malaysia, <sup>2</sup> Faculty of Business and Management, Universiti Sultan Zainal Abidin 21300 Kuala Nerus, Terengganu, Malaysia

Email: [sakin405@uitm.edu.my](mailto:sakin405@uitm.edu.my)<sup>1</sup>, [ahmazrin@unisza.edu.my](mailto:ahmazrin@unisza.edu.my)<sup>2</sup>

### Abstract

Most human resource management (HRM) researchers adopt the positivism research philosophy; thus, they choose quantitative approach. However, there are also calls for research to employ qualitative methodologies. Methodological triangulation using quantitative and qualitative methodologies provides multidimensional insights into many HRM research problems. This study used triangulation method in which two data collection phases were incorporated, specifically by combining quantitative and qualitative methods. In quantitative approach, the data of 327 Bumiputera SME entrepreneurs, selected by proportionate stratified sampling method, were analysed using PLS-SEM. The qualitative results were obtained from interview sessions using NVivo. The results provided support to SME entrepreneurs to understand the effects of intellectual capital on business performance and facilitate them in making the right decision. For the interview session, three entrepreneurs (regarded as the key informants) provided a deeper understanding on how intellectual capital influences SME business performance. This study demonstrated that intellectual capital elements (human capital and organizational capital) directly affect the business performance of Bumiputera SME entrepreneurs. All in all, the results of this study contributed significantly to the development and success of Bumiputera SME business performance either from theoretical or empirical aspects.

**Keywords:** Intellectual Capital, Triangulation, SME, Bumiputera, Performance

### Introduction

In most HRM research, the quantitative-based empirical studies prevail over the qualitative ones, while mixed methods research designs are scant. There is a need for the usage of methods which provide a middle ground between positivist and phenomenology paradigms. This paper proposed the mixed methods approach to add the 'fabric' required, illustrating the depth and flexibility needed to explore HRM issues, particularly in small and medium enterprise (SME) sector. In Malaysia, SMEs are the dominant form of business establishments which accounted for 98.5%. SMEs contributed 37.1% to the country's Gross Domestic Product (GDP), 66% of employment, 17.3% of total exports, and assumed an imperative responsibility in supporting the local big businesses (SME Corp Malaysia, 2018). SMEs can be considered as

the most important employment providers and sources of talent for large firms. Recognition for SMEs as the backbone of the Malaysian economy is evident in the new initiatives stated in the New Economic Model (NEM) which was launched in early 2010. Indeed, the government recognized that the growth of large firms and global giants need clusters and critical masses of SMEs.

Malaysian SMEs are dominated by Bumiputera, representing more than 50% of the SME's population. In fact, Bumiputera holds the majority population with approximately 68% of the citizens (11MP, 2016). Bumiputera is known as a son of the soil in Malaysia (Awang et al., 2009). Unfortunately, Bumiputera SMEs continually fail to secure larger share and they only can manage to give out less than 20% of the Malaysian economy. The GDP of Bumiputera SMEs in 2015 was only about 16% (ETP Annual Report, 2014). Hence, there is a need to grow Bumiputera SMEs to match non-Bumiputera SME contribution to the GDP to at least a 50:50 ratio.

Officially, three main ethnic groups are identified in this country, the Bumiputeras (mainly Malays), Chinese and Indians. Historically, aiming at promoting growth, Malaysia has taken a highly interventionist view against inequality between these groups. For example, in 1970, the country introduced New Economic Policy (NEP) to directly assist the Bumiputera, two-thirds of whom lived in poverty (Ravallion, 2020). In recent times, the government's main focus in Bumiputera empowerment will be translated through the detailed formulation of policies, strategies and initiatives in the preparation of the 12th Malaysia Plan 2021-2025 (Malay Mail, 10 August 2020). Apparently, government efforts are to instigate and inspire Bumiputera SMEs to become a game-changer and a risk-taker by discovering new possible platforms (Hashim, 2013).

In essence, Bumiputera SMEs need to come up with a sustainable solution that can develop strategic assets to face the challenges. Sustainable competitive advantages shall be obtained by implementing strategies that exploit their internal assets or intangible resources. This is in line with Marcin (2013) who proposed that the development of potential countries is primarily based in their intangible assets. These assets also enhance the firm's competitive advantage and superior performance, which Steward (1997) referred to as intellectual capital.

Intellectual capital plays a significant role in HRM (Kong & Thomson, 2009). Intellectual capital has been suggested to be used as a strategic approach in the pursuit and achievement of women SME entrepreneurs' business performance (Zin & Abd Manaf, 2019). Intellectual capital, profitability, and good corporate governance can explain the company value (Ekaputra & Fuadah, 2020), thus an efficient use of firms' intellectual capital enhances business performance (Sardo & Serrasqueiro, 2017). The research setting for this study is unique because the concept of intellectual capital in Bumiputera SMEs has not been given serious attention. Therefore, there is still much to learn how intellectual capital develops and influences Bumiputera SME business performance. Answers to these questions are important as they provide greater insights into intellectual capital from both theoretical and practical standpoints.

The purpose of this paper is to show theoretical and empirical evidence in the attempt to provide initial answers to these questions. The research is presented as follows. First, the

research examines the literature pertaining to intellectual capital and its relationship to business performance. Next, a theoretical foundation for an alternative explanation of the primary mechanism is presented through the intellectual capital elements that influence business performance. Using methodological triangulation, quantitative and qualitative methodologies are applied to study intellectual capital and business performance. Finally, the paper concludes with results, discussion and managerial implications.

### **Literature Review**

Business performance is based on the success of organizations; thus, basically the perception of the Bumiputera SMEs will be subjectively measured. Specifically, the entrepreneurs are asked about their satisfaction with the outcome of the sales, profit, business growth, increase in the number of employees, customer satisfaction, and net asset value of the business. Such a measurement has been widely employed by previous studies (Gaskill et al., 2015; Yusof et al., 2014). Subjective measures (using seven- point Likert scale) are used in evaluating Bumiputera SMEs business performance because normally SMEs are unwilling to openly disclose their financial statement (Zulkiffli & Perera, 2011).

Intellectual capital is defined as firm's assets i.e. human capital, information technologies, business procedures and any intangible assets that can be converted into value (Lentjušenkova & Inga, 2016). There is a significant relationship between intellectual capital and microfinance organizations' performance (Hashim et al., 2020). In fact, intellectual capital is positively related to the financial performance indicators of firms (Kasoga, 2020) and has been identified as one of the key drivers of firm-level performance. Two intellectual capital prominent aspects are human capital and organizational capital. Human capital is the stock of knowledge and skills embodied in labor force which is the result of education and work, and adds a certain value to the labor force (Alay & Jeppe, 2013), while organizational capital is the creations of mind, company's values, reputations, philosophy, process, R&D, and information technology (Yilmaz & Comez, 2016).

Managers should continuously pay attention to adjusting their intellectual capital, especially human capital for better decisions that help grow firm performance (Ting et al., 2020). Prasetyo and Kistanti (2020) found that human capital is the main key in driving economic growth both directly and indirectly. Besides, many scholars identified the critical role of human capital in enhancing organization's business performance and generating higher effectiveness of the firm (Nhon, Thong & Van Phuong, 2018; Khan & Quaddus, 2018; Zin & Adnan, 2016). This is due to the fact that human capital has a significant positive impact on strategic management of human resources which leads to company's prosperity and competitiveness (Alomari, 2019). In fact, human capital efficiency makes a positive contribution to firm performance across sectors (Tran & Vo, 2020). Likewise, organizational capital has a significant positive impact on the sustainable development of enterprises (Yusoff et al., 2019). Several researchers advocated the direct influence of organizational capital on firm performance and enterprise value (Abdirahman & Tarique, 2020; Wang & Yuan, 2017; Hashim et al., 2017).

### **Theory Development**

The focus of this paper is on the role of intellectual capital, which is an invisible resource of a firm, in creating competitive advantage. Ibn Khaldun's theory of development will help

Bumiputera SME entrepreneurs understand the characteristics of intellectual capital or intangible resources that drive competitive advantage of a firm. Marcin's (2013) proposed that the development of potential countries is primarily based in their intangible resources and internal capabilities. As for firms, sustainable competitive advantages shall be obtained by implementing strategies that exploit their internal strengths. Internal resources or intellectual capital can be regarded as a success factor that decides socio-economic development (Marcin, 2013). In line with this, Ibn Khaldun's theory of development brings to light the importance of effort in business compared to other jobs and reveals the key success factors in creating the valuable nations and determining the competitive advantage. Ibn Khaldun's economic analyses incorporated the importance of the intellect (human capital), intellectual property protection (organizational capital), sense of solidarity and group feeling, the role of human nature and religion, technological and intellectual enhancements and primacy of morality (Agil, 2008). All of these intangible resources were reinforced in Ibn Khaldun's theory of development.

Ibn Khaldun's thought of human capital can be applied to the development of human capital of today's society which will surely give enormous positive impact on the development of a country generally (Borhan & Sa'ari, 2009) and a firm specifically. Ibn Khaldun described human beings as possessing intellect, i.e. thinking skills, analysing and creating something, which enable them to differentiate the good and the bad (Razak et al., 2020). Ibn Khaldun's theory of development emphasized human capital on the role of ideas, education and learning in business and economic growth (Agil, 2010). With the ability to think, interactions, constant practices and habits, Bumiputera SME entrepreneurs are able to find new ways of doing things which lead into higher business performance. The undeniable fact is that if human beings or entrepreneurs are the end as well as the means of development, their reform and well-being have to be given the utmost importance.

Entrepreneurs should also protect their organizational capital in managing knowledge of the organization. Any intellectual property of their business has to be secured in order to avoid from competitors' imitation. Efficient systems for storing and retrieving information about products, services, systems, processes, brand and R&D must be preserved and secured. Ibn Khaldun envisaged the collapse of business and economic activities when the property rights are not protected:

*When attacks (on property) are extensive and general, extending to all means of making a livelihood, business inactivity, too, becomes (general), because the general extent of (such attacks upon property) means a general destruction of the incentive (to do business). If the attacks upon property are but light, the stoppage of gainful activity is correspondingly slight (Khaldun, 1967).*

Developing upon Ibn Khaldun's theory of development, it is therefore proposed that the success of Bumiputera SMEs is essentially grounded on having efficient intellectual capital dimensions which can enhance business performance. The hypotheses are as follows:

- H<sub>1</sub>     *Human capital has a positive relationship with Bumiputera SME business performance.*  
H<sub>2</sub>     *Organizational capital has a positive relationship with Bumiputera SME business performance.*



## Triangulating Intellectual Capital and Bumiputera SME Performance

### Methodology and Analysis

The end of nineteenth century has witnessed the transformation of business research from positivism to phenomenological paradigm. Mixed methods research is characterized by four general purposes: i. development, ii. complementarity, iii. expansion, and iv. triangulation (Greene et al., 1989). However, in recent decades, there has been a move among researchers to develop 'triangulation' methods which provide some association between extreme viewpoints (Easterby-Smith et al., 1991). A triangulation purpose refers to studies that use different methods to examine the same phenomenon to assess the degree of convergence in the findings and corroborate the results of one study through the findings of another (Bainbridge & Lee, 2014). The use of different research methods in the same study can overcome the potential bias of a single approach (Hussey & Hussey, 1997). According to Easterby-Smith et al (1991), there are four types of triangulation:

- i. Data triangulation - data are collected at different times or from different sources
- ii. Investigator triangulation - different investigators independently collect data
- iii. Methodological triangulation - both quantitative and qualitative techniques are employed
- iv. Triangulation of theories - a theory is taken from one discipline and used to explain a phenomenon in another discipline

The methodological triangulation of this research is as follows:

#### *Phase 1: Quantitative Method*

According to the sample size determination method by Sekaran (1992), 327 Bumiputera entrepreneurs in Kelantan were selected for the research sample. Through proportionate stratified sampling method, the population was allotted into strata i.e. based on 6 business sectors. The sample size of each stratum was proportionate to the population size of the stratum when viewed against the entire population. This means each stratum has the same sampling fraction. The sample size for each stratum was the multiplication outcome of its population size of 0.144 (i.e. 327 / 2265) (see table 1). Another way of calculating the sample size is by using this formula:

$$\frac{\text{Number of establishments for each business sector}}{\text{Total Population}} \times \text{Total Sample Size}$$

Hence, the population and sample size for the strata is shown below:

Table 1: Population and Sample Size

Business Sectors	Population	Sample
Commerce and Services	968	139
Construction	552	80
Consultancy	372	54
Manufacturing	256	37
Property	60	9
Agriculture	57	8
Total	2,265	327

Survey questionnaire was employed for data collection as this study aimed to test and demonstrate a newly proposed model of talent management on Bumiputera SME's business performance. Expert's opinion was sought to ensure that the content of the survey questionnaire explained what it intended to measure; in addition that the wordings, response options and sequence of questions were understandable and interesting. The clarity of instructions for the respondents was also given a priority in order to avoid ambiguity. Closed-ended questions were used to get specific information. These types of questions can be straightforward analysed via computer since each respondent's answer is provided a value for statistical assessment and interpretation. This type of questionnaire is employed to produce statistics in quantitative research as it keeps to a format that can be examined into a computer for simpler analysis.

In order to collect the information on respondents' opinion, questions were rated using the Likert-style rating scale. A good Likert scale will represent symmetry of Likert items which is a middle category that has clearly defined linguistic qualifiers for each category. The respondents were asked how strongly they agree or disagree with a series of statements on a seven-point rating scale. There are seven categories for the rating questions namely: 1 (strongly disagree), 2 (disagree), 3 (slightly disagree), 4 (not sure), 5 (slightly agree), 6 (agree), and 7 (strongly agree). All measurement items were measured at firm level. Since this study utilised validated quantitative measures derived from past literature, all the measurements were written in the source language (English) and have been previously tested.

A valid and reliable survey questionnaire development is significant to lessen errors in measurement i.e. the difference between the attributes of respondents and their responses. Specifically, it is important to know whether the measurement tools used are accurate, able to deliver stable responses and really measure the research concept or not. Two pre-tests of expert evaluation and pilot test were conducted to test the validity and reliability of the measures. This is because running a survey through several tests to check for potential problems could ensure that this study obtains the precise data.

Furthermore, this study decided to conduct preliminary evaluation to avoid facing some errors which could completely mess up the results of the analyses. Therefore, after coding of data, data screening was executed to detect data entry errors. Then, treatments of missing data, outliers, multicollinearity and response bias were made. Furthermore, IBM SPSS Statistics version 22.0 was employed for data analysis, hypotheses testing and several other statistical methods. Ultimately, Partial Least Square – Structural Equation Modelling (PLS-SEM) (SmartPLS 3.2.6) was utilised to analyse the data. PLS-SEM is primarily proposed for causal-predictive analysis. As the purpose of this study is to predict the influence of intellectual capital on Bumiputera SME business performance, PLS-SEM is considered appropriate. PLS-SEM model contains two inter-related models; a measurement model and structural model, which are assessed separately in a two-phase process.

#### *Phase 2: Qualitative Method*

As the idea of the qualitative method adopted by this study was to gain further understanding of intellectual capital influencing Bumiputera SME's business performance, the participants were purposefully selected. This study built the qualitative data collection directly on the quantitative results. For each type of business, an entrepreneur with the highest mean of

business performance was chosen as the informant. Using demographics in quantitative results, this study chose ten entrepreneurs from different districts in Kelantan who would respond differently to the dependent variable. This approach is in line with Creswell (1998) who recommends 5 to 25 respondents while Morse (1994) suggests at least six. The potential participants were contacted prior to the interview session. Out of ten entrepreneurs approached for the interview, only three agreed to participate. The interviewees' preferred day, time and venue were asked. The individuals in the qualitative sample were the same persons in quantitative sample. Hence, the quantitative results would have the follow-up and in-depth exploration of the results.

This study attempts to obtain fruitful information through a semi-structured, open-ended interview and takes interview notes. The interview was conducted using a set of predetermined open-ended questions and other questions emerging from the conversation between the researcher and interviewees. Face-to-face interviews allow social interaction between the researcher and the participant, especially in providing preliminary explanation. The researcher has an opportunity to probe for answers where interviewees' explanation is needed, or their responses are to be built on. The one-to-one interview took between one-to two-hour duration and was recorded using audiotapes and notes written concurrently. Word for word transcription of the interview was done to provide the best and accurate data analysis. The interview data were analysed using NVivo. Subsequently, the study implemented the following interview procedures to ensure the reliability and validity of the interview data:

- i. The participants are made to understand the purpose of the research - The study is on Bumiputera SME entrepreneurs and all information arising from the study is treated as confidential. The quotations from the interview are used anonymously and that no individual respondent is identified in the final research report.
- ii. The participants know the interviewer well through informal interaction - Interviewer gains interviewees' trust through contacts before the study begins and thus there is no interviewer bias.
- iii. Interviewer refers to the demographics in the quantitative results and chooses the key informants.
- iv. To obtain interviewees' confidence, careful preparation is done by the researcher:
  - Posses knowledge in the research topic and company participating in the research.
  - Provide participants with a list of the interview themes before the event occurs.
  - Suggest convenient location of the interview for the participants so that they feel comfortable.
  - Wear clothing that is generally acceptable for the setting within the interview.
  - Demonstrate commitment to confidentiality by not naming other companies that have participated in the research.
  - Avoid making comments or non-verbal behaviour, such as gestures that could indicate bias.
  - Become an attentive listener.
  - Summarize the explanation provided by the interviewee.

### *Phase 3: Triangulation Method*

At the last phase, triangulation technique was conducted by comparing and contrasting quantitative results and qualitative results. This triangulation commences by investing the results of structural model analysis using PLS-SEM (i.e., quantitative data) and NVivo (i.e.,



qualitative data). Through the data in quantitative approach, themes and descriptive responses were obtained. The qualitative data provided deeper context whether intellectual capital influences Bumiputera SME business performance.

## Results

The first hypothesis for this study is regarding the relationship between human capital and Bumiputera SME's business performance. The results above show that human capital has a significant relationship with Bumiputera SME business performance ( $\beta = 0.18$ , t-value = 3.392), thus  $H_1$  is accepted. The  $f^2$  (0.028) indicates the small size of human capital's impact upon business performance.

Similar to the first hypothesis, the beta value for the second hypothesis also indicates a positive relation between exogenous and endogenous variables. The results indicate that organizational capital has a significant relationship ( $\beta = 0.183$ , t-value = 2.828) and small influence ( $f^2 = 0.025$ ) on business performance. Therefore,  $H_2$  is accepted.

**Table1: Key Findings of Triangulation Analyses**

Quantitative Results (N=445)	Qualitative Results Interview (N=3)	Commentary
Human capital significantly (positively) influenced Bumiputera SME business performance. ( $\beta = 0.18$ , t-value = 3.392)	<i>Theme- Human capital</i> Fully utilizing the existing experienced employees, and frequently developing and investing in training to polish the skills.  University education is not a contributing factor to entrepreneurship.	Bumiputera SME entrepreneurs have enhanced their human capital by fully utilizing the existing experienced employees, and frequently developing and investing in training to polish the skills that will eventually contribute to the companies' profitability.
Organizational capital significantly (positively) influenced Bumiputera SME business performance. ( $\beta = 0.183$ , t-value = 2.828)	<i>Theme- Organizational capital</i> The administrative and financial aspects, routines, guidelines, manuals and databases were quite deficient.	Bumiputera SME entrepreneurs regarded procedures, product development and routines as the foundation to build the value generating process.

## Discussion

SME entrepreneurs must realize the need to maintain a competitive advantage and enhance the opportunity to create profitability through extracting value from intellectual capital (Zin & Ashari, 2020). Referring to Table 1, the position of this study is that Bumiputera SME entrepreneurs with intellectual capital would add towards business performance. The study's quantitative findings suggested that human capital and organizational capital could allow a firm to develop business performance. Human capital has a positive impact on the result of business activities (Nguyen, 2020). Indeed, human capital positively affects the expectation of aspiring Bumiputera SME entrepreneurs. By investing in human capital, Bumiputera SME

entrepreneurs have managed to acquire knowledge which has helped to prepare them to discover and interpret new opportunity that is not visible to other competitors. Knowledge, skills and capabilities that Bumiputera SME entrepreneurs possess, whether naturally or nurtured, are a halfway result, ultimately leading to the business value creation. Again, the study result applauds Bumiputera SME entrepreneurs' abilities in accomplishing their tasks and resolving problems which in the end enhance the firm's performance.

The quantitative finding of organizational capital is similar to those of (Nhon et al., 2018; Andreeva, 2017). These researchers claimed that organizational performance is significantly influenced by organizational capital. Bumiputera SME entrepreneurs have the ability to stimulate and improve the level of these non-human knowledge assets and put them in a better position to address competitive difficulties. In fact, they manage to build organizational capital by providing employees with relevant information systems and efficient work processes and procedures, as well as carefully document organizational knowledge and make it easily accessible.

In terms of human capital, the interviewees had the opinions that university education is not a contributing factor to entrepreneurship. They believed they had not developed skills and knowledge which were directly relevant to entrepreneurship. Sometimes, they saw university as not being helpful in establishing their businesses. This finding further supported the idea of Coy et al (2007) who asserted that holding a higher level of educational background does not necessarily contribute to a firm's success. It is well known that the Malaysian richest Bumiputera entrepreneur, Tan Sri Syed Mokhtar Al-Bukhary, never had tertiary education as he studied only up to form five (Forbes, 2019). He is a symbolic figure who upholds the philosophy that education does not guarantee success in life as opposed to hard work since he is a walking proof of that. However, it does not mean he lacks knowledge since he becomes knowledgeable and proficient through his own entrepreneurship endeavors during his adolescent years. There may be many other aspects that he has gained such as experiences, managerial skills, networks, and other skills obtained outside tertiary institution.

However, choosing to pursue the education route and knowledge is a useful way to progress and understand the inner workings of business, which could play a crucial part in driving the business forward. In reality, higher education enhances flexibility, openness and independent thinking without them even knowing it. Thus, this study argues that higher level of education may have a pronounced effect on Bumiputera SME entrepreneurs because advanced elements of education might favour a better understanding on the more complex nature of entrepreneurial opportunities and the objective of profitable business. Besides possessing firm-specific knowledge, skills and abilities, Bumiputera SME entrepreneurs with higher education would also become the sources of new ideas for the enhancement of business performance.

Analysis of data from interviewees exposed the major theme of organizational capital as an important element in their organizations. The entrepreneurs are aware of the significance in implementing procedures and systems within their organizations. More importantly, the quantitative and qualitative findings are in line with Ibn Khaldun's theory of development. Ibn Khaldun's theory of development stresses on human nature and the ability to think for the sake of wealth creation, business performance and economic growth. In addition, Ibn

Khaldun's theory of development has come to recognize the importance of organizational capital. Ibn Khaldun has envisaged the collapse of business and economic activities when the property rights are not protected. Furthermore, Ibn Khaldun's primacy of justice, life security and intellectual property protection have promoted positive values like honesty, hard work, integrity, entrepreneurship and technological advancement. Taking everything into account, through the execution of triangulation techniques, this study suggests that intellectual capital has great potential to improve business performance.

### Conclusion

The quantitative findings of the study exhibited that human capital and organizational capital could help a company develop business performance. Bumiputera SME entrepreneurs are capable in undertaking their responsibilities and resolving troubles which ultimately improve the firm's performance. Furthermore, the qualitative results from interview sessions showed that human capital and organizational capital have a significant impact on organizational performance. Bumiputera SME entrepreneurs have increased their human capital by fully utilizing existing experienced employees and frequently developing and investing in training to polish skills that will eventually contribute to the companies' profitability. Besides that, Bumiputera SME entrepreneurs have stimulated and improved the level of the non-human knowledge assets i.e., organizational capital, putting them in a better position to address competitive challenges.

In light of the findings, it is suggested that Bumiputera SME entrepreneurs manage intellectual capital in their firms efficiently since it contributes to the increase of income and eventually promotes better firm performance. To overcome challenges in business, the entrepreneurs need to develop intellectual capital by enhancing human capital and organizational capital accumulation. Furthermore, this study represents only a small extant of literature that focuses on measuring intellectual capital development in Bumiputera SMEs but the first research that focuses on Bumiputera SME's performance through methodological triangulation. It thus offers a novel perspective.

Even though numerous reviews of HRM literature suggest a strong disposition toward quantitative approach, decisions about research designs should be based on their fitness in addressing the research questions. A more critical assessment of the best approach in addressing a research problem is needed. This critical evaluation can be assisted by a clear articulation on the merits of a methodological triangulation for the HRM field.

### References

- 11MP. (2016). *Eleventh Malaysia Plan 2016-2020: Anchoring Growth on People. Speech by the Prime Minister in the Dewan Rakyat on 21 May 2015*. Available at: [https://www.pmo.gov.my/dokumenattached/speech/files/RMK11\\_Speech.pdf](https://www.pmo.gov.my/dokumenattached/speech/files/RMK11_Speech.pdf)
- Awang, A., Khalid, S. A., Yusof, A. A., Kassim, K. M., Ismail, M., Zain, R. S., & Madar, A. R. S. (2009). Entrepreneurial orientation and performance relations of Malaysian Bumiputera SMEs: The impact of some perceived environmental factors. *International Journal of Business and Management*, 4(9), 84-96.
- Abdirahman, M. D., & Tarique, R. (2020). Impact of structural capital and innovation capability on firm performance (Case study of Pharma industry in Karachi-Pakistan). *The Strategic Journal of Business & Change Management*, 7(1), 736-748.

- Agil, S. O. S. (2008). *The muqaddimah of Ibn Khaldun: Religion, human nature and economics*. Kuala Lumpur, Malaysia: Selangor International Islamic College (KUIS).
- Agil, S. O. S. (2010). *An Inquiry Into the Causes and Costs of Economic Growth: What Policy Makers Today Can Learn from the Muqaddimah of Ibn Khaldun*. Universiti Tun Abdul Razak.
- Alay, K. J., & Jeppe, H. J. (2013). Knowledge management practices in a public sector organization: the role of leaders cognitive styles. *Journal of the Academy of Marketing Science*, 17(3), 349-351. <https://doi.org/10.1108/JKM-11-2012-0358>
- Alomari, Z. S. (2019). Does human capital moderate the relationship between strategic thinking and strategic human resource management? *Management Science Letters*, 10(3), 565-574.
- Andreeva, T., & Garanina, T. (2017). Intellectual capital and its impact on the financial performance of Russian manufacturing companies. *ФОРСАЙМ*, 11(1 (eng)).
- Bainbridge, H. T., & Lee, I. (2014). Mixed methods in HRM research. *Research methods for human resource management*, 16-33.
- Borhan, J. T., & Sa'ari, C. Z. (2009). Modal insan dan kependudukan dalam pembangunan negara menurut Ibn Khaldun. *MIQOT: Jurnal Ilmu-ilmu Keislaman*, 33(2).
- Coy, S. P., Shipley, M. F., Omer, K., & Khan, R. N. A. (2007). Factors contributory to success: A study of Pakistan's small business owners. *Journal of Developmental Entrepreneurship*, 12(02), 181-198.
- Creswell, J. W. (1998). *Qualitative Inquiry and Research Design: Choosing among Five Traditions*. Sage Publications: London.
- Easterby-Smith, M., Thorpe, R., & Lowe, A. (1991). *Management Research. An Introduction*. Sage: London.
- Ekaputra, A. E., & Fuadah, L. (2020). Intellectual Capital, Profitability, and Good Corporate Governance Effects on Company Value. *Binus Business Review*, 11(1), 25-30.
- EPU. (2015). *The Malaysian Economy in Figures (EPU)*. Available at: <http://www.epu.gov.my>
- ETP Annual Report. (2014). *Narrowing Disparity*. Available at: <http://etp.pemandu.gov.my/annualreport2011>
- Forbes (13 March 2019). Available at: <https://www.forbes.com/profile/syed-mokhtar-albukhary/#3e7e402518ee>
- Gaskill, L. R., Van Auken, H. E., & Kim, H. S. (2015). Impact of operational planning on small business retail performance. *Journal of Small Business Strategy*, 5(1), 21-36.
- Greene, J. C., Caracelli, V. J., & Graham, W. F. (1989). Toward a conceptual framework for mixed-method evaluation designs. *Educational evaluation and policy analysis*, 11(3), 255-274.
- Hashim, M. J., Arifin, N. A. M., Kamarudin, M. F., & Khamis, R. (2020). Intellectual capital components and its relationship to Microfinance institutions' performance. *Advances in Business Research International Journal*, 6(2), 69-80.
- Hashim, M. J., Osman, I., & Alhabshi, S. M. (2017). Intellectual capital contribution to organizational performance in Malaysian banking and non-banking sectors. *Advanced Science Letters*, 23(1), 406-409.
- Hashim, H. (2013). *Propelling Malaysian SMEs into a higher economic contributor*. In Saudi International SMEs Forum (Vol. 29).
- Hussey, J., & Hussey, R. (1997). *Business Research methods: Qualitative and Quantitative Approaches*. USA Pearson Education.

- Kasoga, P. S. (2020). Does investing in intellectual capital improve financial performance? Panel evidence from firms listed in Tanzania DSE. *Cogent Economics & Finance*, 8(1), 1802815.
- Khalidun, I. (1967). *The Muqaddimah*, trans. Franz Rosenthal. The Muqaddimah: An Intro.
- Khan, E. A., & Quaddus, M. (2018). Dimensions of human capital and firm performance: Micro-firm context. *IIMB Management Review*, 30(3), 229-241.
- Kong, E., & Thomson, S. B. (2009). An intellectual capital perspective of human resource strategies and practices. *Knowledge Management Research & Practice*, 7(4), 356-364.
- Lentjušenkova, O., & Inga, L. (2016). The Transformation of the Organization's Intellectual Capital: From Resource to Capital. *Journal of Intellectual Capital*, 17(4), 610-631. doi:10.1108/JIC-03-2016-0031
- Malay Mail (10 August 2020). *Tok Pa: Bumiputera empowerment agenda needs bold, radical strategies*. Available at: <https://www.malaymail.com/news/malaysia/2020/08/10/tok-pa-bumiputera-empowerment-agenda-needs-bold-radical-strategies/1892665>
- Marcin, K. (2013). Intellectual capital as a key factor of socio-economic development of regions and countries. *Procedia Economics and Finance*, 6, 288-295.
- Morse, J. M. (Ed.). (1994). *Critical issues in qualitative research methods*. Sage.
- Nhon, H. T., Thong, B. Q., & Van Phuong, N. (2018). The impact of intellectual capital dimensions on Vietnamese information communication technology firm performance: A mediation analysis of human and social capital. *Academy of Strategic Management Journal*, 17(1), 1-15.
- Nguyen, V. (2020). Human capital, capital structure choice and firm profitability in developing countries: An empirical study in Vietnam. *Accounting*, 6(2), 127-136.
- Prasetyo, P. E., & Kistanti, N. R. (2020). Human capital, institutional economics and entrepreneurship as a driver for quality & sustainable economic growth. *Entrepreneurship and Sustainability Issues*, 7(4), 2575-2589.
- Ravallion, M. (2020). Ethnic inequality and poverty in Malaysia since May 1969. Part 2: Poverty. *World Development*, 134, 105039.
- Razak, A. Q. A., Suyurno, S. S., & Nordin, R. (2020). The 'Umrānic Thoughts of Ibn Khaldūn and Its Contributions to the Studies of Islamic Sociology and Civilization. *Jurnal Akidah & Pemikiran Islam*, 113-136.
- Sardo, F., & Serrasqueiro, Z. (2017). A European empirical study of the relationship between firms' intellectual capital, financial performance and market value. *Journal of Intellectual Capital*, 18(4), 771-788. <https://doi.org/10.1108/JIC-10-2016-0105>
- Sekaran, U. (1992). *Research Methods of Business*. Canada: John Wiley & Sons.
- SME Corp Malaysia (2018). *SME Annual Report 2017/2018, SME Corp Malaysia*. Kuala Lumpur, Malaysia.
- Steward, T. A. (1997). *Intellectual capital*. New York: Bantam Doubleday Dell Publishing Group.
- Ting, I. W. K., Ren, C., Chen, F. C., & Kweh, Q. L. (2020). Interpreting the dynamic performance effect of intellectual capital through a value-added-based perspective. *Journal of Intellectual Capital*, 21(3), 381-401. <https://doi.org/10.1108/JIC-05-2019-0098>
- Tran, N. P., & Vo, D. H. (2020). Human capital efficiency and firm performance across sectors in an emerging market. *Cogent Business & Management*, 7(1), 1738832.
- Wang, F. S., & Yuan, B. (2017). Research on the Impact of Intellectual Capital on Corporate Value—Based on the Panel Data of Companies Listed on GEM. *Journal of Computational and Theoretical Nanoscience*, 14(1), 151-156.



- Yılmaz, O., & Çömez, P. (2016). The Effect of Structural Capital on Enterprise (Qualitative and Quantitative) Performance. *International Business Research*, 9(6), 143-156.
- Yusof, N.M., Mahmood, R., Zin, S., & Puteh, M. (2014). An Investigation of the Small Business Start-up Performance. *Journal of Basic and Applied Scientific Research*, 4(3s), 10-17.
- Yusoff, Y. M., Omar, M. K., Zaman, M. D. K., & Samad, S. (2019). Do all elements of green intellectual capital contribute toward business sustainability? Evidence from the Malaysian context using the Partial Least Squares method. *Journal of Cleaner Production*, 234, 626-637.
- Zin, S. M., & Ashari, E. H. M. E. H. (2020). How Do Intellectual Capital and Islamic Work Ethics Affect SME Business Performance? *Jurnal Intelek*, 15(1), 77-88.
- Zin, S. M., & Abd Manaf, K. (2019). Role of Intellectual Capital in Women Entrepreneurs' Business Performance. In *Women Entrepreneurs and Strategic Decision Making in the Global Economy* (pp. 209-230). IGI Global.
- Zin, S. M., & Adnan, A. A. (2016). How do Intellectual Capital and Islamic Values Relate to Small Business Performance? A Conceptual Framework. *J. Appl. Environ. Biol. Sci*, 6(3S), 42-49.
- Zulkiffli, S. N. A., & Perera, N. (2011). A Literature Analysis on Business Performance for SMEs: Subjective or Objective Measures? In *Society of Interdisciplinary Business Research (SIBR) 2011 Conference on Interdisciplinary Business Research*.