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USAGE OF PUBLIC FINANCIAL SUPPORT SERVICES, ENTREPRENEURIAL ORIENTATION AND SME PERFORMANCE: THE CASE OF MALAYSIA

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Abstract

SMEs have received much recognition as they continue to be the backbone in the development and economic growth of nations. This study intended to investigate how the entrepreneurial orientation moderates the relationship between the utilization of the financial support services and the firm's performance. This study used Structural Equation Modeling to evaluate the impact of financial support services on SME performance. The sample for this study involved SMEs in Malaysia. The result indicates that financial support services significantly associated with the firms' performance and entrepreneurial orientation failed to influence significantly the relationship between the usage of the services and the performance. The findings of this study could be useful for the government business support services providers to enhance further the quality of services and will provide an understanding of how effectively the characteristics of SMEs related to entrepreneurial orientation would help increase the effectiveness of the support services.

JEL classification: L26, G1, L1, M29

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Introduction

SMEs have received much recognition as they continue to be the backbone in the development and economic growth of nations (Che Matet al., 2020; Prasanna et al., 2019). As small enterprises, SMEs operate with relevant disadvantages such as financial constraint and a lack of highly skilled human resources (Park et al., 2020).

These weaknesses hinder small firms from running the business effectively and might distort the growth of the firms (Blackburn et al., 2009). A study by Cravo and Piza (2019) found that the lack of performance among SMEs is affected by things such as the lack of capital. Being the more numerous players in economic activities, much financial support has been made available by the Malaysia government for SMEs. The financial support programs cover soft loans, fixed capital financing and working capital financing which comprise the start-ups project, expansion and rehabilitation among others.

The studies presented thus far provide evidence that there are numerous support programs provided by the government in supporting SMEs. The issue of SME performance becomes more critical in view of the fact that previous studies showed the government support was not attractive and perceived that it gave less impact on SME performance (Barryet al., 2014; Robson & Bennet, 2000; Sciglimpaglia et al., 2013). This lead to low utilization of the services. Berry et al. (2006) argued that the frequency of utilization of support services has positive influence on SME performance. To further complicate matters, critics have also argued that government support services not only gave less effect, but to some extent had a negative effect on SME performance (Arshed et al., 2014; Lewis et al., 2007). Lewis et al. (2007) argued that the negative effect emerged when SMEs were unable to implement the support given due to the lack of expertise. Overall, there seems to be some evidence to indicate that the effect of external support for SMEs on performance is mixed. Thus, with the mixed results from past studies and the role of entrepreneurial orientation, what are the effects of the government support services on SME performance and how does entrepreneurial orientation moderate this relationship?

The Malaysian government has allocated much evidence with inclusive programs to highlight SMEs. Recently, this impressive record was highlighted by Tahseen et al. (2021), where their business performance depends on financial aspects and business growth. This success inspires Malaysian SME owners because key components also need to be considered, such as non-financial performance. It doesn't stop there, Yatim et al. (2019) and Zaato et al. (2020) verified the conceptual framework for reviewing the enthusiasm of SMEs. In fact, government support has reconstructed social capital and entrepreneurial orientation. Qualified human resources are the principal attraction in respecting and understanding social networks. Another logical thing is the government's initiative to intervene in the competitive advantage of SMEs. The consistency and sustainability of government programs is very important for the success of SMEs.

Slowly but surely, other positive aspects have also been exposed at the university level. Tam et al. (2019) evaluates thirteen selective policies that have been implemented by the government including research commercialization, risk management training, skills connectivity, building trust and communication, fostering an entrepreneurial culture, improving university management, controlling intellectual property rights, financial help, modernizing the quality of human resources, motivation and performance, partnerships, mapping of market aspects, and expanding the market by highlighting product advantages.

In view of all that has been mentioned so far this study applies resources-based view (RBV) theory with intent to fill the aforementioned gaps. From the RBV point of view, external support consists of sources that are able to build firms' internal capability. The RBV also proposes that the availability of external support is meaningless without firm knowledge to exploit and make use of it (Kraaijenbrink et al., 2010). Thus, this study exploits the fact that financial support services are one of the valuable resources that are able to exert significant impact on performance, and entrepreneurial orientation as one of the variables that moderate the relationship between the usage of the financial support services and the firm's performance. Thus, this study on the relationship of financial support services, entrepreneurial orientation and performance of SMEs may provide important insights into the effect of the financial support services and the role of entrepreneurial orientation on the SME performance.

Literature Review

Business Support

Schaper and Vollery (2004) defined a business support provider as one that provides one or more skills

and knowledge in a field related to business operation. According to Stanger (2004), a business advisor is an organization or an individual who provides support services either verbally or in written form in relation to the preparation of financial statements, tax compliance, law, financing, operation, and financial management. Both definitions portray a business support advisor as someone who has the capability to provide input to the business owner for the betterment of his or her business. A business support advisor also acts as a mentor and sells the idea for implementation in the business operation (Berry et al., 2006). On the other hand, a business advisor also plays an important role in filling the knowledge gap in SMEs and meeting the business objectives (Adamson, 2000; Bennett & Robson, 1999; Cravo & Piza, 2019).

The literature shows that business support comes from two sources of suppliers, namely government-sponsored business support and private business support. The sources of business support services are usually the government, which is non-commercial in nature, and private consultants, who offer their services for commercial gain. Both parties provide a wide range of services to support small business owners. Berry et al. (2006), based on the previous literature pertaining to the sources of support for SMEs, grouped them into six areas of function: professional specialists, professional generalists, market contacts, social contacts, business associates, and government agencies. Watson (2010) argued that SMEs seek support from formal and informal suppliers. Formal suppliers are structured organizations that provide support services as their main business activity. The players are banks, solicitors, industry associations, external accountants, tax offices, and business consultants. On the contrary, informal networks are made up of friends, family members, local councils, and players or competitors in the industry. Informal networks do not practice support as a major business activity. The support may be delivered and acquired informally without a structured procedure.

In summary, the suppliers of support services can be grouped into three broad categories: firstly, the services offered by the government via various agencies; secondly, the private sector; and thirdly, quasi-government institutions. Obviously, the government's roles in supporting SMEs' activities are of paramount importance, especially in developing countries. Concerning the vital roles of the government in maintaining economic and social stability, the study focuses on the financial support services sponsored by the government to assist the development of SMEs in Malaysia.

Financial Support Program

Financing is one of the important issues surrounding SMEs especially during the start-up period. The inability to raise capital continuously contributed to SME failure (Moha Asri, 1999; Ropega, 2011). Thus, external participation in the form of financial facilities is much needed by SMEs. The positive impact of financial assistance to SMEs is widely discussed and supported by a number of studies. Xiang and Worthington (2016) posit that the financial support provided by the government has positively influenced firm performance. That the financial position is of paramount importance to SME operation is supported by a number of researchers in other countries. Bohata and Mladek (1999) argued that insufficient funding to finance business expansion is one of the barriers hindering SME growth. This finding is supported by Krasniqi (2007) and Park et al. (2020) who found that the financial obstacles, referring to difficulties accessing financing and the high cost of financing, have become a major threat for growing SMEs, beside the tax burden. The issue of the 'finance gap' among SMEs, particularly regarding bank finance, and the action taken to close the gap have been acknowledged by academics and practitioners (Rahman et al., 2016).

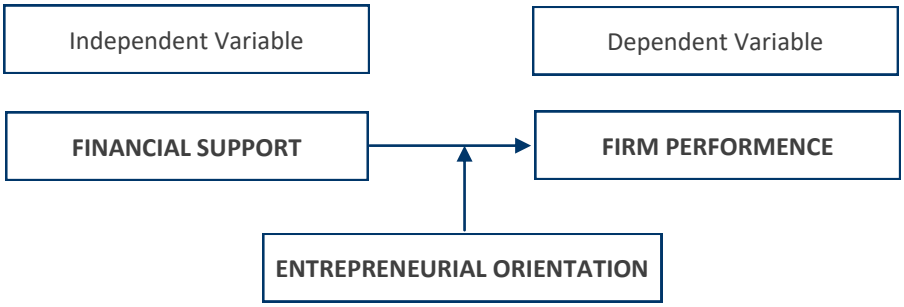
The government is aware of the difficulties faced by SMEs especially in raising capital to finance daily business activities. There are a number of financial products which are related to working capital financing that are designed and offered via various agencies and government related institutions to assist SMEs in managing finance (Bin Yusoff & Zainol, 2012). The products which group according to purpose of financing which are available in the market include financing for acquisition of land and buildings, acquisition of machinery and modernisation, working capital financing and export financing. However, there were mixed results about the effects of the government support services on SMEs performance. Therefore, this study examines the usage of financial support programs provided by the government among SMEs and its impact on their performances.

Entrepreneurial Orientation and Performance

Entrepreneurs need a collection of competencies in order to manage their business resources and all the business functions effectively (Bin Yusoff et al., 2018). Entrepreneurial orientation explains an entrepreneur's

behaviour in developing their businesses. That way, entrepreneurs with greater entrepreneurial orientation are capable of dealing with a dynamic and challenging business environment. In general, entrepreneurial orientation refers to the entrepreneur's ability to run a business and outline strategies pertaining to innovativeness, pro-activeness and risk taking (Keh et al., 2007; Kumar et al., 2018; Tajeddini et al., 2020). Entrepreneurial orientation is viewed as having strong influence on the performance of a firm. Researchers argue that entrepreneurs or firms with a higher level of entrepreneurial orientation are superior to those without (Alvarez-Torres Francisco et al., 2019; Rauch et al., 2009; Wiklund, 1999; Zahra, 1993). Therefore, this study viewed entrepreneurial orientation as interacting with utilisation of the financial support and firm performance. It is assumed that the presence of entrepreneurial orientation as a third variable could affect the zero-order correlation between the two other variables which are able to change the effect on causal relation between the two variables (Baron & Kenny, 1986).

Figure 1: Theoretical Framework



Source: Own elaboration.

It is also important to note that the previous studies mentioned fail to address clearly whether the SMEs examined have the desire to grow or have a high entrepreneurial orientation. As argued by Lean et al. (1998) few SMEs aspire to grow further but many hope only for survival. So that by excluding the role of entrepreneurial orientation in the study, these studies failed to clarify whether the impact of the financial support on performance was influenced by low utilisation of the services or lack of entrepreneurial orientation (Bennett & Robson, 1999; Berry et al., 2006; Ramsden & Bennet, 2005). Thus, one of the objectives of this study is to take into account the presence and the influence of entrepreneurial orientation within the firm when measuring the effect of the financial support to SME performance (see Figure 1).

Methodology

This study adopted a cross-sectional design with the target population, comprising of SMEs in Malaysia, and measured the relationship between financial support services, and entrepreneurial orientation, with the influence of entrepreneurial orientation as a moderating factor. To measure the impact of the constructs on performance, the study used scales of measurement that were developed, tested, used in other studies, and deemed to be reliable. Researchers commonly employed this approach in developing a survey instrument. Kitchenham and Pfleeger (2002) stated that this approach had two major advantages: the trustworthiness of the instruments based on validity and reliability tests and the comparison of new results to results from previous studies.

The closed ended questionnaires were used in this study and distributed via mail among SMEs in Malaysia. There were 1,500 respondents selected as sample from 14 states in Malaysia and utilised a random sampling method. There were 3,832 sets of questionnaires sent to SMEs. Existing instruments were adapted from previous literatures. All measurements were using a5 point Likert Scale in which 1, represents strongly disagree

disagree and 5 refers to strongly agree. 728 questionnaires were returned and only 670 were accounted for due to incomplete responses. This study used the Structural Equation Modelling-Partial Least-Square (SEM-PLS) technique to analyse the relationship between financial support services and performance as the moderating effect of entrepreneurial orientation maximising the explained variance in the dependent constructs apart from assessing data quality through the measurement model.

Findings

The largest respondents were from the state of Selangor which represents 15.1% of total respondents followed by Federal Territory (12.2%), Johor (12.2%) and other states (>10%). The two largest respondents who used financial support were from Selangor (18.4%) and Federal Territory (15.7%). The large responses from the two states are due to the main business activities which are concentrated in the central region of Peninsular Malaysia in which the states are located.

Table 1: Total Respondents

State	Total		User	
	Frequency	%	Frequency	%
Kedah	51	7.6	19	5.6
Kelantan	48	7.2	20	5.9
Perlis	13	1.9	8	2.4
Penang	33	4.9	12	3.6
Perak	31	4.6	11	3.3
Federal Territory	82	12.2	53	15.7
Sabah	34	5.1	19	5.6
Sarawak	39	5.8	11	3.3
Pahang	58	8.7	49	14.5
Selangor	101	15.1	62	18.4
Melaka	35	5.2	15	4.5
N. Sembilan	20	3.0	9	2.7
Johor	68	10.1	38	11.3
Terengganu	57	8.5	11	3.3
Total	670	100.0	337	100.0

Source: Own elaboration.

The majority of the respondents were between 36 to 55 years old (65%). 68% of respondents were male and 32% were female. 22% of the respondents have first-degree qualifications, 9.5% a master degree, 1.5% a Ph.d and the balance, 67%, with Diploma, Certificate and other qualifications. 78% are owners and the other 22% are Chief Executive Officer of the firms.

Table 2: Respondents Demographic Profile

Demographic	Frequency	%
Age		
<25	17	5.0
26-35	55	16.3
36-45	112	33.2
46-55	106	31.5
56-65	41	12.2
>65	6	1.8
Gender		
Male	229	68.0
Female	108	32.0
Education		
SRP	23	6.8
SPM	74	22.0
Certificate	52	15.4
Diploma	77	22.8
First Degree	74	22.0
Second Degree	32	9.5
Doctor of Philosophy	5	1.5
Designation		
Owner Manager	263	78.0
Chief Executive Officer	74	22.0

Source: Own elaboration.

Table 3: Respondents Organisation Profile

Demographic	Frequency	%
Business experience		
<5 y	71	21.1
6-10 y	91	27.0
11-15 y	76	22.6
16-20 y	64	19.0
21-25 y	26	7.7
>25 y	9	2.7
No. of employees		
1-5 y	117	34.7
6-20 y	108	32.0
21-35 y	60	17.8
36-50 y	17	5.0
>50 y	35	10.4

Age of firm		
<1	13	3.9
1-5 y	83	24.6
6-10 y	103	30.6
11-15 y	60	17.8
16-20 y	45	13.4
>20 y	33	9.8
Location		
Urban	227	67.4
Rural	110	32.6
Tertiary sector		
Manufacturing	134	36.8
Services	154	45.7
Construction	59	17.5

Source: Own elaboration.

In terms of business experience 21% of respondents have less than 5 years of experience, 27% (10 years), 22% (15 years), 19% (20 years) and 10% of the respondents have more than 20 years of business experience. Only 10% of the respondents are medium-sized firm, 55% small-sized and 35% micro-scaled firms. More than half of the respondents are located in urban areas (67%). Finally, 46% of the respondents are involved in the service sector, 37% in manufacturing and the remaining 17% are in construction.

Multivariate Analysis

The full model applied in this study comprises of one construct for independent variables, one construct each for moderator and dependent variable. The result of cross-loading computation indicates that none of the items under a specific construct loaded lower than items in the other construct, thus, the measurements are conceptually distinct (Chin, 2010).

Table 4: Outer Model Loadings and Cross Loadings

Indicator	Fin Support	Performance	EO
Fin1	0.813	0.429	0.423
Fin2	0.850	0.397	0.542
Fin3	0.889	0.489	0.547
Fin4	0.904	0.517	0.276
Fin5	0.910	0.526	0.564
Fin6	0.868	0.593	0.545
Fin7	0.857	0.467	0.152
Perf1	0.470	0.817	0.236
Perf2	0.439	0.858	0.344
Perf3	0.437	0.881	0.352
Perf4	0.571	0.871	0.360
EO1	0.454	0.205	0.812
EO2	0.468	0.204	0.862
EO3	0.471	0.193	0.901
EO4	0.467	0.240	0.893
EO5	0.468	0.243	0.905
EO6	0.474	0.226	0.892

Source: Output calculation.

Note: bold values are loadings for items which are above the recommended value at 0.7.

The Composite Reliability coefficients of all constructs exceeded 0.9, it signifying that the items are reliable (Henseler et al., 2009).A convergent validity test was performed to assess items used to measure that constructs are in agreement. For this study, both CR and AVE exceeded 0.6 and 0.5, respectively as shown in Table 6 (Hair et al., 2011).

Table 5: Result of Reliability Test

Construct	Measurement items	Composite Reliability	Loading range	Number of items
Fin Support	Fin1 to Fin7	0.956	0.813 - 0.910	7
Performance	Perf1 to Perf4	0.917	0.817 - 0.881	4
EO	EO1 to EO5	0.953	0.812 - 0.905	6

Source: Output calculation.

Note: final items numbers (initial numbers).

Table 6: Result of Measurement Model

Model Construct	Measurement Items	Loading	CR	AVE
Fin Support	Fin1	0.813	0.9560	0.757
	Fin2	0.850		
	Fin3	0.889		
	Fin4	0.904		
	Fin5	0.910		
	Fin6	0.868		
	Fin7	0.857		
Performance	Perf1	0.817	0.9274	0.761
	Perf2	0.858		
	Perf3	0.881		
	Perf4	0.871		
EO	EO1	0.812	0.9530	0.771
	EO2	0.862		
	EO3	0.901		
	EO4	0.893		
	EO5	0.905		
	EO6	0.892		

Source: Output calculation.

Discriminant validity was accessed by examining correlations between the measures of potentially overlapping constructs. The result in Table 7 showed that adequate discriminant validity of all constructs as the squared correlations is less than the average variance extracted thus, it met the Fornell and Lacker (1981) criterion.

Table 7: Discriminant Validity of the Constructs

	Fin Support	Performance	EO
Financial Support	0.758		
Performance	0.319	0.735	
EO	*0.477*	*0.288*	*0.687*

Source: Output calculation.

Note: diagonals (in bold) represent the average variance extracted.

Goodness of fit (GOF) is also known as the geometric mean of the average communality and the average of R^2 is to test the overall model fit (Tenenhaus et al., 2005). The GOF result was 0.547 which exceeds 0.5, therefore, the model has predictive relevance and performs well.

Table 8: Goodness of Fit

Construct	R Square	Communality
Performance	0.360	0.735
Total	0.695	1.496
Average	0.347	0.748
√ (Ave R square x Ave Communality = 0.510		

Source: Output calculation.

Structural Model Results

The result in Table 9 indicates all hypotheses (H1 and H2) were accepted. The R^2 value for soft performance and hard performance were 0.360 and 0.335 respectively. These indicated that 36.0% of the variance of soft performance and 33.50% of the variance of hard performance can be explained by financial support services. In the case of the present study, the value for both performances lie in between moderate and substantial (Chin, 2010).

Table 9: Path Coefficient and Hypostudy Testing

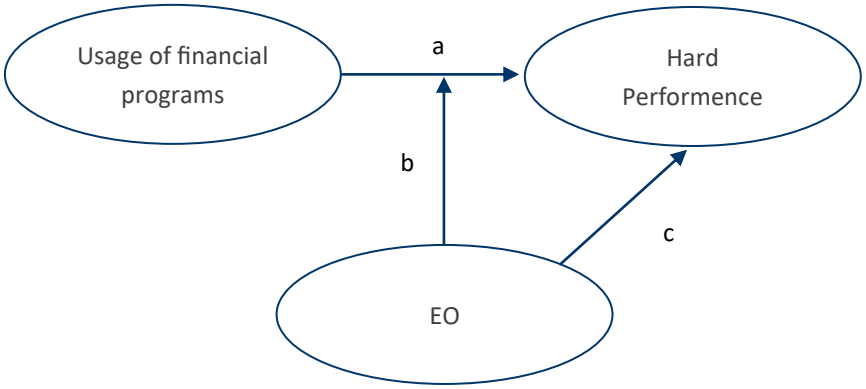
Hypothesis	Relationship	Coefficient (β)	*t* value	Result
H1	Fin Support -> Performance	0.360	5.312	ACCEPT***

*Source: Output calculation, Note:significant at p > 0.01***.*

Moderating Effect of Entrepreneurial Orientation

This section presents the moderation analysis applying product-indicator approach. This approach was applied to detect the moderation effect of EO on the relationship of independent variable and dependent variable performance.

Figure 2: A Model With a Moderating Effect (c)



Source: Output calculation.

A three step hierarchical regression was performed to examine the significance of the moderator (Baron & Kenny, 1986). Firstly, the effect of independent variable on dependent variable was estimated. Secondly, the relationship of the moderator variable and dependent variable was measured to establish evidence of the significant direct impact on the dependent variable. Lastly, the interaction terms of the moderator variable and independent variable were entered and measured to get the R^2 which indicates variance explained. To determine the significant increase of R^2 the effect size was calculated as suggested by Cohen (1988). This procedure was conducted on the relationship of independent variable and dependent variable.

This study follows the three steps approach as suggested by Baron & Kenny (1986) in order to test the moderation effect. In step 1, the direct effect of usage of financial support services on performance (a) was estimated. The result shows that there is a significant relationship between the usage of financial support service and performance (t = 26.303 and 24.589, $p < 0.001$). In step 2, the direct impact of the moderating variable on the criterion variable was measured. The result shows that there is a significant relationship between the moderating variable and criterion variable (t = 6.753 and 7.391, $p < 0.01$). In Step 3, to examine the moderating effect of EO on the relationship, the usage of financial support services (predictor) and EO (moderator) were multiplied to create an interaction construct (financial support services x EO) and to predict continuance intentions (Chin, 2010; Henseler & Fassot, 2010). In this case, usage of financial support services comprises of seven items and six items of EO thus, the interaction construct represents a total of forty two items (7×6). The AVE and CR of this interaction variable are 0.752 and 0.924, respectively, which exceeds the minimum cut-off value (see Table 10).

Table 10: Hierarchical Regression

Step	Variables	Standardised Value		
		Model 1	Model 2	Model 3
1	Fin Support -> Performance	23.4250	9.9069	7.3050
2	EO -> Performance		6.1217	7.3050
3	Fin Support * EO -> Performance			0.7017
	R square			
	Performance	0.3208	0.3603	0.3902

*Source: Output calculation, Note:*p <.05; **p<.01; *** p<.001.*

In summary, the 3 steps hierarchical regression test was performed to test for moderating effect. The influence of predictor on criterion variables was measured (Step 1), as was the influence of moderating variable on criterion variable (Step 2) and the influence of interaction variable on criterion variable (Step 3). According to Henseler and Fassot (2010), the moderator is said to be significant if the interaction effect is substantial. For the present study, the β for interaction is 0.587 which is not significant at $p < 0.05$. However, test on size effect indicates a moderating effect presence at small interaction.

$$\textit{Performance of size effect} = f^2 = \frac{R_i^2 - R_m^2}{1 - R_i^2}$$

$$= \frac{0.339 - 0.297}{1 - 0.339}$$

$$= 0.064$$

where: i = interaction model, m = main effect model.

Formula1 shows that the size of the moderating effect is 0.064 which is categorised as small (Cohen, 1988). Furthermore, the result of beta changes is also not significant (β = 0.063, t = 0.587). Therefore, EO does not moderate the relationship between the usage of financial support services and hard performance. Thus, statistically H2a was rejected. However, the moderator's role should not be neglected even if the interaction is small. Chin (2010) states that:

"Even a small interaction effect can be meaningful under extreme moderating conditions, if the resulting beta changes are meaningful, then it is important to take these conditions into account".

Thus, the entrepreneurial orientation as a moderator in the present study is considered important and have positive impact plus it is able to influence the firm's performance. The moderating effect is small but should not be neglected.

Discussion

In general, the results fully support the concept of external resources and firms' performance in resource-based theory, which claims that firms' resources are the determinants of their performance (Penrose, 1959). The result also indicated that entrepreneurial orientation failed to influence significantly the relationship between the usage of the financial support services and the performance. From the theoretical point of view, supposed entrepreneurial orientation positively influenced the performance. In other words, firms that possessed higher entrepreneurial orientation were inclined to perform better than others. However, this study found that entrepreneurial orientation did not significantly influence the relationship between the usage of the service and performance.

This study found that the usage of financial support services by the Malaysia Government has a significant positive effect on SME performance. This result indicates that the usage of the services is able to increase SME performance. The positive impacts of the financial support services of the government reflect the success of the agencies in assisting SMEs to manage their businesses effectively and efficiently. It is argued that financial support is crucial for SMEs. The ability to fulfill financial requirements by constantly seeking external support would ensure the success of SMEs. Based on the result of this study, financial support is important for SME business activities. Without the right and proper financial support from the government, SME growth would be impeded. In contrast, to some extent, inadequate financial support can also contribute to the failure of SMEs (Xiang & Worthington, 2017). Krasniqi (2007) and Mole (2016) argued that inadequate financing and tax burdens are among the factors that slow SME growth. This implies that the current financial support services provided by the government have successfully acted as a catalyst for growth and overcome the critical barriers to growing SMEs. The most important finding from the result of this study is that despite the failure of the market mechanism even in developed economies to address the financing needs of SMEs (Krasniqi, 2007), the Malaysian government agencies have effectively delivered the services and SMEs have executed them. The usage of these services has further enhanced the adequate financial position of SMEs. As mentioned earlier, an adequate financial level is a crucial factor for SME success. For that reason, the availability and usage of financial support have strongly influenced SME performance. Broadly speaking, the government financial support services have successfully met the SMEs' needs and supported their growth.

The result of this study also indicates that the level of SMEs' soft skills in terms of the ability to reduce cost, the improved ability to manage, increased networking, and increased business information is significantly related to the usage of the financial support services provided by the government. The ability to improve soft skills, then has impacted the achievement of hard per-

formance. For instance, by reducing costs, firms may experience a higher level of productivity, which means more chances to gain higher profit. Besides that, the ability to manage effectively will avoid uneconomic activities, thus saving a great deal of time, which will further create a positive impact on performance.

This study provides evidence highlighting the importance of the usage of financial support services supplied by the government to SME performance. The SMEs that successfully secured financial support have experienced an improvement in performance. This provides wider potential to fulfill the role of creator of new employment.

Entrepreneurial orientation did not work well as a moderator in the relationship between financial support services and firm performance, possibly due to the fact that financial products offered by the government agencies are inflexible. Apparently, the variety of the products are very limited. For instance, most of the financial products offered by the various numbers of business support providers are similar which concentrated on the basic financing requirement such as working capital and fixed asset financing. These products are normally to fulfil basic business needs of SMEs who in the majority operate as micro-sized enterprises. Thus, the perception about the effect of the financial support services among SMEs with low entrepreneurial orientation and high entrepreneurial orientation were almost similar as similar products are offered to both groups which may look for other types of financing. Perhaps, high entrepreneurial orientation firms which are more innovative and aggressive need other than basic financing. They may be searching for flexible and customized products to accommodate their requirements for innovation activities. The restriction of the Banking and Financial Institutions Act of Malaysia limits the variety of financial products offered by non-banking institutions, in this case the suppliers of financial support services. There are no significant differences between high entrepreneurial orientation and low entrepreneurial orientation SMEs in terms of frequency of usage of the services. In terms of a direct relationship, financial support services have a significant positive relationship with firm performance. However, the firms' entrepreneurial orientation clearly did not significantly influence the relationship.

Conclusion and Recommendations

Theoretically, the finding reflects that the impact of the usage of the financial programs is not significantly influenced by the presence of entrepreneurial orientation. This implies a positive impact of the services on firms' performance contributed by the services solely without the intervention by entrepreneurial orientation. The findings also indicate that despite the critiques about the weaknesses of government support services, they were successfully implemented and contributed to the success of the SMEs. The success of the implementation was not influenced by the degree of entrepreneurial orientation among the SMEs. From another point of view, this finding discloses the degree of importance of financial support services to SMEs. Every business, disregarding the characteristics of the firm (entrepreneurial orientation), size, and type of business, is in dire need of external financial support. SMEs believe that without financial support their performance will be affected. This means to say that low entrepreneurial orientation SMEs are also users of the services and that they recognize the importance of these services for their business.

Evidently, the issue of performance of SMEs and the role of financial support services in supporting their businesses is not much related to the level of entrepreneurial orientation of the firms. The issue that came into view was the effectiveness of the financial support services which may refer to the content of the services which are fit to SMEs needs and timely delivered. In this study, we perceive that the financial support services gave significant effect on the firm's performance when SMEs believed that the services practically fulfilled the basic business financing requirements of SMEs. To conclude, this study highlighted the significant effect of the financial support provided by the government on the SMEs' performance. SMEs who frequently use the services have better performance compared to those who do not. Furthermore, the role of entrepreneurial orientation has no significant effect in moderating the relationship between the financial support services and SME performance. However, the role of entrepreneurial orientation should not be sidelined as it might have a negative impact in the long run.

This study is not without limitations despite significant contributions. The collected data were derived from new Malaysian entrepreneurs. Although the number of samples was statistically sufficient, there was inadequacy in generalizing the findings. Furthermore, the insignificant impact of financial support services may reflect the low level of exposure to services, thus resulting in limited knowledge of the benefits of the financial facilitation services provided among potential entrepreneurs. Therefore, future studies are recommended to measure the knowledge of financial support

services and investigate the cause of non-significant interactional effects in this study.

The measurement of the utilization of the financial support services did not cover all the types of services available for SMEs in the market since this would require further expense and time. This study only focused on major services and those mostly known to and popular with SMEs. Future studies could examine a single sector and different sizes of firms (micro, small, and medium) to confirm the results' similarity or differences. With the positive impact of financial support services on the SME performance, it is essential to further promote the usage of the services among SMEs. Therefore, future studies could explore the antecedents to the usage of financial support services. This will provide an insight into the potential factors that influence the usage of the services. Characteristics of respondents by sector will be more interesting if further explored, especially regarding the correlation between their profiles and financial support.

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