Entrepreneurial Characteristics as a Determinant of Internationalization: 
A Study of Malaysian Auto Parts SMEs

Law Jin Wen  
*Graduate School of Business, University of Malaya*

Aida Idris  
*Faculty of Business and Accountancy, University of Malaya*

Samir Harith  
*Graduate School of Business, University of Malaya*

**INTRODUCTION**

The research takes a closer look at the role of entrepreneurial characteristics in the internationalization of local small and medium enterprises (SMEs). Specifically, it examines SMEs in the Malaysian auto part industry, their impact on the economic growth of Malaysia and their efforts to bring their business onto the international stage. The auto part industry in Malaysia makes an important contribution to the national income and thus has been selected to become the focus of this study.

Previous literature on internationalization focuses primarily on multinational companies and large corporations (MNEs). However, in recent years, increasing attention has been paid to the growth of SMEs (Ruzzier et al., 2006; O’Cass & Weerawardena, 2009; Mohamed Amal, 2010). The forces of globalization and the need to internationalize have created pressures for SMEs to compete in foreign markets (Sommer, 2010). Despite obvious limitations in terms of capital, resources and manpower, SMEs have been growing steadily into overseas markets, overcoming obstacles in their way (Gomes-Casseres, 1997; Covello & McAuley, 1999; Knight, 2001). In an attempt to expand the literature within a Malaysian context, this study has examined the entrepreneurial attitudes of Malaysian auto part business owners and their efforts toward internationalization.

Malaysia’s open policy has encouraged SMEs expansion into global markets by providing incentives and training for export development as stated in Malaysia’s Third Industrial Master Plan (2006–2015) by the Ministry of International Trade and Industry (MITI). This has spurred studies on Malaysian internationalization which typically highlight issues and problems in export management (Abdul Rashid et al., 2002), internationalization strategies of MNC (Sim, 2005), the impact of networking (Zain & Ng, 2006; Zizah et al., 2007), influencing factors in internationalization (Zizah et al., 2007), internationalization and performance of SMEs (Chelliah et al., 2010), as well as models, processes and factors in internationalization (Zizah, 2010). One of the gaps identified in the literature is the effect of entrepreneurial characteristics on internationalization, which the current study aims to fill. In this study, the main research question is: