

Micro Enterprises, Human Agency and Business Success: Evidence from Malaysia

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ABSTRACT

Using Human agency theory, this study aimed to investigate provide a nuanced understanding of how microentrepreneurs navigate the complexities of starting and managing their businesses. It also intended to discover the characteristics of the human agency that contribute to the success of a micro business, as well as the life experiences that micro entrepreneurs learned. This qualitative study employs structured interviews with 41 microentrepreneurs from various industries in Malaysia. Participants' ages ranged from 22 to 34, with business experience varying from 1 to 4 years. The data were analyzed thematically to identify key patterns and insights into the cognitive processes of intentionality, forethought, self-reactiveness, and self-reflection, as well as the influence of life circumstances on entrepreneurial behavior. The findings reveal that microentrepreneurs are highly adaptable, with motivations deeply rooted in personal experiences and life circumstances. Key motivations include financial independence, family support, and the desire to create a personal legacy. The cognitive processes of intentionality, forethought, self-reactiveness, and self-reflection are pivotal in shaping entrepreneurial actions. Life experiences such as previous work, education, and significant life changes profoundly influence these cognitive processes.

KEYWORDS

Micro entrepreneurship; Human agency theory; Cognitive Processes; Entrepreneurial success

1. INTRODUCTION

Micro, Small, and Medium Enterprises (“MSMEs”) are well recognized as an engine for driving the growth of the national economy. They were also the dominant source of employment in most developed and developing countries. MSMEs contributed to regional incomes, as well as a nation’s economy, by creating jobs, producing essential goods and services and promoting the development of rural economies [1]. Indeed, recent econometric evidence suggests that entrepreneurship is a vital determinant of economic growth of Malaysia. A micro enterprise is defined as an enterprise with full-time employees of less than 5 or with annual sales turnover of less than RM300,000 in Malaysia. According to the Statistics Department, out of 1,173,601 micro, MSMEs registered for business in 2022, around 78.7% or 923,667 were micro businesses. It comprised most of Malaysia’s workforce, making it a noteworthy segment contributing towards the country’s gross domestic product [2]. Over the years, the Malaysian government has invested substantial resources in advisory programs to support the activities of micro SMEs. This includes RM44 billion allocated for MSME-focused loans and financing guarantees, RM2.4 billion for small loan facilities for micro-entrepreneurs through agencies like Bank Simpanan Nasional (BSN), Tabung Ekonomi Kumpulan Usaha Niaga’s (TEKUN), and Bank Negara Malaysia (BNM). Further support includes RM25 million in matching grants through iTEKAD and an RM200 million increase for the Micro Enterprises Facility (MEF). With the

increase in government financial subsidies, the number of micro-enterprises in Malaysia continues to increase. The evidence, however, suggests that failure rates are high among new micro-businesses with approximately 60 percent failure rate reported in Malaysia [3].

While new micro-businesses often face a high risk of failure, there are numerous enterprises that have successfully sustained operations over an extended period. Recent years have witnessed extensive research shedding light on various dimensions of human agency and the myriad factors influencing entrepreneurial thoughts and actions [4, 5]. Entrepreneurial cognition encompasses the mental frameworks utilized by individuals to evaluate, judge, and make decisions regarding opportunity recognition, venture creation, and growth [6]. This concept by defining it as the knowledge structures individuals employ to make assessments, judgments, or decisions related to opportunity evaluation, venture creation, and growth [7]. The importance of an individual's cognitive style, values, and prior experiences in shaping their entrepreneurial activities has gained increasing recognition. Additionally, research underscores the role of human agency in driving individuals to adopt entrepreneurial thinking as an adaptive response to new situations [8]. These diverse perspectives collectively highlight that an entrepreneurial mindset or behavior is not solely a product of inherent traits but is significantly influenced by one's experiences and interactions within their environment. Despite these insights, a critical gap remains in comprehending how these cognitive and agency factors specifically affect microentrepreneurs.

Human Agency Theory (HAT) provides a structured framework to investigate how the lived experiences of microentrepreneurs shape their cognitive processes and subsequently influence their entrepreneurial actions. Grounded in psychology and decision-making studies, HAT posits that individuals possess agency—the capacity to plan, predict, regulate behavior, and engage in self-reflection [9]. This theory offers a detailed lens to examine the cognitive processes of microentrepreneurs, allowing us to explore their intentional planning, outcome prediction, behavior regulation, and self-examination, which are integral to their entrepreneurial activities. Given that human agency is pivotal for adaptation, self-development, and self-renewal over time, it is essential to investigate its various facets and determine how they can be applied to the entrepreneurial field for both research and practical purposes. While previous studies have explored multiple aspects of entrepreneurial thinking and action, there is a significant gap in understanding how specific life circumstances—such as prior experiences, major life changes, and personal motivations—shape the entrepreneurial cognitions of microentrepreneurs. HAT is particularly suitable for this study as it offers a structured framework to explore how microentrepreneurs' lived experiences influence their cognitive processes, thereby shaping their entrepreneurial actions. The primary aim of this research is to investigate the cognitive processes of microentrepreneurs in Malaysia using HAT as a framework. Specifically, the research will focus on how career motivation (intentionality), outcome prediction (forethought), behavior regulation, and self-reflection influence their entrepreneurial endeavors. This study holds promise for contributing significantly to the field of entrepreneurship by providing valuable insights that can inform the development of more effective support mechanisms and policies for this crucial sector. This research can aid in fostering a more supportive and enabling environment for micro-businesses through enhancing the understanding of the cognitive processes underlying microentrepreneurship.

2. LITERATURE REVIEW

2.1. Social Cognitive Theory

Albert Bandura's social cognitive theory (SCT) posits that human behavior results from the interaction between personal factors, environmental influences, and behavioral patterns [10]. This theory explains how individual dispositions and environmental conditions affect purposeful actions such as new venture creation. A key feature of SCT is its foundation in emergent interactive agency,

where purposeful action arises from the interplay of cognitive thoughts, preferences, goals, and related environmental conditions—whether imposed, selected, or socially constructed. Agency, in this context, is the capacity to initiate actions, encapsulating the endowments, belief systems, self-regulatory capabilities, and distributed structures and functions through which personal influence is exercised, rather than existing as a discrete entity in a specific location. Entrepreneurship, by its very nature, involves the pursuit of novel endeavors amidst uncertainty and challenges [11]. It is a domain where individuals, whether acting independently, collaboratively in teams, or within established organizations, aim to introduce innovative products, services, or business models to the market. Such entrepreneurial initiatives are driven by a complex interplay of cognitive processes, personal experiences, and life circumstances [12]. The intricate nature of entrepreneurship underscores the importance of understanding the cognitive mechanisms and environmental factors that influence entrepreneurial behavior whereas SCT provides a robust framework for examining how entrepreneurs' thoughts, beliefs, and experiences shape their actions and decisions. As a subset of SCT, the human agency theory was crystallized by identifying four core features of human agency, known as Intentionality, Forethought, Self-reflectiveness, and Self-regulatory.

2.2. Framework of Social Cognitive Theory

Intentionality refers to the awareness and will to act in a particular way, based on an idea or mental state that is actualized through goal setting and planning. In contrast, planfulness involves the extent to which individuals report making rational, rather than impulsive, decisions [13]. When considering entrepreneurial intentions, research indicates that the establishment of new firms by aspiring individuals is influenced by personal circumstances such as parental background, educational level, and perceptions of new business opportunities [14-16]. Individual differences and situational influences indirectly affect entrepreneurial intentions by altering the antecedents of these intentions rather than directly influencing the intentions themselves. In other words, intentions reflect a person's willingness to pursue a specific course of behavior, considering the constraints imposed by the external environment or the individual's background and abilities. The capability for self-motivation and purposive action is deeply rooted in intention, making it a cornerstone of the entrepreneurial process. The entire entrepreneurial journey unfolds because individual entrepreneurs are motivated to identify and pursue opportunities. Their intentions drive the initial decision to embark on entrepreneurial ventures and sustain their efforts throughout the process.

Forethought involves the ability to anticipate the outcomes of actions. Individuals set goals for themselves, predict the likely consequences of prospective actions, and select and create courses of action that are likely to produce desired results while avoiding harmful outcomes [17]. As individuals progress, they reorganize their priorities and structure their lives accordingly [18]. They develop expectations of outcomes through the conditional relationships they form between events in the world and the consequences that certain actions can cause. Entrepreneurs often operate in contexts of high uncertainty, in which the definition and realization of adequate outcome goals present a challenge. Particularly in the early stages of a venture formation, entrepreneurs start with a vision or a set of goals. These outcome goals are often too distal, unspecific, and even ambitious to inform immediate action to be able to attain those goals. Outcome goals typically lead to an overemphasis on social comparisons and avoidance of unfavorable outcomes or even other disadvantages such as distorted risk preferences or reduced intrinsic motivation. Therefore, especially in situations in which new knowledge and skills have to be acquired to achieve progress, setting intermediary process-oriented goals can be more advantageous. In the initial stage of entrepreneurial opportunity recognition, if entrepreneurs have confidence in their abilities, skills, and knowledge, they are strongly motivated to perceive entrepreneurial opportunities [19]. Therefore, there is a functional relationship between intention and action, where predictable future events become motivators and regulators of present behavior. Through anticipating outcomes and planning accordingly, entrepreneurs can navigate the complexities of venture creation more effectively. Forethought allows them to set realistic goals,

devise strategic plans, and adjust their actions based on expected results, thereby enhancing their chances of success. The ability to anticipate and plan for future outcomes also plays a critical role in sustaining entrepreneurial motivation [20]. Entrepreneurs who can envision the potential benefits of their efforts are more likely to remain committed to their goals, even in the face of challenges. This proactive approach enables them to align their current actions with their long-term objectives, ensuring that their endeavors are both purposeful and directed towards achieving desired outcomes.



Figure 1. Framework of Social Cognitive Theory

2.3. Influence of Social Cognitive Theory on Entrepreneurs

Self-regulation is conceptualized as a dynamic, cyclical process that initiates with a forethought phase, where goal-setting and strategic planning are intertwined with motivational beliefs such as self-efficacy, expectations, intrinsic motivations, and learning goal orientations [21]. This phase prepares individuals for self-regulatory performance, emphasizing actions rather than mere thoughts. Agency encompasses more than just adopting intentions, formulating strategic plans, and believing in their controllability. It involves making deliberate choices to achieve goals and the ability to give shape to the appropriate courses of action by motivating and regulating their execution. This multifaceted self-directedness operates through self-regulatory processes that connect thought to action. After setting goals, individuals attempt to monitor, regulate, and control their cognition, motivation, and behavior, guided and constrained by their goals and the contextual features in the environment [22]. For instance, entrepreneurs often leverage their social capital, engaging with and networking among peers to seek support for their ventures. Experienced entrepreneurs who self-regulate their learning are less inclined to attribute failures to external factors, such as shifting market conditions. Instead, they meticulously evaluate unsuccessful past approaches and adapt their strategies accordingly. For example, entrepreneurs may reflect individually or in teams on the causes of particular failures or successes and determine necessary improvements for future endeavors. By documenting these insights in a knowledge-management system, they can develop a functional process for learning from experiences and dedicate more effort to discovering future solutions. This practice boosts their confidence that adapting their task strategies will help them overcome challenges, rather than attributing previous failures to personal inadequacies [23].

Self-reflection is another core feature of agency where individuals critically evaluate their thoughts and actions related to their goals and achievements. People are not only agents of their intentions, planning, and actions, but they are also examiners of these aspects. The purpose of reflection is to analyze one's past and current experiences to operate more effectively in the future. The only way to convince oneself of their capability to control desired outcomes is through self-reflection and consideration of the anticipated scenarios they have created through their psychological processes.

Belief in one's capability is the foundation of human agency; without it, individuals cannot effectively manifest their actions to achieve desired outcomes and avoid unwanted ones. It is through reflection that individuals can continually gauge their performance, abilities, and efforts while assessing the contextual influences around them which may hinder success. Self-reflectiveness also facilitates the construction of one's self-concept through the act of reflecting and appraising internal and external information. Self-reflectiveness is also behind the selection of the environment people get involved in and there is a social influence on the environment and the activities of the people [24]. By choosing and shaping their environments, people can have a hand in what they become. The more the individual becomes aware of their internal, personal dynamics – such as biological traits, personality, needs, values, interests, beliefs, morals, efficacy, and their external qualities, including interpersonal, intrapersonal, extra-personal, and social situations – the more they are able to accurately assess their abilities, outcomes, goals, and contextual factors, which ultimately grants greater likelihood of positive outcomes.

These four basic characteristics of human agency—intentionality, forethought, self-regulation, and self-reflection—serve as foundational elements supporting discussions on entrepreneurial behavior. Basic human capacities enable individuals to have a self-referential system, allowing them to act intentionally toward specific ends, devise action plans, anticipate possible outcomes, and evaluate and redesign courses of action. Intentionality is shaped by personal factors such as goals and cognitions, and it involves forethought—anticipating the likely consequences of prospective actions. When determining which course of action to pursue intentionally, social cognitive theory specifies that these actions are functions of self-regulatory processes and self-reflectiveness. The referent standard, a necessary precondition for reaching significant goals, acts as a guidepost in goal attainment. Thus, individuals set goals for themselves, use forethought to anticipate the likely consequences of their actions, and then intentionally choose actions that produce desired outcomes related to their goals [25]. Agency encompasses deliberate acts (intentionality) when individuals set goals, anticipate possible outcomes from their actions, and create courses of action towards desired outcomes (forethought). Furthermore, agency involves the ability to shape appropriate courses of action and to motivate and regulate their execution (self-regulation). This process is supported by self-reflection, where individuals evaluate their own functioning, thoughts, and actions for adequacy. Through intentionality, forethought, self-regulation, and self-reflection, individuals play a crucial role in their self-development, adaptation, and self-renewal. Intentionality allows them to set purposeful goals. Forethought enables them to anticipate and plan for future outcomes. Self-regulation involves maintaining motivation and control over their actions. Self-reflection ensures continuous evaluation and improvement of their strategies.

3. METHODS

3.1. Research Design

The design of this study was qualitative, enabling the researcher to develop rich descriptions of how micro-business operators adapt their motivations and strategies for entrepreneurship. Malaysia was chosen as the study area for two reasons. First, MSMEs make up a substantial portion of the total business establishments in Malaysia, accounting for 97% of all businesses [26]. Many micro businesses operate in Malaysia, such as guest houses, cafés, bars, and restaurants. Therefore, focusing on these micro-enterprises allows this research to explore how these entities support economic development and job creation in Malaysia and also provide insights into a majority segment of the business community that is crucial for economic stability and growth. Second, Malaysia's economy is characterized by its openness and active participation in international trade. Malaysia, as a member of ASEAN, is part of a region where MSMEs are vital to economic development. In ASEAN, MSMEs represent between 97.2% to 99.9% of total establishments and contribute significantly to employment (85%), GDP (44.8%), and national exports (18%) [27]. Concurrently, Malaysia trades with over 100

countries and is involved in various bilateral, multilateral, and regional cooperation initiatives. This open trade environment influences the dynamics and opportunities available to micro-enterprises, making it an interesting and relevant context for research. The study of micro-enterprises in Malaysia can provide valuable insights into the broader ASEAN context.

Table 1. Participants profiles

No.	Age	Yrs in biz	Owning biz	Industry
#1	21	1	1	F&B
#2	21	3	1	Home appliance
#3	22	2	1	F&B
#4	22	2	1	2nd hand IT products
#5	22	3	1	Tech
#6	22	3	1	Baking Polo buns
#7	22	4	1	F&B
#8	23	1	1	F&B
#9	23	5	1	Phone accessory
#10	24	2	1	Clothing (Online retail platform)
#11	24	3	2	Motorcycles parts and Casino games paraphernalia.
#12	24	3	1	Online retail
#13	24	5(2)	1	Online clothing retailer (Fashion Industry)
#14	25	1	1	Gym-wear
#15	25	2	1	Fashion
#16	25	4	1	Information Technology
#17	25	4	1	Sneaker retail store
#18	25	5	1	Clothing (Online retail platform)
#19	25	7(2)	3	Booking app
#20	26	1	1	Automobile
#21	26	4	1	F&B
#22	27	2	N/A	Beauty
#23	27	3	1	Health
#24	27	15	2	General goods
#25	32	15(1)	1	Education (Study Abroad Consulting))
#26	33	5	1	Floral Industry.
#27	34	7(3)	N/A	Health
#28	35	2.5	1	Aesthetics clinic
#29	36	15	1	telecommunication service
#30	37	7	1	Dairy farm
#31	38	20	N/A	F&B
#32	43	20 (2)	1	Fertilizer
#33	46	15(11)	1	Fruit
#34	47	33(5)	1	Automotive service enterprise
#35	48	19(8)	3	F&B
#36	49	13(5)	2	Electrical Engineering
#37	54	10	1	Health & Fashion
#38	55	5	2	Food catering services
#39	55	25(20)	7	Manufacturing and Trading
#40	59	20(10)	1+	Plastic packaging business
#41	64	49	1	Istallation of security cameras

Note: N/A indicates missing information

3.2. Sampling

A purposive sampling method was used to select informants for the in-depth interviews based on three criteria. First, each informant was required to have run a business in Malaysia for at least 1 year, because the operators of new establishments were expected to provide more useful information for the purposes of this study. Second, each informant's business was required to have fewer than 5 employees. Third, to gain a full picture of the research problem, as many small business owners in Malaysia are non-locals, the participants were permitted to be either local residents or immigrants as long as they had been living in Malaysia while running their businesses. 41 micro business operators were recruited as informants. Information on the final demographic profile is presented in Table 1.

In order to answer the research questions, the interview questions were asked under the guidance of SCT theory (see table 2). Informed consent and permission to record the interviews were obtained from the interviewees. Notes were taken during the interviews to record meaningful observations and avoid information loss. Audio recordings of the indepth interviews were transcribed verbatim, and then the transcriptions were interpreted for data analysis.

Table 2. Interview Questions

Agency in SCT theory
Intentionality
What drives you to take up this business?
Forethought
What are the risk and business opportunities in your line of business?
self-reactiveness
What strategies do you used to overcome the risks and take advantage of your business opportunities?
Self-reflectiveness
How did your experience in business help build your character and personality?

3.3. Data Analysis

Thematic Analysis (TA) was employed to analyze the interview data. TA is a method used to examine topics, ideas, patterns, and themes that emerge from qualitative data, such as texts. The patterns identified in the accumulated and classified data provide embedded meanings that can offer rich and detailed insights into specific aspects. TA was selected as the primary method of inquiry because qualitative research findings provide a comprehensive and nuanced picture of the studied phenomenon. The inductive nature of qualitative TA also contributes to the emergence of new theoretical directions and offers "new ways of seeing" the empirical world. This type of analysis is particularly recommended for addressing intricate and complex constructs.

4. FINDINGS

The cognitive processes of intentionality, forethought, self-reactiveness, and self-reflection played a critical role in shaping entrepreneurial actions. Entrepreneurs demonstrated high levels of intentionality and forethought, planning meticulously and anticipating potential challenges and opportunities. Moreover, self-reactiveness enabled them to adapt their strategies based on feedback and changing circumstances, while self-reflection allowed them to learn from their experiences and continuously improve.

4.1. Intentionality

Intentionality encapsulates the awareness and will to act based on an idea or mental state, and it forms the foundation for goal setting and planning, guiding the entrepreneurial process from conception to execution. A significant number of respondents cited financial reward and economic necessity as primary motivators for starting their businesses. Some people's involvement in the entrepreneurship was driven by their skills and the desire to create income for themselves (Neoh I-Saac) while some other respondents (like Yingying and Alex Lim) were motivated by the economic challenges posed by the COVID-19 pandemic.

Neoh I-Saac: As a whole, to create income for myself.

Yingying: Because of mco, I am at risk of losing my job. So to avoid being jobless after the mco, I started my own business.

Alex Lim: Financial issues with family running a Chinese restaurant during pandemic.

Passion for the industry or specific interests also emerged as a crucial driver (Dhevaan, Kairos, Fam Jia Wen, Yuri). This passion translates into a commitment to materialize their purpose, aligning with the assertion that intentions are not merely desires but commitments to future actions.

Dhevaan: Inspiration from a well known sambal company.

Kairos: Love cafe hopping, always have passionate and interest in learning coffee and decided to runs a cafe business.

Fam Jia Wen: Interest in baking.

Yuri: Passionate and determine to own business.

Additionally, identifying and exploiting market gaps were highlighted as significant drivers. Respondents (like Sophia & Rose, Hafiz Railey) started their ventures to address specific gaps in the current markets. This proactive approach to addressing unmet needs reflects the intentionality agency, where actions are driven by the foresight of potential success and the commitment to achieving intentional outcomes.

Sophia & Rose: Market gap in petite fashion. I myself fall into the S&R target group, and I've always had trouble finding the perfect fit.

Hafiz Railey: Gap in market for oversized type of style of gym-wear because that is what made him confident in the start of his fitness journey.

Moreover, the influence of peers, family, and established entrepreneurs played a notable role in shaping entrepreneurial intentions (Chang Zhi Yang, Danial). This aligns with the socio-cognitive theory, where forethought and anticipation of outcomes are shaped by personal and social influences.

Chang Zhi Yang: My friend from Inti had started one and encouraged and motivated me to start mine too. It was more of a collaboration with him so that he could help me. You could also say he is a business friend.

Danial: I have helped my parents since I was young. It was my parents' legacy of the store, so that's where I am now running the store that I originally never wanted.

The intentionality perceived in the speech of entrepreneurs is in line with previous research that demonstrated the desire to have a business of their own and interest in the sector of activity. They also indicated how near reality such as COVID-19 and market gaps influence the future imagined by each for their business. The intention to undertake is related to transforming imagined futures into reality and, for this, the evaluations of the present lead and keep the individual going in this direction.

4.2. Forethought

Forethought is a psychological process through which people motivate and guide themselves towards that previously anticipated visualization of the events (which was initiated by intentionality). They do it with the belief that their actions, if strategically planned and performed, will bring —desired outcomes— or in other words, this is how a person sets the path to get to their —goals. Having a creative and researching spirit to equip oneself to set and achieve goals guided by realistic dreams is an essential characteristic of an entrepreneur [28]. Whereas forethought allows entrepreneurs to anticipate potential challenges and opportunities and make strategic decisions to help their businesses grow and succeed. This involves envisioning potential scenarios, preparing for uncertainties, and strategically positioning a business to navigate risks and leverage opportunities.

The analysis of the interview responses reveals several recurring themes concerning the risks faced by businesses. These can be categorized into financial risks, competitive pressures, operational challenges, and market dynamics. Financial risks, such as securing adequate capital and managing cash flow, were highlighted by several respondents (Dhevaan, Carmen, Sophia & Rose). In this context, entrepreneurs with strong forethought skills are likely to anticipate financial shortfalls and prepare contingency plans, ensuring business sustainability even in challenging times.

Dhevaan: Capital and competition since we are doing it on social media it is hard to stand out and market our products.

Carmen: Using own savings as capital.

Sophia & Rose: Increased capital requirements and seasonal changes in the fashion industry. Many aspects of the business world are unfamiliar to me because I'm new to it, so I can see how this will be difficult for both S&R and me as the owner

Competitive pressures were another significant concern for many interviewees (Neoh I-Saac, Daniel, Fam Jia Wen) where forethought allows entrepreneurs to anticipate competitive moves and proactively develop strategies to stay ahead. Entrepreneurs with forethought can analyze market trends, understand competitor strategies, and identify unique value propositions to differentiate their businesses.

Neoh I-Saac: Competing against other pop-up stores.

Daniel: There are many more stores similar to mine popping out now.

Fam Jia Wen: Competition and lack of innovation (keep thinking of new desserts to attract everyone's attention)

Operational challenges, such as staff turnover, regulatory compliance, and technological advancements, were mentioned by several respondents (Kairos, Michael, Sugumaran). Whereas entrepreneurs with forethought can foresee operational bottlenecks and implement measures to enhance efficiency and compliance.

Kairos: Staff turnover. Government policy during pandemic such as movement control.

Michael: Managing its finances effectively and maintain a healthy cash flow.

Sugumaran: High technology cost including capital intensive and high cost of network infrastructure.

Changes in market demand and consumer preferences were critical risks identified by respondents (Michael, Tan Huey Yin, Zhang, Sophia & Rose). Entrepreneurs with forethought can conduct market research, understand consumer behavior, and adapt their products or services to meet changing demands. Forethought enables entrepreneurs to anticipate market shifts and pivot their strategies accordingly.

Michael: Consumer preferences. If the cafe fails to keep up with new trends or offer unique products, it could lose customers to competitors.

Tan Huey Yin: Risk of me not making back any money. Popular phone case today might not have demand tomorrow.

Zhang: External hazards, including economic downturns or shifts in consumer preferences

Despite the numerous risks, the interviews also revealed several opportunities for growth and expansion, primarily revolving around technological advancements, market expansion, and innovation (Alex Lim, Tony Liew). Entrepreneurs with forethought can envision these opportunities, plan strategically to seize them, and allocate resources effectively to capitalize on growth prospects.

Alex Lim: Innovation risk to bring more smart home care product.

Tony Liew: Growing trend of sneakers has been a blessing for my business, as the influx of new customers.

Goals and career forethought substantially overlap with each other, as both are comprised of human intentions that help organize and shape behaviours [29]. Forethought focuses on the product or outcome rather than the process. The emphasis on expected outcomes allows the individual to anticipate obstacles and potential barriers, which subsequently enables the individual to alter plans and strategies to accommodate the anticipated challenges in order to achieve their desired outcome.

4.3. Self-regulatory

Self-regulatory in entrepreneurship encompasses the ability of entrepreneurs to manage and direct their thoughts, emotions, and actions towards achieving their business objectives. Entrepreneurs utilize a combination of self-monitoring, behavioral orientation, and corrective reactions to navigate the complexities of business development. In the testimonies collected, it is evident that entrepreneurs engage in relationship strategies as a direct result of their self-reactive capabilities. Some participants (such as Founder 2) perform thorough risk assessments before making significant business decisions. This proactive approach allows them to anticipate potential challenges and develop strategies to mitigate them, thereby reducing uncertainty and enhancing decision-making quality. Early identification and management of risks allow entrepreneurs to address issues before they escalate, ensuring the continuity and resilience of their ventures [30]. For example, financial prudence and diversification can reduce risk exposure and enhance financial stability, which is essential for long-term business success [31]. This financial discipline and preparedness enable the participants (Founder 2, Michael) to weather financial uncertainties and maintain operational continuity.

Founder 2: Previous working experience in the industry, gives me the foresight to predict and calculate the risks involved and prepare the necessary counter measures that should the inevitable happens. This includes making sure the internal and external networking are secured and other financial and non-financial assistance are available should it be needed.

Michael: Offering a unique blend of traditional Malaysian and modern Western cuisine.

Inman: Diversifying our service offerings, staying up to date on industry trends and policies.

The commitment to ongoing learning also reflects a self-regulatory mindset that values growth and responsiveness. Participants (Sophia & Rose, Knitto) pivot their business models to stay competitive by staying informed and adaptable, and this adaptability ensures that their business remains relevant and can quickly respond to changing market demands.

Sophia & Rose: I invested in learning more about the field I was entering by enrolling in courses about it.

Knitto: Learning more about technical skills from third parties, adding value to products, retaining customer loyalty, providing the greatest customer service, and pricing mark-up.

The participant (Inman, Founder 2) highlighted networking and seeking mentorship, which was thought crucial for navigating entrepreneurial challenges since they can enhance knowledge exchange

and provide emotional support. This also includes forming strategic partnerships to expand resources and capabilities.

Inman: Expertise in international education, strong partnerships with top universities and institutions worldwide.

Founder 2: We also have partnered/ joint ventured with some complementary companies that could support our part when we are low on them like supplies, man power and also in financial.

Integrating technology is another strategy to enhance efficiency and reduce risks and it can help entrepreneurs optimize business processes and make data-driven decisions, enhancing operational efficiency and competitive advantage.

Alex: Well versed in the environment we're working in, an example of this was looking for technology grant that allowed our company to operate 5 years without being taxed

Inman: Investing in technology and human resources to stay competitive

It becomes evident that human agency transcends mere intention-setting and planning; it entails the ability to effectively implement and adapt actions towards achieving goals. Entrepreneurs interviewed employ various self-regulatory strategies, including risk assessment, continuous learning, financial planning, networking, technological integration, innovation, market expansion, and strategic partnerships. Agency involves not only formulating strategic plans but also actively shaping and regulating courses of action through motivation and self-regulation. This multifaceted self-directedness is facilitated by self-regulatory processes that bridge cognition to behavior, encompassing self-monitoring, performance evaluation, adherence to personal standards, and corrective responses.

4.4. Self-reflectiveness

Self-reflection encompasses the meta-cognitive ability to reflect on oneself and on the appropriateness of one's own thoughts and actions. The process of self-reflection results in a degree of control over thoughts, feelings, and actions, a meta-cognitive ability that will strengthen beliefs about one's individual capacities for accomplishment. No reference is more essential than personal beliefs in willingness, in order to exercise a measure of control over our own behavior. There is evidence that people are based on the basic beliefs that one must have power to produce effects through one's own actions. The interviewed entrepreneurs demonstrate constant self-reflection, especially in relation to the search for self-confidence and strengthening against obstacles. For the participants (Omar Zariief, Daniel), self-reflection is integral to their personal and professional growth, which allows them to evaluate their experiences, learn from their mistakes, and continuously improve their strategies and behaviors.

Omar Zariief: Persistence, continuous learning, and innovative thinking can drive entrepreneurial success. One can advanced the quality of his or her business offerings and maintained a forward-thinking approach through embracing feedback and constantly seeking creative solutions.

Daniel: I consider myself as a creative person in problem solving and also a risk taker, which not only helped me overcome social anxiety but also contributed to my overall growth and success in business.

Self-reflective experience seeks to evaluate and align thoughts and actions. Self-reflection fosters essential traits such as discipline (Chang Zhi Yang), social skills (Ng Zhen Yang), persistence (Omar Zariief), patience (Arief), innovation (Inman), and risk-taking (Daniel). These traits not only facilitate business development but also empower entrepreneurs to navigate the complexities of their professional journeys with confidence and resilience.

Chang Zhi Yang: I work every evening till night consistently and I constantly talk to customers while balancing school work. Since I talk to customers every day, I would say I have developed better social skills to in order to maintain good communication to gain their loyalty.

Ng Zhen Yang: My communication skills were improved a lot after this experience. I am able to communicate with people better than before since I have to communicate with the supplier and my customers.

Omar Zarief: Being persistence, tolerance and innovative skills, I am really open to feedback from clients and employees. I am more towards a forward-thinking nature and constant pursuit of creative, cutting-edge solutions to advance the quality of the business's offerings.

Behavioral outcomes are strongly influenced by the dynamic fit between an individual's traits and attributes and their external environment [32]. This makes it crucial for entrepreneurs to self-reflect on entrepreneurial opportunities in alignment with their personal attributes. According to the interview respondents, self-reflection enables them to critically assess their strengths and weaknesses, adapt their strategies, and align their actions with their long-term objectives. This ongoing process of self-evaluation and adjustment enhances their ability to navigate the challenges of entrepreneurship, ensuring that their efforts are both purposeful and effective. As entrepreneurship progresses, a deeper understanding of whether personal attributes are congruent with entrepreneurial situations, or vice versa, supports the identification of further goals and sub-goals [33].

5. CONCLUSION AND LIMITATIONS

In the context of entrepreneurship, these four characteristics are vital. Entrepreneurs set ambitious goals (intentionality), anticipate market trends and outcomes (forethought), regulate their efforts to stay on course (self-regulation), and continuously learn from their experiences (self-reflection). This dynamic interplay of cognitive and motivational processes underpins entrepreneurial success, driving individuals to navigate uncertainties, overcome challenges, and achieve their business objectives.

5.1. Conclusion

This study underscores the importance of human agency and cognitive processes in shaping the entrepreneurial actions of microentrepreneurs in Malaysia. Entrepreneurship is often an extremely important channel through which individuals who are otherwise limited in their opportunities (e.g., with respect to open job positions that match their specific skills), can enter into the economic life of a society. Human agency, the basis of cognitive social theory, guides the pursuit of understanding the success as well as the failure of an enterprise from the substantial involvement of the entrepreneur, because he is the decision centralizer and the strategist, even though he has collaboration and support from others in the business management process.

Human agency such as intentionality, forethought, self-reactiveness, and self-reflection have become a leading concept of vocational meta-skills in the modern world of work. Today new entrepreneurs need to proactively navigate through, and adapt to, an ever-changing world of work that brings not only new challenges such as uncertain career trajectories and massive social, economic, and technological change – but also new, unprecedented opportunities (e.g., for own entrepreneurial activity). Arguably, this pattern of rapid change and massive uncertainty, as well as the new, unprecedented opportunities, are particularly prototypical of the situation confronting new entrepreneurs. It is therefore argued that if human agency is supposed to be a central individual resource for successful vocational development in new entrepreneurs within the normal population for critical, uncertain conditions and situations in particular, then it should also be particularly crucial for micro entrepreneurs who mainly need to rely on their entrepreneurial cognitions and adaptive capacities during these challenging times. Individuals with high agency possess psychological

resources that make them more adept in recognizing business opportunities, mobilizing resources, leveraging uncertainty, and fitting into new circumstances as they pursue career goals.

While entrepreneurial cognitions play a key role as a direct driver of personal agency in the early stage of the integration process, such cognitions might not occur by chance but are likely to be affected by personality factors that shape these cognitions in this particularly critical situation [34]. The personality factor, general self-reflectiveness, is defined to represent a broad and relatively stable confidence in one's ability to deal with different demanding situations. It involves reflection on “the meaning of their pursuits, their personal reflectiveness, and the soundness of their thoughts and actions”. As such, it serves as a powerful predictor of a variety of outcomes that are associated with demanding situations. Following a socio-cognitive agency perspective, such general beliefs about one's capabilities can be understood as a central aspect of a proactive personality, particularly in uncertain times and during major challenges.

Self-reflectiveness is also an important motivational construct that influences individual choices, goals, emotional reactions, effort, coping and persistence. An entrepreneur who is high in self-reflectiveness is likely to “exert more effort for a greater length of time, persist through setbacks, and develop better”. Self-reflectiveness has a prominent function in entrepreneurship because socioeconomic problems tend to be perceived as so immense that people may doubt their ability to have any impact at all. Theory on intentions shows that individuals must perceive themselves as both capable and psychologically equipped to function if they are to become entrepreneurs. Different motivations lead to entrepreneurial awareness and opportunity recognition, where both cognitive and emotional processes are evoked in developing entrepreneurial motivations.

5.2. Limitations

The study presents various limitations. The study presents various limitations. First, only 41 micro-entrepreneurs participated in the study. Second, these entrepreneurs are only representative of the Malaysian region. Future studies could however offset some of these limitations, including by identifying more microenterprises from other ASEAN regions/countries or even other parts of the world more. Data should also be collected at more than one point in time during the year, or even in two separate years. Addressing these limitations could result in richer data from a wide range of respondents, as well as data that provide comparative results across regions or countries based on the above characteristics. In addition, achieving a larger sample of participants and a broader geographic and industry focus could help in strengthening the generalisability of the findings and the development of theoretical frameworks to understand the dimensions under study. Similarly, future studies could be conducted in non-ASEAN countries, which could also yield important practical comparisons, as well as practical and theoretical insights. Furthermore, the study focussed on micro-entrepreneurs. Future research could also be expanded to study the dynamism and entrepreneurial perceptions of other small and medium-sized enterprises (SMEs). This avenue of research could be extended further to also explore specific ways or human agency or cognition process. Identifying these factors would provide vital information to future entrepreneurs, chambers of commerce, government and industry stakeholders, for instance, in equipping established and new micro and small businesses with knowledge-related experiences and skills. In doing so, researchers could be able to pinpoint specific triggers of business success that could be found across the board (e.g. across different industries) or even those that might differ and may be more industry related. Regarding theory refinement and development, the present exploration confirmed the usefulness of the SCT and HAT to study micro firm entrepreneurs operating in very challenging socioeconomic environments. Future research could further test the usefulness of these theories, confirm and disconfirm their contribution to a greater understanding of self-efficacy, knowledge acquisition and their implications or even consider the incorporation of additional theoretical frameworks and constructs.

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