

Personal and Social Competencies as Drivers of Entrepreneurial Success in Malaysia's SME Sector

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ABSTRACT

This study examines the influence of social and personal skills on entrepreneurial success among small and medium-sized enterprises (SMEs) in Malaysia. Entrepreneurs must develop expertise, enhance interpersonal competencies, and safeguard business success to thrive in competitive environments. Interaction with other business owners fosters idea generation and strategic development. Using purposive sampling, data were collected from 142 entrepreneurs via a structured online questionnaire. The data were analysed using SPSS and partial least squares structural equation modelling (PLS-SEM). Results reveal a significant positive relationship between both social and personal skills and entrepreneurial success. Social interaction with other business owners fosters idea generation, strategic thinking, and relationship-building, which are essential for business sustainability and growth. The findings also underscore the importance of digital entrepreneurship in cultivating soft skills essential for business sustainability. The study contributes both practically and empirically to the body of knowledge by highlighting the importance of interpersonal competencies and privacy management in enhancing entrepreneurial outcomes.

Keywords: Personal Competencies, Social Competencies, Entrepreneurial Success, Malaysia's Small-Medium Enterprise

JEL Classifications: L26, J24

1. INTRODUCTION

In today's fast-moving business world, being a successful entrepreneur is not just about having a great product or business plan. It requires strong personal and social competencies and these competencies are increasingly vital for entrepreneurial success, especially in today's digitally driven and challenging world. In Malaysia, as more people venture into entrepreneurship whether through small businesses, online platforms, or start-ups these soft skills are becoming just as important as financial or technical knowledge (Abdullah et al., 2023; Malik et al., 2019). Over the past few years, Malaysia has seen a growing interest in entrepreneurship, with strong support from government policies such as the National Entrepreneurship Policy 2030 and various programmes aimed at empowering youth, women, and underserved communities (UNESCAP, 2019). Many Malaysians

are exploring opportunities in digital business, e-commerce, and freelance work, although many still rely on traditional platforms for transactions (Omar et al., 2023). While we often hear about the importance of innovation, funding, and technology, there is less attention given to personal competencies like communication, relationship-building, and how to manage one's privacy especially online (Chung, 2023).

As more entrepreneurs build their brands on social media and digital platforms, they are constantly navigating the challenge of how much personal information to share, how to interact professionally with clients or partners, and how to protect sensitive business data (Nurlan et al., 2024; Zahari et al., 2025). Unfortunately, not all are prepared for these challenges. Some may overshare on social media, unintentionally damage their credibility, or fail to handle customer interactions with professionalism

(Chung, 2023). These issues may seem small at first, but over time they can harm trust, reputation, and even business sustainability. Even though Malaysia's entrepreneurial ecosystem is growing, there is still a gap in understanding how social competencies and privacy awareness affect long-term success (Abdullah et al., 2023). A lot of training programmes focus on technical or business knowledge, but not enough on how to build strong relationships, communicate effectively, or protect personal and business privacy (Nurlan et al., 2024).

This study explores how personal and social competencies play a key role in shaping the firm performance of successful entrepreneurs in Malaysia. By understanding their impact, this study hoped to identify current gaps and suggest practical ways to support the development of more well-rounded, confident, and responsible business owners.

2. LITERATURE REVIEW

2.1. Personal Competencies and Entrepreneurial Success

Entrepreneurs' personal competencies such as self-efficacy, analytical thinking, emotional intelligence, responsibility, and accountability have a measurable and significant impact on firm performance and sustainability. A study of micro-enterprises in Kelantan, Malaysia, found that responsibility and accountability among low-income entrepreneurs directly boosted performance and long-term sustainability. Additionally, analytical thinking and emotional intelligence were shown to enhance performance, with emotional intelligence supporting financial outcomes and analytical thinking contributing to sustained operations (Johri et al., 2024). Similarly, a broader analysis across global SMEs has highlighted the power of self-efficacy i.e., confidence in one's entrepreneurial abilities to drive stronger business performance by fostering resilience, informed decision-making, and risk-taking orientation. Entrepreneurs' emotional intelligence (EI) and analytical thinking are positively linked to the performance and sustainability particularly in micro and small enterprises.

In Southeast Asia, Malaysian research has shown that these competencies enhance HR effectiveness, which in turn improves firm performance (Lok et al., 2021). A quantitative study in Indonesia's creative industries further confirms that these strong professional networks significantly drive innovation and sustainability in startups (Lisbet and Supriandi, 2025). For female entrepreneurs in India, networking skills were found to partially mediate the influence of emotional intelligence on both financial and non-financial business performance (Panda et al., 2024). Altogether, these findings underscore that while internal cognitive emotional capabilities shape entrepreneurial decisions, external soft-skill competencies empower relationshipbuilding and strategic opportunity-seizing crucial ingredients for firm growth.

2.2. Social Competencies and Entrepreneurial Success

Social competencies have long been recognized as a vital component of effective entrepreneurship. According to Baron and Markman (2000), entrepreneurs with strong social competence such as the ability to communicate clearly, build trust, and

influence others tend to perform better in securing resources, attracting investors, and managing teams. Social competencies include verbal and non-verbal communication, networking, emotional intelligence, active listening, and conflict resolution all of which are essential when engaging with customers, suppliers, partners, and employees. In the Malaysian context, interpersonal relationships are often influenced by cultural norms such as respect for hierarchy, indirect communication, and group harmony (Insights, 2021). Entrepreneurs must therefore be skilled in adapting their communication to suit various stakeholders, especially in multi-ethnic settings. Researchers such as Zainol and Ayadurai (2011) highlight that successful Malaysian entrepreneurs often demonstrate high levels of sociability, humility, and cultural awareness, which enable them to connect with diverse audiences. Furthermore, in Southeast Asia, collectivist values often mean that relationships play a larger role in business success compared to more individualistic cultures. This reinforces the importance of relationship-building, trust, and social intelligence in sustaining entrepreneurial ventures.

2.3. Conceptual Framework

Frank Young's entrepreneurial theory was primarily developed and published in the early 1970s. His most well-known contribution, "*A Macrosociological Interpretation of Entrepreneurship*," was published in 1971. In this work, he outlined a sociological perspective on entrepreneurship, emphasizing the influence of group dynamics, marginality, and social structures rather than individual traits alone.

This theory stands out from many other theories of entrepreneurship because it supports the notion that personal qualities and beliefs contribute to the development of entrepreneurship. This theory states that focusing on personal traits would never help individuals acquire entrepreneurial tendencies and social skills (Nee and Young, 1991; Pawar, 2013). Instead, the development of entrepreneurship depends on the ability of individuals or groups to recognize and value clusters of qualities that are necessary for the development of social competencies. According to contemporary sociological theories of entrepreneurship, identifying groups of entrepreneurial traits serves as a driving force behind an individual's achievement of these credibility objectives to succeed as an entrepreneur (Nor et al., 2021). A concept in interpersonal communication known as communication privacy management theory (CPM) highlights how people make decisions about revealing personal information depending on expectations and perceived privacy risks (Petronio, 2010).

It emphasizes how crucial it is to comprehend relational growth, privacy awareness, and how to manage conflict resolution in everyday encounters, as well as how social and cultural factors shape communication. The Frank Young and communication and privacy management (CPM) theory are valuable frameworks for analysing Malaysian entrepreneurs of different levels. The Frank Young theory focuses on social skills and entrepreneur success, while the CPM theory assesses entrepreneurs understanding with regards to privacy awareness, boundaries, and expectation and how they effectively manage their personal data.

This study draws on two key theoretical foundations to examine how social and personal competencies influence entrepreneurial success among Malaysian SMEs: Frank Young's Entrepreneurial Theory (1971) and Communication Privacy Management Theory (2010).

2.4. Young's Entrepreneurial Theory

Frank Young's macro sociological interpretation of entrepreneurship (1971) emphasizes the role of group dynamics, social structures, and marginality in shaping entrepreneurial behaviour. Unlike trait-based theories that focus on individual characteristics, Young's framework suggests that entrepreneurship emerges from the interaction of social forces and the recognition of collective competencies. Entrepreneurs succeed not merely by possessing innate traits, but by cultivating social skills such as communication, trust-building, and adaptability that are shaped by their environment and social networks (Nee and Young, 1991; Pawar, 2013).

In the Malaysian context, where collectivist values and multicultural dynamics influence business interactions, Young's theory provides a lens to understand how entrepreneurs develop and apply social competencies to build relationships, navigate cultural expectations, and sustain business growth.

2.5. Communication Privacy Management (CPM) Theory

Developed by Petronio (2010), CPM theory explains how individuals manage the disclosure of personal information based on perceived privacy risks, relational expectations, and cultural norms. In entrepreneurial settings, especially within digital platforms, privacy management becomes a strategic competency. Entrepreneurs must decide what information to share, how to maintain professional boundaries, and how to protect sensitive business data.

CPM theory is particularly relevant in Malaysia's SME sector, where entrepreneurs increasingly rely on social media and online tools to engage clients, promote their brand, and build networks. Understanding privacy boundaries and managing interpersonal communication are essential for maintaining credibility, trust, and long-term success.

Together, these theories offer a comprehensive framework for analysing entrepreneurial success. Frank Young's theory highlights the importance of social competencies shaped by group dynamics, while CPM theory underscores the role of personal competencies in managing privacy and relational boundaries. This study proposes that both social and personal competencies are critical drivers of entrepreneurial success, particularly in culturally diverse and digitally connected environments like Malaysia.

3. METHODOLOGY

This study employs a quantitative research approach to investigate the relationship between social competencies, personal competencies, and entrepreneurial success among Malaysian entrepreneurs from small-medium enterprise. The aim is to gather

measurable data that can reveal patterns, correlations, and potential predictors of success within the context of soft skills in business. The target population for this research consists of Malaysian entrepreneurs operating in small and medium-sized enterprises (SMEs), start-ups, and online-based businesses. To ensure relevant and meaningful data, the study focuses on individuals who have been actively involved in running their businesses for at least 1 year. This criterion helps ensure that participants have real-world exposure to customer interactions, online engagement, and privacy-related decision-making. A sample size of 142 entrepreneurs was determined using Krejcie and Morgan (1970) table. The study used purposive sampling by targeting business owners across diverse industries such as retail, food and beverage, digital services, education, and e-commerce. Data will be collected through a structured online questionnaire, developed using validated instruments and adapted to suit the Malaysian context. Social competencies were measured using 32 items from the social skills inventory (SSI) by Riggio (1986), which measures various dimensions such as emotional expressivity, social sensitivity, social control, and interpersonal communication. Entrepreneurial outcomes were measured using 5 items which focuses on self-reported indicators of business success, including business growth, customer trust, brand credibility, and professional reputation. Data collected from the survey will be analysed using descriptive statistics, correlation analysis, and multiple regression analysis with the help of statistical software such as SPSS. Descriptive statistics will provide an overview of the participants' profiles and overall trends in the variables. Correlation analysis will identify relationships between social and personal competencies and business performance. Regression analysis will help determine the extent to which personal and social competencies predict entrepreneurial outcomes.

4. RESULTS AND DISCUSSIONS

Table 1 below examines the descriptive statistics of four key variables: gender, education level, position, and service duration. These variables provide an overview of the sample, focusing on the distribution, central tendencies, and data completeness. A sample of 142 valid responses was analysed, with no missing data across the variables, making the dataset fully complete and reliable for further analysis.

The first variable, gender, presents a mean of 1.3451, suggesting that the responses are slightly skewed toward one of the gender categories, likely coded as 1. Given that the median and mode are both recorded at 1, it can be inferred that most of the respondents fall into this category. The consistency of the mean, median, and mode indicates a predominance of one gender in the sample, which

Table 1: Demographic profile

Frequency Statistics	Gender	Education Level	Position	Service Duration
N	Valid	142	142	142
	Missing	0	0	0
Mean	1.3451	2.5070	1.3944	2.5634
Median	1.0000	3.0000	1.0000	2.0000
Mode	1.00	3.00	2.00	1.00

may suggest a gender imbalance within the surveyed population. The second variable, education level, reflects more diversity in responses, with a mean of 2.5070. This average value suggests a distribution skewed toward higher education levels, potentially those coded around 2 or 3. The median and mode values, both at 3, suggest that most respondents possess an educational level coded as 3. This central tendency indicates that individuals with a mid-level education form the largest group in the sample, while a range of other educational levels are represented, as shown by the mean's position between categories 2 and 3. Position is the third variable, with a mean of 1.3944. This average, along with a median of 1 and a mode of 2, indicates that while positions coded as 1 (likely a specific role) are prevalent, there is also a notable proportion of positions coded as 2. This could reflect a workforce with individuals primarily in entry-level roles but with a significant portion in roles coded as 2, possibly indicating a hierarchical structure within the organization or sample. The final variable, service duration, reveals an average service duration of 2.5634. This mean, coupled with a median of 2 and a mode of 1, suggests that a variety of tenure lengths exist within the sample, with a slight tendency toward shorter service durations. The mode of 1 indicates that many respondents are in the early stages of their careers, while the mean suggests that the sample includes individuals with moderately longer tenures as well. This distribution implies a mixed workforce in terms of experience, potentially enriching the workplace environment with both fresh perspectives and seasoned expertise.

Table 2 below provides an analysis based on the descriptive statistics of key demographic and professional variables obtained from a sample of 142 participants. The descriptive statistics gave insights into the minimum, maximum, mean, and standard deviation for each variable, offering a broad understanding of the

Table 2: Descriptive statistics

Variables	n	Minimum	Maximum	Mean	Standard deviation
Gender	142	1.00	2.00	1.3451	0.47707
Highest education level	142	0.00	5.00	2.5070	0.97302
Position	142	0.00	3.00	1.3944	0.86670
Service duration	142	1.00	5.00	2.5634	1.52271
Valid N (listwise)	142				

Table 3: Construct reliability and validity

Constructs	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Personal skills	0.956	0.966	0.959	0.500
Social skills	0.955	0.968	0.959	0.439
Entrepreneurial success	0.826	0.832	0.877	0.589

Source: Author's own work

Table 4: Path coefficients - mean, STDEV, T values, P values

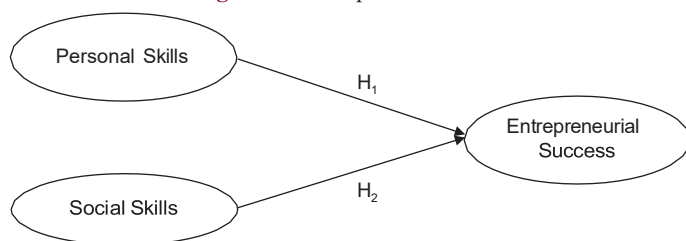
Constructs	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P-values
Personal competencies -> entrepreneurial success	-0.306	-0.201	0.260	1.176	0.240
Social competencies -> entrepreneurial success	0.666	0.624	0.201	3.321	0.001

Source: Author's own work

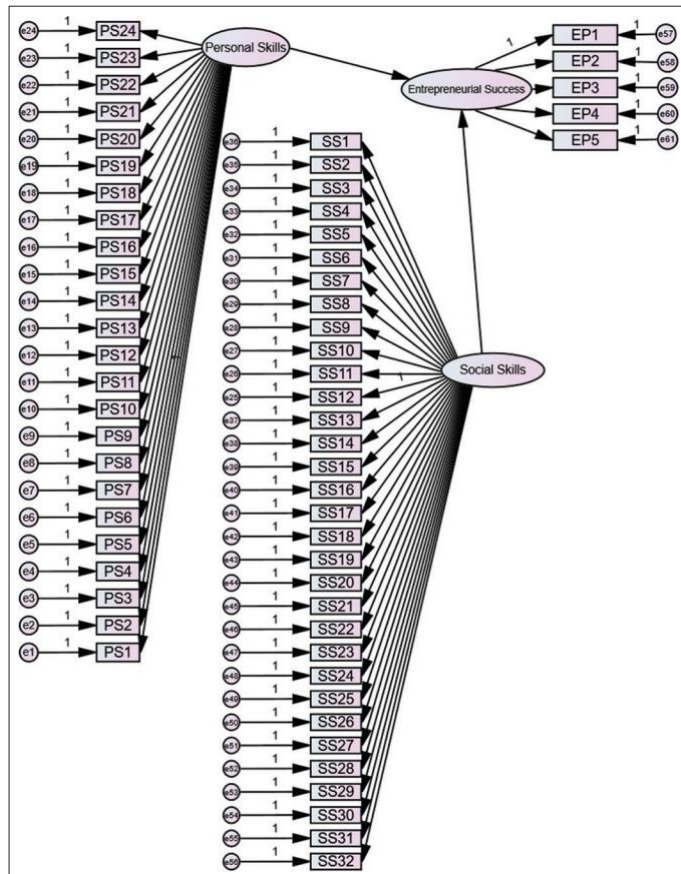
sample's characteristics. The variables analyzed include gender, highest educational level, job position, and years of service.

The gender variable is presented on a scale where presumably, values of 1.00 and 2.00 represent two distinct gender categories (e.g., male and female). With a mean of 1.3451 and a standard deviation of 0.47707, the data suggest a slight skew towards one gender category. This mean value indicates that participants in one gender group are more prevalent than the other, though the difference does not indicate a severe imbalance within the sample population. The highest educational level variable spans a range from 0.00 to 5.00, indicating a diversity in educational attainment levels among participants. The mean score for educational level is 2.5070, with a standard deviation of 0.97302. This suggests that most participants fall around a mid-level in terms of educational achievement, with some variation across the sample. The moderate standard deviation points to a spread that is neither too narrow nor too wide, implying that while there is diversity in education levels, it is within a relatively consistent range. Job position, with scores ranging from 0.00 to 3.00, the mean of 1.3944 and standard deviation of 0.86670 indicate that participants generally occupy lower to mid-level job positions. The range and mean imply that higher-ranking positions are less common within this sample, suggesting that the sample may consist primarily of individuals in early or middle stages of their careers or those holding non-managerial roles. The spread in job positions, as indicated by the standard deviation, shows some diversity but with a central tendency towards lower-level positions. The years of service variable, ranging from 1.00 to 5.00, represents the number of years participants have been in service. With a mean of 2.5634 and a relatively high standard deviation of 1.52271, there is significant variation in the tenure among participants. This spread indicates that while the average participant has between 1 and 5 years of service, there is a considerable mix of shorter-tenured and longer-tenured individuals within the sample, with no extreme concentration at any single tenure length.

The construct personal competencies, indicated by high scores across all metrics, demonstrates excellent internal consistency and reliability. Its Cronbach's alpha value of 0.956 significantly exceeds the accepted threshold of 0.70, suggesting strong internal consistency among the items measuring this construct. This high alpha value implies that the items for personal competencies

Figure 1: Conceptual framework

Source: Author's own work

Figure 2: Model (direct relationship between personal skills, social skills, entrepreneurial success)

Source: Author's own work

reliably measure the same underlying concept. Further, the composite reliability scores for personal competencies with rho_a at 0.966 and rho_c at 0.959 also indicate high reliability, as both values are above the commonly accepted threshold of 0.70. These values reinforce that the items within the construct consistently correlate with one another, lending support to the reliability of personal competencies as a construct. However, while the construct shows strong reliability, the average variance extracted (AVE) value of 0.500, although meeting the minimum threshold for adequacy, suggests that only 50% of the variance is explained by the construct. This score implies that while personal skills are reliable, further refinement of the measurement items might be necessary to enhance its convergent validity.

The construct social competencies present an interesting case with high reliability but lower convergent validity. Cronbach's alpha

score of 0.955 reflects excellent internal consistency, suggesting that the items reliably measure the same underlying concept. Similarly, composite reliability values, with rho_a at 0.968 and rho_c at 0.959, confirm strong reliability, as both values far exceed the 0.70 benchmark. However, the AVE value for social competencies stands at 0.439, below the 0.50 threshold, indicating that less than half of the variance in this construct is explained by its items. This lower AVE score raises concerns regarding the convergent validity of the social competencies construct. Although the construct is reliable, the AVE suggests that it might not fully capture the variance among the items, implying that additional refinement or reconsideration of the items for social competencies may be needed to enhance its validity.

The construct entrepreneurial success also demonstrates acceptable reliability and internal consistency, though at a lower level than personal skills. Its Cronbach's alpha value of 0.826 suggests good internal consistency, well above the 0.70 threshold, indicating that the items within this construct consistently measure the same underlying concept. Composite reliability values for entrepreneurial success also are rho_a at 0.832 and rho_c at 0.877, both above 0.70. These values validate the construct's reliability, confirming that the items are well-correlated and align with one another in measuring the success. In terms of convergent validity, entrepreneurial success also achieves an AVE of 0.589, above the minimum threshold of 0.50. This value implies that 58.9% of the variance is explained by the construct, indicating a moderate to high level of convergent validity. The AVE value suggests that the construct is relatively effective in capturing the variance of its items, supporting entrepreneurial success also suitability for inclusion in further analyses.

The analysis of the relationship between personal attributes and entrepreneurial success yielded a sample mean of -0.201, indicating a slight negative relationship between the two variables. With a standard deviation of 0.260, the variability in the sample suggests some inconsistency in the impact of personal attributes on the success of these entrepreneurs. The T-statistic for this relationship is calculated as 1.176, which does not meet the commonly accepted threshold for statistical significance, typically a T-value of 1.96 or higher for a 95% confidence level. The corresponding P = 0.240 further supports this finding, indicating that the influence of personal attributes on entrepreneurial success is not statistically significant. Therefore, while there may be a small negative relationship suggested by the sample mean, it is not strong enough to be deemed significant, leading to the conclusion that personal attributes, as measured in this context, do not have a substantial or consistent effect on entrepreneurial success.

In contrast, the analysis of social attributes in relation to entrepreneurial success reveals a considerably stronger and statistically significant relationship. The sample mean for the social factor's impact on firm performance is 0.624, reflecting a positive relationship and suggesting that higher levels of social attributes are associated with enhanced entrepreneurial success. With a standard deviation of 0.201, the variability in this relationship is relatively low, indicating that social factors consistently influence entrepreneurial success across the sample. This consistency

is further supported by the T-statistic of 3.321, well above the threshold of 1.96, which demonstrates a high level of statistical significance for this relationship. The corresponding $P = 0.001$ reinforces this conclusion, showing that there is <0.1% chance that the observed effect is due to random variation, thus indicating that social attributes significantly contribute to entrepreneurial success.

Table 5 below illustrates that the SRMR values for both models are identical, recorded at 0.098, which suggests a moderately acceptable fit. The SRMR is particularly useful in measuring the average discrepancy between observed and expected correlations; values closer to zero indicate a better fit. While an SRMR of 0.098 is higher than the commonly recommended threshold of 0.08, it might still be acceptable depending on the context or sample size. This value implies that while the models represent the data to some extent, they may contain some residual discrepancies that limit a perfect fit. The d_{ULS} (Unweighted Least Squares discrepancy) and d_G (Geodesic discrepancy) metrics measure discrepancies based on different approaches. Both d_{ULS} and d_G for the saturated and estimated models match precisely at 18.208 and 8.829, respectively. These consistent values imply that both models display similar goodness of fit characteristics under these discrepancy measures. The relatively higher value of d_{ULS} compared to d_G suggests that some non-trivial discrepancies exist in the overall model structure, though it doesn't drastically diverge from the intended model structure. The Chi-square statistic is also identical for both models, standing at 5029.033. In SEM, the Chi-square test examines the difference between observed and expected covariance matrices. A significant Chi-square value often indicates a poor fit; however, in models with large samples or complex structures, Chi-square is prone to inflate, which can result in misleading interpretations of model fit. Therefore, the elevated Chi-square here may be more a reflection of the sample or model complexity rather than a severe misfit. The Normed Fit Index (NFI) is reported at 0.475, which is relatively low as NFI values closer to 1 indicate a strong model fit. This value suggests that the model only moderately explains the observed variance and that there may be room for improvements, such as refining the model structure, adding or adjusting latent variables, or revisiting potential covariates.

The correlation between personal competencies and entrepreneurial success in Table 6 below is relatively low at 0.322, suggesting a modest relationship. This low correlation indicates that personal competencies and entrepreneurial success measure distinct aspects, with minimal overlap. A correlation below the threshold of 0.85 typically indicates strong discriminant validity, suggesting that respondents differentiate their personal attributes or qualities from the performance outcomes of these entrepreneurs. This distinction is vital, as it allows for a clearer analysis of how personal factors might independently impact entrepreneurial success without significant confounding between the constructs. The correlation between personal competencies and social competencies is notably high at 0.948, which raises concerns regarding discriminant validity. A correlation exceeding 0.85 suggests that there may be a significant overlap between these two constructs, indicating that respondents do not perceive a clear distinction between personal and social attributes. In this

Table 5: Model fit

Model fit index	Saturated model	Estimated model
SRMR	0.098	0.098
d_{ULS}	18.208	18.208
d_G	8.829	8.829
Chi-square	5029.033	5029.033
NFI	0.475	0.475

Table 6: Heterotrait-Monotrait ratio (HTMT)

Constructs	Personal skills	Entrepreneurial success	Social skills
Personal competencies			
Social competencies	0.948	0.403	
Entrepreneurial success	0.322		

case, personal and social competencies may measure similar or overlapping concepts, which could undermine the analytical distinction between individual personal qualities and broader social attributes. This overlap may require a closer examination of the items within each construct, as it is essential to ensure that they accurately capture unique dimensions. If overlap persists, refining or redefining these constructs may help to achieve better discriminant validity. The correlation between entrepreneurial success and social skills was 0.403, which suggests a moderate relationship between these two constructs. This value, like the personal competencies and entrepreneurial success correlation, falls well below the 0.85 threshold, indicating a satisfactory level of discriminant validity. This moderate correlation suggests that firm performance and social attributes are sufficiently distinct in the respondents' perspectives. As a result, it can be inferred that social factors may influence, but do not directly equate to the success of these entrepreneurs. The moderate level of correlation may reflect a situational link, where social factors indirectly impact performance without fully encapsulating it, preserving the distinctiveness of the success of these groups of entrepreneurs.

5. CONCLUSION

The findings of this study underscore the critical role that personal and social competencies play in shaping the success of entrepreneurs in Malaysia. As the business landscape becomes increasingly digital and relationship-driven, entrepreneurs who possess strong interpersonal competencies and are mindful of their digital boundaries are better equipped to build trust, manage customer relationships, and maintain a professional brand image. The quantitative results show a positive correlation between social skills and entrepreneurial outcomes, such as customer satisfaction, business growth, and reputation. Entrepreneurs who demonstrate effective communication, emotional intelligence, and adaptability tend to perform better in competitive environments. This supports previous literature by Baron and Markman (2000), who highlighted the importance of social competence in securing resources and managing stakeholder relationships. In Malaysia, where multicultural interactions are common, these skills become even more valuable in navigating cultural norms and expectations in both formal and informal business settings. Similarly, the study reveals that these competencies are significantly associated with

business credibility and customer trust. Entrepreneurs who practice responsible data sharing, maintain clear personal-professional boundaries online, and comply with privacy regulations are more likely to sustain long-term customer relationships. The results align with MDEC (2020) findings, which emphasize the importance of digital literacy and privacy management in the Malaysian digital economy. Despite the legal framework provided by the PDPA 2010, there is still a need to enhance awareness and application of privacy principles among small business owners. One key insight is that both social and privacy-related competencies contribute in complementary ways where one helps in building connections, the other ensures those connections are managed with discretion and professionalism. Entrepreneurs who fail in either area risk losing customer confidence, facing reputational damage, or experiencing communication breakdowns with stakeholders.

This study contributes to the growing body of knowledge on soft skills in entrepreneurship by highlighting two often-underestimated factors: social skills and privacy awareness. The practical contribution highlights that in the Malaysian context, where digital entrepreneurship is expanding rapidly, these skills are not just optional they are essential. The findings demonstrate that entrepreneurs who invest in developing their interpersonal abilities and who take privacy management seriously are more likely to achieve sustainable success. Empirically while technical expertise and innovative ideas remain important, this study shows that how entrepreneurs communicate, present themselves, and protect information can significantly influence their business outcomes. These soft skills help build credibility, foster trust, and navigate the increasingly complex digital and social environment in which modern businesses operate. Mixed methods should be considered for future study to gain more insight of the study, with increased sample size and focus on other industry.

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