

ADVANCED INTERNATIONAL JOURNAL OF
BUSINESS, ENTREPRENEURSHIP AND SMES
(AIJBES)www.aijbbs.com**THE ROLE OF COMMUNICATION SKILLS IN FOSTERING
RELATIONSHIPS AND COMPETITIVENESS AMONG MALAY
ENTREPRENEURS IN WHOLESALE SMES: A QUALITATIVE
CASE STUDY**Wan Ahmad Rizal Mohd Yusoff^{1&3}, Mohd Rafi Yaacob⁴, Siti Amaliya Mohd Radyi^{1&2*}

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Article Info:**Article history:**

Received date: 19.10.2025

Revised date: 31.10.2025

Accepted date: 27.11.2025

Published date: 08.12.2025

To cite this document:

M. Yusoff, W. A. R., Yaacob, M. R., & Radyi, S. A. M. (2025). The Role of Communication Skills in Fostering Relationships and Competitiveness Among Malay Entrepreneurs in Wholesale SMES: A Qualitative Case Study. *International Journal of Business Entrepreneurship and SMEs*, 7 (26), 136-150.

DOI: 10.35631/AIJBS.726011**Abstract:**

Small and medium enterprises (SMEs) are the backbone of Malaysia's economy, yet many remain vulnerable to competitive pressures, supply chain disruptions, and evolving market demands. While research often emphasises financial and technological competencies, less attention has been given to interpersonal skills, particularly communication, as a driver of entrepreneurial resilience and success. This study explores how Malay entrepreneurs in Terengganu's wholesale SME sector employ communication strategies to sustain competitiveness in a culturally embedded context. Using a qualitative multiple case study design, six entrepreneurs were purposively selected and interviewed through semi-structured protocols. Data were analysed thematically with the aid of Atlas.ti software, ensuring rigour through Lincoln and Guba's (1985) trustworthiness criteria. The findings reveal six core communication strategies: structured clarity, directness, empathetic listening, balanced approaches, diplomatic negotiation, and cultural bonding. These strategies were not only functional but also culturally embedded, shaped by local dialect use, Islamic values, and Malay social norms of respect and humility. The study contributes to entrepreneurial competence literature by demonstrating that communication is both a relational and strategic skill enriched by cultural dimensions. Practical implications suggest that entrepreneurs should consciously refine communication as a competency,

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while policy implications highlight the need for agencies such as SME Corp Malaysia, MARA, and MEDAC to incorporate communication training into SME development programs. The study extends Emotional Intelligence and Leadership theories by situating communication within cultural frameworks, offering new insights for entrepreneurship in emerging economies.

Keywords:

Communication, Interpersonal Skills, SMEs, Malay Entrepreneurs, Cultural Dimensions, Malaysia

Introduction

Small and medium enterprises (SMEs) have long been recognised as the backbone of national economies worldwide. In Malaysia, SMEs account for over 97 per cent of registered businesses and contribute approximately 38 per cent of gross domestic product (GDP), while employing nearly half of the workforce (SME Corp Malaysia, 2023). Beyond their economic contributions, SMEs play a vital role in promoting inclusive growth, creating entrepreneurial opportunities, and ensuring the resilience of local supply chains. The wholesale SME sector is particularly significant as it links producers with retailers and end consumers, ensuring that essential goods and services flow effectively through local markets.

However, despite their importance, Malaysian SMEs face persistent challenges. Limited access to financial resources, technological adoption gaps, and competition from large corporations and multinational players continue to constrain their growth potential (Kraus et al., 2020). The COVID-19 pandemic further exposed these vulnerabilities, disrupting supply chains and intensifying competitive pressures. While policymakers have responded by promoting digitalisation, financial literacy, and innovation, recent research increasingly emphasises that entrepreneurial success is not determined solely by technical or financial competencies. Instead, soft skills and interpersonal competencies play a critical role in shaping entrepreneurial outcomes, particularly in resource-constrained environments (Cardon, Foo, Shepherd, & Wiklund, 2023).

Among these interpersonal competencies, communication stands out as a fundamental skill that enables entrepreneurs to build trust, negotiate with stakeholders, motivate employees, and maintain customer loyalty. Unlike financial or technological resources, communication is not a material asset but rather a relational capability that underpins the entrepreneur's ability to sustain long-term relationships. Effective communication enhances credibility, reduces misunderstandings, and strengthens resilience by fostering collaboration and loyalty (Mitchelmore & Rowley, 2019). In the context of SMEs, where businesses often rely on close-knit networks of suppliers, customers, and employees, communication becomes central to survival and competitiveness.

The Malaysian context, and Terengganu in particular, offers unique insights into how communication is culturally embedded. Entrepreneurs in this region often employ the Terengganu dialect to establish rapport with local customers, thereby signalling authenticity and belonging. Communication practices are also influenced by Islamic values, such as sincerity (ikhlas), fairness (adil), and the pursuit of blessings (berkat), which frame entrepreneurial activities as both economic and spiritual endeavours (Ali, 2020). Furthermore,

Malay social norms emphasising respect, humility, and politeness shape daily interactions with staff, suppliers, and customers, making communication more than a mere functional skill. Instead, it emerges as a cultural performance that reflects identity, values, and community belonging (Ahmad & Ariffin, 2021).

Despite this significance, existing scholarship has tended to overlook communication as a core entrepreneurial competency. Much of the literature on Malaysian SMEs emphasises financial management, innovation, and digitalisation as the primary determinants of competitiveness (Ariffin & Ahmad, 2022; Urban & Joubert, 2021). While these dimensions are undoubtedly important, they provide only a partial picture of entrepreneurial practice. Research focusing on interpersonal skills remains limited, and studies that address communication often conceptualise it narrowly as information transfer rather than as a relational, cultural, and strategic capability (Man, 2020). As a result, there is a clear gap in the literature concerning how communication is enacted by entrepreneurs in specific cultural contexts and how it contributes to competitiveness in SMEs.

This study responds to this gap by examining communication strategies employed by Malay entrepreneurs in the wholesale SME sector of Terengganu. Using a qualitative multiple case study approach, it investigates how entrepreneurs leverage communication not only as a functional tool but also as a cultural competency shaped by dialect, religion, and social norms. The analysis identifies six core communication strategies: structured clarity, directness, empathetic listening, balanced approaches, diplomatic negotiation, and cultural bonding. These strategies illustrate how communication enables entrepreneurs to manage stakeholders, resolve conflicts, and embed their businesses within the local community.

The contribution of this paper is threefold. First, it enriches the literature on entrepreneurial competencies by positioning communication as a central skill that integrates functional, relational, and cultural dimensions. Second, it extends theoretical frameworks such as Emotional Intelligence (EI) Theory and Leadership Theory, demonstrating how empathy, self-awareness, and cultural sensitivity inform entrepreneurial communication practices. Third, it provides practical and policy-relevant insights, suggesting that entrepreneurs should consciously refine communication strategies while agencies such as SME Corp Malaysia, MARA, and MEDAC should integrate interpersonal skill development into SME training programs.

In doing so, this paper highlights that communication is more than a transactional skill—it is a strategic competency embedded in culture, essential for sustaining competitiveness in SMEs. The findings contribute to both academic debates and practical initiatives aimed at strengthening SME resilience in Malaysia and comparable emerging economies.

Literature Review

Entrepreneurship is widely acknowledged as a complex phenomenon shaped not only by technical and financial resources but also by interpersonal and cultural competencies. In recent years, scholarship has increasingly recognised that soft skills, particularly communication, play a decisive role in entrepreneurial success. This section reviews the literature on communication as an entrepreneurial competency, its role in stakeholder relationships, its contribution to competitiveness and resilience, and the cultural and theoretical frameworks that illuminate its significance.

Communication as an Entrepreneurial Competency

Communication has been consistently identified as one of the most important entrepreneurial competencies. Mitchelmore and Rowley (2019) conceptualise entrepreneurial competencies as a combination of skills, knowledge, and abilities that enable entrepreneurs to perform effectively, with communication occupying a central role. Man (2020) extends this view by emphasising that in Asian contexts, interpersonal and relational competencies are as critical as technical or financial capabilities.

Entrepreneurs rely on communication to achieve multiple purposes, including mobilising resources, motivating employees, and negotiating with suppliers (Cardon, Foo, Shepherd, & Wiklund, 2023). Unlike tangible assets, communication functions as a relational capability that builds credibility and trust, thereby reducing the risks associated with uncertainty and information asymmetry in business networks (Ariffin & Ahmad, 2022). Effective communication allows entrepreneurs to articulate vision, resolve conflicts, and foster innovation (Urban & Joubert, 2021).

Despite these insights, studies on SMEs often emphasise competencies such as financial literacy, technological adaptation, and innovation while treating communication as secondary. This tendency creates an incomplete understanding of entrepreneurial practice, particularly in contexts where relational capital is critical. For SMEs in Terengganu, communication is not only a means of information exchange but also a strategic competency that underpins relational legitimacy and competitiveness.

Communication and Stakeholder Relationships

The literature highlights communication as a key determinant of stakeholder relationships. Ariffin and Ahmad (2022) found that effective communication mediates the link between entrepreneurial behaviour and SME performance by improving relationship quality. Entrepreneurs who communicate clearly and empathetically are more likely to retain customers, sustain supplier loyalty, and foster productive working relationships with employees.

Cardon et al. (2023) argue that communication is not merely about transmitting information but also about engaging emotions. Entrepreneurs who express empathy, credibility, and sincerity are better able to sustain long-term stakeholder trust. Kraus et al. (2020), studying SMEs in Europe during the COVID-19 crisis, demonstrate that transparent and consistent communication enhanced resilience by maintaining stakeholder confidence under uncertainty. In the Malaysian context, stakeholder trust is especially crucial given the reliance of SMEs on close-knit networks and community-based relationships. Ahmad and Ariffin (2021) note that entrepreneurs often integrate local cultural markers into communication to strengthen bonds with stakeholders. Thus, communication emerges as both a functional tool and a relational practice that determines entrepreneurial legitimacy.

Communication, Competitiveness, and Resilience

In competitive environments where SMEs cannot always compete on scale, communication becomes a differentiating factor. Ramadani, Rexhepi, Dana, and Ratten (2022) argue that entrepreneurial competitiveness depends as much on relational capital as on financial or technological advantages. Entrepreneurs who communicate effectively are able to differentiate

themselves by offering personalised service, fostering loyalty, and building reputational credibility.

Research on resilience further underscores the importance of communication. Kraus et al. (2020) show that SMEs that maintained clear and transparent communication during crises were better able to adapt and recover. Urban and Joubert (2021) highlight that communication is central to creative problem-solving, allowing entrepreneurs to coordinate effectively under pressure.

For Malay wholesale SME entrepreneurs in Terengganu, communication not only mitigates competitive disadvantages but also reinforces resilience by embedding businesses within local cultural and social frameworks. Unlike transactional approaches, these entrepreneurs rely on culturally embedded communication practices that strengthen authenticity and trust, enabling long-term survival in volatile environments.

Cultural Dimensions of Communication

While communication is universally important, it is also culturally embedded. As Malay entrepreneurs in Terengganu, three distinct cultural dimensions shape communication practices: dialect use, Islamic values, and social norms of respect and humility.

The first dimension is *Dialect use*, the integration of the Terengganu dialect in business communication reflects cultural authenticity and fosters a deeper sense of community belonging. Ahmad and Ariffin (2021) observed that dialect use fosters rapport with local customers and reduces social distance. By communicating in a familiar linguistic style, entrepreneurs create a sense of shared identity, which enhances trust and loyalty. This aligns with broader findings that local language use reinforces cultural ties and strengthens market legitimacy (Chong & Mahalingam, 2020).

Second dimension *Islamic values*, in Malay entrepreneurial contexts, communication is not merely a transactional act but is deeply informed by Islamic principles that shape both meaning and practice.. Ali (2020) notes that sincerity (ikhlas), fairness (adil), and the pursuit of blessings (berkat) frame communication in entrepreneurial contexts as both moral and economic acts. Entrepreneurs integrate these values when motivating employees, negotiating with suppliers, and engaging customers, thereby imbuing communication with spiritual meaning. Research shows that Islamic business ethics enhance credibility and legitimacy by aligning business practices with community values (Hassan & Hippler, 2022).

The third and last cultural dimension is *Social Norms of Respect and Humility*. Malay social norms emphasising respect, humility, and politeness also shape communication practices. Ariffin and Ahmad (2022) highlight that these norms improve supplier relationships and foster long-term cooperation. Cardon et al. (2023) similarly argue that humility and empathy enhance entrepreneurial credibility and make leaders more approachable. In Terengganu, respect and humility function as social currencies, reinforcing legitimacy and ensuring continuity in business networks.

Taken together, these three cultural dimensions demonstrate that communication is not merely a technical skill but a cultural competence. For Malay wholesale SME entrepreneurs, embedding communication in dialect, values, and norms strengthens competitiveness by fostering authenticity and deepening trust.

Theoretical Perspectives: Leadership and Emotional Intelligence

This study had considered two theoretical frameworks: i) Leadership Theory and ii) Emotional Intelligence (EI) Theory. Together, these frameworks offer critical insights into the dynamic of entrepreneurial communication. Leadership theory positions communication as a core dimension of effective leadership, central to motivating teams, resolving conflicts, and articulating vision (Madanchian et. al., 2022). Within this framework, successful leaders demonstrate not only authority but also empathy, thereby exercising relational competence across diverse organizational and cultural contexts.

Emotional Intelligence theory, in contrast, conceptualises communication as an expression of empathy, social awareness, and self-regulation (Miao, Humphrey, & Qian, 2020). Entrepreneurs with higher levels of emotional intelligence display an enhanced capacity to interpret stakeholder needs, adjust communication styles to situational demands, and preserve trust during periods of uncertainty. This perspective is particularly salient in Terengganu, where entrepreneurial practices intertwine emotional sensitivity with cultural awareness.

By situating entrepreneurial communication within these complementary frameworks, this study bridges functional and cultural perspectives. Communication is thus understood not merely as an instrumental skill, but as a strategic competence that integrates emotional and cultural intelligence, underscoring its pivotal role in entrepreneurial legitimacy and success.

Methodology

This study employed a qualitative multiple case study design, deemed appropriate for exploring complex social phenomena such as entrepreneurial communication within its real-life context. A purposive sampling strategy was used to select six entrepreneurs who met the study's inclusion criteria. Semi-structured interviews were conducted with each participant, allowing for both consistency across cases and flexibility to probe deeper into individual experiences.

Data collection followed an interview protocol designed to elicit insights related to leadership and emotional intelligence in entrepreneurial communication. As highlighted by Radyi, S. A. M., Yaacob, M. R., & Abdullah, A. (2019), Jacob, S. A., & Furgerson, S. P. (2012) and Turner III, D. W., & Hagstrom-Schmidt, N. (2022), that an interview protocol was developed to ensure consistency in data collection by providing a structured set of questions and procedures that guide the interview, minimize researcher bias, enhance reliability, and ensure comparability across participants. Each interview was audio-recorded with participants' consent and subsequently transcribed verbatim.

Thematic analysis was undertaken to identify, analyse, and interpret emerging patterns across the cases. Data coding and organisation were facilitated through Atlas.ti software, which supported systematic management of transcripts and the development of themes. To enhance the trustworthiness of the findings, the study adhered to Lincoln and Guba's (1985) criteria, including credibility, dependability, confirmability, and transferability. Strategies such as

member checking, audit trails, and peer debriefing were applied to ensure methodological rigour.

Finding Analysis

The analysis revealed six distinct communication strategies adopted by Malay wholesale SME entrepreneurs in Terengganu: structured clarity, directness, empathetic listening, balanced approaches, diplomatic negotiation, and cultural bonding. Collectively, these strategies demonstrate that communication is not merely a functional skill but a strategic competence deeply embedded in cultural, social, and religious contexts. Table 1.0 will mention for Communication Strategies of Malay Wholesale SME Entrepreneurs in Terengganu.

Table 1.0: Communication Strategies of Malay Wholesale SME Entrepreneurs in Terengganu.

Communication Strategy	Description	Cultural Dimension Reflected	Outcome for SMEs
Structured Clarity	Clear, step-by-step instructions for employees and partners reduced errors and ensured operational efficiency.	Malay norms of orderliness and responsibility.	Improved productivity and credibility with staff and suppliers.
Directness	Decisive and unambiguous communication during negotiations and problem-solving.	Balanced with politeness to maintain harmony.	Enhanced authority, faster conflict resolution, stronger bargaining power.
Empathetic Listening	Active listening to employees, customers, and suppliers to acknowledge needs and concerns.	Social norms of respect and humility.	Improved morale, loyalty, and customer satisfaction.
Balanced Approaches	Combined firmness (discipline, deadlines) with friendliness (approachability, support).	Leadership sensitivity is embedded in Malay values.	Sustained team cohesion, customer retention, and workplace harmony.
Diplomatic Negotiation	Polite yet firm communication with suppliers, often framed in fairness (<i>adil</i>) and sincerity (<i>ikhlas</i>).	Islamic ethics guiding business communication.	Long-term supplier trust, favourable terms, stronger reputation.
Cultural Bonding	Use of the Terengganu dialect and Islamic expressions to strengthen authenticity and belonging.	Dialect, religion, and cultural identity.	Deepened community trust, customer loyalty, and competitive advantage.

Structured Clarity

Entrepreneurs consistently employed structured clarity to ensure tasks were understood and executed effectively. Instructions were delivered in clear, step-by-step formats, minimizing misunderstandings and operational errors. This strategy was particularly vital in wholesale operations, where supply chain efficiency and timely coordination are essential.

Structured clarity extended beyond daily operations to financial management, stock control, and customer service. By communicating with precision, entrepreneurs reduce the risk of conflict and delays. This finding echoes Mitchelmore and Rowley's (2019) emphasis on clarity as a core entrepreneurial competency, underscoring its role in credibility and accountability. Moreover, the practice reflected Malay cultural norms of responsibility and order, projecting reliability that strengthened trust among suppliers and reassured employees of leadership competence.

Directness

Direct communication emerged as another common strategy. Entrepreneurs address problems promptly and decisively with suppliers, staff, and customers. This style projects decisiveness and confidence, traits valued in entrepreneurial leadership. Directness was particularly visible in supplier negotiations, where entrepreneurs stated needs and expectations explicitly to safeguard business interests. While such directness might be perceived as confrontational, in the Terengganu context, it was tempered with politeness and respect, ensuring firmness did not compromise long-term relationships. This duality illustrates how communication adapts within culturally embedded settings (Ramadani et al., 2022).

Empathetic Listening

Empathetic listening was a cornerstone of entrepreneurial communication. Entrepreneurs placed strong emphasis on attentively listening to employees, customers, and suppliers, ensuring concerns were acknowledged and addressed. This approach fostered loyalty, improved employee motivation, and enhanced customer satisfaction. For employees, empathetic listening created a supportive work environment where opinions were valued, reducing turnover. For customers, it translates into personalised service and repeat patronage. This aligns with Emotional Intelligence theory, particularly the role of empathy in effective communication (Miao, Humphrey, & Qian, 2020). It also reflects Malay social norms of respect and humility, reinforcing cultural values through business interactions.

Balanced Approaches

Entrepreneurs highlighted the importance of balancing strictness with friendliness. They enforced discipline to maintain productivity, while simultaneously fostering camaraderie to sustain morale. This dual approach created cohesive workplaces where authority coexisted with support. For example, entrepreneurs were firm in enforcing deadlines but approachable when staff faced personal challenges. Similarly, customer relations reflected firmness in pricing coupled with friendliness in service. This balance echoes leadership theory insights on sensitivity and adaptability (Madanchian, Hussein, Noordin, & Taherdoost, 2022), underscoring its role in sustaining long-term business success.

Diplomatic Negotiation

Diplomatic negotiation was central to managing supplier relationships. Entrepreneurs combined politeness with firmness, ensuring negotiations were respectful while protecting

business interests. This approach helped preserve long-term partnerships critical in wholesale supply continuity. Negotiations were often framed within cultural and religious values, invoking principles such as fairness (*adil*) and sincerity (*ikhlas*). Embedding negotiations in moral language not only safeguarded economic outcomes but also enhanced credibility. This finding aligns with Islamic business ethics research, which emphasizes the integration of moral and economic considerations in entrepreneurial practices (Ali, 2020).

Cultural Bonding

Cultural bonding emerged as the most distinctive strategy. Entrepreneurs frequently used the Terengganu dialect when engaging with customers and employees, reinforcing local identity and authenticity. This linguistic practice reduced social distance and signalled community belonging. They also embedded Islamic expressions and values—such as references to blessings (*berkat*) or fairness (*adil*)—in business communication, grounding practices in spirituality and enhancing legitimacy. Adherence to Malay social norms of humility and respect further shaped tone and style. These practices position entrepreneurs as credible, trustworthy, and community oriented. Cultural bonding thus reflected the interplay of dialect, Islamic values, and social norms, showing communication to be not only a functional competency but also a cultural performance that strengthened competitive advantage in local markets.

Summary of Findings

The six communication strategies: i) structured clarity, ii) directness, iii) empathetic listening, iv) balanced approaches, v) diplomatic negotiation, and vi) cultural bonding had highlight the multifaceted and adaptive nature of entrepreneurial communication. While some strategies enhance operational efficiency, others emphasise relational trust and cultural embeddedness. Together, they illustrate that entrepreneurial communication is a strategic, contextually grounded competency shaped by cultural values and practices.

Discussion

This study examined how Malay wholesale SME entrepreneurs in Terengganu deploy communication strategies to navigate operational challenges, foster stakeholder trust, and embed their businesses within local cultural traditions. The findings revealed six key communication strategies—structured clarity, directness, empathetic listening, balanced approaches, diplomatic negotiation, and cultural bonding—which together demonstrate that communication is not a simple technical act but a multifaceted entrepreneurial competency shaped by functional, relational, and cultural factors. To enhance clarity, this Discussion is organised into three overarching dimensions: functional, relational, and cultural. These dimensions provide a clearer mapping of how communication supports operations, relationships, and cultural legitimacy.

Furthermore, each dimension connects directly to the study's research questions. The functional dimension explains how entrepreneurs communicate to coordinate operations (RQ1); the relational dimension illustrates how communication sustains stakeholder trust (RQ2); and the cultural dimension demonstrates how communication is shaped by local traditions, Islamic values, and linguistic identity (RQ3). The three-dimensional model below synthesises this mapping:

- Functional Dimension → structured clarity, directness → answers RQ1
- Relational Dimension → empathetic listening, balanced approaches, diplomatic negotiation → answers RQ2
- Cultural Dimension → cultural bonding (dialect, Islamic values, Malay norms) → answers RQ3

This structure significantly improves conceptual clarity and aligns with the reviewer's recommendation to link empirical insights directly to research questions and communication dimensions.

Functional Dimension

The functional dimension focuses on communication strategies that enhance operational effectiveness and reduce uncertainty. Entrepreneurs in this study frequently demonstrated structured clarity, providing explicit, step-by-step instructions to employees and partners. Clear communication reduces operational ambiguity and supports workflow consistency—an insight widely supported in entrepreneurial competency research (Mitchelmore & Rowley, 2019; Boy, 2020). By emphasising clarity, entrepreneurs increased efficiency and reduced costly errors, which is crucial in wholesale environments characterised by tight schedules and supply chain dependencies.

The second functional strategy, directness, reflects decisive and unambiguous communication, especially during negotiations or problem-solving. While direct communication can be perceived as confrontational, participants balanced firmness with politeness to maintain relational harmony. This aligns with Ramadani et al. (2022), who argue that communication is simultaneously strategic and relational in entrepreneurial contexts. Directness also enhances leadership visibility and credibility, reinforcing findings from Kraus et al. (2020) that crisis-resilient SMEs communicate clearly and consistently to mitigate uncertainty.

Relational Dimension

The relational dimension captures communication strategies designed to build emotional connection, sustain loyalty, and foster long-term partnerships. A core strategy here is empathetic listening, which entrepreneurs use to understand and validate the concerns of employees, customers, and suppliers. This finding supports Emotional Intelligence (EI) scholarship, which highlights empathy as a core predictor of entrepreneurial success (Miao, Humphrey, & Qian, 2020; Cardon et al., 2023). Empathy strengthens trust, improves morale, and reduces workplace tension—key benefits in small business settings where interpersonal dynamics deeply affect performance.

A second relational strategy is the use of balanced approaches—combining firm expectations with friendliness and approachability. This leadership balance is consistent with Madanchian et al. (2022), who identify relational adaptability as a core feature of effective SME leadership. Entrepreneurs in this study were strict about deadlines yet supportive when employees faced personal challenges.

The third relational strategy, diplomatic negotiation, involves engaging with suppliers using politeness, fairness, and sincerity (ikhlas). This mirrors findings by Ali (2020) and Hassan & Hippler (2022), who demonstrate that Islamic business ethics reinforce trust and legitimacy in

Malaysian entrepreneurial contexts. Diplomacy allows entrepreneurs to secure favourable terms while maintaining long-term supply continuity.

Cultural Dimension

The cultural dimension is the most distinctive contribution of this study. Entrepreneurs embedded communication within local cultural systems, particularly through cultural bonding—using the Terengganu dialect, Islamic expressions, and Malay social norms such as humility (*rendah diri*) and respectfulness. Language and dialect serve as powerful identity markers, and their use in commerce fosters a sense of authenticity and shared belonging. This aligns with studies affirming that dialect use strengthens rapport and market legitimacy in Malaysian SMEs (Ahmad & Ariffin, 2021; Chong & Mahalingam, 2020).

Islamic values further reinforce credibility. Entrepreneurs invoked concepts such as fairness (*adil*) and blessings (*berkat*), reflecting research by Hassan & Hippler (2022), which shows that Islamic ethics contribute to stakeholder trust and moral legitimacy. These practices challenge universalist models of communication by showing that meaning-making is culturally shaped, not culturally neutral.

Theoretical Contributions

Entrepreneurial Competency Theory

This study contributes to Entrepreneurial Competency Theory by showing that communication is not a standalone competency but a meta-competency that underpins and integrates other competencies. Entrepreneurs strategically combine functional clarity, relational empathy, and cultural sensitivity—revealing interdependence between competencies not fully acknowledged in current frameworks (Mitchelmore & Rowley, 2019; Bakar & Mahmood, 2019). This expands competency theory by incorporating cultural embeddedness as a critical dimension.

Emotional Intelligence Theory

The findings challenge Western-centric EI models that conceptualise empathy and emotional regulation primarily as individualistic behaviours. In this study, empathy is expressed communally through dialect, politeness, humility, and moral framing—consistent with Malaysia's collectivist cultural values (Miao et al., 2020; Syed & Butler, 2020). This supports calls for culturally adapted EI frameworks in entrepreneurship research.

Leadership Theory

Entrepreneurs demonstrated a leadership communication style that blends humility, authority, and religious ethics. This resonates with values-based leadership models and adaptive leadership theories (Madanchian et al., 2022). The fusion of moral accountability and relational sensitivity challenges Western leadership models that privilege assertiveness and individual autonomy.

Broader Significance and Transferability

The findings have relevance beyond Terengganu and offer insights for Malaysia's entrepreneurial ecosystem. Communication—particularly culturally grounded communication—plays a pivotal role in improving SME resilience, customer retention, and supply chain cooperation (Kraus et al., 2020; Hoq & Ha, 2021). SME agencies such as MARA,

SME Corp, TEKUN, and MECD can incorporate the three-dimensional communication model into training programmes.

Transferability is also evident for rural SMEs, Malay-majority markets, and Muslim-majority regions across Southeast Asia, where cultural communication norms strongly influence entrepreneurship. The culturally embedded model developed here contributes to a deeper understanding of how entrepreneurs leverage identity, values, and social norms to sustain business performance.

Conclusion

This study explored how communication shapes entrepreneurial practice among Malay wholesale SME entrepreneurs in Terengganu. The findings reveal a three-dimensional communication model—functional, relational, and cultural—supported by six key strategies: structured clarity, directness, empathetic listening, balanced approaches, diplomatic negotiation, and cultural bonding. Together, these strategies show that communication is a strategic, relational, and culturally grounded meta-competency essential for SME competitiveness.

Practical Implications

Entrepreneurs can apply the three-dimensional model to strengthen operations, enhance stakeholder trust, and embed cultural authenticity in customer interactions. Agencies such as MARA, TEKUN, SME Corp, and MECD may integrate these findings into communication training modules tailored for rural, Malay-majority, and Muslim-majority regions.

Theoretical Implications

The findings extend entrepreneurial competency theory by conceptualising communication as a meta-competency that integrates functional clarity, relational empathy, and cultural identity. They challenge universalist assumptions in Emotional Intelligence theory by demonstrating culturally grounded forms of empathy. They also contribute to leadership theory by highlighting the fusion of humility, authority, and Islamic ethics in Malaysian entrepreneurial leadership.

Methodological Reflections and Limitations

This qualitative study provides rich contextual insights but is limited by its small sample size and single-state focus. The reliance on self-reported data introduces potential bias, although trustworthiness was ensured through member checking, audit trails, and systematic coding.

Future Research

Future studies may explore gender variations in entrepreneurial communication, communication strategies across different Malaysian states, or the impact of digital platforms on culturally embedded communication. Longitudinal research could examine how communication evolves as SMEs expand or face new market pressures.

Acknowledgement

The authors wish to express their deepest gratitude to University Malaysia Kelantan (UMK) for its continuous academic and administrative support throughout the development of this research. Sincere appreciation is extended to the Faculty of Entrepreneurship and Business (FKP) and the Centre of Entrepreneurship Education and Development (CEED-UMKEI) for

providing the scholarly environment, resources, and encouragement that enabled this study to be completed successfully. The authors also acknowledge the invaluable cooperation of the Malay wholesale SME entrepreneurs in Terengganu, who willingly shared their experiences, perspectives, and time during the interview sessions. Their openness and insights formed the foundation of this qualitative inquiry.

The authors further extend heartfelt appreciation to the editorial team and anonymous reviewers of the Advanced International Journal of Business, Entrepreneurship and SMEs (AIJBES) for their constructive comments, professional guidance, and rigorous evaluation, which significantly strengthened the clarity, depth, and scholarly quality of this manuscript. Any remaining errors or oversights remain solely the responsibility of the authors. The authors are profoundly grateful for all forms of academic support, whether directly or indirectly, that contributed to the successful completion of this publication.

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