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Partial least square Analysis on Micro Enterprises' Intellectual capital and performance: The mediating effect of tacit Knowledge Sharing

ABSTRACT

Micro enterprises formed the majority of business establishments in Malaysia and play an important role in the business ecosystem. There are numerous studies of intellectual capital on large organizations and small and medium enterprises, however no study has been carried out on micro enterprises. The findings of the partial-least square analysis of one hundred and six micro enterprises found that intellectual capital has a significant relationship to organizational performance. In addition, the relationship between intellectual capital and organizational performance was significantly influenced by tacit knowledge sharing. In particular, tacit knowledge sharing proves to be extremely relevant when it comes to reinforcing the intellectual capital on the performance of micro enterprises in Malaysia. Limitations and implications for future studies are discussed.

KEYWORDS: Intellectual Capital, Tacit Knowledge Sharing, Organizational Performance, Micro Enterprises, Partial Least Square, Malaysia