

SUSTAINING THE AGILITY OF SMES' BUSINESS STRATEGY: MINIMISING THE OUTBREAK OF COVID-19 VIA CROWDSOURCING PRACTICES

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ABSTRACT

The spread of COVID-19 has changed many aspects of our lives in many continents. This critical situation forced many business enterprises including Small and Medium Enterprises (SMEs) require agile of their business strategy to survive in market. The emergence of Technology Web 2.0, Industrial Revolution (IR 4.0) offer a great business opportunity for the SMEs to adjust the business landscape from the traditional to a digitalize. It is because SMEs are the important 'engines of growth' for developed and developing countries. They are the main share of total enterprises and contributes significantly to the Gross Domestic Product (GDP), employment and export. However, they are remained unable to achieve expected success, grapple with the failure risk, survival downturns and uncertainty environment. Therefore, to overcome these challenges, this study opens up a new avenue for the SMEs to leverage crowdsourcing practices in order to sustain the business performance and to minimize the COVID-19 outbreak. The aim of this study to investigate the mediating effect of crowdsourcing resources, crowdsourcing practices and SMEs performance. The study employs

quantitative approach. The finding indicates that, crowdsourcing serves useful resources to the SMEs to enhance the business performance via harnessing the “wisdom of crowd” and turn the external resources into internal organizational resources. The study also highlights both practical and theoretical implications as well as limitation of the study.

INTRODUCTION

Nowadays, there are unusual times. Many countries around the continents rapidly impacted by the novel coronavirus disease (COVID-19). On the 11th March, 2020 the Director-General Dr Tedros Adhanom Ghebreyesus, World Health Organization (WHO) has announced COVID-19 is a global pandemic. The first known case of this virus found in the China City of Wuhan on 12th December, 2019. It was deemed an emergency in the third week of January, 2020 and subsequently spread over the world. New cases continue to rise globally. COVID-19 Dashboard statistic as of March, 2021 by WHO indicated that globally, there are 122,524,424 confirmed cases of COVID-19, involving 2,703,620 deaths. It is reported that the highest confirmed cases in Americas, Europe and South East Asia recorded that 53,937,714; 42,504,449 and 14,182,826 respectively (WHO, 2021). Similarly, Malaysia is also unavoidable facing an emergency situation due to COVID-19 pandemic. The statistics showed that there are 334,156 confirmed cases and 1,238 deaths as at 22nd March, 2021 (Ministry of Health, Malaysia). This situation gives impacts to many parties including SMEs particularly when the number of confirmed cases increase since end of January until early March, 2021. Consequently, the Malaysian government has enforced the movement control order (MCO) and conditional movement control order (CMCO) for several months (#stay at home) in order to control and stop the chain.

About 98.5% business establishment in Malaysia are SMEs across all size and sector. Many of them failed to sustain the business performance and losing their business. [1] It is because, COVID-19 pandemic alters various aspects of our lives mainly economic and the business landscape. To minimise the business failure during this unusual time, SMEs have to sustain the agility of their business strategy in order to minimise the outbreak of COVID-19 via leveraging crowdsourcing practices to eliminate an extensive loss. Due to COVID-19, SMEs need to alter the business landscape from traditional to digital business process that can be done via crowdsourcing practices. It is proven that, past studies such as Howe, 2006; Zhao and Zhu, 2014a revealed that crowdsourcing practices enable to improve business performance via utilizing virtual employees for the organisation and transform an external crowdsourcing resources into organisational resources to minimize resources scarcity in the organisation.

In response to the above, it is vital to conduct this study in order to further comprehend the linkage environmental situation (COVID-19), business strategy (crowdsourcing practices) and SMEs performance. Without agility of the business strategy, definitely will underscores business performance and consequently leads to the business failure. Therefore, the aim of this study is to propose the crowdsourcing practices for the SMEs during unusual times to minimize the COVID-19 outbreak eventually boosting the SMEs performance. It is because digital business, emerging of Technology Web 2.0 and Industrial Revolution 4.0 (IR 4.0) such as social media platforms; business intelligence and so forth. These have been identified as potential crowdsourcing platforms for the SMEs to be flexible in operating their business strategy and vital for the business growth especially during this uncertain environment. Utilizing e-communities or virtual employees, SME may overcome the business constraints during Movement Control Order (MCO) imposed by the government and break the chain of the COVID 19. The SMEs may

continuously operate the business activities via optimizing the virtual employees to perform organizational tasks and projects without face-to-face transaction.

LITERATURE REVIEW AND HYPOTHESES

Role and Scenario SMEs in Malaysia

Many countries whether developed and developing countries such as Malaysia, SMEs play a pivotal role and one of the key contributors to economic growth for a country development [2] In Malaysia, SMEs contribute significantly in the economic growth, social uplifting and political stability. They contribute a great significant share of the industrial sectors in Malaysia. Based on the SME Annual Report 2017/2018 reported that Malaysian SMEs positively contribute to the overall economic growth, which is driven predominantly by the services sector (59.7%), manufacturing (21.5%), agricultural (11.2%), construction (5.8%), and followed by mining and quarrying (0.4%). To date, SME contributions in Gross Domestic Product (GDP), employment and export at 38.9%, 48.4% and 17.9% respectively (SME Annual Report, 2019/2020 SME).

To ensure SMEs still relevant, competitive in the global market, spur the development of the B40 and entrepreneurs, the Ministry of Entrepreneur Development (MED) has formulated the National Entrepreneurship Policy 2030. In the year 2025, the SMEs are expected to accelerate their achievement to the GDP, employment and export at 45%, 72% and 25% respectively. It signifies that, SMEs need to “wake-up” and double up their effort by alter the business strategies to achieve an expected target. Additionally, the largest number of enterprises establishment in Malaysia were SMEs account at 98.5% or 907,065 business establishments across all size and sectors [1, 3] Hence, this study is necessary to assist SMEs to enhance and sustain the business performance particularly during this critical situation.

Furthermore, the Malaysian government has acknowledged that the SMEs are the backbone of Malaysia economy and consistently provide various support and development programs in order to improve the productivity. The SME Annual Report 2019/2020 revealed that, SME is one of the most vulnerable enterprises affected by the pandemic indicated that 89.9% facing a sudden drop in term of sales, cash flow, decrease in demand and supply chain disruptions. To unlock the potential SMEs growth, the government implemented various SME development programs in all economic sectors. A special stimulus packages worth of RM320 billion invested by the government to the SMEs. The purpose of these economic initiatives to address critical pandemic-related issues faced by SMEs, particularly in the scope of financing, business cost, cash flow, job retention, human capital development, infrastructure development and adoption of technology and digitalization. Not limit to that, the Government also uphold the SME development agenda amid the crisis by allocating RM38.7 billion in the Budget 2021. It is the highest allocation compared than before.

Based on the above scenarios, the gaps still exist between the actual and expected achievements among SMEs in Malaysia. The current situation becoming critical since the pandemic has started in Malaysia that contribute impacts, new challenges and predicted to be affected significantly over a longer period of time to many enterprises. Due to this situation the Malaysian SMEs also cannot avoid to face these challenges. Numerous studies have revealed that, majority of SMEs will vanish within the first five years of their operation. Indeed, in Malaysia this is a reality and about 60% failure rate [4] Therefore, it is absolutely requiring an extensive research, assistance and changes to the business landscape from traditional to the modern methods i.e., business strategies by utilizing “virtual employees or e-communities” to perform the SMEs tasks and projects via

leveraging crowdsourcing practices. The “big question mark” should be addressed in this study; how to assist entrepreneurs in order to sustain and accelerate the business performance during this critical situation. Thus, it is very vital to assist SMEs to strengthen and motivate them to alter the business landscape from traditional approach of operating the business to digitalize entrepreneurship via leveraging crowdsourcing practices to ensure SMEs consistently operate and maintain their business performance even during and post COVID-19.

Crowdsourcing Practices in Malaysia

The crowdsourcing terms from the combination of two words; “crowd” and “sourcing”. Crowd refers to the undefined group of people that can be customers, potential customers, community, suppliers, any other individuals or groups to perform the tasks and contribute valuable ideas and feedback to the crowdsourcers. While, sourcing term is referring to the outsourcing activities through hiring external parties (crowdworkers) to perform the tasks and duties via digitalize platforms for the organization [5](Sivula and Kantola, 2016). Originally, this new business phenomenon was introduced by [6] in his work “The Raise of Crowdsourcing” published in the Wired Magazine. He defined crowdsourcing practices as an action of businesses in taking out a task previously undertake by their workers and outsourcing it to unidentified group of individuals through open call [7] Organizations such as SMEs (known as seekers or crowdsourcer) hire a potential large group of undefined individuals (known as solvers or crowdworkers) in the crowd to work on organizational tasks via on-line or off-line based platforms [5, 8] This approach allows the crowd better linked and informed and enables them to contribute the unique skills in solving problems or completing tasks. It is an activity that normally takes place outside an organization by a small or large group of people. This study operationalized crowdsourcing practices as a firm’s act in outsourcing function once performed by its workers to a group or virtual employees via an open call [9, 10] It associates with a special form of open innovation and ICT-enable innovation tool that may be of social media based, web-based or a combination of both. All these terms were widely used by many scholars [11-13] Currently, crowdsourcing practices has become increasingly popular in enhancing innovation, global IT outsourcing, gaining innovative idea where competition or open innovation is called upon.

In Malaysia, adoption of technology and digitalization had received a serious attention by the government. In 2020, 211 programmes with financial expenditure of RM12.99 b have been invested and increased compared than 175 programmes in the year 2019. It benefits 656,097 SMEs, implemented to 17 Ministries consists of six dedicated SME agencies and 59 other agencies. One of the key areas is deemed important for SMEs i.e., innovation and technology adoption (In spite of growing crowdsourcing phenomenon globally however, many Malaysian enterprises are yet to extensively utilize this business strategy. This practice still new and at formative stage. In view of that, there is a crucial need for an extensive research related to this crowdsourcing The study aligned to [14, 15] suggested that academic studies related to crowdsourcing research field is scarce despite many companies successfully leveraging crowdsourcing practices such as L’Oréal company. Furthermore, in Malaysia the crowdsourcing concept is still new and has not properly structure [5, 9, 10, 16] Summarily, based on past researchers, it strongly signals that critical requirements about crowdsourcing study are needed and to be conducted extensively. It is because to ensure the successful crowdsourcing in Malaysia specially to overcome the business limitation during COVID-19.

Crowdsourcing Resources

Crowdsourcing practices can act as enabler for the SME to create and utilize crowdsourcing resources from the external crowds. Crowdsourcing resources can be defined the valuable or beneficial resources that are unavailable internally however, the SMEs may access them through crowdsourcing [17, 18] It also referring to the tangible or intangible valuable resources in order to determine SMEs performance and competitive advantage in the market. Resources include any assets, firm characteristics and information that contribute to the enhancement of the efficiency and effectiveness of organization strategies. In respect to the crowdsourcing context, the valuable crowdsourcing resources of this study focuses on brand visibility, access to specialized skill and solution diversity. All these valuable resources can be achieved and obtained by SMEs through the implementation of crowdsourcing practices in the organization by turned them into organizational valuable resources. It is because crowdsourcing practices involves large size and crowd diversity that can serve an attractive element for various tasks and projects. It can be obtained in the sense that heterogeneous of crowdworkers which provide the access to various capabilities, new ideas, specialized skills and knowledge (valuable resources) that are greatly significant than internal organization capability.

Brand Visibility

First dimension of crowdsourcing resources is brand visibility. It can be defined as the degree to which the crowdsourcer (organization) believes that crowdsourcing facilitates the visibility or awareness of their brands or product by a larger audience or crowd through crowdsourcing[19, 20] It is due to leveraging crowdsourcing allow the organization to support a variety of prevalent business activities. This can be obtained in the sense that customer feedbacks solicitation, product or service ideas, research or design challenges to take advantage of scarce expertise, access to creative talent at low cost, brand promotion through customer interaction and outsourcing of repetitive tasks. This mechanism has been implemented through crowdsourcing, where it proven from several companies such as Coca-Cola, Dell, Kraft Foods and McDonald's. This business strategy is building the brand visibility by interacting with customers and crowdworkers in the creation of value. It is because the creative crowd members do not only generate new concepts but they also create an awareness and induce conversations on products, brands and firms.

Leveraging crowdsourcing practices for the SMEs, expects that the crowdworkers to be aware of the brands, motivate eventually arouse them to purchase the products or services [18-20] In means that, the more parties are involved in the crowdsourced tasks, the more crowdworkers are likely to have an opinion about the SMEs' products and become more aware of the brands; finally purchase the products and services performed by them in the crowdsourcing platform. Based on the above scenario, the links between crowdsourcing resources of brand visibility, crowdsourcing practices and SMEs performance can be hypothesized as below:

H1 Crowdsourcing practices mediate the relationship between crowdsourcing resources of brand visibility and SMEs' performance.

Access to Specialized Skills

Second dimension of crowdsourcing resources is access to specialized skills. It can be defined as the degree the businesses expect in acquiring the required knowledge or skills through crowdsourcing [17] [9, 10] emphasized that crowdsourcing practices facilitates the organizations access to a various skills, capabilities, knowledge and ideas. It is due to crowdsourcing is an open call concept which the crowdworkers from diverse of skills, knowledge and experience as well as different education level. Consistent to [21, 22] also stated that the crowdworkers in crowdsourcing platform can be teenagers till to senior citizens with various education levels that ranged from secondary school to PhD holders.

Again, the expertise scatted over the places, could offer an opportunity for the SMEs to gain an effective and efficient completion of activities. SMEs access to the crowdworkers' expertise that are not available in the organization leading to improve SMEs performance that increase effective and efficient task completion and problem solving. In some circumstances, external parties possessed better skills and experience and they are able to see at different perspectives and no conflict of interest to perform the tasks and projects. Therefore, the gap between the available knowledge and required knowledge force the SMEs to acquire the knowledge and expertise outside of boundary via leveraging crowdsourcing practices. In view of the above, the study hypothesized the linkage between crowdsourcing resources of access to specialized skills, crowdsourcing practices and SMEs performance as below.

H2 Crowdsourcing practices mediate the relationship between crowdsourcing resources of access to specialized skills and SMEs' performance.

Solution Diversity

Last dimension of the crowdsourcing resources is solution diversity. According to [23-25] solution diversity defined as the uniqueness solutions pool submitted by crowdworkers in the crowdsourcing. The solutions suggested by the crowdworkers are differ from one another that contributes from diverse crowdworkers available in the market. Due to crowdworkers' diversity in terms of skills, knowledge and experience contribute to diverse and innovative solutions for the organization. The primary crowdsourcing concept revolves around the tapping of crowd's wisdom (Howe, 2008). The crowdsourcing practices contribute significant impact to the SMEs if the crowdworkres' more diverse leading to various new ideas that can be presented by the crowdworkers.

In some situation, diverse solutions proposed in the crowdsourcing are better than limited internal company employees' solutions. It has been evidenced by the study of [4, 6, 22] Lakhani et al. (2007) that 30% of the problems faced by in-house R&D are solved by crowdworkers. The reasons behind these advantages because diversity in solutions enhance different interpretations of the problem by the large crowd leading to better perspective, scope and wide knowledge at different fields. Crowdworkers' diversity or solvers' domains produce unexpected solution than those envisaged by the crowdsourcers or seeker firm. Moreover, crowdsourcing allows the organization generate new ideas and innovations such as effective problem solving, lower cost and reducing the products life-cycle. It is because crowdsourcing is the concept of open called by maximizing external resources (tangible and intangible) and turned them into internal organization resources to achieve better business performance. Summarily, based on the above argument the study hypothesized that:

H3 Crowdsourcing practices mediate the relationship between crowdsourcing resources of solution diversity and SMEs' performance.

METHODOLOGY

This study employs quantitative approach using questionnaire. The questionnaire was distributed to 1000 SMEs across Malaysia to access how well the crowdsourcing practices towards SMEs performance. The purposive sampling technique used in this study with several inclusion criteria such as active SMEs from SME Corp database, they must leverage crowdsourcing practices to obtain accurate findings. The study has used non-probability sampling due to its subjective nature and because it is extremely useful when the researcher has limited resources, time and workforce [24, 25] Due to no database provide the SMEs leveraging crowdsourcing in the organization, the study integrates filter questions in order to ensure only relevant SMEs participate in this study. The enterprise must be small and medium sized organizations fulfilled the criteria of Malaysian SME. Finally, 200 SMEs were responded to this study. The data then were analyzed accordingly using Statistical Package for Social Science (SPSS). It is used for the data screening, demographic profiles and descriptive statistics. Next, SmartPLS also used to test the hypothesis result. Both statistical software used due to widely used in social sciences disciplines [2, 26](Hair et al., 2016).

FINDINGS AND DISCUSSION

Respondents' Demographic Profile

Majority of respondents participated in this study were business owners (55%) with 34.5 % having business experience between 1 to 3 years and most of them from services sectors (57%). In term of company size, the majority of respondents were from small-sized enterprises at 45%. Majority of them were female respondents (56%) compared than male, age between 30 to 39 years old (32.5%), married (72.5%) and the education level most of them were degree level (41.5%). Based on the above data, the profile of the respondents leveraging crowdsourcing practices were among entrepreneurs with the business experience between 1 year to 3 years, degree holder, age between 30 to 39 years old and most of them from the service sector.

Measurement model

Based on [10, 19, 25] the measurement model or outer model refers to the relationship between empirically observable indicators and the latent variables. It is focuses on an assessment of reliability and validity. Three main assessment criteria namely internal consistency reliability, convergent validity and discriminant validity.

Internal Consistency Reliability

Each of item loading was analyzed to access the individual item reliability. The rule of thumb loading values for all items should be above 0.7. As suggested by [4, 22, 27] the reliability measurement is more appropriate to look into composite reliability (CR) instead of Cronbach's alpha. Referring to the Table 1 the composite reliability (CR) of each item in this study fulfil the requirement of the threshold which the acceptable value for the CR should be more than 0.7 as suggested

Table 1 presented that all constructs were fulfilled the criterion whereby the composite reliability (CR) value for performance at 0.954, crowdsourcing practices at 0.951, crowdsourcing resources of brand visibility, access to specialized skills and solution

diversity at 0.970, 0.969 and 0.949 respectively. In a nutshell, the composite reliability (CR) values for all constructs are deemed reliable.

Convergent Validity

Table 1 on loadings and convergent validity depicts that all constructs meet the threshold values whereby greater than 0.5. The value of average variance extracted (AVE) for performance at 0.723, crowdsourcing practices at 0.708, crowdsourcing resources of brand visibility, access to specialized skills and solution diversity at 0.890, 0.860 and 0.822 respectively. In short, all these constructs were meet the requirement determined. The detail of each value illustrates in Table 1 Loadings and convergent Validity as below. It is because to achieve sufficient convergent validity, each construct should have at least AVE ≥ 0.5 or at least 50% of the assigned indicators' variance [12, 13]

Table 1

Loadings and Convergent Validity

Constructs	Items	Loadings	CR	AVE	Convergent Validity (AVE > 0.5)
SME Performance (PERF)	PERF1	0.875	0.954	0.723	YES
	PERF2	0.891			
	PERF3	0.874			
	PERF4	0.882			
	PERF5	0.731			
	PERF6	0.867			
	PERF7	0.835			
	PERF8	0.837			
Crowdsourcing Practices (CSP)	CSP1	0.808	0.951	0.708	YES
	CSP2	0.871			
	CSP3	0.851			
	CSP4	0.841			
	CSP5	0.807			
	CSP6	0.857			
	CSP7	0.872			
	CSP8	0.824			
Brand Visibility (BV)	BV1	0.935	0.970	0.890	YES
	BV2	0.954			
	BV3	0.951			
	BV4	0.933			
Access to Specialized Skills (ASS)	ASS1	0.931	0.969	0.860	YES
	ASS2	0.910			
	ASS3	0.948			
	ASS4	0.907			
	ASS5	0.942			
Solution Diversity (SD)	SD1	0.901	0.949	0.822	YES
	SD2	0.932			
	SD3	0.850			
	SD4	0.941			

Discriminant Validity

Three measures to assess discriminant validity first, Fornell-Larcker criterion second, cross loading criterion and third, Heterotrait-Monotrait ratio of correlations (HTMT). Firstly, Fornell-Larcker a latent variable should explain better the variance on its own indicators than the variance of other latent variables. It means that, the AVE of a latent variable should be higher than the squared correlation between the latent variable and all other variables or the square root of AVE on the diagonal should be higher than the correlation on the off-diagonal [7, 28] Table 2 depicts the Fornell-Larcker criterion outputs, whereby the correlation outputs showed that the latent construct is higher than all remaining constructs. It also notes that, the square root of AVEs each construct is higher than the correlation for each construct indicated that an adequate discriminant validity for the constructs used in this study.

Table 2

Discriminant Validity using Fornell and Lacker Criterion

	PERF	CSP	BV	ASS	SD
PERF	0.850				
CSP	0.485	0.841			
BV	0.458	0.675	0.943		
ASS	0.507	0.651	0.638	0.928	
SD	0.488	0.664	0.761	0.714	0.907

PERF=performance, CSP=crowdsourcing practices, BV=brand visibility, ASS=access to specialized skills, SD= solution diversity.

Secondly, cross loading criterion. It is referring to the loading each indicator must be greater compared to the rest of its cross loading to ascertain discriminant validity. According to [29, 30] emphasized that, the difference between loadings across latent variables must not be less than 0.1. Reference to the value of cross loading, it shows that each indicator is fulfilled the threshold or greater value compared than the rest of its cross loading.

Finally, Heterotrait-Monotrait Ratio (HTMT). It refers to the ration of correlations within the constructs to correlations between the constructs. This approach is an estimate of what the true correlation between two constructs would be if it's perfectly measured [1, 2, 28] Tables 3 exhibits the HTMT criterions met the requirement criterion of HTMT .90 [7, 26, 28] Besides that, the value of HTMT inference shows the confidence interval does not acquire a value of 1 to any constructs that is $-1 < HTMT < 1$ which represent no problem on discriminant validity.

Table 3

HTMT Criterion

	PERF	CSP	BV	ASS	SD
PERF					
CSP	0.509				
BV	0.471	0.709			
ASS	0.528	0.684	0.664		
SD	0.516	0.707	0.807	0.757	

PERF=performance, CSP=crowdsourcing practices, BV=brand visibility, ASS=access to specialized skills, SD= solution diversity

Structural Model

Upon measurement analysis were conducted, the study found that all the requirements were fulfilled the threshold. Next, the study proceeds to the structural model. It is aim to test the relationship between the variables. The purpose of conducting this analysis is to evaluate systematically whether the hypotheses expressed by the structural model are supported by the data or vice versa [5, 19] Based on this study, three hypotheses were developed accordingly. The three hypotheses (H1-H3) investigate an effect of crowdsourcing resources consist of brand visibility, access to specialized skills and solution diversity towards crowdsourcing practices and SMEs performance in Malaysia.

Structural Model Path Coefficients

Path coefficient in PLS structural is relating to an estimation the path relationships for the structural model (between the latent variables in the model) and correspond to standardized beta values (β) between -1 and +1 in a regression analysis. In view of that, this study used resampling bootstrap method with 5000 along with each bootstrap sample containing the same number of observations as the original sample [28] It is because bootstrapping is nonparametric resampling procedure, one of the most rigorous and powerful method to test the mediating effect [3, 26, 30] In the context of this study, crowdsourcing practices as mediator. Specifically, the study focuses to test the mediating effect of crowdsourcing practices between crowdsourcing resources (brand visibility, access to specialized skills, solution diversity) toward SME performance.

As depicted in Table 4 on mediation analysis results, there are three hypotheses from H1 to H3. The result revealed that two out of three hypotheses mediated the relationships (H1 and H2) while one hypothesis was not mediated the relationship (H3). Based on the findings in Table 4 showed that brand visibility and access to specialized skills toward SMEs performance were significantly mediated by crowdsourcing practices. Nevertheless, solution diversity toward SMEs performance was not mediated by crowdsourcing practices. In short, the hypotheses H1 and H2 were supported the hypotheses however H3 was not supported.

Table 4

Summary of Mediation Results

Hypothesis	Relationship	Std Beta	Std Error	t-value	LL	UL	Supported
H1	BV →CSP→ PERF	0.055	0.029	1.866**	0.020	0.125	Yes
H2	ASS →CSP→ PERF	0.040	0.026	1.547*	0.009	0.103	Yes
H3	SD →CSP→ PERF	0.008	0.023	0.349	-0.025	0.050	No

Note: *** $p < 0.01$, ** $p < 0.05$, $p^* < 0.10$

Coefficient of determination (R^2)

R^2 value measures the proportion of an endogenous construct's variance (fluctuation) that is explained by its predictor constructs [7, 27]. It indicates the amount of variance explained by the model (Chin, 1998) and serves a picture of the model's predictive accuracy. The acceptable R^2 values used in this study were suggested by Cohen (1988) are 0.26, 0.13, 0.02 denotes substantial, moderate and weak levels of predict accuracy respectively. Summarily, the equation coefficient of determination is that $0 < R^2 < 1$ whereby the higher levels of R^2 value indicates the higher levels of predictive accuracy [4, 27, 28].

Table 5 indicated that, the R^2 value for the endogenous constructs are above an adequate level of 10% as recommended [6, 13, 21] and achieved the substantial threshold as recommended by [30]. The R^2 values of this study for crowdsourcing practices and performance at 0.596 and 0.376 respectively explains substantial portion of the variance in the endogenous constructs. It can be interpreted that, the model used in this study is fit the data well.

Table 5

 R^2 Values for Endogenous

Construct	R^2 Value	Threshold
Crowdsourcing Practices	0.596	≥ 0.26 (Substantial)
Performance	0.376	≥ 0.26 (Substantial)

THE MEDIATING EFFECT OF CROWDSOURCING PRACTICES BETWEEN CROWDSOURCING RESOURCES OF BRAND VISIBILITY AND SMES' PERFORMANCE

As predicted in the study, crowdsourcing practices mediate the relationship between crowdsourcing resources of brand visibility and SMEs' performance and it is significant. Hence, H1 is supported. This result is consistent with the studies conducted by [3, 29] who emphasized that crowdsourcing practices can be one powerful business strategy because

it enables the organization to empower brand communities. Consequently, allows brand awareness in communities eventually increase service and products as well as boost the SMEs performance. The supported finding due to firstly, crowdsourcing uniqueness. The SMEs could strengthen or cultivate brand value among the crowd due to the ability of engaging external parties such as customers in the business activities.

THE MEDIATING EFFECT OF CROWDSOURCING PRACTICES BETWEEN CROWDSOURCING RESOURCES OF ACCESS TO SPECIALIZED SKILLS AND SMES' PERFORMANCE

The mediating role of crowdsourcing practices in the relationship between crowdsourcing resources of access to specialized skill and SMEs' performance appears to be significant. Therefore, H2 is supported. The finding is consistent to the mainstream results of past studies by [22, 23, 30], the SMEs allow to access specialized skills and gain benefits from the large pool of potential contributors and reservoir of talents. Again, it is further supported by [25] who suggested that business organizations could request assistance from the crowd in terms of financial resources (crowd funding), specialized skills or external expert (task crowdsourcing) and market feedback on new product or services (crowd testing) to sustain the business. This is because crowdsourcing allows better exploitation of internal and external specialized human capital necessary for maintaining organization competitive advantage. As expected, the finding of this study contributes to the literature by discovering crowdsourcing practices mediate the relationship between crowdsourcing resources of access to specialized skill and performance for SMEs in Malaysia. Crowdsourcing practices enable the SMEs to utilize different experts; facilitates to access the right individuals with the right skills, knowledge and expertise to perform tasks and solve complex organizational problems. Employing virtual employees via crowdsourcing practices by SMEs, the organizational flexibility can be increased, improve human resource practices and strengthens an organizational manpower planning.

THE MEDIATING EFFECT OF CROWDSOURCING PRACTICES BETWEEN CROWDSOURCING RESOURCES OF SOLUTION DIVERSITY AND SMES' PERFORMANCE

The last dimension of crowdsourcing resources is solution diversity. Nevertheless, the finding revealed that crowdsourcing practices mediate the relationship between crowdsourcing resources of solution diversity and SMEs' performance appeared to be insignificant. Thus, H3 is not supported. This study opined that, it does not mean that crowdsourcing resources of solution diversity should be disregarded altogether. It is because obtain solutions through crowdsourcing platforms allows the SMEs to rectify and solve the business problems at different perspectives. Again, the crowdworkers in the platforms are heterogeneous group of people with diverse skills, experience and education levels. It is clearly contention by [14] emphasized that, SMEs could harness the creativity of the crowd to solve thorny problems and obtain large volume of diverse solutions that can be overwhelming for many organizations. The finding of this study indicated that crowdsourcing practices are not the mechanism that mediate the relationship between crowdsourcing resources of solution diversity and performance for SMEs in Malaysia. The plausible reasons of insignificant finding possibly due to firstly, the crowdsourcing platforms used by SMEs may be unable to attract and motivate solvers (crowdworkers) to participate in the tasks. Perhaps, unattractive company website or infamous social media

platforms had been used to broadcast the tasks. This could result in the failure to attract solvers (crowdworkers) to participate in the project or tasks; causing lukewarm response from the crowdworkers.

IMPLICATIONS OF STUDY

An empirical finding may motivate the entrepreneurs to leverage crowdsourcing practices to sustain the business performance. Although during unusual time of COVID 19, the SMEs still able to operate the business activities by maximizing virtual employees or e-communities to perform the business tasks or projects and seek new opportunities and solutions to sustain the business performance. The finding also indicates some signals for the entrepreneurs to be agile, alter and adjust the business landscape especially during COVID 19 to reduce risk of business failure. Again, findings serve a guideline and indicator to the policy maker in promoting digital entrepreneurship among Malaysian SMEs by formulating, planning and organizing the development programs and policies to strengthening crowdsourcing in Malaysia. The study also enables to open up new avenue for existing knowledge and literatures related to crowdsourcing practices for the SMEs performance in emerging countries.

LIMITATIONS OF STUDY

This study also cannot be excluded from its limitations. This study only involves the Malaysian SMEs registered under the SMEs Corp of Malaysia database and this study only employed quantitative method by using survey.

CONCLUSION

Crowdsourcing practice is a new business phenomenon for the SMEs to utilize. Due to unexpected business environment, digital entrepreneurship and the technological aspect of organizations represent catalysts for the SMEs to develop and leveraging crowdsourcing practices in the organizations. SMEs may also sustain the business performance even though during critical situation of COVID 19 pandemic. It can be done by harnessing the “wisdom of crowd” via leveraging crowdsourcing by tapping external crowds’ resources turn them into organizational resources in order to complement internal limited resources with an open call concept. It is because crowdsourcing practices allow the SMEs to generate brand visibility and enhance products and services awareness among the crowds, access to customized talents to perform the organization tasks and save huge operating costs drive the SMEs to boost business performance.

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