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THE ROLE OF KNOWLEDGE TRANSFER IN DETERMINING THE DEBT LITERACY TOWARD SME ABILITY TO REPAY DEBT IN MALAYSIA

**Siti Zuraidah Binti Zainal¹*

sitizuraidah@gapps.kptm.edu.my

Muhammad Nizam Bin Jali²

nizam@kuptm.edu.my

Ahmad Fauzi Bin Ahmad Zaini³

ahmadfauzi@kuptm.edu.my

Nan Zakiah Binti Megat Ibrahim⁴

zakiah@kuptm.edu.my

**Corresponding author*

Kolej Universiti Poly-Tech MARA Kuala Lumpur^{1,2,3,4}

ABSTRACT

Knowledge transfer was considered crucial to firms' growth and transformation. In contrast, small and medium-sized companies (SMEs) play a crucial role in the socio-economic development in a country through business possibilities, job creation, and poverty reduction. However, various factors influence the ability of SMEs to repay their debt. One of the most important components of enhancing the capacity of SMEs to repay debt is literacy and the transfer of knowledge. To bridge this gap, this study will examine the elements that affect the capacity of Malaysian SMEs to repay their debt, including debt literature, utilizing knowledge transfer as a medium. The main data from the study were collected through questionnaires from 127 Malaysian SMEs. The PLS-SEM approach is used to evaluate the data and subsequently to solve hypotheses and achieve research goals. This article comprises some recommendations on the development of the SME sector in Malaysia and recommendations for relevant future research in this field.

Keywords: Debt literacy, knowledge transfer, ability to repay debt, PLS