

Cross Ethnic Business Networks and Social Cohesion among Malay Entrepreneurs in Malaysia

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Abstract

Entrepreneurship in multicultural societies is not only an economic activity but also an everyday social arena in which trust, reciprocity and interethnic relationships are negotiated. This study examines how cross ethnic business networks contribute to social cohesion among Malay small and medium enterprise entrepreneurs in Malaysia. Using a qualitative phenomenological design, in depth interviews were conducted with 20 Malay entrepreneurs in Kuala Terengganu and analysed thematically. The findings show that relationships with business actors from different ethnic and religious backgrounds generate both economic and social value. Trust developed through repeated and meaningful interaction enables the exchange of information, advice, resources and informal financial support, while reciprocity and mutual dependence help sustain long term business relationships. These interactions also create opportunities for intercultural learning, tolerance and cooperation across ethnic boundaries. The study therefore conceptualises entrepreneurial networks as social spaces that connect business continuity with broader processes of social integration. By bringing entrepreneurship research into dialogue with social network theory and social cohesion, the study offers evidence from a culturally diverse Global South context and demonstrates how routine economic interaction can support inclusive development. The findings have implications for entrepreneurship programmes and public policies that seek to strengthen bridging social capital, interethnic cooperation and cohesive communities, and they speak to wider debates on sustainable and inclusive societies.

1 introduction

Entrepreneurial networks are often examined for their contribution to firm performance, resource mobilisation, innovation and business survival [35, 40, 51, 52]. This economic emphasis, however, provides only a partial account of what business relationships do in culturally diverse societies. Entrepreneurial interactions also create repeated encounters between people from different social, ethnic and religious backgrounds [3, 21, 27, 37, 46]. Through these encounters, actors negotiate trust, reciprocity, cooperation and mutual dependence. These relational processes are central not only to entrepreneurship but also to wider questions of social cohesion, inclusion and community integration

Malaysia provides a particularly relevant setting for examining this social dimension of entrepreneurship. Its plural social structure brings Malays, Chinese, Indians, Indigenous peoples of Sabah and Sarawak and other communities into a shared political and economic system. In everyday commercial life, entrepreneurs frequently interact across ethnic boundaries as suppliers, customers, mentors, officials, partners and competitors. Such relationships require practical negotiation of cultural differences and the development of workable norms of trust and cooperation. As a result, business networks can become important sites of intercultural contact where economic exchange and social integration occur simultaneously [4, 22, 43].

Yet entrepreneurship and social cohesion have commonly developed as separate fields of inquiry [21]. Entrepreneurship studies tend to prioritise opportunity, growth, resilience and entrepreneurial

ecosystems, whereas research on social cohesion more often focuses on trust, belonging, solidarity, inequality, public policy and community relations. Bringing these literatures together is important because economic participation can also produce social consequences [10, 18, 21]. Cross ethnic business relationships may expand bridging social capital, create reciprocal obligations and normalise cooperation across social boundaries, thereby connecting economic activity with the social fabric of multicultural societies [43].

A further gap is methodological. Malaysian studies of entrepreneurial networking have relied largely on quantitative measures of networking intensity, business performance and entrepreneurial success [35, 51, 52]. Such approaches are valuable but are less able to explain how trust is built, how cultural difference is negotiated, how reciprocal expectations emerge and why some cross ethnic relationships endure. These are processual and interpretive questions that require attention to lived experience and to the meanings entrepreneurs attach to their relationships [7, 17, 23]. A qualitative approach is therefore well suited to examining how everyday business interactions become mechanisms of both economic exchange and social connection.

This study responds to these gaps by examining entrepreneurial networks as social institutions embedded in a multicultural society. It focuses on Malay entrepreneurs and their relationships with business actors from diverse ethnic backgrounds, asking how trust, reciprocity, information exchange, mutual assistance and intercultural interaction are produced through everyday business practices [44]. Rather than treating networks solely as channels for economic resources, the study investigates how they can also generate social value by connecting people across ethnic and religious boundaries. This perspective positions entrepreneurship within broader debates on inclusive development, social integration and the capacity of routine economic interaction to contribute to cohesive societies.

The study makes three main contributions. First, it extends the study of entrepreneurial networks by showing that their significance is simultaneously economic and social. Second, it identifies the relational mechanisms through which cross ethnic business ties are formed and maintained, particularly trust, reciprocity, mutual dependence and knowledge exchange. Third, it contributes qualitative evidence from Malaysia, a culturally diverse Global South setting, to wider discussions of how social cohesion is produced through ordinary institutional and economic encounters rather than only through formal programmes or state initiatives.

Accordingly, this study asks how Malay entrepreneurs establish and maintain cross ethnic business networks, what forms of social and economic support are generated through these relationships, and how such interactions contribute to trust, cooperation and social cohesion [21, 22]. The analysis considers business continuity and social integration as interconnected outcomes of networked relationships rather than as separate processes.

The article is relevant to contemporary debates on inclusive and sustainable societies because it highlights a micro social pathway through which economic participation can support social integration. By showing how everyday entrepreneurial relationships create bridging ties across ethnic boundaries, the

study offers practical implications for entrepreneurship development agencies, business associations and policymakers seeking to design programmes that encourage inclusive networking and intercultural cooperation. In this sense, the study also speaks to the broader objectives of the Sustainable Development Goals, particularly decent and inclusive economic participation, reduced social inequalities and peaceful and inclusive societies

2 Literature Review

2.1 Studies On Social Networks In The Field Of Entrepreneurship

Since 1970, the concept of social networks has focused on individuals or actors who try to explain the exchange relationship between two actors involving social interaction [21]. Furthermore, Aldrich & Zimmer (1986) also define a social network as a set of relationships that connect a number of individuals who are bound by a set of bonds formed among them. In other words, a social network is a series of social relationships formed through social interaction between at least two individuals. Furthermore, this series of social relationships will be the basis for the formation of a type of social relationship known as a social network.

For the context of entrepreneurship, a social network is defined as a relationship between two or more individuals or firms that interact with each other to build a business network [25, 26]. At the individual level, social networks can be defined as relationships with all directly connected actors such as partners, suppliers, customers, banks, associations, government agencies, family, business partners and private agencies [14]. The relationship between entrepreneurs and social network actors is aimed at gaining interests in business such as business development, innovation and business continuity [22]. This is because the socialisation that exists in the social network structure makes entrepreneurs sensitive to business initiatives and opportunities in the market [44].

This research examines social network linkages in entrepreneurship as interactions between entrepreneurs and social network participants, encompassing both formal and informal players, established via social engagement. Business social networks offer numerous advantages to entrepreneurs, including access to new opportunities, human resources, financial resources, and the exchange of knowledge among network participants, all of which facilitate business success [1, 28, 33]. Social networks facilitate the growth, innovation, and sustainability of SMEs by enhancing business development through strategic planning, market access chances, and access to financial resources [22].

Aldrich & Zimmer (1986) were early researchers who emphasised the need for research on the relationship between processes and social networks in the field of entrepreneurship. According to him, the issue of entrepreneurship research should be given attention in (1) entrepreneurship is a process and must be examined dynamically, and (2) entrepreneurship requires relationships between components in the entrepreneurial process. Entrepreneurs need to build relationships with every resource and

opportunity they have, and the relationships built can have an impact that can motivate them in doing business. Therefore, the main goal in building social network relationships with actors is to obtain resources, information and various opportunities in business [32].

For entrepreneurs, building relationships with other individuals is an opportunity, especially the opportunity to obtain resources (raw materials, workers, loans, capital, technology and so on). According to Awang et al. (2006), relationships with social network actors are a strategy that can solve various problems and various obstacles in business. The main thing in studying social networks in the field of entrepreneurship is to examine the relationship between two individuals. These relationships include (1) communication-sharing information; (2) exchanges of goods or services; and (3) normative values-being able to coexist with individuals who have special personality traits that can be used as a reference or mentor. Thus, each social network relationship between entrepreneurs and social network actors (government agencies, associations, customers, suppliers, banks, etc.) has its own role and can be developed as a unit of analysis in social network theory.

The success of a business is influenced by its ability to identify opportunities, build trust and obtain limited resources from its environment. [45] assert that possessing a social network of certain number and quality, particularly one that is professional and well-managed, is crucial for entrepreneurs, especially at the initiation phase of a new venture. In this regard, entrepreneurs need to maintain the network contacts they have to meet the resource needs of the business. Thus, the influence of social networks not only plays a role in obtaining resources but is also important in helping SMEs manage their businesses successfully in an increasingly challenging environment [44]. Therefore, this study defines a social network as a relationship between at least two actors, either individuals or organisations, who build relationships through social interaction, where the social network relationship that is built has a clear purpose to gain business interests through exchange relationships with actors in a social network structure.

2.2 Social Cohesion and Cross ethnic Business Networks

Social cohesion means the willingness of an individual to cooperate through social bonds (individuals and organisations) through a social process for the purpose of survival and achieving success in life with a dominant spirit of belonging [15, 41]. Cohesion also means the existence of a binding and socialising force within society that is strengthened through increased income equality, reduced educational inequality, gender inequality and poverty [55].

According to Moustakas (2023), Societies that have social cohesion often have characteristics such as strong social relationships, positive emotional attachments, and clear common interests between community members. According to him, there are three main dimensions in the concept of social cohesion, namely, first, social relationships include social networks, trust in individuals and acceptance of the diversity of community members. Second, connectedness includes individual personality, trust in institutions and justice. Third, common interests that include the values of solidarity, helpfulness, respect for social rules and civic engagement.

In the context of management, social cohesion consists of a variety of personality traits, but is widely accepted because of the existence of a sense of belonging and is valued by all group members through social relationships built among them. This encourages their willingness to work together to achieve the desired goals [15]. However, without social cohesion, group members will leave the group, dividing the group until it no longer exists [12]. In other words, the basis for the formation of social cohesion is through a series of social relationships that are formed through social interactions between at least two individuals who have a sense of belonging and work together to achieve common goals.

In the context of entrepreneurial social networks, social cohesion exists through exchange relationships between entrepreneurs and social network actors in the business environment (internal or external to the business organisation). Exchange relationships are a type of reciprocal and trusting relationship between actors [47]. For the purpose of obtaining interests and achieving business goals, complex social processes are embedded in the structure of the entrepreneur's social network through relationships of trust and cooperation that are exhibited through business activities. Thus, the impact of exchange relationships is seen to provide benefits to entrepreneurs and as a source of help and assistance in business [3, 6] such as sharing information, advice and emotional support from social network actors.

The core concept of networks involves the exchange and sharing of various resources such as technology, information, business operations, capital, products and services that involve cooperation between actors with social network actors owned for the purpose of competitive business continuity [27]. Networks act as bridges to obtain resources (financial and non-financial) for the purpose of improving or obtaining resources or assets in the business [46]. Therefore, the role of business networks is important for entrepreneurs to obtain various resources needed in business, which are difficult for entrepreneurs to obtain if they move alone or do not involve social network actors.

According to Cook & Whitmeyer (1992), exchange theory can be explained through an approach between interaction and structure, which is based on two principles, namely (1) actors who are interested in something that can provide rewards or returns that can provide benefits; and (2) exchange relationships that provide value to actors (not just material). The pattern of interaction relationships in exchange activities with the actors involved forms a social network. The pattern of relationship between actors is based on the exchange of values that are of interest to the actors [11]. In fact, the pattern of interaction through mutual attachment (social cohesion) is evaluated first before the occurrence of cooperation between them, which is exhibited through innovative behaviour and joint learning [9]. In other words, the frequency and impact of social interaction between entrepreneurs and social network actors provide the opportunity for entrepreneurs to assess the benefits, costs and diversity of personal characteristics of each social network actor present in the business environment. The benefits, costs and personality characteristics of each network actor are evaluated first, and then the relationship is built on the basis of a sense of belonging that leads to predictable behaviour and cooperation in achieving common goals.

Expected behaviour only occurs after a certain period of time, which is built on the basis of trust, also known as strong ties [3, 17, 38]. Granovetter (1973) strong and weak ties model posits that strong ties

are characterized by relationships between persons with high emotional connections or tight affiliations, along with regular contacts that foster mutual trust. Robust connections are established by enduring interactions and mutual acquaintance [6, 16]. Robust connections are established on the foundation of trust [30]. Robust relationships founded on trust yield dependable feedback [16], with these strong links serving as a reservoir of knowledge and information, therefore addressing encountered challenges [53]. This enables the acquisition of information and assistance from their robust network connections, while expertise and experience serve as resources for cultivating strong relationships [23].

The significance of strong links in entrepreneurship offers benefits such as information dissemination [24] and resource provision, which assist entrepreneurs in establishing and growing their enterprises [23]. Among entrepreneurs, the foundation for establishing robust connections is dictated by knowledge, expertise, and trust that evolve over a certain duration [23]. Granovetter (1983), posits that information and assistance derived from strong links offer several benefits, including cost-effectiveness, reliability, and enhanced detail and accuracy, attributable to established relationships; furthermore, the information acquired is dependable from an economic perspective. According to [23], he examined strong relationships based on the nature of information and its use in business. Simultaneously, other researchers examined strong linkages based on primary attributes, including tight, robust, and amicable interactions among network participants [30, 42].

As for weak ties, Granovetter (1973) explains that weak ties are relationships between individuals who have low or no emotional level and interact less with each other. The source of obtaining new information depends on the frequency of social relationships or interactions with weak ties. Therefore, weak ties occur if there is a need in business with individuals who are not close, compared to strong ties that are emotional and close.

Consequently, Malay SME owners acquire expertise and direction from professionals with extensive experience in company management following the creation of mutual trust. The influence of this robust relational connection offers several advantages to Malay SME entrepreneurs, including business acumen, current information, problem-solving capabilities, and operational assistance, therefore conserving time, costs, and effort. Therefore, the social process through the strong-tie relationship model that explains the interrelationship between the frequency of social interactions, exchange relationships, trust and social bonds provides a deeper and more significant understanding of the concepts of social networks and social cohesion [21].

According to Hassan et al. (2018), studies on social networks and social cohesion in the field of entrepreneurship are still lacking in Malaysia. He elucidated that a substantial correlation exists between business networks and social cohesiveness among Malay, Chinese, Indian, and Bumiputera businesses in Malaysia. Social ties and trust within the business community serve as dimensions and indicators for recognizing social capital in business networks. Business networks are established and strengthened via relationships with family, friends, customers, partners, and rivals, fostering development and cohesion within the business community.

According to him, business networks with various ethnic groups can build a successful business community through help in obtaining resources, administration and professionalism through internal and external support of the business environment. He concluded that the social capital found in business networks has a positive influence on the dynamics of social cohesion in the Malaysian entrepreneurial community. Business network actors and support networks are very important for the cohesion of a multi-racial, cultural and religious business community, especially for a developing country like Malaysia. Consequently, the dimension of business networks concerning social capital assists the Malaysian business community in sustaining social cohesion through governmental assistance in product marketing and capital provision [21].

Therefore, the field of entrepreneurship is not only seen from the perspective of economic profit alone. In fact, it also provides a positive contribution and impact on the aspect of consensus among people of various races, cultures and religions. Therefore, an in-depth study is needed through in-depth interview methods to explore and explain the process of strengthening social cohesion among Malay entrepreneurs with social network actors consisting of various ethnic, cultural and religious groups. This process of strengthening social cohesion involves a complex and dynamic social process in discussing the characteristics of relationships, the process of forming social ties and the impact on business continuity.

3 Methods

The study used a qualitative approach through a phenomenological design to discuss the role of social networks on business continuity. The phenomenological design aims to elucidate and comprehend the experiences and insights of social actors (Malay entrepreneurs) about social networks, grounded on their perspectives rather than that of the researcher [7]. Comprehensive interviews between the researcher and informants concentrated on the function of social networks, as well as the processes and effects of social networks on company continuity.

In-depth interviews were conducted with 20 Malay entrepreneurs. The researcher only involved 20 Malay entrepreneurs as study informants because the purpose of this study was to delve into the research questions from the informants' experiences and not to generalise the study findings to represent the study population. Data collection ended when the data reached saturation. Data saturation occurs when there are no new categories that emerge, and there is no relevant data that can be discussed or acted on existing categories [8].

The research population comprises Malay SME entrepreneurs operating enterprises in Kuala Terengganu. The Department of Statistics Malaysia reports that Terengganu possesses the greatest Bumiputera population at 95 percent relative to other Malaysian states [34]. Kuala Terengganu was selected as the research site due to its status as a center for Malay enterprises, effectively representing the demographic of Malay entrepreneurs. As a state characterised by a dominant Malay majority and relatively smaller minority communities, interethnic business interactions occur within a context where

ethnic boundaries are often perceived as socially salient. This setting allows the study to explore how business networks serve as important social platforms that facilitate trust, cooperation, and ultimately contribute to social cohesion within a plural society.

To acquire data on Malay entrepreneurs in Kuala Terengganu, an interview was conducted with officials from the Entrepreneur Development Foundation (YPU) to gain a comprehensive understanding of Malay entrepreneurs in the region, including business types, performance, and locations. This study employed purposive snowball sampling to identify a demographic group that fulfills the entrepreneurial criteria outlined in this research.

Malay entrepreneurs qualified to participate in this study must employ a minimum of five individuals, achieve an annual revenue of at least RM300,000, possess over five years of entrepreneurial experience, and operate a profitable firm. This aligns with the survivalism research of SME entrepreneurs by [50], indicating that the survival period for an entrepreneur inside their firm ranges from the first to the fifth year. Consequently, the experience acquired throughout the firm survival phase enabled the study informants to supply the requisite data for this research.

Company size according to the total number of full-time employees. The size of the company and the business sector that does not focus on a specific business field do not raise questions because this study aims to examine the role of social networks in influencing the business continuity of Malay SME entrepreneurs. The business sectors involved are food (cracker entrepreneurs, pau entrepreneurs and belacan entrepreneurs), livestock (shrimp entrepreneurs, chicken entrepreneurs and cattle entrepreneurs), services (catering entrepreneurs, hairdressing entrepreneurs and advertising entrepreneurs) and handicrafts (batik entrepreneurs and songket entrepreneurs).

3.1 Ethical compliance

This study was reviewed and approved by the Ethics Committee of the Center for Research in Development, Social and Environment, Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia, in accordance with the ethical principles set forth in the American Sociological Association (ASA) Code of Ethics (2018) and the British Sociological Association (BSA) Statement of Ethical Practice (2017). All participants were informed about the study objectives and procedures, the voluntary nature of participation, the measures used to protect confidentiality and anonymity, and their right to decline or withdraw from the study. Informed consent was obtained from all participants before data collection. Interview data were anonymised and treated as confidential, and pseudonyms were used when presenting the findings.

All interviews were transcribed and processed for integration into the Atlas.ti database to enhance the categorization and indexing of data. The coding process involved the process of identifying excerpts from the text in a document that represent codes (ideas, themes, theories, dimensions, characteristics and others), similarities and differences in the data. All excerpts associated with a code were studied together until a form or pattern was identified according to themes (also known as families). The

analysis output obtained is then presented in the form of verbatim text. This strategy may systematically categorize topics and facilitates meticulous data processing and analysis. To safeguard the informant's personal information, the informant's name is substituted with P (participant). This study used the member check approach to verify that the interview transcripts, categories, and themes are unbiased and that the researcher's interpretation is precise.

4 Result and Discussion

4.1 Participant Profile

Table 1 shows the profiles of the informants involved in the study. Of the total 20 informants, 14 informants were male entrepreneurs, and six were female entrepreneurs. The youngest age for the informants in the study was less than 30 years old, and the oldest age was more than 61 years old. For the respondents' level of education, the lowest level of education is Sijil Pelajaran Malaysia (SPM), while the highest level of education is Doctor of Philosophy (PhD). As for the business background of the informants, the results showed that the majority of them (70%) were not previously involved in business, while the rest (30%) were involved in business. As for the family background, half of the total respondents have a family background that conducts business activities. However, only 10% of the respondents run family business activities. As for the type of business ownership, the majority of entrepreneurs (75%) are joint business owners, and only 5% are the sole proprietorship type.

Furthermore, 15% of the informants in this study have less than 5 years of business experience, and only 5% of the informants have more than 30 years of business experience. For the business sector, 35% were in the food sector, 25% were in the services sector, and 20% each for the livestock and handicraft sectors. For the number of employees, the researcher has categorised the number of employees according to the definition of the official measure of small and medium enterprises referenced from the official website of SME Corp Malaysia 2020 [49]. According to the definition from SME Corp Malaysia 2015, businesses with less than 5 employees are categorised as micro-businesses, while employees in the range of 5 to 30 people are categorised as small businesses, and the number of employees with more than 30 employees is categorised as medium businesses. In this study, the majority of respondents have 5 to 30 employees, which accounts for small businesses (80%), and the remaining 20% of respondents have more than 30 employees, which can be defined as medium business.

4.2 Cross Ethnic Business Network as Pathways to Social Cohesion

The research identified a substantial correlation between social network connections and social cohesiveness within the realm of entrepreneurship. Malay entrepreneurs cultivate social network connections with business network participants from many ethnic, racial, and religious backgrounds to further their corporate interests. The impact of business network relationships not only provides positive value in business, but also strengthens social cohesion in the pluralistic society in Malaysia.

Social cohesion can be strengthened through strong ties between Malay entrepreneurs and individuals or social network actors. Intimate connections with network contacts, stemming from involvement in social events, informal meetings, and prior professional experiences, contribute to the formation of robust kinship networks [13, 29]. This assertion aligns with the study's findings, as informant P9 remarked:

"When I want to get information related to green technology, I go to the ministry related to green technology. From there, I meet friends who also do business related to green technology. I meet with various people from different backgrounds (Chinese, Indian and Malay). Always keep in touch, ask about things, share problems faced, share opinions and so on." (Informant P9)

Informant P9's testimony indicated that robust connections were established through participation in a government-organized entrepreneurial program. Informants were acquainted with one another, each with distinct histories and experiences. All entrepreneurs have a same objective: to investigate knowledge and prospects inside the realm of business. Entrepreneurs from various backgrounds had their own strengths and had the potential to provide benefits to the informant's business.

In addition to assistance from the government, entrepreneurs need to formulate and use entrepreneurial strategies according to the capabilities of the business organisation in the ever-competitive survivalism of businesses [5, 48]. Since the level of resource accessibility is limited, entrepreneurs need to have a good network for the purpose of obtaining resources and interests in the business [54]. Without social networks, entrepreneurs have to face a long period of survivalism and require a long period of time in the process of expanding the business [31]. Therefore, informants built social relationships through social interaction and remained connected to form strong network relationships in business.

To discuss the interaction relationship in a strong network, Granovetter (1973) explained that the frequency of social interaction with entrepreneurs in strong ties was at least three times a week. The study's findings were inconsistent with Granovetter's assertion that strong ties do not necessitate frequent interactions but can be established through the advantages and benefits derived from social relationships within a robust network. This assertion can be substantiated by the testimony of informant P8 as follows:

"I maintain a good relationship with the supplier (Chinese). My purpose is to maintain a good relationship with them because I need after-sales service from them. Sometimes the machine breaks down and needs to be repaired. Because of my good relationship with them, I can reduce the cost of repairing the machine because I ask them to come and repair the machine when they are holding a machine exhibition in Kuala Lumpur. If I don't maintain a good relationship with them, I will have to spend a lot of money just to call them to repair my machine." (Informant P8)

Informant P8's statement explained that social relationships are getting stronger through after-sales service activities and become closer until they form a strong network. Consequently, the frequency of

social encounters in this study does not align with reality [18]. The frequency of social contacts among informants is contingent upon the requirements and interests inside the organization.

A robust network for a commercial organization has two categories: ties with internal contacts and those with external contacts. Both groups have tight connections with entrepreneurs. Robust networks within organizations, including workers, partners, and board members, who are directly engaged in organizational matters and business deliberations [20, 23]. Indeed, family and relatives are recognized as tight personal ties [42], which serve as robust networks within commercial organizations for certain entrepreneurs. Simultaneously, robust external networks encompass connections with mentors, customers, and suppliers, who aid entrepreneurs by offering financial support, insights, information, resources, and evaluations that facilitate business development.

Strong networks within the organisation play a very important role in ensuring that all business operations and activities function properly so that the goals of a business organisation can be achieved. Strong networks within the organisation not only carry out business activities but also contribute to providing ideas or information that can be used to solve problems and generate new ideas for informants in developing their business. Hassan et al. (2018) assert that the acquired information serves not only to find business possibilities but also to guarantee business success. In other words, insights from influential network actors external to the company organisation significantly impact its continuity. The subsequent statement is from informant P19:

"Suppliers (Chinese) sometimes come to see me and offer products or raw materials that they can provide. Suppliers also give me information about machines that I can use to develop my business. I also often ask suppliers for their opinions about raw materials. Suppliers are willing to help me because each one supports their own business. Suppliers give me a loan for the raw materials. After the product is finished and sold, I only pay back the loan." (Informant P19)

Despite suppliers not being actively engaged in business operations, their function is crucial for the continuity of the enterprise. Due to their shared profession in business, they exchange information, opinions, evaluations, and recommendations. The term mutual indicates that the relationship between suppliers is reciprocal during their interactions. This indicates that the social relationship established is founded on direct and reciprocal interactions.

Robust connections with internal and external contacts are established on a foundation of trust. Trust develops over time through established relationships. The informant invests considerable time in cultivating a robust network, both within and externally, to establish trust in social interactions. When trust is established, the relationship intensifies. In robust partnerships, the significance of trust is important [24]. The informants in this study established robust networks founded on trust derived from enduring connections, enabling them to predict the behaviour of their friends [2, 17]. The subsequent statement comes from informant P11:

"The (Chinese) supplier trusted me by giving me a loan. He said I was the only one he gave a loan to. He trusted me because I had been dealing with him for a long time. At the beginning of the business, he did not give me a loan, but when we had been doing business for a long time, he gave me a loan." (Informant P11)

According to the statement of informant P11, the strong relationship that exists between strong network contacts and informants is based on the value of trust. There is a relationship of mutual trust between each other. This value of trust allows business activities and transactions to occur harmoniously, even if they are from different ethnic and religious groups. Jack (2005) asserts that robust network relationships are established by entrepreneurs through knowledge, expertise, and trust over time. The significance of trust extends beyond company operations; it is also vital in the advancement of business acumen through the exchange of information and mentorship among informants and robust network connections. The subsequent statements are from informant P10 and informant P15:

"I also learned from Chinese people through informal conversations. Many of my friends are Chinese." (Informant P10)

"I also got information from a (Chinese) supplier. The supplier said he would not introduce his product if he saw that the shop was not progressing and had no attraction, or that the shop was not beautiful, because that symbolised an unsuccessful business. He would go to a shop that was beautiful and tidy. From there, I learned that to be successful in business, the appearance of the shop is very important to attract customers and give customers confidence." (Informant P15)

Informants P10 and P15 indicate a strong connection between informants and business network relationships. They disseminate knowledge, convey information, and offer guidance. Through this study, sharing information and guidance occurs after trust has gradually developed over time. This means that informants are confident and trust the information and feedback received from strong network contacts. This trust and confidence are further strengthened by the background of network contacts who have extensive experience in running a business. The influence of this robust network link offers advantages to informants by conserving time, costs, and energy in business operations, while ensuring business continuity.

The study's findings align with those of Hassan et al. (2018), which determined that business network relationships with social network actors from diverse ethnic backgrounds facilitate entrepreneurs in swiftly acquiring resources, minimizing business activity costs, enhancing product quality, and broadening market reach. The value of trust and responsibility in the business community provides confidence among SME entrepreneurs to make decisions and cooperate with each other. The spirit of belonging and attitude of responsibility practised in the entrepreneurial community produce a balanced community in achieving business goals and strengthening social cohesion [36].

Therefore, this study concludes that through strong relationships with network actors from various backgrounds, a social network structure is formed involving trust in the social environment, the flow of information in the social structure and social norms that must be obeyed with clear and effective

restrictions as explained by Coleman (1988). This study concluded that the establishment of strong ties does not necessarily depend on frequent interactions, as posited by Granovetter (1973). Instead, strong ties can be cultivated through the advantages and qualitative benefits of social network participants, including resources, knowledge, and experience, even amidst differences in religion, culture, and race. These differences create a strong social bond that is exhibited through mutual cooperation, interdependence, mutual trust and efforts to maintain existing relationships.

The findings of this study indicate that cross-ethnic business networks among entrepreneurs in Terengganu facilitate the development of trust, cooperation, and information sharing over time. These results align with previous research on social cohesion in Malaysia, which emphasizes the role of interpersonal networks and collaborative practices in fostering community resilience and interethnic harmony [21, 39]. The study demonstrates that even in a context where one ethnic group is numerically dominant, meaningful interactions across ethnic boundaries can emerge indicating that social networks play a key role in strengthening network structures and enhancing social cohesion.

These findings are particularly relevant in the context of Malaysia's National Unity Policy and the MADANI framework, both of which emphasize the importance of inclusive economic participation and interethnic cooperation. By showing how business relationships function as a tools that promote trust and collaborative practices. The study provides practical insights for policymakers and community leaders seeking to strengthen social cohesion in multicultural settings. The results suggest that supporting and facilitating interethnic entrepreneurial networks can be an effective strategy to enhance societal integration, complementing existing national initiatives on unity and economic inclusivity.

Overall, based on the findings obtained through in-depth interviews, a model for strengthening social cohesion through business social networks was developed, as illustrated in Fig. 1 below. The study demonstrates that social networks play a crucial role in enhancing social cohesion among Malay entrepreneurs in Kuala Terengganu. Elements of trust, sense of belonging, cooperation and acceptance if diversity manifested through strong and weak ties, enable entrepreneurs to access resources such as raw materials, financial assistance, business information, market strategies, guidance, and advice necessary for their enterprises. Consequently, these networks support Malay entrepreneurs in sustaining their businesses and enhancing their competitiveness in the market.

4.3 Implications for Global Society

The Malaysian case illustrates how local economic relationships can illuminate wider global questions about diversity and social integration. In increasingly plural societies, formal policies for unity coexist with everyday encounters in workplaces, markets and business networks. The findings suggest that these ordinary economic spaces can generate bridging relations when institutions encourage repeated, equitable and mutually beneficial contact. This makes inclusive entrepreneurship relevant not only to economic development but also to the governance of diversity and the building of socially resilient communities.

5 Conclusion

This study shows that entrepreneurial social networks are more than mechanisms for acquiring resources and sustaining businesses. Among Malay SME entrepreneurs in Kuala Terengganu, cross ethnic business relationships also function as social institutions through which trust, reciprocity, cooperation and intercultural understanding are built over time. Shared economic interests create repeated opportunities for interaction, while the quality of those interactions enables relationships to extend beyond transactions into more durable forms of social connection. Entrepreneurship can therefore be understood as an everyday arena in which economic activity and social cohesion are jointly produced.

The findings further suggest that the social value of entrepreneurial networks lies in their capacity to bridge social boundaries. Participants' relationships with suppliers, customers, mentors and other network actors from different ethnic backgrounds provided access to information, resources and support, but they also encouraged mutual dependence and learning. This demonstrates that social cohesion need not arise only from shared identity or formal integration programmes. It can also be generated through practical cooperation among socially diverse actors who develop trust through sustained interaction.

The study contributes to global society scholarship by connecting entrepreneurship with questions of ethnicity, social capital, inclusive development and social integration. Theoretically, it brings social network theory into dialogue with social cohesion by showing how bridging ties generate both economic and social outcomes. Empirically, it contributes qualitative evidence from Malaysia as a multicultural Global South society. Practically, it suggests that entrepreneurship policies and development programmes can strengthen social cohesion when they create inclusive spaces for cross ethnic networking, mentoring, collaboration and resource exchange. These insights are relevant to wider efforts to advance inclusive economies, reduce social distance and build peaceful and cohesive communities.

The study has limitations. Its qualitative design and focus on Malay SME entrepreneurs in Kuala Terengganu mean that the findings should be interpreted as contextually grounded rather than statistically representative of all Malaysian entrepreneurs. The data also capture participants' accounts at a particular period in time. Future studies could compare entrepreneurs from different ethnic communities and regions, combine qualitative and quantitative approaches, and use longitudinal designs to examine how cross ethnic business relationships change under different economic and political conditions. Comparative research across multicultural societies would be particularly useful for assessing whether similar network mechanisms generate social cohesion in other institutional and cultural contexts.

Overall, the study demonstrates that the social consequences of entrepreneurship deserve greater attention in research on contemporary societies. Cross ethnic business networks can support commercial resilience while also building bridging social capital, intercultural understanding and cooperative norms. Recognising these dual functions broadens the meaning of inclusive

entrepreneurship and highlights the potential of everyday economic institutions to contribute to the social fabric of diverse societies.

Declarations

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Author contributions

The authors were responsible for the conceptualization of the study, research design, data collection, data analysis, interpretation of findings, and preparation of the manuscript.

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Data availability

The qualitative data generated and analyzed during the current study are not publicly available due to ethical and confidentiality considerations involving human research participants. De-identified data may be made available by the corresponding author upon reasonable request, subject to approval by the relevant ethics and institutional regulations.

Ethical Approval and consent to participate

This study was reviewed and approved by the Ethics Committee of the Center for Research in Development, Social and Environment, Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia, in accordance with the ethical principles set forth in the American Sociological Association (ASA) Code of Ethics (2018) and the British Sociological Association (BSA) Statement of Ethical Practice (2017). All participants were informed about the purpose and procedures of the study, the voluntary nature of participation, confidentiality and anonymity safeguards, and their right to decline or withdraw from participation. Informed consent was obtained from all participants before data collection.

Consent for publication

Participants were informed that anonymized data from the study may be used for academic publications and scholarly dissemination. No identifiable personal information is disclosed in this article.

Competing interests

The authors declare no competing interests.

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Table 1

Table 1 is available in the Supplementary Files section.

Figures

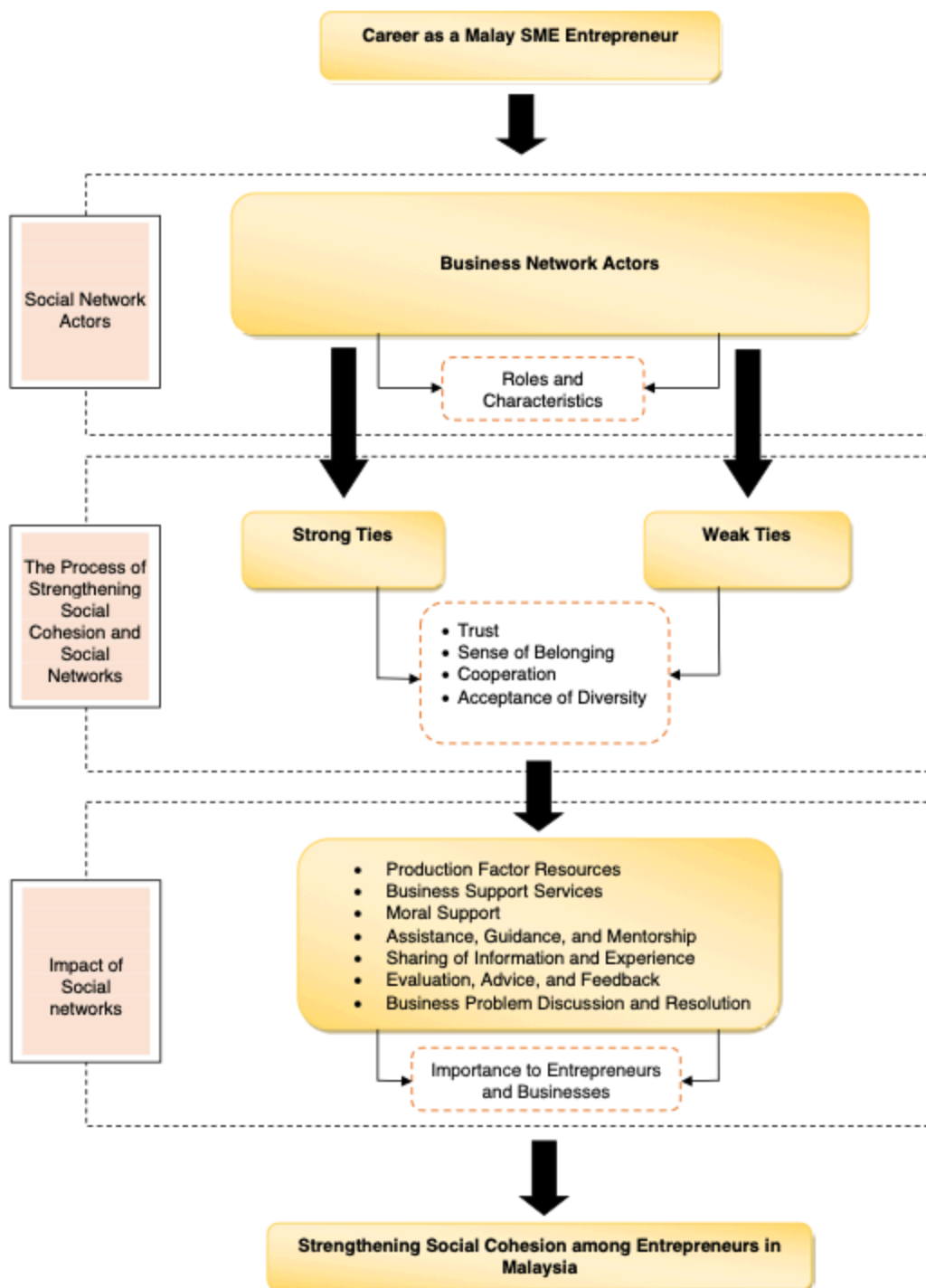


Figure 1

Model of Strengthening Social Cohesion and Social Networks

Supplementary Files

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- [Table1.docx](#)