

# JOURNAL OF INTERNATIONAL BUSINESS AND ENTREPRENEURSHIP

*Special Issue on*

*"Entrepreneurship Around The World"*

**Published by**

MEDEC, UiTM:

(Malaysian Entrepreneurship Development Centre, Universiti Teknologi MARA)

**Sponsored By:**

Universiti Teknologi MARA, Malaysia

Fort Hays State University, Hays, Kansas, USA

**Guest Editor:**

Professor Dr. Ichiro Shiobara,

Graduate School of Commerce

Waseda University, Tokyo, Japan

# **JOURNAL OF INTERNATIONAL BUSINESS AND ENTREPRENEURSHIP**

**SPONSORED BY:**

**UNIVERSITI TEKNOLOGI MARA  
SHAH ALAM, SELANGOR  
MALAYSIA**

**AND**

**FORT HAYS UNIVERSITY  
HAYS, KANSAS  
USA**

## EDITORIAL BOARD

**Editor-in-Chief:** **Prof. Dr. Zafar U. Ahmed**  
Professor of Marketing and International Business  
College of Business and Leadership  
Fort Hays State University  
Hays, Kansas 67601-4099, USA.  
Tel: [1-785]-628-5877  
Fax: [1-785]-628-5398  
Email: [zahmed@fhsu.edu](mailto:zahmed@fhsu.edu)

**Managing Editor:** **Assoc. Prof. Dr. Ismail Ab. Wahab**  
Malaysian Entrepreneurship Development Center (MEDEC),  
Universiti Teknologi MARA  
Block 13, Intekma Resort & Convention Center  
40000 Shah Alam  
Selangor, Malaysia  
Tel: [603]-55129077, Extension 3002  
Fax: [603]-55113284  
Email: [iwahab@tm.net.my](mailto:iwahab@tm.net.my)

**Guest Editor:** **Prof. Dr. Ichiro Shiobara**  
Professor of Accounting  
Graduate School of Commerce  
Waseda University  
1-6-1 Nishi Waseda Shinjuku-ku  
Tokyo 169-8050, Japan  
Tel: [03]-5286-2048  
Fax: [03]-3905-4619  
Email: [shiobara@mn.waseda.ac.jp](mailto:shiobara@mn.waseda.ac.jp)

**Patron and Founder:** **Prof. Dato' Dr. Adnan Alias**  
Professor of Entrepreneurship  
Malaysian Entrepreneurship Development Center (MEDEC)  
Universiti Teknologi MARA  
Block 13, Intekma Resort and Convention Center  
40000 Shah Alam  
Selangor, Malaysia  
Tel: (603)-55113276  
Fax: [603]-55113284  
Email: [Prof\\_Dr\\_Adnan\\_Alias@salam.uitm.edu.my](mailto:Prof_Dr_Adnan_Alias@salam.uitm.edu.my)

## REGIONAL EDITORS

**Canada:**

**Prof. Dr. Sam El. Namaki**  
MISM, Montreal, Quebec, Canada

**ASEAN: Assoc. Prof. Dr. Osman Mohamad**  
University of Science, Penang, Malaysia

**East Asia: Prof. Dr. Ichiro Shiobara**  
Waseda University, Tokyo, Japan.

**Greater China: Prof. Dr. Robert Terpstra**  
University of Macau, Macau, PRC

**Subcontinent: Prof. Dr. Udaya Sharma**  
Tribhuvan University, Katmandu, Nepal

**Middle East:**

**Prof. Dr. Abdul Farooq Khan**  
Sharjah College, Sharjah, United Arab Emirates

**Australiasia: Dr. Matt Ngui**  
University of Wollongong, Australia

**Eastern United States: Dr. Morry Ghingold**  
Bloomsburg University, Bloomsburg, Pennsylvania

**Northern**

**United States:**

**Prof. Dr. Mohammad Saeed**  
Minot State University, Minot, North Dakota

**Central**

**United States:**

**Dr. Win G. Jordan**  
Fort Hays State University, Hays, Kansas

**Southern**

**United States:**

**Prof. Dr. Wolfgang Hinck**  
University of Texas at Pan American, Texas

**Western**

**United States:**

**Dr. Ram Sundaresan**  
Thunderbird: The American Graduate School of International  
Management

**Eastern Europe:**

**Prof. Dr. Peter Beidyuk**  
Kieve Polytechnic Institute, Ukraine

**Latin and South  
America:**

**Dr. Antonio J. Rodriguez**  
Texas A&M International University, Laredo, Texas

**Africa:**

**Prof. Dr. Duncan Reekie**  
University of Witwatersrand, Johannesburg, South Africa

## **EDITORIAL ADVISORY BOARD**

Prof. Dr. Subash Jain, University of Connecticut, Connecticut  
Prof. Dr. Shyam Lodha, Southern Connecticut State University, CT  
Prof. Dr. Daing Nasir Ibrahim, University of Science, Penang, Malaysia  
Prof. Dr. Earl Honeycutt, Old Dominion University, Virginia  
Prof. Dr. Syed Akhter, Marquette University, Wisconsin  
Prof. Dr. Joel Saegert, University of Texas at San Antonio, Texas  
Prof. Dr. Frank Krohn, State University of New York College at Fredonia  
Prof. Dr. Donald W. Hendon, Utah Valley State College, Utah  
Dr. Madan Annavarjula, Northern Illinois University, Illinois  
Dr. James Ondracek, Minot State University, North Dakota  
Dr. James P. Johnson, Old Dominion University, Virginia  
Dr. Xia Yang, Nanyang Technological University, Singapore  
Dr. Syeda-Masooda Mukhtar, PriceWaterhouseCoopers, London, UK  
Dr. Peter Robinson, University of Calgary, Canada  
Dr. David S. Shaw, University of Macau, Macau, PRC  
Dr. George O. Tasie, University of Brunei, Brunei  
Dr. Anusuya Yogarajah, Nanyang Technological University, Singapore  
Dr. Micol R.C. Maughan, Fort Hays State University, Kansas  
Dr. Dosse Toulaboe, Fort Hays State University, Kansas  
Dr. Ali Farahani, Fort Hays State University, Kansas  
Dr. Matthew H. Roy, University of Massachusetts- Dartmouth, Massachusetts

## **REVIEWERS FOR THE SPECIAL ISSUE**

Dr. Naresh Khatri, University of Missouri at St. Louis, Missouri  
Dr. Tan Teng Kee, Nanyang Technological University, Singapore  
Dr. Cao Yong, Nanyang Technological University, Singapore  
Mr. Gerald Huang, Nanyang Technological University, Singapore  
Mr. Ben Chan, Nanyang Technological University, Singapore  
Dr. Peter Maresco, Sacred Heart University, Fairfield, Connecticut  
Dr. James Santomier, Sacred Heart University, Fairfield, Connecticut  
Dr. Gad Salig, Sacred Heart University, Fairfield, Connecticut  
Dr. Vallerie Pashtenko, Sacred Heart University, Fairfield, Connecticut  
Dr. Mary Trefry, Sacred Heart University, Fairfield, Connecticut  
Dr. Vic Heller, University of Texas at San Antonio, Texas  
Dr. Bharath Josiam, University of North Texas, Denton, Texas  
Dr. Sadiq Sohail, Monash University at Malaysia  
Dr. Hormoz Movassaghi, Ithaca College, Ithaca, New York

<i>CONTENTS</i>		<i>Page</i>
Ichiro Shiobara	Preface	ix - x
Mohammad Saeed and Kamal Kishore Jain	Malaysian Model of Entrepreneurship Development for its Indigenous People	1 - 14
Samir Ranjan Chatterjee and Lim Cheng Hwa	Regionalization Strategies of SME Sector: An Empirical Study of Singapore Managers	15 - 31
Mahfooz A. Ansari, Rehina Aafaqi and Sharmila Jayasingam	Entrepreneurial Success, Gender and Leadership Behavior	33 - 46
Andrea Smith-Hunter	Oligopolistic Discrimination: A New Theory on Women and Minority Business Ownership	47 - 64
Anabela Dinis and Marilyn Helms	Women and Entrepreneurship: A Case of Portugal	65 - 88
Eric J. Romero and Kim T. Hinrichs	Teaching an Entrepreneurship Lab: Lessons Learned	89 - 96
John S. Bowers and Ilan Alon	Globalization of U.S. Small Technology Firms: A Practitioner Perspective on Selected Electronics-Related Sectors	97 - 111
Syeda-Masooda Mukhtar	Lack of Commitment or Lack of Resources? Owner-Managers' Attitudes Towards Training Provision Within The U.K. Firms	113 - 131
Peruvemba S. Jaya and Matthew H. Roy	Placing The Entrepreneur in Context: Lessons From The Leadership Literature for Asia Pacific Region	133 - 151

*The Editorial Board, Publisher, and the Sponsors accept no responsibility for the views expressed by the authors of the articles published in this Journal.*

## PREFACE

Prof. Dr. Ichiro Shiobara  
Guest Editor

*Special Issue on "Entrepreneurship Around The World"*

It gives me an immense pleasure to place this special issue of the JOURNAL OF INTERNATIONAL BUSINESS & ENTREPRENEURSHIP into the hands of our esteemed readers. I am grateful to the leadership of the JIBE for providing me this enriching opportunity of acting as a guest editor for this special issue devoted to "ENTREPRENEURSHIP AROUND THE WORLD". I am pretty sure that the readers will find lot of food for thought in the articles that have been carefully selected for this special issue, after a thorough peer reviewing process. I decided to be very selective in accepting articles based on the recommendations of the reviewers, as I intended to provide quality articles representing divergent perspectives on different dimensions of entrepreneurship around the world . It could be possible for me to carry it out only with the help of the colleagues, associates and peers from different parts of the world. I would especially like to record a deep sense of appreciation for the help and support that I got from Professor Dr. Zafar U. Ahmed at all stages of the editing process. My sincere thanks are due to my peers who willingly agreed to act as reviewers.

Most of the books, articles, and research studies in the area of entrepreneurship around the world are confined to the scholarly analysis of the entrepreneurial process, of the traits and characteristics of successful entrepreneurs, guidance on business plans, raising capital, financial projections, venture capital, legal and tax matters, etc. There is another category of scholars and researchers who, out of their excitement, end up confining the discipline of entrepreneurship to motivation and leadership styles, traits, and theories. I don't see a problem either with them or even with those who are churning out literature on "History of Entrepreneurs". But, I hold and support the view that there is a need of concerted efforts on the part of the scholars in the area to examine the multi-dimensional issues of entrepreneurship development from divergent perspectives in order to provide an integrated picture of the discipline rather than

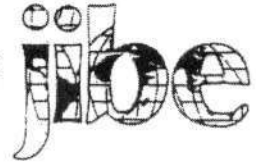
casting reflections, projecting stray thoughts, and coming out with their isolated views, without taking cognizance of strategic implications of entrepreneurial issues.

The success story of Silicon Valley in the United States reveals how universities, governmental agencies, venture capitalists, head hunters and entrepreneurs have joined hands together to create a “unique habitat”, an envy of the globe, that offers an environment fostering the development of new ventures, new industries, new business cultures, and unparalleled growth. It calls for an examination of strategic issues as to how everyone has responded to internal as well as external opportunities and threats.

It is high time for breaking the ground in the area of entrepreneurship research, as there is a great need for a profound research base in order to provide support to the budding entrepreneurs when they strive to enter into business internationally, and to the successful entrepreneurs as they explore virgin and untapped markets. We need research studies to cover the sophisticated topics such as navigating the world of venture capital funding and turning technological innovations into successful market realities, and also at the time to address the political, legal, social, psychological, cultural, and economic dimensions of entrepreneurship problems pertaining to marketing, production & operations, research & development, human resources and finance.

I wish and hope that our business schools and our scholars will respond to the needs of our times, and will play a proactive role in creating an entrepreneurial culture across the globe, for the welfare of the mankind.





## MALAYSIAN MODEL OF ENTREPRENEURSHIP DEVELOPMENT FOR ITS INDIGENOUS PEOPLE

Mohammad Saeed  
Kamal Kishore Jain

### **Abstract**

As a traditional trading nation, Malaysians have been endowed with different types of entrepreneurial skills. The entrepreneurs in Malaysia have so far been fortunate with the favorable economic climate and the Government's strong commitment to provide a conducive environment for entrepreneurs. This paper examines the Government policies and the support system that exist in Malaysia to promote entrepreneurial efforts among its indigenous people.

Mohammad Saeed is a Professor at Minot State University, North Dakota, USA. He was formerly associated with International Islamic University Malaysia as a Professor.

Kamal Kishore Jain is an Associate Professor at the University Tun Abdul Razak (UNITAR), Malaysia.

## INTRODUCTION

The role of entrepreneurship in the economic development of a country is undisputed. It is the entrepreneurship that bridges the gap between science and the marketplace (Hisrich & Peters, 1998). For a country like Malaysia that envisions to be fully developed by 2020, the role of entrepreneurship is critical. For Malaysia to catch up with developed countries during the next two decades, it is important that the knowledge contents of all economic activities are increased, and the support system is strengthened in order to encourage and promote entrepreneurship in all spheres of economy.

This paper analyzes the entrepreneurial policies and support system, which have evolved over a period of last three decades as a result of concerted efforts of the Government of Malaysia through its different agencies. *Traits Model* as well as *Contingency Approach*, coupled with the 'Role of Positive -Pull Influencers' are the salient features of the Malaysian model of entrepreneurship development. Its foundation has been laid down by the favorable environmental conditions, created by the Government of Malaysia through its affirmative as well as proactive policies and measures.

## LITERATURE REVIEW

When we revisit different models and theories of entrepreneurship practiced in different parts of the world, we find divergent pictures. One concern people have when considering forming a new venture is whether they will be able to sustain the drive and energy required not only to overcome the inertia in forming something new but also to manage the new enterprise and make it grow. The research is not conclusive about the role of locus of control in entrepreneurship (Jennings and Zietham, 1983). Similarly, studies of entrepreneurship under stress had mixed results (Brockhaus, 1980). Closely related to this feeling of control is the need for independence. An entrepreneur is generally the type of person who likes independence. McClelland's (1976, 1985) work on the need for achievement identified three attributes of entrepreneurs: (1) individual responsibility for solving problems, setting goals, and reaching these goals through their own efforts; (2) moderate risk taking as a function of skill, not chance; and (3) knowledge of results of decisions/task accomplishment.

Similarly, the research has been done on the family environment of the entrepreneur including birth order, parent's occupation (s), and social status. The studies of birth order have had conflicting results (Henning and Jardim, 1977)). In terms of the occupation of the entrepreneurs' parents, there is strong evidence that entrepreneurs tend to have self-employed or entrepreneurial fathers. Having a father who is self-employed provides a strong inspiration for the children who wish to be entrepreneurs (Hisrich and Brush, 1984). One of the most important factors influencing entrepreneurs in their career choices is role models (Almquist and August, 1971). Role models can be parents, brothers, sisters, other relatives, or other entrepreneurs. Successful entrepreneurs are viewed frequently as catalysts by potential entrepreneurs.

No existing theory or model of leadership can be regarded as pervasive or as equally good for replicating anywhere across the world. The developing countries of Africa, Asia, and Latin America have tried out different models of leadership. In many parts of the developing world, we find that the story of entrepreneurship development presents a sad commentary of mismanagement of the resources, and that of a total disorientation of the entrepreneurial programs. However, Malaysia presents a model that has worked successfully to a great extent, despite inevitable constraints and weaknesses that have invited criticisms from different quarters. However, the objective of this paper is confined to bring into focus an analysis of the Malaysian Government's policies and support system for creating favorable environmental conditions for entrepreneurial development across the country.

### **Entrepreneurship in Malaysia**

Since times immemorial, Malaysians have demonstrated entrepreneurial skills in different spheres of activities. However, concerted efforts towards modernizing the perspectives of entrepreneurs and motivating them in a more affirmative fashion were initiated only after independence, and particularly when Malaysians committed themselves to the Vision 2020 for embarking upon the path of industrial development. The business community and particularly the budding entrepreneurs have been fortunate so far with the favorable economic climate and the government's strong commitment in providing a conducive environment for people to initiate business ventures. It has affirmatively been done through proactive measures for those sections of the society that have been lagging behind in the process of economic transformation

and development. The Malaysian government seemed to agree with Neilan (1999) who opined that it takes more than a plot of land, an impressive budget, a graduating class of computer engineers, and a lot of fanfare to make “another Silicon Valley.” Malaysia realized that a country needs a society with sufficient freedom, including lack of cumbersome regulations, to encourage entrepreneurship. Policies like the ‘First Industrial Master Plan’, ‘Look East Policy’, ‘Malaysia Incorporated’, ‘New Economic Policy (1971-1990)’, ‘New Development Policy’, ‘Vision 2020’, and the most recent one, the ‘Multimedia Super Corridor’ have spawned thousands of new businesses across the broad spectrum of Malaysian economy.

### **Government Policies**

#### ***New Economic Policy (1971-1990):***

##### ***A Landmark for Developing Bumiputera Entrepreneurs***

The New Economic Policy (NEP) is often considered as one of the most crucial driving forces towards the initial formation of the Bumiputera (son of the soil) entrepreneur community. NEP opened the doors of opportunity to the Bumiputera community (the indigenous natives of Malaysia) that was otherwise inaccessible in the early 1970s and 1980s. The main objectives of NEP were to eradicate poverty and to restructure the society so that there will be no identification of a specific community with its economic function. The NEP is often seen as an outcome of racial riots in 1969. The May 13 riots were not only an outcome of political uncertainty created by the May 1969 general elections, but also an expression of social and economic discontentment among the Malays. This discontentment essentially stemmed from the fact that despite achievement of the independence, the economic situation of the country was relatively unchanged and still unbalanced. The three main races were still segregated economically whereby the Chinese were identified with business, the Malays with agriculture, and the Indians with rubber estates. The government was quick to react to the situation and came up with NEP to redress the socio-economic problems in Malaysia (Bakar, 1995).

#### ***New Development Policy (1991-2010)***

The New Development Policy (NDP) was introduced to replace NEP. The main objective of NDP is to achieve a balanced development in order to establish a more united and just society. The policy further intensifies the efforts on the part of the

Government to strengthen and promote entrepreneurial development programs, especially for the upliftment of Bumiputeras. The policy aims at helping Bumiputera entrepreneurs in terms of capital, training, provision of premises, and exploring business opportunities. This strategy is being executed via programs such as Bumiputera Commercial and Industrial Community (BCIC) and National Entrepreneurs Corporation (NEC).

### ***Vision 2020***

Vision 2020 was introduced on February 28, 1991 by Datuk Seri Dr. Mahathir Mohamed, Prime Minister of Malaysia. Vision 2020 is aimed at creating a fully developed Malaysia, infused with strong moral and ethical values. With Vision 2020, Malaysia hopes to achieve a state that is liberal, tolerant, caring, economically just, and equitable, progressive, and prosperous (Chan, 1997). One significant project under Vision 2020 (NST 1997) is the Multimedia Super Corridor initiative through which Malaysia hopes to position itself as an information technology hub in the South East Asia region.

**The Third Outline Perspective Plan (OPP3).** The Third Outline Perspective Plan ([http://www.epu.jpm.my/OPP3/cont\\_chap1.pdf](http://www.epu.jpm.my/OPP3/cont_chap1.pdf)), which constitutes the second decade of development under Vision 2020, focuses on *building a resilient and competitive nation*. During this decade, the move towards greater liberalization will lead to increased market opening by individual countries and benefit those who are in a position to take advantage of the process. With the reduction of tariff barriers, market borders will become technically non-existent. Coupled with the pervasive use of the Internet, businesses will be able to source for inputs, components and services, and get quotes from suppliers at the most competitive prices anywhere in the world. The reduction in communication cost will help to globalize production and capital markets, increase competition and innovation, and speed up the diffusion of new technology through trade and investment. Malaysian industry and trade entities will, therefore, have to urgently build capability to compete with foreign competitors in the domestic market and enhance their export competitiveness. Malaysian businesses will need to become more receptive to know-how, increase their skills and creativity as well as identify their commercial potential. Entrepreneurs must be prepared to use the latest knowledge and technologies, operate and manage businesses in different cultural milieus, have superior negotiation skills and be able to forge strategic alliances. They

will need to marshal their knowledge, skills and creativity to improve their products and services and *Developing World-Class Companies*. The plan provides for:

- Reviewing the investment threshold under the Industrial Coordination Act (ICA) to stimulate the growth of SMEs.
- Encouraging SMEs to quickly integrate into IT-based manufacturing, focusing on all key segments of the manufacturing value chain, from designing to marketing.
- Encouraging Malaysian SMEs to work towards establishing and strengthening their own niches in the market and emerge as market leaders in their own right. In this connection, the Government will support private sector initiatives to strengthen entrepreneurial capacity as well as encourage the growth of technopreneurs. In addition, the on-going efforts to develop Bumiputera entrepreneurs will focus on enhancing resilience and self-reliance so that they can compete in the domestic and international markets.
- As for the restructuring of ownership in the corporate sector, efforts will continue to be made to improve effective Bumiputera participation as well as increase the share of capital ownership and control of companies by Bumiputeras to at least 30 per cent by 2010. To accelerate the restructuring process, programs that provide opportunities for potential young entrepreneurs and corporate leaders, particularly in the modern and strategic sectors, will be strengthened. As Bumiputera companies have, relatively speaking, made inroads into the construction, transportation and agricultural sectors, they will be encouraged to diversify into other higher value-added activities during the Plan period. Besides setting the quantitative target, an important agenda is to improve the resilience of the Bumiputeras to enable them to sustain their corporate equity holdings and not succumb to divestment for short-term profits in a scenario like that of an economic crisis.
- For enhancing the role of Bumiputera institutions and trust agencies, especially in mobilizing Bumiputera resources and in creating new wealth. Bumiputera trust agencies and institutions, such as the State Economic Development Corporations (SEDCs) will undertake measures to reposition, review and consolidate their position to enable them to face future challenges. These institutions and trust agencies will also be provided with greater opportunities to increase their stake and effective ownership of companies for the benefit of the wider Bumiputera community.

- For making more places available for qualified Bumiputera students in public and private institutions of higher learning, particularly in Sciences, Information Technology and other professional programs, attention will also be given towards improving the performance of Bumiputera students especially in Science, Mathematics and the English language, through more effective teaching methods, a better provision of educational facilities and the establishment of more residential schools. Adequate financing will be provided to the Bumiputeras to assist them to pay the higher fees in the private institutions. In line with efforts to develop the Bumiputera Commercial and Industrial Community (BCIC), measures will be undertaken to identify those with talents, provide them with intensive training in financial management and enterprises as well as instill the appropriate ethics for the success of their businesses. Only those who are willing to undergo these programs will be provided with opportunities, licenses, capital and the like.
- For intensifying entrepreneurial training programs to enable Bumiputera entrepreneurs to face the challenges of globalization and utilize more knowledge content in their activities, emphasis will be placed on preparing Bumiputera entrepreneurs to be more self-reliant, competitive and practice good business ethics. In addition, such training programs will also inculcate positive values such as the need to be trustworthy, hardworking and disciplined, which are necessary traits to build successful and resilient Bumiputera entrepreneurs. Towards this end, the National Institute of Entrepreneurship or *Institut Keusahawanan Negara* will be established as a focal point to undertake strategic planning on entrepreneurship, market intelligence, R&D, curriculum development, business networking, and counseling.
- By establishing a Bumiputera Information and Communication Technology (ICT) Council to plan and develop a Bumiputera ICT Agenda, strategies will be formulated to increase awareness of the opportunities in the ICT industry, develop a pool of ICT Bumiputera entrepreneurs, provide greater accessibility to capital and market information as well as establish linkages with international markets. Apart from ICT, the Government will continue to promote Bumiputera participation in strategic and high technology industries, namely, biotechnology, petrochemical and communications.

## **Support System in Malaysia**

There is a comprehensive support system in place for entrepreneurial efforts in Malaysia. Its salient features are as under:

### ***Ministry of Entrepreneur Development (MED)***

The setting up of this Ministry (<http://www.kpun.gov.my>) is perhaps the most significant step taken by Malaysia to express her commitment in assisting entrepreneurs. The basic objectives of MED are:

- (1) Creation and development of more progressive, resilient, and competitive entrepreneurs in growing sectors.
- (2) Fostering cooperation between Bumiputera and non-Bumiputera entrepreneurs in strategic businesses locally and internationally.
- (3) Inculcating the right attitudes, ethical values, and entrepreneurial culture among entrepreneurs to be self-reliant.
- (4) Providing consultation services and formulation of specific programs such as the vendor program and franchising in order to help entrepreneurs at the lower and middle levels.
- (5) Coordinating policies and activities of the agencies under MED for formulating and launching effective programs for the development of a BCIC.

### ***Entrepreneur Development Institute***

The Entrepreneur Development Institute (<http://www.kpun.gov.my/>), formerly known as Business and Entrepreneur Development Center, started operations on March 1, 1990. It was conferred the status of an “institute” on November 1, 1993, in response to its expanding activities and the increasing demand for entrepreneurship development in Malaysia. The institute is also known by its Malay acronym IPK that stands for “Institut Pembangunan Keusahawanan”.

### ***Financial Support***

There are several sources of funding available presently to the entrepreneurs in Malaysia. The government has set up a number of special funds, including New Entrepreneur Fund (RM800.0 million), Start up Capital Scheme (RM90.0 million), and ASEAN-Japan development Fund (RM895.0 million), for this purpose.



### ***Technical Support***

Technical support is made available by the Government through specialized agencies such as Standard and Industrial Research Institute of Malaysia (SIRIM) (<http://www.sirim.my/>), Malaysian Agricultural Research and Development Institute (MARDI) (<http://www.mardi.my/>), Federal Agriculture and Marketing Authority (FAMA) (<http://agrolink.moa.my/fama/menu.html>), Malaysian Palm Oil Board (MPOB) (<http://porim.gov.my/>), and Rubber Research Institute (RRI).

### ***Educational Support***

Malaysia has a strong support system for education and it is one of the thrust areas of the government. Presenting the Eighth Malaysia Plan in the *Dewan Rakyat* (Parliament) on 23rd April 2001, the Prime Minister Dr. Mahathir Mohamad stated, "Efforts to increase productivity will depend on increasing the knowledge contents of all economic activities and the availability of an adequate supply of highly skilled and knowledge manpower. Towards this end, efforts will be further intensified to expand the supply of highly skilled and knowledge manpower through the expansion of the education and training capacity with greater emphasis towards increasing the supply of science and technology (S&T) manpower. The education and training system will also place emphasis on nurturing creativity and cognitive skills and give priority to produce multi-skilled and knowledge manpower that is versatile, willing to learn continuously, and technopreneurial. In line with the liberalization of education and training, the private sector will continue to be a major provider of education and training, especially at the tertiary level."

The emphasis by the government on entrepreneurship education has been widely acclaimed. In the USA, entrepreneurship education has been pursued extensively for several decades extending through a wide variety of different models, within and outside of academia (Gibb, 1993, Vesper, 1986). Interest and activity in this area has expanded in recent years in Canada (Bechard, 1991). And in Asia there are now major experiments underway in several countries including India, Malaysia and the Philippines.

The efforts of Universiti Teknologi MARA (UiTM) are worth mentioning in this regard. The university established The Malaysian Entrepreneurship Development

Center (MEDEC) in 1975. The mission was to facilitate the growth of Bumiputera entrepreneurs in Malaysia. Specifically, it was set up for the purpose of planning and implementing entrepreneurship development programs such as training, education, research, and consultancy.

Today, MEDEC is known as one of the prominent centers for entrepreneurship training and education in the country. In addition, MEDEC is planning to expand its academic programs to include entrepreneurship programs at the graduate level. The main objective of the programs is to increase the supply of Bumiputera Technopreneurs in the country.

### ***Peer Support***

Peer support can be found through many non-profit organizations such as Malay Chamber of Commerce, Bumiputera Entrepreneurs' Club, and Federation of Women Entrepreneurs Association of Malaysia etc. Besides providing moral support and networking, these non-profit organizations also organize seminars and talks for the benefit of their members.

### **Performance & Future Strategy**

As a result of the Government's entrepreneurial policies and support system, there has been a marked progress in developing viable competitive and resilient Bumiputera entrepreneurs. During the period from 1995 to 1999, the number of Bumiputera enterprises increased from 366,790 to 743,550. Thus, the percentage share of Bumiputera enterprises in the total corporations operating in Malaysia increased from 38.7 per cent to 45.3 percent during this period. During the Asian economic crisis, the inexperienced and non-viable enterprises suffered heavily, as the costs of inputs went up and the demand slackened considerably. The over-all performance of the entrepreneurship development programs during the period from 1995 until 1999 is shown in Table 1.

An objective analysis of the performance leads to a conclusion that there is a need to develop resilient and sustainable Bumiputera enterprises. Bumiputera enterprises have to prepare themselves for meeting the challenges of globalization; for which it is

**Table 1: Development of Bumiputera Commercial and Industrial Community (1995-1999)**

Type of Program	Number of Bumiputera Entrepreneurs
All BCIC Programs	26,300
All Packaged Programs	2,710
Vendor Development Program (Target: 250)	209
Selected to provide parts, supplies and services to large Government-owned companies	198
Franchise Development Program (Target: 1,200)	550
Development of Bumiputera Companies as Franchisers	29
Venture Capital Scheme:	
Perbadanan Usahawan Nasional Berhad (Target: 440)	353
Program Kontraktor Binaan Bumiputera Berwibawa	278
Umbrella Concept Production- Marketing Arrangement:	
Furniture Integrated Marketing Program	142
Food Industry under the Besta Label	32
Mentor Program:	
Participating Companies	28
Link-ups	249
Genuine Joint Venture Scheme Between Bumiputera and Non-Bumiputera Partners	54
Skim Kilang Bimbingan (For utilizing Factory Premises provided by Bank Pembangunan dan Infrastruktur Malaysia Berhad)	156
Assistance Under Rural Entrepreneur Development Program	474
New Business Premises Under Unpackaged programs or on-off Assistance:	
Total Number of Premises	9,280
Bumiputera Beneficiaries	89%
Business Premises Provided by Local Authorities for Promoting Business Development (Particularly for Bumiputera)	39,940
Business Financing:	
Loans to Bumiputera Entrepreneurs (In Ringgit Malaysia)	4 billion
Number of Bumiputera Beneficiaries	53,020
Financial Assistance to Middle-Class Entrepreneurs (Provided by Perbadanan Nasional Berhad)	146
Entrepreneurial Counseling & Training Programs for Existing and Potential Entrepreneurs: Number of Participants	156,850

Source: Government of Malaysia. Eighth Economic Plan: 2001-2005.

Note: A number of BCIC packaged programs did not have specific targets.

imperative to ensure viability, efficiency and competitiveness. Malaysian entrepreneurs lack technical knowledge, have financial constraints, and operate with limited market information and research. They have not been able to establish effective linkages with anchor companies (Ismail, 1990). There is a need for strategic focus and proper direction for ensuring their viability, efficiency, and competitiveness. Malaysian model of entrepreneurship development centers around the policies that protect the special rights of Malays as sons of soil. After forty-three years of efforts, after spending billions of Ringgit, after several banks, financial institutions, and special funds were established, the achievements of Bumiputeras are still low (New Straits Times, and Star, June 22, 2001).

### **CONCLUDING REMARKS**

Malaysia has embarked upon creating and continuously developing favorable environmental conditions for entrepreneurial activities for its indigenous people in order to bring them at par with their Chinese counterparts. The Government policy and support system are contributing factors for ensuring adequate financing, a technically and professionally skilled workforce, accessibility of suppliers and customers, a world-class infrastructure, global linkages, as well as supportive demand and factor conditions to facilitate the development of Bumiputera entrepreneurs across the country.

## REFERENCES

- Almquist, E., and Angust, S (1971). Role Model Influences on College Women's Career Aspirations, *Merill-Palmer Quarterly*, July 1971.
- Bakar, Dato' Haji Abdul Rahim (1995). Socio Economic and Political Scenario Analysis in Entrepreneurial Development, *Seminar on Entrepreneurship Development*, Kuala Lumpur, July 31-August 11, 1995.
- Bearden, W.O., Ingram, T.N., and LaForge R.W. (2001). *Marketing Principles & Perspectives*, Irwin/ McGraw-Hill, 458.
- Bechard, J-P, and Toulouse, J-M. (1991). Entrepreneurship and Education: Viewpoint from Education, *Journal of Small Business and Entrepreneurship*: Vol. 9, 1.1, Oct.-Dec., 1991
- Brockhaus, Robert H (1980). Psychological and Environmental factors Which Distinguish the Successful from the Unsuccessful Entrepreneurs, *Proceedings of the 40th Annual Meeting of the Academy of Management*, August, 1980
- Chan Tham Seng (1997). Way to go Malaysia, *The Edge*, September 1, 1997.
- Cooper, A.C. & Robert, D.H. (1987). Entrepreneurial Research: Old Questions, New Answers, and Methodological Issues. *American Journal of Small Business*, 1-20.
- Entrepreneurship Development Institute (<http://www.uum.edu.my/ipk/background.htm>) Government of Malaysia. *Eighth Economic Plan: 2001-2005*.
- Federal Agriculture and Marketing Authority (<http://agrolink.moa.my/fama/menu.html>)
- Gibb, Allan A (1993). The enterprise culture and education, *International Small Business Journal*; London; Apr-Jun 1993.
- Henning, M., and Jardim, A (1977). *The Managerial Women*, Garden City, New York, Anchor Press.
- Hisrich, Robert D., and Brush, C. G (1984). The Women Entrepreneur: Management Skills and Business Problems, *Small Business Management*, January 1984.
- Hisrich, Robert D., and Peters, Michael P (1998). *Entrepreneurship*, Irwin McGraw Hill,
- Ismail Salleh (1990). Small and Medium Scale Industrialization: Problems and Prospects, ISIS, Malaysia.
- Jalex Sdn Berhad (<http://www.jalexinternational.com/main.html>)

- Jennings, D. E., and Zietham, C. P. (1983). Locus of Control: A Review and Directions for entrepreneurial Research, *Proceedings of the 43rd Annual General Meeting of the Academy of Management*, April 1983.
- Lewyn, Mark (1988). Scott McNealy. *USA Today*, January 19, 1988. 7B.
- Littunen, H (2000). Entrepreneurs and Characteristics of the Entrepreneurial Personality. *International Journal of Entrepreneurial Behavior and Research*, 6, 295.
- Malaysian Agricultural Research and Development Institute (<http://www.mardi.my/>)
- The Malaysian Entrepreneurship Development Center (<http://www.itm.edu.my/acactr/medec/medecc.html>)
- Malaysian Palm Oil Board (<http://porim.gov.my/>)
- McClelland, D.C. (1985). *Human Motivation*. Scott, Foresman, Glenview, III.
- McClelland, D.C., and Burnham, D. (1976). Power is the great motivator. *Harvard Business Review*, 54, 100-110.
- Ministry of Entrepreneur Development (<http://www.kpun.gov.my/>)
- Naffziger, D.W., Hornsby, J.S., and Kurotko, D.F. (1994). A proposed research model for entrepreneurial motivation. *Entrepreneurial Theory & Practice*, 30.
- New Straits Times, Kuala Lumpur, June 22, 2001.
- New Straits Times. Leading Malaysia into the Next Millennium, *A Special NST Supplement*, Kuala Lumpur, September 13, 1997.
- Neilan, Edward (1999). Asian Silicon Valley 'look-alike' failing. *World Tribune*, April 14, 1999.
- Outline Perspective Plan (2001-2010) ([http://www.epu.ipm.my/OPP3/cont\\_chap1.pdf](http://www.epu.ipm.my/OPP3/cont_chap1.pdf))
- Stevenson, H.H., Roberts, Roberts, M.J., and Grousbeck, H.I. (1985). *New Business Ventures and the Entrepreneur*. Homewood, 12, I.L., Irwin.
- Standard and Industrial Research Institute of Malaysia (<http://www.sirim.my/>)
- Star, Petaling Jaya, June 22, 2001.
- Vesper, K. H (1986). New Developments in Entrepreneurship Education, in Sexton, D.L., and Smiler, R. W. (Ed. 1, *The Art and Science of Entrepreneurship*, Cambridge, Mass., Ballinor, 1986.
- Weil, D.S. (1989). Doing Business in the Burbs. *Working Woman*, August 58-66.