

UNIVERSITI TEKNOLOGI MARA

**ENTREPRENEURIAL
PERSONALITY TRAITS,
ENTREPRENEURIAL
MOTIVATION, AND
ENTREPRENEURIAL SUCCESS OF
URBAN POOR ENTREPRENEURS
IN MALAYSIA**

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ABSTRACT

In Malaysia, many urban poor individuals struggle to meet their daily needs, with some turning to entrepreneurship to improve their livelihoods. The government has invested in various entrepreneurship programmes to help the lower-income groups, also known as the B40 group, exploit business opportunities based on their capabilities as they face many obstacles to remain resilient. This study investigates the impact of entrepreneurial personality traits on the success of urban poor entrepreneurs in Malaysia's metropolitan areas, focusing on the mediating role of entrepreneurial motivation in driving economic empowerment. A quantitative approach was employed, collecting data from 140 urban poor entrepreneurs using purposive sampling to ensure participants met specific criteria relevant to the study. Data were analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine complex relationships between variables. Findings reveal that traits are significantly linked to higher entrepreneurial success. Entrepreneurial motivation plays a key mediating role, with opportunity-driven entrepreneurs—those seeking to exploit market potential and achieve personal growth—achieving greater success compared to necessity-driven entrepreneurs, who are pushed into entrepreneurship due to a lack of alternatives. These results support the goals of Malaysia's National Entrepreneurship Policy 2030 (NEP, 2030), which promotes entrepreneurship as a tool for social inclusion and sustainable development. The study highlights the need for targeted support programs—such as training, financing, and mentorship—to foster opportunity-driven entrepreneurship among the urban poor. However, as purposive sampling was used—a non-probability method—the findings are not generalisable to the broader population but offer valuable insights within the sample's context.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

The first chapter of this thesis provides a comprehensive overview of the study, organized into ten sections. The study begins with a discussion of its background, followed by a clear statement of the problem, which details the context and issues that motivated the research. Next, the research questions and objectives are outlined. The chapter then highlights the scope and significance of the study, emphasizing its academic and practical implications. Subsequently, a discussion ensues on defining key variables and the underlying assumptions of the research. The chapter concludes with a detailed outline of the study's organization.

1.2 Research Background

The significant rural-urban migration has exacerbated economic disparities in cities, particularly between the wealthy and the underprivileged (Wan et al., 2022). Urban poverty has become more prominent in Malaysia over the past decade, especially in major cities, as urbanization strains those with limited financial resources (Daros, 2019). Many individuals move from rural areas to cities without adequate qualifications, resulting in low-paying jobs and contributing to the urban poor (NST, 2019). Although Malaysia reduced poverty from 49.3% in 1970 to 5.6% in 2024 (DOSM, 2024), visible pockets of urban poverty are often overlooked (Ridzwan & Idris, 2019). The rapid development and growth have spurred migration, leading to the expansion of urban areas.

Household income is a crucial measure of economic well-being in Malaysia, reflecting families' financial health and living standards nationwide. Economic status in Malaysia is classified into three income groups: Top 20% (T20): Households earning over RM11,820 per month; Middle 40% (M40): Households earning RM5,250 to RM11,819 per month; and the Bottom 40% (B40): Households earning up to RM5,249 per month (DOSM, 2022). In 2022, the average household income in Malaysia was RM8,479 per month, up from RM7,901 in 2019. The median household income, better