

RESEARCH PROPOSAL

IDENTIFYING CRITICAL SUCCESS FACTOR OF INDIAN ENTREPRENEUR

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CHAPTER	DESCRIPTIONS	PAGE NO.
1.0	Introduction	1
	1.1 Background of the study	2
	1.2 Scope of study	3
	1.3 Problem of Statement	4-5
	1.4 Research Objective	5
	1.5 Significance of study	6-7
	1.6 Limitations	7-8
	1.7 Definition of Terms	8
2.0	Literature Review	9
	2.1 Indian Entrepreneurship	10-11
	2.2 Indian characteristics	11-12
	2.3 Critical Success Factor of Entrepreneur	12-13
3.0	Research Methodology	14
	3.1 Introduction	14
	3.2 Research Design	14
	3.3 Mixed Method – Exploratory Design	14
	3.4 Qualitative Research	14-15
	3.5 Quantitative Data	15
	3.6 Sample	15
	3.6.1 Sampling Method	16
	3.6.2 Sampling Process	16
	3.7 Research Instrument	17
	3.7.1 Expert Interviews	17
	3.7.2 Interview Format	17
	3.8 Data Collection	18
3.9 Data Analysis	18	

4.0	Results And Analysis	19
	4.1 Critical Success Factor of Indian Entrepreneur	19
	4.1.1 Attitude	20-21
	4.1.2 Skill	21
	4.1.3 Competition	22
	4.1.4 Source of Capital	23-24
	4.2 Major Challenge Encountered In the Growth Market	24
	4.3 Strategy of Indian People	25-27
	4.4 Success stories	
5.0	Conclusion	28
	5.1 Recommendation	29
	5.2 References	30-31
	5.3 Appendix	32

CHAPTER 1

1.0 INTRODUCTION

The Malaysian economy recorded a stronger growth of 4.3% (Q1 2013: 4.1%) during the second quarter of 2013. Growth was driven by strong domestic economic activities amid a weakening external sector. On the supply side, growth in the services sector remained firm at 4.8% (Q1 2013: 5.9%), driven largely by the wholesale and retail trade, business services, and communication subsectors (Ministry of Finance Malaysia, 2013).

An interesting feature of Malaysian economic history that has to be understood in order to appreciate the current context of entrepreneurship in Malaysia is the historical practice of segregating economic activity along racial lines, a practice that was introduced by the British under their colonial rule of Malaya (pre-1957).

Entrepreneurship is the terminal stage of the entrepreneurial process wherein after setting up a venture one looks for diversification and growth. An entrepreneur is always in search of new challenges. That is why the entrepreneurs with a track record of success are much more likely to succeed than first-time entrepreneurs and those who have previously failed. In particular, they exhibit persistence in selecting the right industry and time to start new ventures. Entrepreneurs with demonstrated market timing skill are also more likely to outperform industry peers in their subsequent ventures.

This is consistent with the view that if suppliers and customers perceive the entrepreneur to have market timing skill, and is therefore more likely to succeed, they will be more willing to commit resources to the firm. In this way, success breeds success and strengthens performance persistence and don't give up. Don't expect it to be a smooth ride, expect it to be irritating. But once the entrepreneurs are there, they'll enjoy it and they'll make a lot of money as well.

By contrast, first-time entrepreneurs have only an 18% chance of succeeding and entrepreneurs who previously failed have a 20% chance of succeeding (Gompers, P., & et al, 2008).

1.1 Background of Study

Sarawak is located on the island of Borneo, with Kalimantan Barat, Brunei, and Sabah. Together with Sabah, it makes up what is known as East Malaysia as opposed to West Malaysia, which consists of states in the Peninsular. The people of Sarawak are mainly indigenous people such as the Iban, Bidayuh, and Orang Ulu (Rosel Fonancier & Jen Mueller, 2006). Exogamous marriages are a common phenomenon in Sarawak which has 33 different ethnic groups. With a population of 2,071,506, the Iban forms the majority with a population of 603,735, Chinese 537,230, Malays 462,270, Bidayuh 180,753, Melanau 112,984 and other indigenous 117,696. Sarawak Indians belongs to the minority group with a population of 3,851 people (Department of Statistics Sarawak, 2010).

Apart from 56 the state capital Kuching, Indians are also found in smaller numbers in the urban areas of Miri and Sibiu. Due to their small numbers, the early Indian immigrants married outside their own linguistic group. Some early Indians married Dayaks and local Malays (David and Dealwis, 2006). The Indian men in Kuching tend to marry Dayak women because of the smaller Indian population and members of the community are mostly related. The Dayaks are generally non-Muslims, so the Indian men who marry them do not have to change their religion. Then there are start to work and stay permanent at Kuching here. Most of them are working as a businessman rather than working as a government servant.

The entrepreneurial function implies the discovery, assessment and exploitation of opportunities, in other words, new products, services or production processes; new strategies and organizational forms and new markets for products and inputs that did not previously exist (Shane and Venkataraman, 2000). The entrepreneurial opportunity is an unexpected and as yet unvalued economic opportunity. Entrepreneurial opportunities exist because different agents have differing ideas on the relative value of resources or when resources are turned from inputs into outputs. The theory of the entrepreneur focuses on the heterogeneity of beliefs about the value of resources (Alvarez and Busenitz, 2001: 756).

Entrepreneurship –the entrepreneurial function- can be conceptualized as the discovery of opportunities and the subsequent creation of new economic activity, often via the creation of a new organization (Reynolds, 2005).

1.2 Scope of Study

In almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behaviour that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

To an economist, an entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is typically driven by certain forces the needs to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better ways to utilize resources, reduce waste, and produce jobs others are glad to get (Hisrich, & et al, 2005).

Outwardly, the statistics for the Indian community appears impressive. The MidTerm Review of the Eighth Malaysia Plan (MTREMP) indicates that the mean monthly gross household income of Indians in 2002 was RM3,044, i.e. marginally above the national average of RM3,011 and higher than the RM2,376 recorded for the bumiputera community. 3 Incidence of poverty, as measured by the official poverty line among Indians, has decreased from 39.2 per cent in 1970 to 1.9 per cent in 2002, while it remained the highest among bumiputera at 7.3 per cent in 2002.

On the other extreme, another set of social indicators show that the community is in distress. Indians have the lowest life expectancy amongst all major races and they comprised the largest group of suicide victims recorded annually nationwide. There were 21.1 suicides per 100,000 Indians, 8.6 per 100,000 Chinese and 2.6 per 100,000 Malays. Though they form only 7.5 per cent of the population, a higher proportion of Indians were arrested for serious crime or other activities. Of the 703 suspected criminals held at the Simpang Renggam Rehabilitation Centre in 2005 (as of March) under preventive detention laws, 377 or 54 per cent were Indians.

1.3 Problem of Statement

There are many problems that the Indian entrepreneur needs to go through in order to be “success” in the world of business at Kuching. However, there are also some critical factors that many firm need to handle and solve.

Many factors both internal and external have been found to impact on small business success including, inter alia, industry structure and competition, entrepreneurial decisions, employee relations, entrepreneurial objectives, organisational culture, education, training and prior experience and various sub-categories within these areas.

Previous researchers have attempted to define success in terms of growth (Perren, 1999, 2000), sustainability and turnover, while others have looked at entrepreneurial characteristics and traits contributing to success and the organisational characteristics indicative of success. All of these attempts have failed to agree on the success factors (Watson et al., 1998). Competitive advantage is often seen as the key to sustainability, the general assumption being that firms could achieve a unique position in relation to their competitors, allowing them to consistently outperform them, therefore sustaining an advantage (Porter, 1985; Fiol, 2001).

Glaser and Strauss (1967, p. 4) suggest that the advantage of theory based on data could be seen as “being intimately linked to data” and as such should hold longevity, even if modified and reformed. Grounded theory links data collection with theory building, narrowing the focus as the research progresses and so can be used to study organisations in terms of the processes of human actions over time (Locke, 2001), Grounded theory is well suited to researching management and organisational behaviour because it links successfully into practice and can help subjects gain a good perspective of their work situations. It is also useful for examining processes such as growth, change and decision making (Locke, 2001, p. 95).

Greenbank (2001) found the main criteria for success to be income levels, job satisfaction, working hours, control, and flexibility. This is due to a combination of growth, profitability and teamwork. The work philosophy is based around teamwork; everyone being constantly motivated to achieve results, to aim for the next level of objectives. Nandram (2002) concludes that in order to be successful the entrepreneur must have a combination of attributes and skills including being goal-oriented, decisive, pragmatic, resolute, flexible and

self-confident. Moreover, setting up a business for “positive reasons” such as to be independent, to be creative, to do enjoyable work is associated with survival either of the small or big firm. While those setting up for negative reasons such as to exploit a market opportunity or meet a perceived service need, reduced the probability of survival (Watson et al., 1998).

1.4 Research Objectives

The Indian intellectual capital report does not focus on the business model, values, mission and vision and/or knowledge management issues, as it is the case of European intellectual capital reports (Patricia Ordoñez de Pablos, 2005). It is more focus on the attitude and source of capital. For example, the Balrampur Model is specific to the company as “it reflects our priorities, our method of working, our attitude and our people” (Balrampur Chini Mills Limited, 1997).

Generally literature has identified three sub-phenomena that constitute the concept of intellectual capital: human capital, relational capital and organisational capital. Human capital represents the knowledge, experience and skills of the employees of the firm. Furthermore it also reflects the commitment and motivation of the employees as result of their continuance in the firm. Relational capital reflects the organisational value that emerges not only from a firm’s relations and connections with customers, but also with current and potential suppliers, shareholders, other agents, and the society in general. Finally structural capital shows a firm’s supportive structures for knowledge creation and deployment as well as the set of knowledge, skills and abilities embedded in the organisational structure (Pablos. O., & et al, 2005).

From India came wheat, barley, sorghum, hyacinth bean, black and green gram, cotton, flax and cucumber. while the Indians domesticated the cow, and introduced sesame, citrus fruits, opium and mango. This is not to say that the Fertile Crescent made little contribution; as a matter of fact the early civilization in what is today Iraq, Iran and Turkey discovered emmer wheat, einkorn wheat, barley, pea, lentil, chickpea, flax and also muskmelon. From India came the three great Asian religions of Jainism, Hinduism and Buddhism, as well as the discovery of the numeral zero, chess, astronomy, astrology, dyes and colors (Balbir B. Bhasin). India and China also both contributed to language expansion in the old world, as well as an amazing variety of musical instruments, and most recently all the numerous spices and foods (Diamond, 1999).

1.5 Significant of the Study

“entrepreneurship is the process whereby an individual or a group of individuals use organized efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources are currently controlled” (Coulter, 2001). In this regard, entrepreneurship is a dynamic process of vision, change and creation (Kuratko and Hodgetts, 2004); suggesting enterprise is the ability to use organized effort to create value in which case, the creation of value is entrepreneurship.

There exist issues and challenges in attempts to define entrepreneurship. In the past decade or so, researchers and educators in this field have had and still have to confront the question “what are we talking about when we talk about entrepreneurship?” The answer to this question however, has been and still is unclear, delayed and overlaps with other sub fields. This seriously threatens the legitimacy and our very survival in the world of business research and education because entrepreneurship has been studied within different disciplines, a variety of opinions regarding its meaning have arisen.

Beaver (2002, p. 98) has commented: . . . there are very real problems with the term “success” and its various interpretations and perceptions in the small firm sector. However, there are also some critical factors that the big firm need to go through in order to become success. Many factors both internal and external have been found to impact on small business success including, inter alia, industry structure and competition, entrepreneurial decisions, employee relations, entrepreneurial objectives, organisational culture, education, training and prior experience and various sub-categories within these areas.

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1.6 Limitation

Environmental

The environment in which the firm operates — Networking, consumer’s response, government regulations, infrastructures that surrounds the industry

Consumer response

The value customers place on a firm's products or services determines the profits they will, over time, permit that business to sustain. Before entering a business, therefore, would-be entrepreneurs should understand how customers access product/service benefits and how they evaluate the economic contribution of such benefits. This determination of the firm's franchise in the marketplace need not be a complex, sophisticated exercise. The answers to several basic questions will frequently provide sufficient information:

- What are the customer's buying alternatives — technological, geographical, make versus purchase?
- What are the firm's competitive advantages — product characteristics, service superiority?
- Why does the customer need the product or service?

Enterprise

Would-be entrepreneurs will increase their chances of success by seeking businesses whose industry is characterized by fragmented competition, regardless of market size, price and distance.

Gender

Entrepreneurial failure has, of course, multiple sources. One source is an unrealistic belief in the ability of the entrepreneur to overcome the fundamental limitations of the company he/she owns and manages. We contend that the notion of heroic men and women creating corporate colossi is often more trap than reality, and we propose that this trap is a key reason why many entrepreneurs fail.

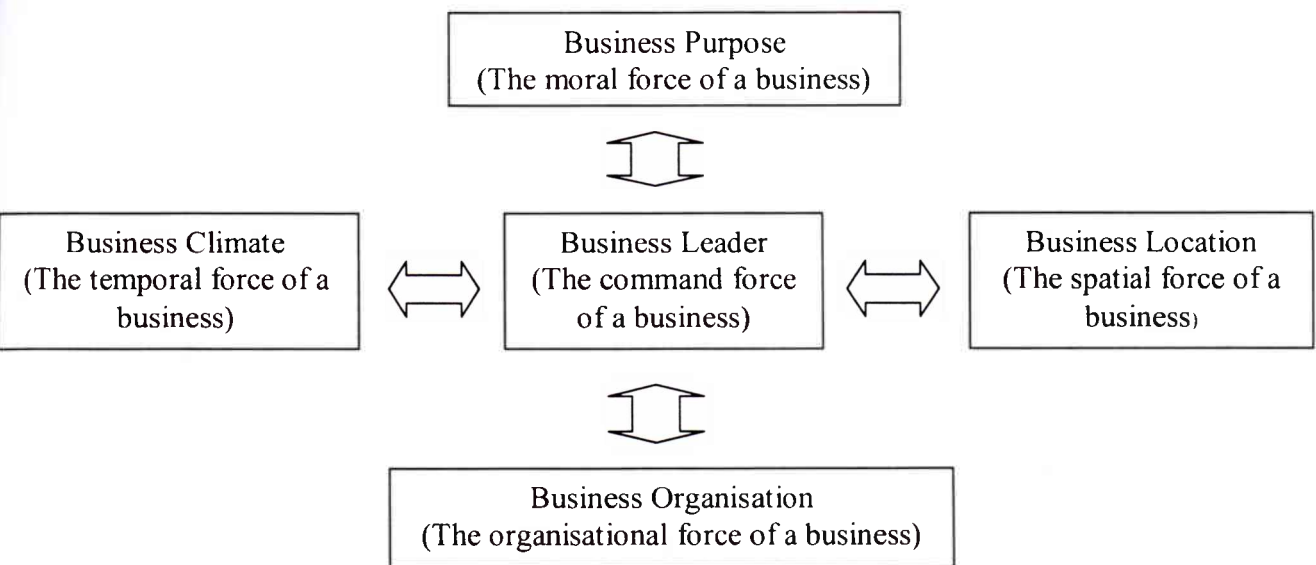
1.7 Definition of Terms

<i>Define success and failure</i>	If you are in business selling something which nobody buys, and the whole thing goes belly-up, it is pretty certain you have found your own definition of failure. But if everybody's buying what you are selling, if you can carry on supplying, and if the demand continues, success is probably a good way to describe your business.	Strategic Direction, 2004 @Emerald Group Publishing Limited
<i>Entrepreneur</i>	As the process by which "opportunities to create future goods and services are discovered evaluated and exploited"	Shane, 2003

CHAPTER 2

2.0 LITERATURE REVIEW

When an entrepreneur starts a business using his financial assets, he must need some time to share his work load. For this purpose, he hires people to work with him. As the time passes, the entrepreneur gets satisfied that he is investing his money in the right place. So he starts a huge business, hence creating more job opportunities for people. By creating job opportunities for people, an entrepreneur provides wealth to the people. They tend to start a new business with innovation like providing the best quality product within low price so that people can save their money and get the best product. This strengthens the economy of a country. For this purpose Government also welcomes entrepreneurs to start their business.



(Source by Wang, etal 2009)

In Schumpeter's (1934) theory, successful innovation requires an act of will, not of intellect. It depends, therefore, on leadership, not intelligence, and it should not be confused with invention (He'bert and Link, 1988). Risk-taking involves the willingness to commit resources to opportunities that may have a reasonable possibility of failure. Proactiveness is concerned with implementation, and helping to make events happen through appropriate means. Entrepreneurial management leadership is important in founder driven organizations, but can also be used to foster the entrepreneurial posture within larger firms. This perspective takes into account the entrepreneur, the individuals with whom the entrepreneur is directly involved, and the broader "community" of stakeholders in which the entrepreneur is embedded (Stevenson, 2004). Hence, there are four factors that are very significance in order to achieve a good leader such as are purpose, location, climate and organisation.

2.1 Indian Entrepreneurship

The diversity of Indian societies persists to the present. As noted, Indian nations range from the very small to the quite large in both geography and population at Sarawak. In terms of standards of material living, for decades Kuching Indians on reservations have been the poorest identifiable group in the Sarawak. Notwithstanding the much publicized growth and celebration of many type festivals such as Deepavali, Hari Gawai, Hari Raya, Chinese New Year and more would make an incomes to them in order to provide the customer wants and needs. Despite of that, they can get a Malaysia Identity Card if they are staying here more than 10 years. Therefore, they can gain many benefits from it. For example like making loan bank, hospitality and others.

The rapid economic growth seen in the 1990s where so many Indian people come to Kuching in order to make the business or even working here as a servant. The income of Indian people is getting slow down when both the surge in economic development and the improvement in areas such as housing, education, and health, which became evident in the last decade of the 20th century. It indicates that lot of shopping mall are developed as it did elsewhere in 2008 that create the Indian entrepreneur to find the other strategy although to get profit.

In short, the rapid changes and development progress we see that Indian people still looking outside the Malaysia country which they want to get the source of their product and make it become various type of product. Importantly, research also consistently finds that the economic and social transformation that is occurring across the Indian people is not the product of cultural change where sometime they can't get the high income for two or three months. Hence, they can't go outside the country in order to update their new products.

Prior to the 2000s, the Indian people of the Kuching area were subjected to essentially that price is not the main factor to attract customer nowadays rather than the value of their product itself. That is why they will ensure that people will satisfy after buying their quality product and willing to come again over there.

The concept of knowledge is not new and has been there for ages. There are various definitions of knowledge that exist. According to Wikipedia, The Free Encyclopedia (2008), knowledge is defined (Oxford English Dictionary) variously as:

- Expertise, and skills acquired by a person through experience or education; the theoretical or practical understanding of a subject;
- What is known in a particular field or in total; facts and information; or
- Awareness or familiarity gained by experience of a fact or situation.

The term knowledge is also used to mean the confident understanding of a subject with the ability to use it for a specific purpose if appropriate. According to Davenport et al. (1998) knowledge is information combined with experience, context, interpretation and reflection. Generally when some is transferred one party loses and other gains. But, knowledge being an intangible asset, it does not necessarily have to be given up by one party to be gained by the other (Deepak Chawla and Himanshu Joshi).

However, the Indian people in Kuching did not think the high education is very important in order to be success in their business. The important thing is that the experience that people gain and attitude. This attitude is the main factor that can make the business success and extending it into the other places. Yet, they can gain high income and become rich like the other people too in Kuching Sarawak. That is why most of them pretend to be working at private sector rather than the public sector. They will have double income rather than working as a government servant or with other people's company only.

2.2 Indian characteristics

- (1) Family and friends relationships are vital for success in Kuching. Indians take a good of care in handling their personal relationships. There will help each other among them self.
- (2) Most of Indians have a very open minded and sharing compare to Pakistan and others.
- (3) Indian like to speak directly if they think it is needed. They will also like to express and display emotions very publicly to people.
- (4) Chinese and Indians prefer a very formal communication style in public due to the hierarchal structure of their societies.
- (5) Indian, more so than Pakistan, considers trust very important in all their dealings.
- (6) Both Pakistan and Indian ethical systems involve respect of superiors, duty to family, loyalty to friends and sincerity and courtesy. Age brings increased respect and status. Indians

bow with folded hands in salutation and Pakistan lower their eyes and bow slightly when greeting.

(8) Indian women are expected to be and are very honest to share about themselves. Many do not shake hands even when offered.

(9) Pakistan and Indian businesses tend to be typically secretive centered on hierarchical relationships. Traditionally businesses have been family owned and tend to remain that way for several generations.

(10) Like Pakistan, Indians are not likely to say “no” very directly out of respect for the guest. Both also dislike confrontation.

2.3 Critical Success Factor Of Entrepreneur

Critical success factor

Company success is frequently conditional on the knowledge of entrepreneurs (Hambrick and Mason, 1984), which mainly depends on their education and past experience (Barker and Mueller, 2002; Hadjimanolis, 2000). Veblen (1904) emphasises the importance of knowledge in companies. Drucker (1959) defined knowledge as an important source for the company. Nonaka and Takeuchi (1995), in their theory on knowledge-based organisations, further emphasised the importance of knowledge. Their thesis is that knowledge represents one of the sources of sustainable competitive advantages and that knowledge is the basic foundation for economic performance. Research has shown that knowledge has become an important tool for strengthening an enterprise's competitive advantage (Hsu et al., 2007).

The alternatives to reward-equals competence as a reason for entrepreneurial success and offers a pragmatic programme for those who seek to start or acquire their own company, a programme that shifts the focus from the personality of the entrepreneur to the firm's underlying business concept and capacity to accumulate capital. On the other hand, the successful entrepreneurs started or acquired companies whose economic fundamentals were superior to the firms that failed to achieve significant success. While the entrepreneurs were obviously in a position. (Osborne, 1993).

Entrepreneurship is a powerful driver of economic growth and job creation. It creates new companies and jobs, opens up new markets, and nurtures new skills and capabilities. In the field of industry for instance, it is therefore particularly important to fast development of the six emerging growth sectors identified in the Commission's Industrial Policy update². (European Commission, 2013)

The recession cannot be the only reason; an unfriendly, uninspiring and unregulated business environment is a factor that potential future must take into account when deciding whether to set up a business or not. (Gomezelj. G., & et al, 2012)

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research design and mixed method, including sampling, population, establishing rigour during and after data collection, and data analysis.

3.2 Research design

Burns and Grove (2003:195) define a research design as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. Parahoo (1997:142) describes a research design as “a plan that describes how, when and where data are to be collected and analysed”. Polit et al (2001:167) define a research design as “the researcher’s overall for answering the research question or testing the research hypothesis”. This study focuses on the opinion of Indian entrepreneur about their success in handling their business. The research approach is non-experimental, qualitative, exploratory-descriptive and contextual.

3.3 Mixed Method – Exploratory Design

According to Polit et al (2001:19), explorative studies are undertaken when a new area is being investigated or when little is known about an area of interest. It is used to investigate the full nature of the phenomenon and other factors related to it. In this study, the opinions of nurses regarding pain in patients who suffer from dementia were explored using a focus group interview.

3.4 Qualitative Research

Burns and Grove (2003:19) describe a qualitative approach as “a systematic subjective approach used to describe life experiences and situations to give them meaning”. The qualitative research focuses on the critical success factor of Indian entrepreneur. Holloway and Wheeler (2002:30) refer to qualitative research as “a form of social enquiry that focuses on the way people interpret and make sense of their experience and the world in which they

live”. Researchers use the qualitative approach to explore the behaviour, perspectives, experiences and feelings of people and emphasise the understanding of these elements.

Inductive research relies on the use of qualitative data collection methods to gain an understanding of the factors and nature of the issues or research problem (Saunders et al., 2000). It is often referred to as “moving from the specific to the general” since it involves developing individual perceptions or observations into more generalised statements or theory (Hussey and Hussey, 1997, p. 13).

3.5 Quantitative data

Quantitative data are measurements which numbers are used to represent characteristic and it is more useful for testing. For this research, qualitative data attained will be gathered in redefining the quantitative data, therefore formalizing a more structured data. It is useful for exploring relationships since this study variables are based on refining or testing a developing theory.

3.6 Sample

Polit et al (2001:234) define a sample as “a proportion of a population”. The sample was chosen from Indian entrepreneur at Kuching Sarawak. A carefully selected sample can provide data representative of the population from which it is drawn.

STATE	TOTAL POPULATIONS, n	INDIAN	SOURCES
Sarawak (Kuching)	584,260	3,075	Mukim, Sarawak, 2010

State	Total Population	Male	Female
Sarawak	2,399,839	1,236,262	1,163,577

3.6.1 Sampling Method

Holloway and Wheeler (2002:128) assert that sample size does not influence the importance or quality of the study and note that there are no guidelines in determining sample size in qualitative research. Qualitative researchers do not normally know the number of people in the research beforehand; the sample may change in size and type during research. Sampling goes on until saturation has been achieved, namely no new information is generated (Holloway 1997:142).

The list was taken at Kuching. The researcher worked in conjunction with the management in choosing participants, based on their level of success factor.

There were 5 potential participants, of whom seven participated in the study. Some of the entrepreneurs were not available as they were off busy handling their business at the other brunch, off sick, on holiday, while others did not want to participate in the study.

3.6.2 Sampling Process

Burns and Grove (2003:31) refer to sampling as a process of selecting a group of people, events or behaviour with which to conduct a study. Polit et al (2001:234) confirm that in sampling a portion that represents the whole population is selected. Sampling is closely related to the findings. In this study the sampling was non-probable and purposive.

Purposive sampling was used in this study. It describes purposive sampling as “a method of sampling where the researcher deliberately chooses who to include in the study based on their ability to provide necessary data”. The rationale for choosing this approach was that the researcher was seeking knowledge about the entrepreneurs’ opinion of critical success factor who suffer from their business by virtue of their experience. In this study only entrepreneurs who were eligible were purposively chosen to participate in this study.

POPULATION SIZE, n	SAMPLE SIZE, n
3,075	5

Table 1.0

List of Indian and Pakistan entrepreneur informants

Race	Age	Academic Qualified	Year in business	Business location	Financial Support
<i>Indian</i>	30-70	Secondary school & IPTA student	30 years above	India Street	Own, Family, Friends and Loan
<i>Pakistan</i>	50 above	Secondary school	30 years above	India Street	Own, Family and Friends

3.7 Research Instrument

3.7.1. Expert Interviews

In order to align this study with the current pragmatic scenario and to evaluate the identified research issues, experts were interviewed and consulted before freezing the questionnaire and the research questions. (Chakra Banerjee & Rajnish Tiwari, 2010)

3.7.2 Interview Format

Based on the literature survey and the inputs received from the experts, a questionnaire was prepared to address the research issues. In order to make the questions and easy to interpret for the reader simple English sentences were used. The length of the questions was restricted in to 10 questions. It would take 30 until 45 minutes to answer the questions through this interview.

The questions had many sections. The first section was about the general information of the Sarawak subsidiary with a subsection for get answers from firms in Sarawak. The second section of the questions dealt with Market factors and asked questions specific to Sarawak market. The third section dealt with Human Resource factors, while the fourth was about asking questions regarding 'day to day' i.e. Operational factors. Section five was dedicated to asking questions regarding the customer's perspective about the firm. Section six dealt with Strategic issues while the seventh section focussed on challenges that the firm has overcome and also the ones that it was facing. Section eight was an additional space that was provided to all firms to cover specific issues that might not have been covered by these questions.

3.8 Data Collection

It is a research instrument is “a tool used to collect data. An instrument is a tool designed to measure knowledge attitude and skills.” Data were collected during the focus group discussion. Obtaining data from participants with different experience prevents information bias and thus increasing credibility regarding the information.

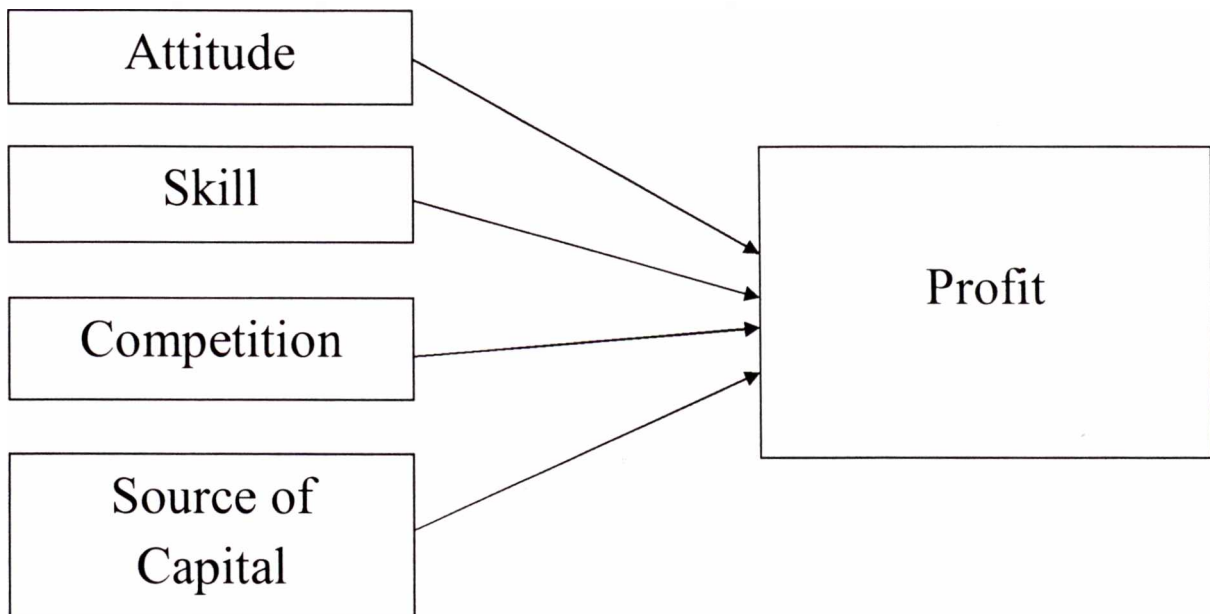
3.9 Data Analysis

In data analysis, discussion and descriptive methods of analysis were used. Tables and charts for displays were used as additional tools to summarize the data so that it is more understandable. Data analyze by open coding method as the initial phase of grounded theory analysis in which the respondents answering the interview questions assemble the loose array of concepts and categories labelled and sorted in open coding into coherent pattern. Interpreting and summarizing the information gathered was the subsequent step in the research in which recommendations and conclusions are made.

CHAPTER FOUR

4.0 RESULTS AND ANALYSIS

Entrepreneurial opportunities take on different forms and come into existence in different ways. In other words, developing an idea, assessing it for its attractiveness, using the most appropriate strategies in implementing it and in managing and growing it are core for successful entrepreneurship. However, it must also be understood that, that which may be perceived as an entrepreneurial opportunity will differ among individuals and that individuals also respond differently to entrepreneurial opportunities. In this regard, we make a brief distinction between four dimensions that are attitude, skill, completion and source of capital which it is very necessity driven the profit.



4.1 Critical Success Factor of Indian Entrepreneur

4.1.1 Attitude

“The shareholders bear the risks, but delegate nearly the whole of their functions, as owners of the business, to the directors and other employees. Some of the Indian business did not have an incentive to maximise profits: “they ran no risks for its failure, but they may gain a possible loss of capital entrepreneurs”.

To decide who had the right to retain profits, “the residue”, is linked to the understanding of the separation between property and control of the business. (Jesu’s M. Zaratiegui and Luis Arturo Rabade, 2005)

What motivates entrepreneurs to invest so much effort towards the long journey to success? (Doris Omerzel Gomezelj UP Faculty of Management Koper, Koper, Slovenia, and Irena Kusčce Koper, Slovenia, 2012). One consequence of this entrepreneurs is success that great enterprises are built *because* their entrepreneurs are great men. Rewards are equated with entrepreneurial competence.

Consider the following case of a 64-year-old owner of Nazimuddin Enterprise and one of the Indian entrepreneurs that do selling in various type of products in India Street Kuching. Nazimuddin is an indian success entrepreneur in Kuching. An accomplished working under people within more than 10 years which would make entrepreneur acted on his lifetime dream to build his own business. He sells the product from house to house by carry all things with his both hand and without any transportation. Then he begins to save money and open a small shop in order to gain high profit. After that, then he start to open the other shop at the other places

By all accounts, the new entrepreneur was supremely prepared for the task of leading the firm he now owned. His did not use any training included manufacturing, finance, marketing and sales. Everyone assumed this thoroughly competent executive would transform his new company's sluggish historical performance into a successful business. He actually manages this business by going sport check from one shop to another shop. He did not want any friends or other people to take a good of care in his business now.

After many years later, the business is getting growth and so profit as well. He had spent a lifetime preparing for running his own business for almost 39 years. He exercised all of his workers skills by giving some advice in how to attract customer and utilized the time with full of efficient and effectively. He invested heavily in using technology such as cctv in order to watch their workers that are far from him.

4.1.2 Skill

The skill is very important in order to be success in this business. According to Churchill and Lewis (1983, p. 34), at the initial start-up stage “the owner is still synonymous with the business”. Hence the performance and success of any new business venture is closely tied to the learning and knowledge of the entrepreneur. There are so many type of skill such as communication, technique and time management itself. Most of the entrepreneur will give a discount when the festival is nearer. This is because a lot of customers will come and buy in that time. Hence, they will get a higher profit. This profit can be a backup if they did not have any profit for the next month. Moreover, the product need to be update and various type which can attract customer to buy.

Question: When asked to comment on the specific skills and experience acquired, a number of entrepreneurs stressed the knowledge gained about international markets and business practice. According to one entrepreneur, it provided: “Understanding of business on an international scale, knowledge of different markets, the ability to deal with, as well as within large organisations”. (Helen McKeon, Kate Johnston and Colette Henry)

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4.1.3 Competition

Most entrepreneurs fail. Indeed 90 per cent of start-up businesses in the USA close their doors within ten years. Of those that survive, many are unable to achieve sustained growth and profits (Richard L. Osborne, 1993). However, the Indian entrepreneur in Kuching still can retain their business with more than 30 years. Faizal Ilahir, one of the son Indian entrepreneurs who are handling the family business. He told that the Indian business still can be there because of the muslim entrepreneur can be accountability and they are minority in Kuching.

The most successful innovations combine feasible technological bases, entrepreneurial skills, and knowledge of the needs and wants of the customers — the innovation triumvirate. Of these three criteria, by far the most important is the customer needs (Paul A. Herbig and Ralph L. Day).

What lessons can be learned from the experiences of the Indian companies? (Patricia Ordon˜ez de Pablos)

There are a few questions that need to be answered before deciding to embark upon the strategy to generate innovations that convert constraints into competitive advantage. Can these innovations be sustained? What if competitors come up with competing products that erode the advantages? What happens if some constraints cease to exist? (Shalabh Kumar Singh and Atanu Chaudhuri)

Competition should not be defined in traditional market structure terms but the emphasis should be shifted to the creation of differential advantage by individual firms in their pursuit of markets. Firms can rarely be sure what price is "right" or what product offering is "right". They must seek the answer in markets which are usually open to entry from competing suppliers. Alderson stresses that firms actively strive to secure a "unique niche" in the market in pursuit of profits. This competitive striving, however, is taking place, by definition *before* the unique niche is attained (W. Duncan Reekie and Ronald Savitt, 2007)

4.1.4 Source of Capital

Most of the Indian entrepreneur did not want to borrow money from the bank. This is because they did not want to get any risk and take high interest from the bank. Moreover, it is hard for them to borrow money from the bank if they still not being Malaysian nationality.

However, some of the Indian entrepreneur also making loan from the bank especially by his son who wants to establishes more on their business. They will use this money for buying many products at outside the country and more. *Business Success Through People* is a programmed, self assessment guide to the effective use of given resources, particularly of the human kind (Catherine Gee, 2007).

It seem reasonable then the entrepreneur will only take out the loan if expected profit (that is after weighing up the potential returns against potential losses while taking into account the likelihood of each) are not negative (Gwilym Pryce,2008).

For example, this Ilahi Trading at India Street Kuching who borrow RM30, 000 through Micro Finance at BSN year 2011. The company still can retrain in business even they are using loan from the bank. This is because they can get profit every month where they are able to get profit around RM50, 000 until RM60, 000 per year. To be more specific, they may gain RM4000 till RM5000 monthly.

QUESTION: What idiosyncratic features define the Indian intellectual capital report?
(Patricia Ordon˜ez de Pablos)

- identify key factors for business start-ups, personality factors (the founding reasons and personality traits) and environmental factors; and
- determine which of these factors affect and which are essential for the entrepreneur's performance(Doris Omerzel Gomezelj UP Faculty of Management Koper, Koper, Slovenia, and Irena Kusˆce Koper, Slovenia,2012)

Instead of that, Harada (2002) suggested that there was evidence an entrepreneur's previous experience in the industry, previous knowledge of the market and related business experience all have a positive effect on turnover. However, Watson et al. (1998) found that money was

not the main motivator, but that the satisfaction of owning a business and the desire to remain in control was found to be a major factor limiting growth. This is because the success of the Asian Business Sector suggests that it merits greater attention for banks and business support professionals. Finally, given the success of the Asian business community, even with a paucity of formal government support, it might be interesting to watch the growth of this sector should these support mechanisms become better matched to the Asian business community's needs and aspirations. (Spinder Dhaliwal and David Gray, 2010)

4.2 Major Challenge Encountered In the Growth Market

Customer

The value customers place on a firm's products or services determines the profits they will, over time, permit that business to sustain. Before entering a business, therefore, would-be entrepreneurs should understand how customers access product/service benefits and how they evaluate the economic contribution of such benefits (Richard L. Osborne, 1993). This determination of the firm's franchise in the marketplace need not be a complex, if they can handle it with a proper and systematic management.

- What are the customer's buying alternatives — benefits or geographical?
- What are the firm's competitive advantages — product characteristics versus quality and value, or service superiority?
- Why does the customer need the product or service? Solving the problem?

4.3 Strategy of Indian People

Lay out an India strategy

They will find any strategic place that could give them a profit if they create business over there. Some of the Indian people in Kuching also open the next next brunch at the same place as long as they can achieve their goal. Moreover, they are always update their product by going outside country in order to find a new material or resources for their product at Sarawak.

The strategy will vary depending on whether the constraint restricts the company or its consumers and whether the firm can get an edge over competitors through product or process improvement. For example, the cement industry has little opportunity to create differentiated product but can gain through improving processes. (Shalabh Kumar Singh and Atanu Chaudhuri).

Be Creative and Innovate to avoid company-binding constraints

Through process improvements by doing some construction or repair the facilities such as overcoming the problem of old building and asset. This is one of the way in order to attract more people to come here and being a competitive advantage too.

Develop new products collaboratively and promotion to avoid company-binding constraints

When a company faces constraints due to shortages of customer or complexity in operations and its competitive advantage. Therefore, the Indian people will find make sure that they will get triple profit during the festival like Hari Raya and more. Hence, they are able to cover the loss that they gain in the previous month.

Exploit constraints to create the better services

The companies can exploit to increase their services by creating new system such as punch card and using a cctv at their shop. Hence, the time management of the business operation would be very systematic. The shop can open on time and customer can received a better services too.

Exploit constraints to develop a good relationship among workers

When workers face problem, this Indian people are willing to help if they can make it. The more workers feeling appreciate, the high constraint will the company get where the workers would make a good job for them in order to get a high profit.

4.4 Success stories

1. India can generate more than 50 thousands profit per year in Kuching.

Ilahi Trading is the only one company in Kuching Sarawak. However it is still open until now. They start to open their business from the year 1935. They always update their product which provides customer wants and needs. They will make sure the product is in a good condition and quality before they sell it to the other customer. They can get the profit with more than 50 thousand per year.

2. Indian can get a recognition by TYT Sarawak

Mr.Nazimudin, the owner of Nazimudin Berhad who is using the technology such as cctv in all their shops outlet. This is to make sure that everybody is doing their job and no crime happen. There are also using the method of Just in Time. It indicates that he is doing something while people interview him. Hence, there is no waste time happen. According to the other entrepreneur: "The working experience that was acquired and important to the development of our business in order to be success". Deakins and Freel (1998), argue that entrepreneurs learn primarily by experience, and this can include learning from peers; feedback from customers and suppliers; trial and error, or explicit problem solving and discovery.

Addition, Mr.Nazimuddin can get Anugerah Bintang Sarawak From TYT on December 2013. This is one of the recognition from Sarawak to him. He is very happy and recognition with all what he did in this business.

3. Can still retrain the business for more than 60 years while they do not have anything losses since from the start-up business.

Jubilee Restaurant is one of the companies that belong to the Indian entrepreneur. They can still retrain the business with more than 60 years. They start the business since 1953. They did not use any type of loan. They are starting with a small business, and then they continue with open the other brunches at Kuching also. When the profit is high and they are stable, therefore they build the small factory in order to make Roti Canai. With this factory, they are able to generate other side income by supplying the Roti Canai at schools and the other shops too. They did not get any loss since they start open the business. This is because of they take a good of care about the quality of the quality on their foods and drinks. They want their customer feeling satisfy and willing to come again.

CHAPTER FIVE

5.0 CONCLUSION

Driving growth in Sarawak requires a unique strategy. With aging populations and much type of cultures in this developed country, the future growth markets are likely difficult in order to adapt the customer satisfaction which can fulfil their wants and needs. Tapping into this growth potential will require rethinking global strategy in terms of the unique opportunities that these countries offer. There is likely to be a first-mover advantage for companies that are able to tackle these challenges. This can help create a business with sustained returns over a long period of time.

A proper strategy needs a deep understanding of the constraints that apply in developing, producing, and distributing products. The strategy will vary with whether the constraint binds the company or the customer. The innovation designed to overcome these constraints can be in products or processes or both. The unique Indian context opens up opportunities for new product and process innovations looking through the lens of constraints. (Shalabh Kumar Singh and Atanu Chaudhuri)

Why company fail is a question that occupies the talented minds of many academics and business people, and there are complex theories and tests which can go some way to explain why something seemingly good turns bad, why black turns out to be red, why profit was loss and why apparent success was the route to failure.

It is relatively easy to understand why a company or corporation fails people entrusted to run it honestly and effectively are dishonestly creaming of money for them self of their families. That is why most of the Indian entrepreneur will use their sibling or son and daughter to run their business rather than employ the other people to make it.

When big companies, with big expensive images, the owner would guide and give advice to the next generation who will handling the business where they need to take a good care the name of company. Don't try to make the name become worst and this might make they will gain loss and withdraw from the market. The Indian entrepreneur will take a good of care their company's name in order to retain the business in the growth market and development country like Kuching Sarawak.

5.1 RECOMMENDATION

Adjustments that Indian businesses need to make in Kuching

(1) Indians have a tendency to exaggerate their claims. Typical statements such as “No problem” or “Acha, ho jayega” (yes, it can be done) may result in loss of trust and damage relationships. “Indians think they are the greatest but do nothing about it.

(2) Indians can be poor listeners as being very vocal has been a national trait, especially when attempting to show superior knowledge or in expressing personal opinions. As the saying goes “God gave us one mouth and two ears so that we may listen twice as much as we speak!” adhering to this adage would serve Indians well.

(3) Indians need to “read between the lines” when communicating with the people. “Don’t listen to what you are told, but listen to the gaps in between, to what you are not told” (Zinzius, 2004).

(4) Indians as a clan are given to washing their dirty linen in public (Iyengar, 2005). The relationship one develops represents the entire family, company or organization.

(5) Indian value trust and the keeping of promises made. It will do the Indian businesses good to bear this in mind and act on it constantly.

(6) Indians should use their traditional patience (though now a much eroded value) in negotiating with the people who have along tradition of patience.

(7) Indians have a built-in capability to apologize for any discrepancy. An apology is not an admission of guilt; it indicates that you recognize that the situation makes you as well as others uncomfortable” (Alson and He, 1997).

(8) Other people values are based on human feelings and not on religion (Kenna, and Lacy 1996). They have less restriction about eating and drinking than Indians. This is an adjustment Indian vegetarians’ and purists need to make.

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APPENDIX

INTERVIEW GUIDE

1. Respondent Background and How They Build The Business

Can you tell me about your background and how you start-up this business?

- (a) What is your name?
- (b) How old are you?
- (c) Are you married?
- (d) Do you have any training? Do you get this knowledge about business from your study? If it is then may i know your qualification.
- (e) How do you start-up this business? How many years already you enter in this business?
- (f) Where do you get the capital in order to run this business?
- (g) Do you borrow any money from the bank, siblings, friends and others?

2. Entrepreneur's Motivation in order to retain the business and success

- (a) What factor that motivate you to be an entrepreneur?
- (b) What are your vision, mission and objective in this business?
- (c) Where and how do you get the source of capital?

3. Critical Success Factor

- (a) Do you have any critical problem before you success in this business?
- (b) Can you tell us the story of your problem and what are the tips that make you become success?

4. Strategy

- (a) Do you have any problem in handling this business? If you do have it then what is your strategy to solve the problem?
- (b) What are the strategies that make you can retain the business for more than 30 years?

5. Opinion or any suggestion

Do you have any opinion and suggestion any about this Indian entrepreneur?