

UNIVERSITI TEKNOLOGI MARA

**FACTORS CONTRIBUTING TO THE
INCUBATION PERFORMANCE OF
MALAYSIAN TECHNOLOGY
INCUBATORS**

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ABSTRACT

While numerous empirical studies have been conducted in Western countries on technology incubation, little empirical research has been done in Malaysia especially in respect to the relationship between factors contributing to the incubation performance of Malaysian technology incubators. This study is sought to discover factors contributing to the incubation performance of Malaysian technology incubators. Using the grounded theory approach, this qualitative research managed to develop a conceptual framework that gave valuable information on factors contributing to the incubation performance. In this research, six (6) semi-structured interviews were conducted with incubator managers of Malaysian technology incubators. As a results, findings from semi-structured interviews and with supports from a critical literature review are merged to form a foundation for the development of framework in this research. Results indicated that there are five factors contributing to the incubation performance of Malaysian technology incubators which are incubator management team, services, incubatees' selection, funding and networking. This research contributes not only to expanding the knowledge in the concept of incubator- incubation in Malaysia but also study provided a basis towards immediate and effective implementation policy to create an improved incubation model through framework developed.

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CHAPTER ONE

INTRODUCTION

1.1 Research Background

There are several roles of business incubators have been discussed worldwide. Large majority of business incubators are setup to enable organizations and academic institutions to transfer technologies to the end-user and to promote local and regional growth (National Entrepreneurship Network, 2013). One of the most commonly mentioned roles in incubator's literature is the business incubator is an effective job creator as it provides new employment opportunities at both incubator and incubatee's firm (Bruneel, Ratinho, Clarysse, and Groen, 2012; Peter, Rice and Sundarajan, 2004). Besides, business incubator enabling the development of SMEs (Mbogo, 2011; Jusoh, 2006) and technology transfer and commercialization of research (Seno Wulung, Takahashi, and Morikawa, 2018; M'Chirgui, Lamine, Mian, and Fayolle, 2018; Phillips, 2002).

Business incubators offer a good platform as incubators offer with an array of targeted resources and services that related as a support to the incubatees (Malaysian Standards, 2018). Through business incubators, these infant-stage companies are given a business support process. It is proven that incubators are able to provide improved and tailored business assistance to the incubatees (Khalid, 2012). In reality, during the period of the development of their business, these companies face many unavoidable obstacles and challenges. Based on researches worldwide, it is a known and agreeable fact that business incubator program increases the likelihood of longer terms in the business field by 87% by the incubatees if compared to business persons who never joined any related program (Said, Khairul, Abdullah, Hänninen and Walsh, 2012). It is also supported by a study done by Moraru and Rusei (2012). They claimed that 80% of incubatees have survived and increased the period of survival in Brazil and reaching 90% in Germany (Moraru and Rusei, 2012).

Therefore most infant-stage companies take this advantage to access supportive services such as facilities, technical, business as well as privileged link to universities and research centres (Moraru and Rusei, 2012; Thebtaranonth and Hirunpruk, 2007;