

UNIVERSITI TEKNOLOGI MARA

**THE INDIGENOUS
ENTREPRENEURS AND THEIR
INTENTION OF MAKING WAY
INTO MAINSTREAM BUSINESSES
IN MALAYSIA**

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ABSTRACT

Tourism has long been promoted to Malaysia Indigenous peoples as a trail to development of economic and community. Nevertheless, it will improve the quality of life for Indigenous peoples. Additionally, role of indigenous peoples within tourism, their nature wealth as tourism commodities, and the issues of authorization as one of the growth topics within tourism research. Entrepreneurial benefits to Indigenous people that may extend from economic profits for the individual to multiple social and economic advantages for entire communities. In this study, an Indigenous person is regarded as an individual who is an original owner of a country's resources or a descendent of such a person, and the individual regards himself or herself as Indigenous and the Indigenous community. Essentially the need of the involvements of participation of indigenous people into indigenous tourism is the vital parts. The importance of indigenous tourism is for their future to preserving their cultures for next generation and the continuation of their tradition. Looking at the benefit and contribution of it toward country economy the government has made continuous efforts in stimulating the Malaysian small businesses and entrepreneurs to involve in the various sectors including tourism through different channels. In this context, besides other major ethnics, the development of Orang Asli as one of the important indigenous groups in this country has also been given special attention to their social and economic needs. This study thus empirically measures the extent to which the role of Orang Asli entrepreneurial characteristics, namely socio-culture, skills and knowledge, personality traits, sense of community, social capital and government support toward their intention of making way into mainstream businesses. Those attributes (socio-culture, skills and knowledge, personality traits and sense of community are predicted to somewhat influence the Orang Asli entrepreneurial intent toward mainstream businesses. In addition, social capital and government support are also presumed to have the moderating effect of the Orang Asli entrepreneurial intent toward mainstream businesses. This study is structured through a self-administered survey and interview with the Orang Asli entrepreneurs are identified directly involved in tourism related businesses such as retailing, transportation and handicrafts either as an individual, partnership or through association located nine states in Peninsular Malaysia namely were chosen for data collection. With 250 respondents, the data was analyzed by a process of multivariate analysis using structural equation modeling (SEM) via AMOS (Analysis of Moment Structures). An exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were executed to validate the scales. Four main dimensions of the overall measurement model were produced and tested in agreement with a rigorous refinement process for the models. The results of the structural modeling provide evidence that there is a linkage entrepreneurship characteristic and mainstream business intention. It is interesting to note that adaptation of social capital and government support mediates the relationship between entrepreneurial characteristics and the mainstream business intention. Through these findings, it can be deduced entrepreneurial characteristic through it dimensions influence the adaptation mediating effects and creates mainstream business intention.

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CHAPTER ONE

INTRODUCTION

1.1 PREAMBLE

This chapter sets forth the basis and foundation of the study. It commences with the discussion of the background of the study, which emphasizes entrepreneurs as part of business mechanism and relate it to the Malaysia Orang Asli entrepreneurs as a central focus of the study. The problem statement or the issues pertaining to as to why the Orang Asli entrepreneurs are less able to reach into a mainstream business level is highlighted. The purpose, the research objectives, the research questions, the framework and the hypotheses of the study are discussed in the subsequent section. As the significance of the study from academic and practical perspectives is considered relevant and the common practice in any empirical research, it is also therefore described. The definition of key terms that are specifically used throughout this thesis, the scope of the study and the structure of the research are finally highlighted.

1.2 BACKGROUND OF THE STUDY

It is undeniable that entrepreneurial is part of business mechanism that involved millions of people socially and economically (Fielden & Davidson, 2010). This business mechanism is ranging from narrow meanings that denote a process of starting one's own business to broader conceptualizations relating to work attitude that emphasizes oneself-reliance, initiative, innovativeness and risk-taking pertaining to its own businesses. Scholars unanimously agreed that entrepreneurship not only uplifting the self-economy, financial stability, creating a new businesses and job opportunity, but crucially important in contributing to industry and one nation wealth. For a nation to attain entrepreneurship, some essential requirement that comprises the availability of business opportunities and infrastructural facilities, effective policy