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Che Mohd Zulkifli bin Che Omar, Anas Tajuddin

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Malaysian One District One Industry (ODOI): The Awareness Acculturation

Che Mohd Zulkifli bin Che Omar

Faculty of Management and Economics Sultan Idris Education University 35900 Tanjong Malim,
Perak, Malaysia

Email: mohd.zulkifli@fpe.upsi.edu.my

Anas Tajuddin

Faculty of Management Islamic College Darul Ridzuan, 3300 Kuala Kangsar, Perak, Malaysia

Abstract

The study found the entrepreneurial awareness is the best factor in order to empower the entrepreneurial acculturation among Malaysia ODOI entrepreneurs. Therefore, in Malaysia cases it is necessary to emphasize the entrepreneurship awareness in order to empowering and support the ODOI's objectives, particularly to increase the competitiveness.

Keywords: One District One Industry (ODOI), Entrepreneurship Awareness, Entrepreneur Acculturation

Introduction

Being employed may be a more attractive option to many, especially in countries where employment opportunities are readily available and entrepreneurial activities are generally not very rewarding. But in other cases especially those in poor countries, being involved in entrepreneurial activity is a necessity due to no other option for earning a living and there is no comparative assessment to be made. In Malaysia case, generally the government policies and government support factors play a critical role in contributing and increasing entrepreneurship within the nation. Hence, successful entrepreneurs in Malaysia are accorded a high status but it may be that their perception or actual skills, knowledge and entrepreneurial awareness may be lacking and this impact upon their attitude towards entrepreneurship.

Literature Review

Entrepreneurial culture is connected very closely on economic development. Among the earliest person introducing the importance of an entrepreneurial culture in economic development in the West around 1961 era is a McClelland. There is similar study conducted by Beugelsdijk & Smeets (2008) and proved that economic development may influenced by entrepreneurial culture.

Therefore, Aviram (2010) suggest the elements of sensitivity and awareness should be combining in order to increase the entrepreneurship effectiveness.

In Malaysia cases, an individual attitude against the tendency to start up and running their own business are different according to ethnics. It is usual in the Chinese and Indian Muslims to inherit a business to their children but, this situation not occur in indigenous communities. An indigenous community is more interested to work for earners in the public sector or private sectors (Norfaizah, et. al., 2008). Shukor Omor (2006) stated that more than 50% of factory workers is composed of Bumiputera's communities. In other word, there is still less native awareness towards important entrepreneurial activity in economic development and more convenient to work under someone else in order to find revenue sources.

According to Malaysia Statistical Report (2009), the percentage of participation of Malaysia citizens especially among native nation is still quite small. Until 2008, just about 26 percent of the total working population was involved in entrepreneurial. With small percentage, it describes there is still a lack of interest to participate in the entrepreneurial and tend to work in government or private sector. Amir (2010) noted that Malaysia education were fail to catalyze for native involved in entrepreneurial activities consistently but has smooth to work in white or blue collar culture.

Methodology of Research

Survey Instrument and Reliability

The questionnaires have been used to collect the data. The survey consisted five sections: demography and business profile, entrepreneurial awareness, mastery of entrepreneurial, training and entrepreneurial education and entrepreneurs characteristics. A four–point Likert scale ranging from 1=strongly disagree to 4=strongly agree was used to measure the extent to which respondents agree to disagree to each of the statement. In this research, entrepreneurial awareness refers to the degree of alertness and attitude to business opportunities. It also takes into account the alertness in terms of entrepreneurs mind setting to entrepreneurial interest in economic development. In section 2, mastery of entrepreneurial refer to the ODOI's entrepreneurs ability managing in terms of human resource, finance, operation, expanding the networking and Information Technology (IT). Next section is focused on to any kind of acquired education and entrepreneurial training during participate the ODOI programme. In this study, the entrepreneurial characteristics are referring to individual characteristics and entrepreneur's attitude in order to success in business.

Data Collection

Sample respondent in this study were entrepreneurs who were registered with ODOI program under the Ministry International Trade and Industry (MITI) and has been listed to participate the annual ODOI showcase 2010. 320 entrepreneurs involved in ODOI's all over Malaysia were listed in these showcase and out of this total, 128 entrepreneurs were sampled at systematic random representing about one-third of the population. To test the suitability of the questionnaires, a pilot survey on 30 respondents were carried by entrepreneurs that participated the annual ODOI showcase on 2009. A total of 115 questionnaires were completed and used for analysis.

Data Analysis

The quantitative approaches were used and all the data were analyzed by Statistical Package for Social Science (SPSS) 17.0 version. Descriptive analysis was used to summaries the profile of the demographics and business information. Pearson Correlation has been used in order to test the relationship between all independent variable to entrepreneurial acculturation. In multiple regressions two or more independent variables are applied to identify the best dependent variable predicted. Therefore, in this study the independent variables are entrepreneurial awareness, mastery of entrepreneurial, training and entrepreneurial education and entrepreneurs characteristics and entrepreneurial acculturation is a dependent variable.

Research Findings

Respondent Demographics and Business Information

Based on the descriptive findings (71.3%) of the respondents are of the Malay Community which is the huge population mainly in Peninsular of Malaysia. Whereas, (28.7%) of respondents are ethnics representative for Sabah and Sarawak involve ethnics of Kadazan/Dusun, Iban and others (Brunei, Bajau, Visaya, Rungus and Sungei). It was interesting that (59.1%) of ODOI's entrepreneurs is women and (40.9%) were males. Most of the entrepreneurs were married (75.7 per cent) and (38.3%) of them are between 41-50 years old.

In terms of education, a large proportion of the respondents had secondary education (52.1%), about (31.3%) obtained tertiary education including SPM, STPM, Diploma and first degree. A small percentage (5.2) of respondents has attended primary school. Even though the respondents in general, were not highly educated but, they are excellent in terms of experience. Most of them (74%) were running their own business even before participate ODOI programme. In addition, (66.1%) of the family members are involved in business a something good platform to learn and share valuable tool in business.

Almost (36.5%) of the respondent is involved in food and beverage sector followed by handicraft production (17.4%). Heavy concentration of small business in food making is consistent with the Global Entrepreneurship Monitor report GEM 2009 (Xavier, 2009) because it is much easier to start off compared to another industries due high.

Table 1. Respondent Demographics and Business Information

Variable	Frequency	Per cent (%)
Sex		
Male	47	40.9
Female	68	59.1
Ethnics		
Malay	82	71.3
Kadazan/Dusun	10	8.7
Iban	4	3.5
Others	19	16.5
Variable	Frequency	Per cent (%)

age (years)		
21-30	16	13.9
31-40	31	27.0
41-50	44	38.3
51-60	21	18.3
61 and above	3	2.6
Marital Status		
Marriage	87	75.7
Single	21	18.3
Widow	5	4.3
Widower	2	1.7
Education		
No education	7	6.1
UPSR	6	5.2
PMR/SRP/LCE	13	11.3
SPM/MCE	38	33.0
STPM/HCE	9	7.8
DIPLOMA	21	18.3
Degree holder	15	13.0
Others	6	5.2
Career before participate ODOI		
Unemployed	11	9.6
Housewife	15	13.0
Government servant	15	13.0
Private sector	38	33.0
Self-employed	10	8.7
Entrepreneur	26	22.6
Business sectors		
Handicraft	20	17.4
Textile	4	3.5
Homestay/tourism	6	5.2
Agriculture	8	7.0
Cosmetic/beauty	3	2.6
Herb/healthy	6	5.2
Food/beverage	42	36.5
services	1	.9
Others	25	21.7

Variable	Frequency	Per cent (%)
Acceptance of courses and training		
Yes	96	83.5
No	19	16.5
Business ownership before joining ODOI programme		
Yes	86	74.8
No	29	25.2
Involvement family members in business		
Yes	76	66.1
No	39	33.9

Hypothesis Testing

H01: There is no significant relationship between entrepreneurial awareness and entrepreneurial acculturation among ODOI's entrepreneurs.

The analysis employed the Pearson Correlation method, and revealed that there is moderate significant and positive relationship between entrepreneurial awareness and entrepreneurial acculturation among ODOI's entrepreneurs with a correlation coefficient (r) of 0.491 which was significant at the 0.05 level (p =0.000). Hence, the Ho1 was rejected.

Ho2: There is no significant relationship between mastery of entrepreneurial and entrepreneurial acculturation among ODOI's entrepreneurs.

The Pearson Correlation analysis for Ho2 found that the correlation coefficient (r) was 0.429 and was significant at 0.05 (p = 0.000). The analysis revealed that there was a positive and moderate significant relationship between mastery of entrepreneurial and entrepreneurial acculturation among ODOI's entrepreneurs. Therefore, the Ho2 was rejected.

Ho3: There is no significant relationship between education & training and entrepreneurial acculturation among ODOI's entrepreneurs.

The Pearson Correlation method analysis yielded a positive and moderate significant relationship between education & training and entrepreneurial acculturation among ODOI's entrepreneurs with an r value of 0.360 and was significant at the 0.05 level (p =0.000). Hence, the Ho3 was rejected

Ho4: There is no significant relationship between entrepreneur's characteristics and entrepreneurial acculturation among ODOI's entrepreneurs.

The Pearson Correlation analysis for Ho4 found that the correlation coefficient (r) was 0.424 and was significant at 0.05 (p = 0.000). The analysis revealed that there was a positive and moderate significant relationship between entrepreneur's characteristics and entrepreneurial acculturation among ODOI's entrepreneurs. Therefore, the Ho4 was rejected.

Table 2. Pearson Correlation Result for Relationship between Entrepreneurial Acculturation with Entrepreneurial Awareness, Mastery of Entrepreneurial, Education & Training and Entrepreneurs characteristics

Variables	Entrepreneurial Acculturation		
	Correlation (<i>r</i>)	Sig. <i>t</i>	<i>p</i>
Entrepreneurial Awareness	0.491	0.000	0.05
Mastery of entrepreneurial	0.429	0.000	0.05
Education & Training	0.360	0.000	0.05
Entrepreneurs characteristics	0.424	0.000	0.05

(n=115)

Ho5: entrepreneurial awareness, mastery of entrepreneurial, training and entrepreneurial education and entrepreneurs characteristics are not significant contributor to entrepreneurial acculturation among Malaysian ODOI's entrepreneurs.

The multiple regression analysis using the stepwise method was used in order to test the Ho5. Based on Table 3, the regression analysis yielded a multiple correlation coefficient (*R*) of 0.52. Taking the regression results as whole, it was found that only entrepreneurial awareness and entrepreneurs characteristic variable are contribute to entrepreneurial acculturation among Malaysia ODOI's entrepreneurs. According to the result, an entrepreneurial awareness is the best predict variable in order to empower the entrepreneurial acculturation among Malaysia ODOI entrepreneurs. The combination of both variables has contributed of 0.27%.

As shown in Table 3, the variables entrepreneurial awareness [*F* (35.83, $p \leq 0.05$)] was able to contribute to 23.4% of the variance in explaining entrepreneurial acculturation. Thus, the variable of loneliness was the most significant contributor on entrepreneurial acculturation among Malaysia ODOI entrepreneurs (Beta = 0.49, $p \leq 0.05$). Besides that, the combination between the variables of entrepreneurial awareness and entrepreneurs characteristics (Beta = 0.21, $p \leq 0.05$) were able to increase the contribution into 3.0% of the variance in entrepreneurial acculturation among Malaysia ODOI entrepreneurs [*F* (1, 114) = 20.85, $p \leq 0.05$]. The multiple regression analysis revealed that there were two predictors that are able to contribute to empower the entrepreneurial acculturation among Malaysia ODOI entrepreneurs.

Table 3. Multiple Regressions Result of entrepreneurial acculturation among Malaysia ODOI's entrepreneurs

Variable (X)	R	R ²	F	Beta (β)	Sig
Entrepreneurial awareness	0.49	0.24	35.830	0.49	0.000
Entrepreneurs characteristics	0.52	0.27	20.850	0.21	0.000

Conclusions

There are significant relationships between entrepreneurial awareness, mastery of entrepreneurial, education & entrepreneurial training and entrepreneur's characteristics to entrepreneurial. The study found the entrepreneurial awareness is the best factor in order to empower the entrepreneurial acculturation among Malaysia ODOI entrepreneurs. According to Ellis (2008), awareness in entrepreneurship has positive influence to entrepreneurial acculturation. Therefore, for Malaysian, it is necessary to emphasize the entrepreneurship awareness in order to empowering and support the ODOI's objectives, particularly to increase the competitiveness.

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