

Entrepreneurial orientation of Malaysian Bumiputera small and medium-sized manufacturing enterprises (SMMEs): some preliminary findings

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Principal Topic

This paper highlights the concept of double embeddedness in which the gamut of firm-level entrepreneurship studies in the developing economies can be analysed through the synergy between the role of states in fostering industrial transformation to the spawning-off entrepreneurial activities and subsequently, the growth of resilient local small and medium-sized manufacturing enterprises (SMMEs). In this context - Malaysia which is the setting of this study was often portrayed as a leading model among the developing economies since the state actively intervened to diversifying its industrial base along side the policy of addressing the inter-ethnic economic disparities by cultivating the indigenous population (Bumiputera) as manufactures. Hence, this paper addresses a holistic view of the Bumiputera manufacturing firms' proclivity towards entrepreneurial orientation in this distinctive framework that demonstrated a strong government patronage and firm linkages initiatives. The constructs involved include entrepreneurial orientation, firm structural organicity, environmental context, extensiveness and utilization of firm linkages usage, firm absorptive capacity as well as firm performance.

Methodology/Key Propositions

The first section of the paper discussed the industrialization transformation phases that took place in this developing economy since the state inception in 1957 alongside the two-pronged approach which it's employed to eradicate poverty irrespective of race and elimination of race identification with economic function. This two-pronged approach brought upon the policy of promoting the involvement of indigenous (Bumiputera) community in local manufacturing sectors.

The second section will address the formulation of a series of hypotheses which covers a range of constructs. It will address the association of entrepreneurial orientation proclivity of the Bumiputera manufacturing firms and a series of constructs that formed the entrepreneurial mechanism in this developing economy. This section will further describe the framework of Bumiputera manufacturing enterprises against the linkages initiatives and its stimuli which defining this firms' entrepreneurial orientation outlook.

The next section of the paper is to demonstrate diagrammatically of how these various construct were linked. This will be followed by a series of discussion of the constructs involved: how a firm's entrepreneurial orientation relate to its linkages usage and utilization and the firms capacity to absorb the values of the linkages to sustain its entrepreneurial orientation position and growth.

The final section of this paper is an analysis of follow-up case studies that illustrates some of the processes of entrepreneurial activities which extend and refined the empirical finding that emerged from the first part of the empirical study. The outcomes of these follow-up case studies discussed in greater details of the entrepreneurial activities that sustain the firms' entrepreneurial outlook in this distinctive framework.

Results and Implications

The main premise of this paper is to study the firm-level entrepreneurship under the context of dual or mixed embeddedness in which it was theorized that both of the firms external and internal factors should be considered before a corporate entrepreneurship model could be articulated. This research setting which took place in a

developing economy amid a flourish entrepreneurship progress was a unique example since the state observes the policies of preferential treatment to its indigenous (Bumiputera) community and promotion of 'guided entrepreneurship' policies alongside the practices of open and free market.

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