THE INFLUENCE OF ENTREPRENEURSHIP PROGRAM CONTENT ON THE BUSINESS VIABILITY OF YOUTH ENTREPRENEURS

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ABSTRACT

Entrepreneurship has been recognized as a pillar to the development of a country. In this context, the government plays an important role in the provision of space and opportunities to entrepreneurs through the entrepreneur development agenda. Undoubtedly, every development agenda requires allocation to ensure that every development has a positive impact on the target group, especially for Bumiputera youths. Therefore, this study aims to identify the influence of entrepreneurship program content on the business viability of youth entrepreneurs. Using quantitative methods (questionnaires), a total of 387 TUBE entrepreneurs were made as respondents. The results show that the level of effectiveness of the entrepreneurship program towards the viability of the business is at a low level. The regression analysis found that 23 factors influence the content of the entrepreneurship program on the business viability of the youth entrepreneurs. Therefore, improvement is an important element that needs to be focused on in the process of further strengthening the TUBE entrepreneurship program. In this study, improvement should be seen from two perspectives, namely entrepreneurs and the organizers, namely the government represented by the Ministry of Entrepreneur Development and Cooperatives (KPUK).

KEY WORDS: entrepreneurship, business viability, TUBE, youth, program content

1.0 INTRODUCTION

Entrepreneurship has been recognized as a pillar to the development of a country (Afolabi, 2015). In this context, the government plays an important role in providing space and opportunities to entrepreneurs through the entrepreneur development agenda. Undoubtedly, every development agenda requires allocation to ensure that every development has a positive impact on the target group, especially for Bumiputera youths. The reduction in allocation or funds to the Ministry of Entrepreneur Development (KPU) was found to have an impact mainly on entrepreneurship programs. The allocation for 2019 was found to be reduced by RM57 million, from RM636 million for 2018 to RM579 for 2019 (Ministry of Finance, 2019). This can be seen through previous studies that found that the entrepreneurship program conducted does not have an impact on entrepreneurs to ensure the viability of the business conducted. Most past studies have also not focused comprehensively in identifying entrepreneurial-related issues. Past studies have been found to focus only on certain perspectives such as the content of entrepreneurship programs (Norsela & Nurul Ilyana, 2016; Suhaila, Suhailiy & Muhammad Firdaus, 2014; Muhammad Rashid & Mohd Dzulfadli, 2010; Azmanirah, Ahmad Esa & Wan Mohd Rashid, 2010; Cheng, Chan & Amir, 2009), personality (Osbuchonka, Moeller & Goethner, 2019; Cardon & Kirk, 2015; Balloon, Lecoq, & Rimé, 2013) and business viability (Irastorzan & Peña-Legazkue, 2018; Rise, 2015; Parker, Congregado & Golpe, 2012; Fritsch, Brisy & Falck, 2006). Due to that, this study tries to focus more comprehensively that is through the perspective of entrepreneurship programs participated by entrepreneurs.

2.0 LITERATURE REVIEW

Survival or business viability is very important to be emphasized by entrepreneurs to assess the level of success of their business. By looking at some important elements that have been identified to be evaluated, it will determine the success of a business developed by the entrepreneur is successful or otherwise. It is quite difficult to measure business success, it can be seen from many different angles, as stated by (Praag, 2003). Having viewed from various angles and interests, several important things will be evaluated to measure the business viability of youth entrepreneurs in Malaysia,
namely business ownership, increased income and increased revenue and products of their business. There have been several reports in the major media on the impact of the Covid-19 and PKP crisis on economic sectors, especially the agricultural sector. Farmers, for example, are cut off from daily incomes as a result of the distribution chain being affected due to the closure of support sector operations, the absence of workers, and declining cash reserves (Dzulkifli, 2020; Aling, 2020).

Some entrepreneurs are beginning to take alternative approaches in business operations to ensure income sustainability. Among them, shifting to online sales through social media and mobile applications, such as Facebook and Whatsapp, running private delivery (private runner), as well as saving operating costs through downsizing the business scale (Halim, 2020). However, for micro - farmers or smallholders in rural areas, the constraints of existing infrastructure support limit business operations throughout the PKP. To ensure business viability, distribution chain support should be seen as the main thing to be given attention (Nurdin, Chan, Selvadurai & Suraia, 2020). Programs are part of the form in public policy, programs are implemented to support policies implemented by the government, and programs are more specific in nature and contain ways of how a policy objective is to be achieved. The entrepreneurship program implemented by the government is aimed at ensuring that the entrepreneurship policy implemented by the government achieves the goals of the policy.

Rahmah (2006) found that competitiveness factors can be a determinant to the progress of Bumiputera entrepreneurs in the face of a highly competitive global business environment. His research showed Malay Bumiputera entrepreneurs in particular are less able to be competitive due to failure to meet the requirements of the financial aspects, human capital, low technology level and poor access to marketing companies who ultimately resulting in poor performance. Furthermore, Saad, Ghani and Ahmad (2014) found that the relationship of strategic business plans to the success of SME business in Malaysia is very significant positive. In addition, Zainol, Osman, Zakaria, and Samsudin (2015), identify the tendencies and efforts made by high-performing Bumiputera entrepreneurs to expand the business wing. Survey data collected from 250 high -performing Bumiputera entrepreneurs show that high -performing Bumiputera entrepreneurs have a high level of inclination to plan various approaches in growing their business, especially involving the empowerment of technology.

Another effort, by Koe, Omar, & Sa’ari (2015) found that positive attitude and perception factors play a role as promoters of entrepreneurial practices among the respondents involved. In the meantime, a study by Ayob, Daud, & Ismail (2016) on human capital development factors and competitiveness of Malaysian women entrepreneurs found that the results of factor analysis found four main factors that form human resources in women entrepreneurs, namely education and training factors; business experience, social support and creativity, while for the aspect of competitiveness, there are three main factors namely financial assistance, business commitment, infrastructure and infrastructure.

Highlights of the literature shows that Bumiputera entrepreneurs, especially the Malays are still failing to meet the drivers that determine the competitiveness and development of the business such as human capital development, access to marketing, application of technology and innovation, access to financial resources and infrastructure. As such, Bumiputera entrepreneurs are still unable to run away from facing the problem of equipping these drivers to ensure businesses are able to be competitive (Kim, Robert, Khong & Boon, 2020).

Based on all these factors, the analysis of the study found that the most dominant factor in influencing the success of Bumiputera entrepreneurs in Terengganu is human capital development factors that include education and training for employees, financial access involves loan assistance from formal financial institutions such as banks and agencies , marketing access involves support in expanding business wings both domestically and abroad followed by other factors such as the level of modern technology and the ability to innovate among employees as well as infrastructure assistance involving infrastructure such as transportation, communications and logistics (Rossidi, 2018).

3.0 METHODOLOGY

A sample is a portion of a set of respondents selected from a larger population for the purpose of the study. While the sample is a subset of the population selected for study. Therefore, the population for this study is entrepreneurs consisting of youths. While the unit of analysis for this study is the youth entrepreneurs involved in the Tunas Usahawan Belia Bumiputera (TUBE) entrepreneurship program.

The total number of youth entrepreneurs involved in the TUBE entrepreneurship program is 4,380 people. To save time, this study uses the determination of sample size as proposed by Krejcie and Morgan (1970) by using a simple random sampling method. Where questionnaires were distributed using the target group method. Where, the list of participants is obtained from the data of participants of entrepreneurship development programs. Respondents were selected based on the age classification of entrepreneurs as stated by Chigunta (2002) and Oseifuah (2010). Thus, the total number proposed by Krejcie and Morgan (1970) for this study was 387 people.
The regression analysis used in this study was linear regression analysis. Linear regression analysis was used to identify the factors influencing the dependent variables. The dependent variable for this objective is business viability.

The linear regression equation is like the following equation:

\[ Y = a + b_1 X_1 + b_2 X_2 + \ldots + b_n X_n \]  

where:

- \( a \) = constant
- \( Y \) = dependent variables
- \( X \) = independent variables
- \( b \) = coefficients

4.0 FINDING AND DISCUSSION

To identify the factors that influence the effectiveness of the TUBE entrepreneurship program, this study focuses on aspects of training and coaching, entrepreneurial skills, government financial assistance, government support networks and government policies. Thus, linear regression analysis can indicate the factors influencing the effectiveness of the TUBE entrepreneurship program. Where Table 1 to Table 5 show the variables that significantly influence the effectiveness of the TUBE entrepreneurship program.

Table 1 shows the findings for the regression analysis for training and coaching. The variables for training and coaching consisted of interest, coaching, understanding, content, confidence and enthusiasm. All six variables were found to be significant at the 0.01 significance level.

Significantly, the variables of interest, coaching, understanding, content, confidence and enthusiasm were found to influence the TUBE entrepreneurship program. Thus, the null hypothesis was rejected and overall, these factors accounted for 34.2 percent in identifying the factors influencing the TUBE entrepreneurship program. These findings were found to be in line with the results of studies by Fabeil, Pazim and Langgat (2020); Zhou, Gao and Chimhowu, (2019) and Akimzhanova et al, (2019).

**Table 1**

<table>
<thead>
<tr>
<th>Training</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective</td>
<td>0.062</td>
</tr>
<tr>
<td>Interest</td>
<td>-0.235***</td>
</tr>
<tr>
<td>Coach</td>
<td>0.166***</td>
</tr>
<tr>
<td>Understanding</td>
<td>0.751***</td>
</tr>
<tr>
<td>Content</td>
<td>0.266***</td>
</tr>
<tr>
<td>Confident</td>
<td>0.318***</td>
</tr>
<tr>
<td>Spirit</td>
<td>0.277***</td>
</tr>
</tbody>
</table>

Sig = 0.000  
R\(^2\) = 0.342

Note: *** significant at 1%

Table 2 shows the findings for the regression analysis for entrepreneurial skills. The variables for entrepreneurial skills consist of management, marketing, finance, innovation, creativity, communication and risk. It was found that there were three variables that were found to be significant at the 0.01 significance level, namely management, innovation and creativity.

Significantly, the variables of management, innovation and creativity were found to influence the TUBE entrepreneurship program. Thus, the null hypothesis was rejected and overall, these factors accounted for 42.9 percent in identifying the factors influencing the TUBE entrepreneurship program.

**Table 2**

<table>
<thead>
<tr>
<th>Skill</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>0.421***</td>
</tr>
<tr>
<td>Marketing</td>
<td>-0.010</td>
</tr>
<tr>
<td>Finance</td>
<td>0.081</td>
</tr>
<tr>
<td>Innovative</td>
<td>0.863***</td>
</tr>
<tr>
<td>Creative</td>
<td>0.199***</td>
</tr>
<tr>
<td>Communication</td>
<td>-0.021</td>
</tr>
<tr>
<td>Risk</td>
<td>-0.055</td>
</tr>
</tbody>
</table>

Sig = 0.000  
R\(^2\) = 0.429

Note: *** significant at 1%
Table 3 shows the findings for the regression analysis for government financial assistance. The variables for government financial assistance consist of information, procedures, amount, number, potential, monitoring and advice. It was found that there were five variables that were found to be significant at the significance level of 0.01, namely information, amount, potential, monitoring and advice.

Significantly, the variables of information, volume, potential, monitoring and advice were found to influence the TUBE entrepreneurship program. Thus, the null hypothesis was rejected and overall, these factors contributed 44.0 percent in identifying the factors influencing the TUBE entrepreneurship program.

Table 3  
**Government**

<table>
<thead>
<tr>
<th>Government</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>.0279***</td>
</tr>
<tr>
<td>Procedure</td>
<td>-0.098</td>
</tr>
<tr>
<td>Amount</td>
<td>-0.434***</td>
</tr>
<tr>
<td>Quantity</td>
<td>-0.066</td>
</tr>
<tr>
<td>Potensi</td>
<td>1.027***</td>
</tr>
<tr>
<td>Pemantauan</td>
<td>-0.834***</td>
</tr>
<tr>
<td>Advise</td>
<td>0.273***</td>
</tr>
</tbody>
</table>

Sig = 0.000  
R² = 0.440  
Note: *** significant at 1%

Table 4 shows the findings for the regression analysis for the business support network. The variables for a business support network consist of contacts, loans, private, interactions, collaborations, activities and contacts. It was found that there were six variables that were found to be significant at the significance level of 0.01 and 0.05, namely relationships, loans, private, interaction, cooperation and activities.

Significantly, the variables of relationship, loan, private, interaction, collaboration and activity were found to influence the TUBE entrepreneurship program. Thus, the null hypothesis was rejected and overall, these factors accounted for 62.2 percent in identifying the factors influencing the TUBE entrepreneurship program.

Table 4  
**Support**

<table>
<thead>
<tr>
<th>Support</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connection</td>
<td>0.131*</td>
</tr>
<tr>
<td>Loan</td>
<td>0.671***</td>
</tr>
<tr>
<td>Private</td>
<td>-0.837***</td>
</tr>
<tr>
<td>Interaction</td>
<td>-0.623***</td>
</tr>
<tr>
<td>Collaboration</td>
<td>0.414***</td>
</tr>
<tr>
<td>Activity</td>
<td>0.591***</td>
</tr>
<tr>
<td>Kenalan</td>
<td>0.085</td>
</tr>
</tbody>
</table>

Sig = 0.000  
R² = 0.622  
Nota: *** signifikan pada aras keertian 1%; * signifikan pada aras keertian 10%

Table 5 shows the findings for the regression analysis for government policy. The variables for government policy consist of population, participation, bumiputera, initiation, raising and giving birth. It was found that there were four variables that were found to be significant at the significance level of 0.01 and 0.05, namely population, participation, initiation and giving birth.

Significantly, the variables of population, participation, initiation and giving birth were found to influence the TUBE entrepreneurship program. Thus, the null hypothesis was rejected and overall, these factors accounted for 33.5 percent in identifying the factors influencing the TUBE entrepreneurship program.

Table 5  
**Government**

<table>
<thead>
<tr>
<th>Government</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>0.591***</td>
</tr>
<tr>
<td>Participation</td>
<td>-0.623***</td>
</tr>
<tr>
<td>Bumiputera</td>
<td>0.414***</td>
</tr>
<tr>
<td>Initiation</td>
<td>-0.837***</td>
</tr>
<tr>
<td>Giving Birth</td>
<td>0.273***</td>
</tr>
</tbody>
</table>

Sig = 0.000  
R² = 0.622
Table 5

<table>
<thead>
<tr>
<th>Policy</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>-0.467***</td>
</tr>
<tr>
<td>Penyertaan</td>
<td>0.164*</td>
</tr>
<tr>
<td>Bumiputera</td>
<td>0.002</td>
</tr>
<tr>
<td>Start</td>
<td>-0.416***</td>
</tr>
<tr>
<td>Grow</td>
<td>-0.053</td>
</tr>
<tr>
<td>Melahirkan</td>
<td>0.868***</td>
</tr>
</tbody>
</table>

Note: *** significant at 1% * significant at 10%

The results show that the level of effectiveness of entrepreneurship programs on business viability is at a low level. These findings show that there are factors that influence business viability based on the perspective of the entrepreneurship program conducted, namely the TUBE entrepreneurship program. The TUBE entrepreneurship program is seen from the aspects of training and guidance, entrepreneurial skills, government financial assistance, government support network and government policy.

a) Entrepreneurship Program

i) Training and Coaching

Every program conducted must be equipped with training and guidance. For the TUBE entrepreneurship program, interest and knowledge alone cannot help entrepreneurs to continue the business. In terms of training and coaching, the role of the coach is important in providing information to entrepreneurs. Findings show that program coaches are found to lack extensive knowledge in the field of entrepreneurship. This indirectly causes entrepreneurs to be unmotivated and unconvinced to become entrepreneurs.

There are several disadvantages of entrepreneurs such as lack of capital, lack of marketing skills, lack of knowledge and technology, lack of skilled workers, lack of management skills and knowledge and inability to get suitable business premises (Zaidatol & Habibah, 1997). The findings of Humam et al (1992) showed that similar factors have also caused business failure, namely poor management, marketing and financial problems, legal and regulatory factors as well as personal and entrepreneurial factors.

ii) Entrepreneurial Skills

In an entrepreneurship program, participants who follow the program must have entrepreneurial skills or entrepreneurial characteristics. Without entrepreneurial skills, it is unlikely that a person can complete the program successfully. However, the findings show that entrepreneurs do not have skills in management aspects, do not innovate and are not creative. This further strengthens the support that entrepreneurs participating in the TUBE entrepreneurship program do not possess entrepreneurial characteristics as described in the highlights section of the work (Mimi Mohaffyza, Simah & Adnan, 2016; Nurulhayah & Muhammad Hafizuddin, 2016; Shamsiah & Nor ‘Azah, 2014; Buerah & Hussin, 2014).

Constraints in entrepreneurial skills may also be due to the fact that most entrepreneurs participating in the TUBE entrepreneurship program on average have less than three years of experience in business. In fact most of the participants also consisted of bachelor’s degree holders. This shows that knowledge and knowledge alone is not enough to form and produce quality entrepreneurs (Nurulhayah & Muhammad Hafizuddin, 2016).

Although the education system is gradually changing Bumiputera values and attitudes towards positive change, there are still some Bumiputera entrepreneurs who are still lagging behind in terms of creativity, good business practices and hard work. Entrepreneurial business culture and willingness to take risks are still not fully appreciated by the Bumiputera business community.

Government efforts to assist the Bumiputera have been extensive, and trade and entrepreneurship education has long existed in Malaysia (Shahril 1993). The Ministry of Education also plays an important role in creating entrepreneurial successors through programs such as the Young Entrepreneurs and the Entrepreneur Brigade (Zaidatol et at. 1998).

Sieh (1990) in his study on the profile of Malaysian entrepreneurs found that entrepreneurs face problems in the field of finance because they lack knowledge. A similar view is given by Timmons (1985) when he says the foundation of entrepreneurship education is technical and financial skills. Whereas Hess (1987) and Kent (1990) suggested that management and marketing aspects are important for entrepreneurial success.
iii) Government Financial Assistance

Financial assistance is the main motive for entrepreneurs to participate in the entrepreneurship programs offered. This is because without participating in an entrepreneurship program, they are unlikely to get funds or capital to start or grow a business. The difficulty of obtaining capital to start a business nowadays is difficult to obtain, including from the government. This situation is due to the past experience of credit providers who find that entrepreneurs do not use the funds or capital provided to start a business. Even found the borrower abusing the loan given.

Based on its importance, it can be concluded that all forms of economic systems provide various forms of assistance to support the development of entrepreneurship in a country. Findings by Abbasian and Bildt (2009) mention that women immigrants start businesses because there is no job, lack of suitable employment and career advancement, discrimination, desire for self-improvement, independence or because it suits their interests. They also concluded that entrepreneurship is a tool to increase empowerment among educated women immigrants.

The government has made various efforts to nurture and develop the entrepreneurial base among bumiputera to produce viable and resilient entrepreneurs. Among them through their direct and active involvement in the business world. Various agencies have been set up to assist Bumiputera entrepreneurs. Many funds specifically aimed at developing bumiputera entrepreneurs have been established. Among them are the Bumiputera Industry Fund, and the Small Entrepreneur Fund which all aim to assist small and medium entrepreneurs (Zaidatol et al. 1998).

According to Norasmah (2002), one of the ministries that works to develop Bumiputera entrepreneurs is the Ministry of Entrepreneur Development. The Ministry not only wants to develop bumiputera entrepreneurs but also wants to produce quality entrepreneurs, potential and able to form a Commercial and Industrial Society (MPP) as intended in Vision 2020.

iv) Government Support Network

This element is important in helping entrepreneurs grow their business and in turn ensure the viability of their business. However, for entrepreneurs who participated in the TUBE entrepreneurship program, they found it difficult to communicate with government and private support agencies. This makes it difficult for them to get loans and business-related information.

A business support network is necessary for entrepreneurs. Where in this study found 18.2 percent of entrepreneurs have a goal to grow their business. This can be seen in Table 5.1.

Previous studies have also mentioned that government support is very important to the development and progress of entrepreneurship. For Mohd Nor Hakimi and Mohd Rafi (2010), government support is very important because entrepreneurship has many constraints such as lack of resources, lack of skills, and insufficient capital are among the main obstacles for this field to thrive.

This government support is a very important approach to enable entrepreneurship to continue to be able to play a role in the country's economic sector. In fact, the support of the government also allows entrepreneurs to continue to face all challenges in today's highly dynamic economic environment.

According to reports, entrepreneurship accounts for 99 percent of total enterprises and provides 100 million jobs a year in European Union countries and the United States (Egbe, Obsolete, Amimi & Ndifon, 2011). The achievement and development of entrepreneurship in these countries is largely driven by easy access to credit at modest interest rates.

Berry, Sweating and Gotu (2006), found that entrepreneurs who obtain a variety of support services provided thrive faster. Similarly, the findings of a study in the United Kingdom by Wren and Storey (2002) who stated that there is a positive effect on sales development after the owner obtains marketing advisory services.

In the supply of micro loans in China, the study of Park and Ren (2001) found that non-governmental organizations are more successful in impacting this field than government agencies. In some countries, such as South Korea, the government focuses on research and development efforts as one of the strategies to develop this field of entrepreneurship (Park & Kim, 2010).

v) Government Policy

Without the government, it is not possible for a program that only focuses on the Bumiputera race. This study found that government policies related to entrepreneurs are not comprehensive in efforts to channel assistance or initiatives. The role of the government was found to be still ineffective in producing successful entrepreneurs. Therefore, the government needs to emphasize on several aspects as shown in Table 6.

Based on Table 6, entrepreneurs think that the government should play an important role in providing training to entrepreneurs. This indicates that the TUBE entrepreneurship program needs improvement in the training aspect.
5.0 CONCLUSION

Improvement is an important element that needs to be focused on in the process of further strengthening the TUBE entrepreneurship program. In this study, the improvement must be seen from two perspectives, namely the entrepreneurs and the organizers, namely the government represented by the Ministry of Entrepreneur Development (KPU). The recommendations in this study are in line with the objectives of the National Entrepreneurship Policy that have been set, namely:

a) To create a holistic and conducive entrepreneurial ecosystem to support Malaysia's inclusive, balanced and sustainable socio-economic development agenda.

b) To form a Malaysian society with an entrepreneurial mindset and culture.

c) Increase the number of quality, viable, resilient, global-minded and competitive national entrepreneurs.

d) Enhancing the capacity of micro, small and medium enterprises and cooperatives.

e) Make entrepreneurship a career of choice.

REFERENCES


