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**Multiplicity of Entrepreneurship:  
An Analysis of Chinese, Malay and Indian Entrepreneurs in Malaysia<sup>1</sup>**

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Paper to be presented at the 4th International Conference of Institutes & Libraries for Overseas Chinese Studies, "*Interaction and Innovation: Multiple Perspectives on Chinese Overseas Studies*," May 9-11, Guangzhou, China.

*Abstract*

The paper is based on an ongoing research project. It aims to provide a descriptive account on the concept of entrepreneurship in a multicultural, multilingual and multi religious society of Malaysia. The research traces the sources of influence on the emergence and development of entrepreneurship, link types of entrepreneurship to levels of sustainability and types of business activities. The research also investigates to what extent Chinese, Malay and Indian entrepreneurs that come from diverse historical and cultural backgrounds are connected together in the economic realm. In addition, the paper attempts to understand and explain why these connections had and are taking place within the socio-economic and political contexts in Malaysia.

**INTRODUCTION**

There are already many studies published on the subject of entrepreneurship in Malaysia, be it cultural, organizational, structural, agent and agency, or functional perspective. In terms of unit of analysis, there are studies using individuals, organization, networks, state, ethnicity, class, rent and rent seeking as tools of analysis. From the selected literatures review, as stated in this paper shows that there is no study at all that construct types of entrepreneurship. In this study we wish to provide a different approach to the study of entrepreneurship in Malaysia. The purpose of constructing types of entrepreneurship is to bring out the original or technical construct of actors or entrepreneurs' in their everyday life. From these constructs we hope to point out the implications from the influence of

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<sup>1</sup> The authors acknowledge with thanks Universiti Sains Malaysia, which provided us with a research grant (1001/PSOSIAL/816006) that has resulted in this paper.

processing, furniture-making, and handicraft. The Rural Industrial Development Authority (RIDA) was set up in the early 1950s to introduce industries and entrepreneurship in the rural areas, it was not catalytic enough as a force to create a strong and viable Malay industries and entrepreneurship. However, the New Economic Policy (NEP, 1971-1990) has restructured the Malay community, subsequently, a Malay entrepreneurial class began to emerge in the 1990s. An ethnography study, which focused on entrepreneur leaders in the Malay community by Patricia Sloan (1999) revealed a 'modern' type of definition for entrepreneurship that implies spiritual and class transformation.

There are very little studies on Indian entrepreneurship in Malaysia. A short article by Venkiteswaran (1997), discussed the profile, problem and prospects of Indian entrepreneurship in Malaysia.

### *State, Ethnicity and Class*

Several studies that based on the structural approach to the study of business and entrepreneurship in Malaysia are works of Gomez (1999) Hara (1991), Heng (1992, 1997) dan Jesudason (1997) that focused on the role of the state and its polices, argued that Chinese corporate practices and business enterprises have shifted from family-based (intra-ethnic) to inter-ethnic-based business. Other important literatures that illuminate the integration of Chinese and Malay capitalists in the Malaysian economy, among others are by Gomez and Jomo (1999), Searle (1999) dan Sieh (1992). All of these literatures analyze the development of Chinese and Malay corporations at the macro or national level, which is centered on the changes of socio-economic and political policies, mainly the NEP and market forces. These studies discuss the transformation of corporate culture in Malaysia by highlighting class rather than ethnicity in patron-client relationship.

There is also a body of literature on the study of Malaysian business that focused on ethnicity and class. A few ethnography studies were published in the 1980s, focused on business operation, and organizations of Chinese businesses (Gosling 1983, Linda Lim 1983, Landa 1983 dan Nonini 1983). These studies provide description of the socio-economic organization of Chinese businesses that focused on capital accumulation and borrowing from family, relatives and guilds, dialect groups that helped to sustain family businesses. Nevertheless, these studies showed that there was a transformation taking place in their management. However, some researchers argued that ethnicity has becomes increasingly irrelevant in the modern technology-based, open market, as industrial capitalism develops and spreads internationally (Lim 1983). Besides, class begins to dominate ethnicity in economic relations in Malaysia, shifting from intra-ethnic to inter-ethnic collaboration. Sino-Malay collaboration has become increasingly important in the Malaysian economy, especially since the 1990s, as evident in a number of literatures. Several studies have investigated Sino-Malay partnership (Nonini 1983; Hen g 1992; Jesudason 1989; Chin 2004; 2006, 2007 Gomez 1999 and 2003; Rugayah Mohamed 1994; Rutten 2003; Sia 1994; dan Wazir 2000). In the same way, studies on Malay business and entrepreneurship have also taken a new trend since the implementation of the NEP, the focus of studies have shifted from Malay traditional businesses to the

analyzed in this paper is limited, mainly enabled us to construct five types of entrepreneurship drawn from in-depth interview with six entrepreneurs (two Chinese, two Malays and two Indians) in the northern region of the Peninsular (Penang) and the central region of the Peninsular (Kuala Lumpur), Malaysia. There are at least four competing perspectives highlight the themes over the debate of the definition of *entrepreneur* and *entrepreneurship*. There are high growth and high capitalization; innovation and innovativeness; opportunity recognition; and creation of new organizations. However, these four perspectives introduce each of their selection bias. Of the many definitions, the one Aldrich (2005) finds most useful is of entrepreneurship as the creation of new organizations, and people who create organizations as entrepreneurs. Thus, our respondents are entrepreneurs who have created their own firms, registered with the Companies Commission of Malaysia, and employed at least two workers.

#### **DATA ANALYSIS: TYPES OF ENTREPRENEURSHIP**

'Entrepreneur' is originally from the French word, *entreprendre*, which means "to undertake." This social action has gained its popularity in business world in which it has always been referred "to start a business". The Oxford Advanced Learner's Dictionary presents the definition of an entrepreneur as *a person who makes money by starting or running businesses, especially when this involves taking financial risks*. While the Merriam-Webster Dictionary defines the term as *one who organizes, manages, and assumes the risks of a business or enterprise*. However, entrepreneurship has been referred to a great deal of meanings. On one side, for example, entrepreneur has referred to a small group of people who have a level high natural ability and some good characteristics to pioneer change. On the other side, it refers to those people who are self-employed or people who want to work for themselves or be their own boss. While people can define the concept of entrepreneurship in many different ways, we believe that entrepreneurs share some common elements in which their activities can be categorised under the concept of entrepreneurship. These common elements of entrepreneurship are as follows (<http://www.quickmba.com/entre/definition/>):

[D]efinition of entrepreneurship placed on emphasis on innovation, such as, new products, new production methods, new markets, and new form of organization. Wealth is created when such innovation results in new demand. From this viewpoint, one can define the function of the entrepreneur as one of combining various input factors in an innovative manner to generate value to the customer with the hope that this value will exceed the cost of the input factors, thus generating superior returns that result in the creation of wealth.

Many people use terms "entrepreneur" and "small business owner" synonymously. While they may have much in common, there are significant differences between the entrepreneurial venture and the small business. Entrepreneurial ventures differ from small business in these ways:

Have to work hard, I work 16-18 hours a day. "Send milk and flowers also can make money". Though I am the boss of this company, I work very hard. Some people think that after you become a boss you work less and others work for you. You must work, to inspect the operation (Mr. Manokaran)

One pattern that is very clear about this type of entrepreneurship is that an entrepreneur focuses on putting his/her entire heart into what they have treasured. In other words, they treasure in doing business in which they acquire through their social background and this drive them strongly in their desire of their heart to work diligently to achieve it. This means that their entrepreneurial work has already become part of their lives and they live with their work and they carry their work into their dream. Hence, they can really work hard for it.

It is my company, I will work more compare to a manager. Work means monitoring-*lah*, what the manager is doing *lah*. Manager knows that at the end of the day they will get their salary, of course they care for the company, they care for the business but I am talking about percentage, they cannot give 100% to the company, that's manager level-*lah*. For me as entrepreneur, if I can't finish my work I come and work even though it is holiday. For me everyday is business and time is business. Time is money and I don't have holiday. Never *kira* [count] work. Manager, they got time, this time I work, they work within certain hours like you are a lecturer, you teach at certain time but you don't teach at mid night what! So if it is my own I will do my own never *kira* time, sleeply only I go back *lah* and hungry only I go to eat. Mangers will never do what I do. (Mr. Harydatasu)

Understanding Mr. Harydatasu's ideas on the nature of working hard as the important element of entrepreneurship has reminded us of the parable on "*The Good Shepherd and His Sheep*" which Jesus Christ has shared with His disciples and people who were, then, following Him. In the parable, Jesus Christ said:

The good shepherd sacrifices his life for the sheep. A hired hand will run when he sees a wolf coming. He will abandon the sheep because they don't belong to him and he isn't their shepherd. And so the wolf attacks them and scatters the flock. *The hired hand runs away because he's working only for the money and doesn't really care about the sheep.* (John, 10: 11-13, italics added).

By bringing in some discussion on *The Good Shepherd and His Sheep*, I think that it is now easy to grasp why these group of entrepreneurs adopt diligent entrepreneurship in running their business.

here. Actually we already have some long-term Japanese trainers; those retired technical workers from the Japanese Overseas Development Cooperation (JODC). Their salaries were paid by JODC and we just provide them their accommodation and pay them some allowances (Mr. Kok).

Innovative entrepreneurs are pragmatic and rational, and make use of resources that are available as means to achieve their ends. Mr Kok made use of the strength of QCC and Japanese experts that are available to build up his human resource. Moreover, innovative entrepreneurs are entrepreneurs that have a clear separation between family and business, who prefer to hire professional rather than relying on family members and friends in the everyday running of the their business.

No family members because for me I don't talk *bush lah*. For me work is number one, family number two. Why I said family is number two because only after you got money then only you can take care of your family. People who put their family first I don't entertain *lah* because they can spoil my business. I cannot scold them if they show their kind of colour, quarrel *lah*, so when come to functions, like family functions, we will meet you see, not nice *lah*, so separate family from business. You know I learned this from Chinese tycoon *lah* (*Harydatasu*).

*CLASSICAL ENTREPRENEURSHIP* This type of entrepreneurship is at times being labelled as family entrepreneurship. It is also sometimes being regarded as '*Earn More and Spend Less Entrepreneurship*'. It is, therefore, clear, from its labels, that one can understand some distinctive characteristics of this type of entrepreneurship, which circles around the notion of classical ways of doing and expanding business. They, for example, believe that if one spends less and continues to reinvest back into their business undertaking, then their wealth-creations could be enhanced and strengthened. In this case, they are always critical of the way some entrepreneurs run their business that do not adhere this logic of entrepreneurship – the logic to them is of tremendous importance in the entrepreneurship. According to them, these entrepreneurs set themselves to be doomed.

The entrepreneurs of classical type have always lived a humble and simple life as they are very thrifty. Therefore, it is no surprise that they can be sometimes labelled as being 'stingy' and not generous in giving money away for any purpose in their live. One can remember back the time of history in Malaya in which some Chinese entrepreneurs were of this type. Younger generations in Malaysia have always referred them as being people do not know how to enjoy life as they are stingy to spend their money for themselves but to save and enlarge their wealth in property buying. Another characteristic of this type of entrepreneurship is that most of their workers are from their family member through whom they believe are trustable. According to them, they need trusted people with whom they can trust, particularly in business, handling money is the issue. It is always easy to

a result from the pursuit of self-interest by rational individual (Popkin, 1979). In Weber's term, there are two types of rationality, instrumental and value-oriented rationality. The above types of diligent, bureaucratic, classical and innovative entrepreneurship have their own rational practices. The larger the company size, its practices tend to change toward more professional and more innovative to keep surviving in the market.

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