

The Application of Entrepreneurial Intention Model in Examining the Factors that Influence Small Scale Entrepreneurs to Become More Successful: The Malaysian Experience

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Abstract—The Langkawi Development Authority (LADA) has been involved in the development of Langkawi Island since its inception and has now successfully positioned Langkawi as one of the world's leading Tourism Island. But there is a growing dissatisfaction among locals who see LADA as not helping to develop or maintain the local entrepreneurship to be more successful. Therefore, the objective of this study was to identify the existence of LADA in the effort to increase the intention of Langkawi small entrepreneurs to be more successful. This mixed method approach study used the Entrepreneurial Intention Model (EIM) framework to achieve the research objectives whereby data was collected through a survey and elite interviews. The respondents were Langkawi small entrepreneurs comprising various small industries comprising tourism and non-tourism oriented entrepreneurs. Out of 300 questionnaires distributed, a total of 280 questionnaires were returned. An interview was also conducted with three respondents involving the Chairman of the Langkawi Homestay Association, the Langkawi Small Traders and the Chairman of Village Community Kilim Langkawi Berhad Cooperative. Based on descriptive analysis, the findings showed that LADA entrepreneurship development did not help influence the small entrepreneurs to increase their intention to succeed. The majority of respondents believed that the Personal Attitude elements of small business owners were more influential towards their success in the business. Based on the findings of the study, LADA needs to focus on a more systematic and long term goal entrepreneurship development program for small scale entrepreneurs in Langkawi.

Instructions give you basic guidelines for preparing camera-ready papers.

Index Terms—Langkawi Authority Development, Entrepreneurial Intention Model, Small Scale Entrepreneur, Tourism-oriented.

I. INTRODUCTION

The increasing number of tourists to Langkawi Island has caused the government to focus on various physical developments to support the growth of the Langkawi tourism industry such as the construction of hotels,

chalets, home-stays and a variety of affordable and luxury accommodation. Tourism products are also diversified to allow travellers to enjoy their vacation on the island. As such, the government through the Langkawi Development Authority (LADA) established on March 15, 1990 has actively pursued Langkawi's physical development activities in terms of providing the latest infrastructure and tourism products which in turn assist the growth of the tourism sector. The number of tourists to Langkawi has increased over the years following the recognition of Langkawi Island as a Tax Free island on January 1, 1987. There were 3,059,070 tourists to Langkawi in 2013 and this number has increased to 3.62 million visitors in 2015 [1].

The government's decision to make Langkawi Island an international tourism destination is right as the tourism sector is able to contribute to the country's revenue. A well-planned development of the tourism sector is capable of boosting the economy by providing employment opportunities both directly and indirectly and contributing to the socio-economic development of the local population. Inevitably, the rapid development of Langkawi certainly has invited a variety of issues and problems related to social ills and local community development. There are many studies that focused on the issues and problems of Langkawi's development from the social, economic and development aspects of the local community [2], [3]&[4]. Previous studies have shown a variety of findings that support the existence of social issues and community-related problems as a result of the development of Langkawi as a World class Tourism Island [5].

For the purpose of this article, the discussion is focused on local entrepreneurs' perceptions of the impact of LADA development in the context of enhancing their entrepreneurial intention to succeed. The Entrepreneurial Intention Model (EIM) originally based on the "Theory of Planned Behaviour" (TPB) was used to achieve the objectives of the study. This model was introduced by [6] and was based on the theoretical framework established by [7]. The definition of Small Entrepreneur for the

purpose of this article is in reference to the definition adopted by the National SME Development Council which defines small entrepreneurs in terms of services and other sectors as a company which accumulates annual sales of RM300, 000.00 and not exceeding RM3 million with the number of workers between 5 and 30 people.

II. METHODS

This study was based on a mixed-method approach whereby the research instruments were a set of questionnaire and a semi-structured interview protocol. The questionnaire focused on the perception of Langkawi small entrepreneurs on LADA's influence in raising their entrepreneurial aspirations to become more successful.

This article focused only on the Entrepreneurial Intention Model which involved the measurement of four key variables, namely (i) the Entrepreneur's intention to be more successful as a result of the development impact of LADA, (ii) Personal Attitude (PA), (iii) Subjective Norms (SN) and (iv) Perceived Behavioural Control (PBC). This study adopted the original instrument developed by [8] which was modified after a pilot study to meet the study objectives. The instrument consisted of 21 statements that required respondents to indicate the degree of agreement on five (5) Likert scales: "1" Strongly Disagree; "2" Disagree; "3" Indefinite; "4" Agree; "5" Strongly Agree.

The questionnaire formed was divided into three (3) sections. Section A provided a general overview of the respondents' demographic information. Section B outlined information on respondents' perceptions of entrepreneurial intention to become more successful. The questions in this section were closed-ended and were based on a five-point Likert Scale as mentioned before. Meanwhile, face-to-face elite interviews were based on issues and themes related to respondents' perceptions of the impact of LADA's efforts in raising small entrepreneurs' intention to succeed.

III. RESULT AND DISCUSSION

The findings of the research collected through the questionnaire and semi-structured elite interviews were analysed descriptively for the purpose of achieving the objectives of the study. The findings of the study are as follows:

A. Influence of LADA on Enhancing Entrepreneurial Intention to Succeed Among Small Entrepreneurs in Langkawi.

The questionnaire was designed to understand respondents' perceptions of LADA's influence in increasing entrepreneurial intention to succeed among local small business owners. This element was important because all LADA efforts especially in the entrepreneurship development programs may be seen as successful to attract or create entrepreneurial intention among locals to be involved in the entrepreneurial industry. However, it was quite different in terms of

acceptance and perception of entrepreneurs who were already involved in the entrepreneurial industry. The issue was whether this group was impacted by the development that LADA has provided in enhancing their entrepreneurial intention to succeed.

In this regard, the study applied TPB and EIM as the main framework to achieve the objectives which contained three main elements namely Personal Attitude (PA), Subjective Norms (SN) and Perceived Behavioural Control (PBC). The application of this model to entrepreneurs was appropriate as pointed out by [9] in their study comparing entrepreneurial intention among Community College students and former students who have become entrepreneurs. This study proved that the EIM model can be applied to those who aspire to become entrepreneurs and among entrepreneurs who want to succeed. Therefore, it is important to stress here that the results of the study have shown the expansion of EIM usage in entrepreneurial study.

B. Respondents' Perception of Entrepreneurial Intention to Succeed from the Impact of LADA Development

LADA's development orientation since its inception has focused on infrastructure development, tourism product development and promoting Langkawi as an international tourism destination. LADA also plays a role in maintaining the Community Development sector in Langkawi to ensure the locals receive the spill over of Langkawi development and not missing out on the business and investment opportunities that LADA has brought to the legendary island. As such, this research aimed to explore whether the development brought by Lada has increased their entrepreneurial intention to succeed or vice versa, from the perspectives of the local small entrepreneurs.

TABLE I. RESPONDENTS' PERCEPTIONS OF THE IMPACT OF LADA DEVELOPMENT ON ENTREPRENEURIAL INTENTION TO SUCCEED

Entrepreneurial Intention Model	Mean Score	Std. Deviation
Personal Attitude (PA)	3.88	0.77
Subjective Norms (SN)	1.73	1.10
Perceived Behavioural Control (PBC)	0.36	0.63

The mean scores in Table 1 showed that there were differences in perceptions of entrepreneurial intention to succeed impacted from the development brought by LADA.

a. Personal attitude (PA)

For the PA element, Table 1 shows respondents' claims that entrepreneurial intention to succeed was influenced by the Personal Attitude element (Mean Score 3.88) and not influenced by the development brought by LADA. The findings of this study were supported by the elite interviews conducted with the Chairmen of the Langkawi Homestay Association (R1), the Langkawi Small Traders (R2) and the Chairman of Village Community Kilim Langkawi Berhad Cooperative (R3).

There strongly agreed with the findings of the survey which showed that local small entrepreneurs' intention to succeed was influenced by PA elements and not by the development brought by LADA to Langkawi. They stated that:

"It is we who are striving to be more successful in this business. If there is no will of our own, no future opportunity will matter. We have already said before this, LADA plays an important role to develop Langkawi, but in terms of entrepreneurship, it comes from the heart and own intention. If we don't work hard or put our effort in it, LADA cannot do anything. Whoever comes will not be able to do anything. Basically, we have to think positive and have the want to succeed".

They further contended that: *"If we talk about wanting to succeed further, we are confident that it is because of our own intention and attitude, and not because of what LADA has done. In doing business we need to be determined, if not it will be difficult although opportunities are in front of our eyes".*

Based on the survey findings and support from the elite interview data, it is clear that entrepreneurial intention to succeed / excel came from the PA of the entrepreneurs themselves. The finding of this study is supported by other studies such as [9],[10]&[11] which found that Personal Attitude factor strongly influenced a person's ability to succeed / excel in entrepreneurship by taking the opportunity available to the public. In this context, local entrepreneurs must take full advantage of the opportunities available through LADA's ongoing development.

b. Subjective Norms (SN)

In the context of Subjective Norms (SN), the findings in Table 1 showed that entrepreneurial intention to succeed was not influenced by the environmental pressures such as family, friends or even due to the development brought by LADA (Mean Score=1.73). This finding was likely because they were not new entrepreneurs who wanted to start a business or that desperately needed the support of family, friends and the help of the other people / institutions around them as mentors / motivators.

From the elite interview data, the findings of the survey were fully supported by the interview respondents where the statements they have provided are as follows:

R1, R2 and R3 stated that: *"We are not newbies in this trading field. We have been doing this for quite some time now. It is true that we would need support from families and societies if we are about to start a business. When you have been in this field for so long, the intention to maintain success comes from inside; not influenced by outside factor. We see opportunities; we work towards that to maintain success in our business. We saw the opportunities when LADA started to develop Langkawi; hence, we knew we have to work hard. It is not LADA who influenced us to start a business or made us want to do well in our business".*

They added that: *"This intention to further flourish in the business that we have been doing for so long is not because of anybody. No one has motivated us, not our*

friends, family members, not even LADA. We ourselves realized that we have to thrive if we want to have a comfortable life".

Based on the findings of the survey and supported by the qualitative findings as discussed above, it is clear that entrepreneurial intention to succeed was not influenced by Subjective Norms (SN), which comprised of family, friends and LADA itself. This finding does not support other study such as [11] which found that an individual's behaviour to act in a positive way is influenced by an environment such as family, friends or institution. This was likely due to the fact that respondents already have a business. Based on the profile, all of the respondents were already involved in the business. Certainly, their decision making were not influenced by their surroundings because they already understood the conditions and circumstances that would impact their business. In this context, LADA could only provide the opportunity for entrepreneurs to grab the best opportunities possible, but LADA was not able to influence or force entrepreneurs to make decisions towards the success of their business.

c. Personal control behaviour (PCB)

The findings based on Personal Control Behaviour (PCB) element indicated that the respondents of the survey disagreed that entrepreneurial intention to succeed was hindered by LADA's approach through development regulations (Mean Score=0.63) as shown in Table 1. The items in the questionnaire for this element have been written as a negative statement to see if LADA impedes the efforts and attitudes of entrepreneurs to succeed.

The findings of this study showed that the respondents of the study did not see that LADA has influenced their efforts and attitudes to be unsuccessful. LADA too, has never prevented / inhibited local entrepreneurs from moving forward. The LADA Annual Report (2015) has revealed various entrepreneurial activities introduced by LADA to help local small businesses move forward. Likewise, [1] has developed a comprehensive Community Development Strategic Plan to enable local communities to engage in any form of investment, business or entrepreneurial activity that ultimately helps to improve the socioeconomic status of the local community.

The findings of this survey were supported by three elite interview respondents consisting of R1, R2 and R3 who strongly supported the findings of the survey by stating that *"we agree that our controlled behaviour towards entrepreneurial intention to succeed is not due to the rules or inhibitions by LADA. LADA has never stopped us from doing our business or taking advantage of LADA development. We are aware that whatever decisions or actions are based on our beliefs that we have to succeed and not discouraged or inhibited by anyone".*

From the above point of view, it can be concluded that LADA was not a deterrent agent in any decision to increase the entrepreneurial intention of the respondents to succeed in their businesses. In fact, the findings of the survey and the interview findings supported each other that this notion of behaviour control (PBC) was not influenced by the inhibitory factors created by other

agencies or by LADA itself. The findings of this study support the literature study presented by [11] who argued that the perception of PBC refers to a power / belief or pressure that influences an individual's behaviour to succeed. Furthermore, the finding of the study was in line with the study conducted by [12] which stressed that Langkawi development especially in terms of tourism has offered more benefits to residents.

In addition, the results showed that the application of the EIM model to determine the factors that influenced the entrepreneurs' intention to be more successful were different compared to the results of study using the EIM model in studying the intention of someone to be an entrepreneurs. As a conclusion, it fair to say that these study findings have significant contribution to the body of knowledge in entrepreneurial study.

IV. RECOMMENDATIONS

Based on the findings of the study discussed earlier, it is suggested that LADA helps establish a consortium of small entrepreneurs according to district and provide business opportunities directly in the early stages of the establishment. LADA can then help the consortium through identified and established investments as a spring board for them to move forward. In addition, LADA needs to play a supporting role in strengthening the management system and leadership to be more organized and systematic. Every district in Langkawi can have one consortium with its different business niche. LADA is capable of creating a wide range of investments to help this consortium move forward and survive. In other words, establishing a consortium will prevent these small entrepreneurs from competing with each other on the same product.

V. CONCLUSIONS

Based on this study, LADA is seen to play a major role in Langkawi's infrastructure development. There is still a lot of infrastructure to be developed to provide more convenience and comfort to locals and tourists alike. Likewise, efforts on tourism product development still need to be diversified. Langkawi Homestay products registered with the Ministry of Tourism Malaysia have the potential to be more competitively developed especially to attract foreign tourists. This product is seen as being marginalized by the LADA although it is basically developed by the Ministry of Tourism. The close cooperation with the Homestay Association will most likely help to enhance the capabilities of the Langkawi Homestay Entrepreneurs.

From the perspective of local small business development, LADA was seen to have no direct impact. Therefore, a more focused approach should be identified to help enhance the capacity and excellence of local small businesses to stay competitive in the current flow of Langkawi tourism development. This is because local small entrepreneurs did not see the existence and activities of LADA contributing to their entrepreneurial intention to succeed. It is evident from their perception

that LADA lacks focus on local small business development activity.

Regardless of the assumptions and perceptions of local small entrepreneurs about LADA, the more important matter is they should be positive and proactive in taking advantage of LADA's ongoing tourism development and not relying too much on LADA.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR CONTRIBUTIONS

Mohamad Sukeri Khalid conducted the research and wrote the paper. Abdul Halim Ahmad was involved in data analysis while Ahmad Marthada Mohamed led the data collection. All of the authors have approved the final version.

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