
By Siti Sarah Omar & Rohaizan Ramlan

University Tun Hussein Onn, Malaysia

Abstract- It has been recognized that small and medium enterprises (SMEs) facilitate economic growth worldwide especially in the developing and developed countries. To remain viable SMEs are required to create network and relationships with various parties in the business environment, including clubs/associations or chamber of commerce. Despite the fact that SMEs in Malaysia are supported with numerous assistance and facilities from the government agencies and business chambers at the regional and national level, however, the exploration of their roles and duties in contributing to the SMEs success are still under researched. Furthermore, the extent to which these business chambers provide support to SMEs has been less explored. Therefore, this paper is going to answer these objectives; to identify the business chambers that the entrepreneurs have connected to, to explore the factors for the connections, and to study the extent to which these business chambers provide support to the SMEs. This qualitative research employs in-depth interviewing technique that has been carried out with 15 owner-managers of SMEs in the Southern Region of Malaysia.

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Abstract- It has been recognized that small and medium enterprises (SMEs) facilitate economic growth worldwide especially in the developing and developed countries. To remain viable SMEs are required to create network and relationships with various parties in the business environment, including clubs/associations or chamber of commerce. Despite the fact that SMEs in Malaysia are supported with numerous assistance and facilities from the government agencies and business chambers at the regional and national level, however, the exploration of their roles and duties in contributing to the SMEs success are still under researched. Furthermore, the extent to which these business chambers provide support to SMEs has been less explored. Therefore, this paper is going to answer these objectives; to identify the business chambers that the entrepreneurs have connected to, to explore the factors for the connections, and to study the extent to which these business chambers provide support to the SMEs. This qualitative research employs in-depth interviewing technique that has been carried out with 15 owner-managers of SMEs in the Southern Region of Malaysia. The findings of this study have implications for the owner-managers and provide useful insights to the management of the clubs/associations and the policy makers.

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1. Introduction

The number of establishments of small and medium enterprises (SMEs) in Malaysia is thriving regardless of the economic conditions nowadays. As reported by the Department of Statistics Malaysia (2012), there are 645,136 SMEs operating their businesses that range from services, manufacturing, construction, agriculture, mining and quarrying sectors that shows an increase of 24 per cent from 2003 to 2011. SMEs play significant roles in the development of Malaysian economy that contribute to the employment opportunities, instigating improvement, increasing competition and supporting large firms (Siti Sarah, Arokiasamy, Ismail, 2010). Recent evidence indicates the increase of SMEs contribution to the gross domestic product from 29.4 per cent to 32.5 per cent in 2011 (Department of Statistics Malaysia, 2012). Given this rise, the government would be able to achieve its vision to be fully developed and become a high-income economy by 2020. The government with the launch of new economic plan documented in The Master Plan 2012-2020 and Economic Transformation Plan is expected to bring the country to become an industrialized nation in the near future.

The government has been intensifying the involvement of indigenous or Bumiputera entrepreneurs by providing them with a vast number of supports and facilities in conjunction with the new economic model. The government through their agencies and clubs/associations offer supports to entrepreneurs that would enhance their new venture creation as well as the business development. Nevertheless, these aids and assist-ances were not properly and fully tapped (Hakimin and Rafi, 2010). While many studies have been looking at the government agencies roles and their effectiveness, the clubs/associations' functions and responsibilities have been ignored. Although the total numbers of clubs/associations (chamber of commerce) are increasing, however their existences and functions are not being well-acknowledged by the indigenous entrepreneurs thus hampering their aspirations to success. Elfring and Hulsink (2003), Hite (2005) and Jack (2005) emphasize that being diligent in developing network relationships with various stakeholders in the business environment including with clubs/associations, entrepreneurs will find a pathway to increase their firms' performance eventually gaining success.

Therefore, this issue is worth exploring in identifying the clubs/associations they network with, and the factors associated with the participation of indigenous entrepreneurs in Malaysia with the various clubs/associations. This would hopefully nurture the interest of the indigenous entrepreneurs to initiate their efforts to develop and maintain the relationship with this party and gain advantages out of the relationships. Not only that, suggestions will be provided to the associated parties for the implementation of improvement agenda. Hence, this paper is going to answer these objectives: to identify the clubs/associations that the entrepreneurs have network with, to study the factors of the participation, and finally to explore the extent to which these clubs/associations provide support to indigenous SMEs.
II. Literature Review

a) Network and the Factors of Participation

According to the entrepreneurship perspective, networks may be referred to as all the relationships or ties an entrepreneur establishes around himself or herself in obtaining resources (Aldrich and Zimmer, 1986; Birley, 1985; Casson and Della Giusta, 2007) and gaining information (Steier and Greenwood, 2000) to succeed in the pursuit of business (Brüderl et al., 1992; Jack and Anderson, 2002). It involves forming and maintaining relationships with other actors in the business environment. The benefits include; aid in the process of business formation (Johannisson, 1986), support business growth and the development process (Elfring and Hulsink, 2003, Hite, 2005, Jack, 2005), useful in recognition, organisation, acquisition and exploitation of resources (Hite, 2005, Jack et al., 2008), and vital in opportunity discovery and market organisation (Casson and Della Giusta, 2007, Dubini and Aldrich, 1991). Entrepreneurs can gain an advantage through the flow of information in the networks such as market situations, strategic locations and competitors' positionings, and these alert firms to embark on the choices available. Developing network relationships are not limited to the actors that perform economic or business transactions only, such as customers and suppliers; rather they encompass a wider set of network parties such as government agencies, banks, consultants, business advisors, business clubs/associations and even competitors.

Network relationships between indigenous (Bumiputera/son of soil) entrepreneurs and government agencies in Malaysia have been discussed to a great extent by many scholars such as Khairudin (2007), Hakimin, Dahlain Rafi (2009), Hakimin and Rafi (2010). The term that is widely used in articulating the support system of the government agencies is the Government Business Support Services (GBSS), for example MARA (People Council of Trust), SME Corporation, National SMEs Development Council, SME Bank and Credit Guarantee Corporation (CGC) (Hakimin and Rafi, 2010). Previous studies found that although the GBSS have been existed for more than four decades, their utilizations by SMEs were very poor (Hakimin et al, 2009; 2010; Foziah, Aziz and Sudin, 2006; Norliya, SitiMashitah and SitiZaharah, 2010). To some extent, the services were not being acknowledged by SMEs which subsequently caused to a low take up rate (Hakimin and Rafi, 2010). Researchers revealed two main issues that cause to the underutilisation of the GBSS, namely: the entrepreneurs and the services providers. The factors that are associated with entrepreneurs are the loss of control, reluctant to attend training and lack of awareness, whereas, the factors that are related to services providers are stringent and rigid conditions, bureaucracy and the GBSS representatives (Hakimin and Rafi, 2010).

Although the clubs/associations are not characterised as the GBSS, they perform fairly similar roles to GBSS. What makes them differ are that their establishments are not available in the Malaysia’s economic policy in thriving the government strategic roles to enhance the SMEs development, rather they are a voluntary and charitable position to provide supports to SMEs. Thus, the number of clubs/associations is flourishing in various business sectors. Nevertheless, some clubs/associations are reinforced by the government to provide funding to the events and activities such as seminars and training programs. Links with them are in voluntary principle where entrepreneurs can choose to become members or not (Julien, Andriambeloson and Ramangalaly, 2004).

While relationships with customers and suppliers are compulsory in nature, for which they are the actors for economic transactions, building a network with clubs/associations is optional for they are not directly involved in business dealings. However, these clubs/associations provide a ground for entrepreneurs to meet others to start networking with various parties in the business environment such as government agencies, consultants, other entrepreneurs, new customers and suppliers. Generally, being members of clubs/associations, entrepreneurs will gain numerous advantages. They are given updates on the events organized, as well as served as a stop center for entrepreneurs to ask for help and supports. In addition, the voices of clubs/associations are usually being heard by responsible parties in comparison to an individual voice. Although their roles are well recognized by the entrepreneurs who become their members, however none has attempted to document the factors of participation as well as the extent to which they provide support to SMEs.

b) Overview of Main Bumiputera Clubs/Association in Malaysia

In Malaysia, the clubs/associations are established at various levels namely the district, state and national level. There are vast numbers of Bumiputera national level business associations, among the most popular are; Malay Chamber of Commerce Malaysia (MCCM), DewanPersiagaan Islam Malaysia (DPIM), DewanUsahawanIndustriDesa (DUID), Association of Bumiputera Women Entrepreneur Network of Malaysia (WENA), Persatuan Pedagangdan Pengusaha Melayu Malaysia (PERDASAMA).

Malay Chamber of Commerce Malaysia (MCCM) is also known as DewanPersiagaanMelayu Malaysia (DPMM) which is a national level association. It has been established since 1956 by TengkuRazaleigh Hamzah and was very active in supporting Malay Bumiputera entrepreneurs (Noraini, 2007). The main aim of the establishment is, “To bring together all the Malay entrepreneurs in enhancing their economic” (MCCM
In its first congress in 1961, this chamber embarked on its members’ suggestions in formation of Bank Bumiputera Malaysia and the change of name of People of Trust from RIDA to Majlis Amanah Rakyat (MARA). Then, in 1970’s, it contributed to the development of Bank Pembangunan and Lembaga Pembangunan Bandar (UDA). These units namely MARA and UDA as well as the Bank have been playing vital roles in providing funds as well as developing entrepreneurial skills for indigenous small business owners (Noraini, 2007). For thirty years, this chamber has been leading many successful projects in helping indigenous entrepreneurs, and being recognised internationally, particularly among the Islamic countries. Nevertheless, since 1990’s until nowadays, MCCM has been dormant and has disappointing its members for being inactive. Noraini (2007) reported that the reasons for this were due to ineffectiveness and incompetence of the leaders who were being resting and only providing seminar-based activities. This is in line with an exclusive report in Utusan Malaysia Online (2012) which stated that MCCM failed to perform efficiently due to its internal political issues and the leaders’ lack of business skills and experiences. Utusan Malaysia Online (2012) further doubted on its ability to support the indigenous entrepreneurs and help solving their problems.

DewanUsahawanIndustriDesa (DUID) or Chamber of Rural Entrepreneurs was established in 1998. It is focusing on developing the rural Malaysian indigenous entrepreneurs by providing training courses and seminars. It has been set up as a national level association with all the activities being carried out by the state level. It’s President, Datuk ZubirZabidi mentioned that the implementation of the government policies in improving the rural industry, especially the villagers micro businesses needed to be enhanced to improve their economy (Utusan Online, 13/9/2013). Besides that, the Federation of Manufacturer Malaysia (FMM) is one of the popular business associations that provide support to all manufacturers in Malaysia. The membership of FMM is opened to all entrepreneurs regardless of their ethnicity. It was established in 1968 and has consistently steered the Malaysian manufacturers in fronting the economic growth. The services offered range from training seminars and conferences; advertising opportunities; advisory services; import and export and so on. The advisory services are related to customs procedure, human resources and industrial relations and application for the certificate of origin (COO).

III. Methodology

Given that the research problem is exploratory in nature, and it is intended to investigate rich data that looks at the extent to which the clubs/associations provide support to Bumiputera SMEs, which requires a fine-grained understanding of a complex phenomenon, an interpritivist approach is deemed the most appropriate paradigm for this study. Thus, qualitative methodology is employed for it lends itself to the interpritivist paradigm (Sekaran, 2003). The subjective nature of this study is impossible to acquire through quantitative methodology (Hammersley, 1992; Patton, 2002). For this reason, inductive reasoning is employed rather than deductive logic. An inductive approach, which aims at gaining understanding of the meanings of human activities rather than explaining causal relationships through hypothesis testing, is most relevant for this study. As Patton (2002) stresses that an inductive reasoning is appropriate as the research problem is not completely explained by existing models, and it is intended to increase the chance of “discovering the unexpected”.

This qualitative research employs in-depth interviewing technique that has been carried out with 15 indigenous entrepreneurs of small businesses who are the manufacturer of food and beverage in Johor Malaysia. Malay Bumiputera (indigenous) people are one of the major ethnic groups that comprise of 50.4 per cent out of the total population. This study is embarked on this particular segment for they were found of having lack of networking, and this has resulted to the under-development of Malay entrepreneurship in Malaysia (Hamidon, 2009). Consequently, Bumiputera entrepreneurs were claimed for being less competitive against Chinese’s entrepreneurs (the non-Indigenous people of Malaysia). Eventually, this has affected their ability to mobilise resources for growth of their entrepreneurial venture (Hamidon, 2009). The food and beverages industry is chosen as it is ranked the second highest in the manufacturing sub-sector list with the total number of companies is 5,664 after the textile and apparel (Department of Statistic Malaysia, 2006). This study is only concentrated on businesses operate in the southern part of Malaysia (Johore) as it has the largest concentration of manufacturing companies compared to the other states in Malaysia (Saleh and Ndubisi, 2006).

The researcher used digital voice recorder to record the interview conversations so that any missing points could be avoided, while taking notes for further understanding of the points discussed. Data triangulations have been attempted to be conducted by interviewing the chambers and clubs/associations for data validation. Researcher only managed to interview the President of DUID Johor, for others were refused to give cooperation and involved a high level of bureaucracy. The data has been analysed using NVIVO 9.0 software, and employed thematic inductive analysis. The findings of this study have implications for the owners-managers and provide useful insights to the management of the clubs/associations and the policy makers.
### IV. Findings and Discussion

#### a) Participation of Bumiputera Entrepreneurs in Clubs/Associations and the Associated Factors

Table 1 below shows detailed accounts of the connections of the entrepreneurs with the clubs/associations and their factors of participation. Out of 15 of the total firms that have been interviewed, there are 11 entrepreneurs claimed that they have connections with the clubs/associations while the others have not. The associated factors of participation are shown below.

**Table 1:** Background of Respondents, their connections and the factors of participation with clubs/associations

<table>
<thead>
<tr>
<th>No.</th>
<th>Entrepreneurs’ Gender, Age, Products</th>
<th>Connections</th>
<th>Factors of Participation (Quotations)</th>
</tr>
</thead>
</table>
| 1.  | Male, 48, Maz, Chilli Processed       | Yes – Member of MCCM | Factor 1: Enlarge network variations  
“I got involved with MCCM when it is being introduced by my friend…I believe that having connections with these clubs/associations would enhance my networking with lots of other entrepreneurs and government agencies”  
Factor 2: Gain Benefits from Training Programs and Seminars  
“My firm gained advantages from the training and seminar programs offered” |
| 2.  | Female, 52, Mjah, Frozen Food        | Yes – Member of MCCM | Factor 1: Personal Reason  
“My spouse being one of the Committee of MCCM, so he introduced my firm to the Chairperson, so by chance I involved in the activities that was promoted by my husband” |
| 3.  | Male, 38, Malinja, Kebab             | Yes – Member of MCCM, Koperasibadah-Qurban Selangor Berha - dan,KoperasibadahQurban Johor. | Factor 1: Gain Benefits from Training Programs and Seminars  
“I am actually a sleeping member of MCCM, I attended the seminars only but not so often, they have many seminars, and one of them that I attended was a joint venture with MARTRADE. At that time, my firm did not have the capacity and we were yet to have VHS (Veterinary Health Services) Certificate…” |
| 4.  | Male, 55, Sernan Spices              | Yes – Member of MCCM | Factor 1: Gain Benefits from Training Programs and Seminars  
“MCCM offers promotional programs, courses, talks, seminars and also business matching programs. I attended once and gained valuable knowledge in managing my business. It also has a newsletter that advertises their events and activities throughout the year.” |
Factor 2: Awareness  
“Being an entrepreneur, relationship with the associations, could increase network relationships with various parties and individuals… not only that, being responsive to the business environment makes me aware of the need to be a member of these clubs.” |
| 6.  | Male, 55, BumiH, Ketchup             | Yes – Member of MCCM, Federal of Manufacturing Malaysia (FMM) | Factor 1: Gain Benefits from Training Programs and Seminars  
Factor 2: Knowledge and Information  
“I look for information regarding exporting procedure from the FMM, and business advice from MCCM, as well as attending their training and seminars” |
| 7.  | Male, 42, Azad, Ketchup              | Yes – Member of MCCM, PersatuanPengguna Islam, PersatuanPeniagaBatuPahat. | Factor 1: Knowledge and Information  
“For me, joining clubs/association at the national level provides better advantages to the business in comparison to the district level... I am extremely busy, so I join these clubs to get information as business needs information to grow further.” |
| 8.  | Female, 43, Norli, Biscuits          | Yes – Federal of Manufacturing Malaysia (FMM), | Factor 1: Knowledge and Information  
Factor 2: Meeting Point with other entrepreneurs  
“These clubs and associations are like a hub for me to get information, and get together with other entrepreneurs to exchange ideas and information” |
b) The Extent to which the Clubs/Associations Provide Support to SMEs

The in depth interview data shows a number of issues that have been explored regarding the extent to which the clubs/associations provide support to the SMEs. Firstly, the existence of the clubs and associations are basically based on the geographical area of certain location. Thus, they are divided into three levels,

Table 2: The Summary for the Factors of Participation with the Clubs/Associations

<table>
<thead>
<tr>
<th>Themes</th>
<th>Factors of Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquire Intangible Resources</td>
<td>1. Knowledge and Information</td>
</tr>
<tr>
<td>Fulfill Social Needs</td>
<td>2. Gain Benefits from Training Programs and Seminars</td>
</tr>
<tr>
<td>Enhance Network Capability</td>
<td>3. Ethnic Community</td>
</tr>
<tr>
<td></td>
<td>4. Awareness of the need</td>
</tr>
<tr>
<td></td>
<td>5. Personal Reason</td>
</tr>
<tr>
<td></td>
<td>6. Meeting Point with other entrepreneurs</td>
</tr>
<tr>
<td></td>
<td>7. Enlarge network variations</td>
</tr>
<tr>
<td></td>
<td>8. Strategic Business Marketing and Networking</td>
</tr>
<tr>
<td></td>
<td>9. Role of Network Broker</td>
</tr>
</tbody>
</table>

Table 2 below shows the summary of the factors of participation and the themes that have been created of the entrepreneurs with the clubs/associations of their choice. This study produces results which corroborate with the previous research by Aldrich and Zimmer (1986), Birley (1985), Steier and Greenwood (2000) and Casson and Della Giusta (2007); who found that the need to network among SMEs is to gain knowledge and information as well as resources to enhance their business performance. Nevertheless, the findings of the current study regarding the benefits gain from training programs and seminar, and the awareness of the need do not support the previous research. A study by Hakimin and Rafi (2010) showed that indigenous entrepreneurs were not alert on the training programs offered by the government agencies and refused to attend those. This contradictory result might be explained from the context of the influence of the community and acquaintances. In this regard, the other network actors who possibly are the friends, whom also participating in the clubs/associations programs and activities influence the decision taken by the entrepreneurs whether or not to join in. (Refer Quotes in Table 1).

This study reveals significant and interesting results that have not been documented elsewhere which are related to the other two main factors of participation, that are social needs and enhancing network capability. The social needs could be further categorised into ethnic community, personal reason, a meeting point with other entrepreneurs as well as the awareness of the need to get involve in clubs/association. While the latter are to enlarge network variations, to perform strategic business marketing and networking and acquire a facility of the network broker. (Refer Quotes in Table 1).
naturally the national level (Kebangsaan) i.e. Malaysia, state level (Negeri) i.e. Johor, and district level (Daerah) i.e. BatuPahat. The district level clubs/associations are frequently claimed as weak services provider for they do not receive full support from the community around the geographical area. Consequently, in return they could not provide the best support services to the members. As one of the entrepreneurs said that,

“For me, joining clubs/associations at the national level provides better advantages to the business in comparison to the district level... I joined for few months but then the club was suddenly being dormant and silent without providing any activities.” (Respondent 10)

In relation to the quote above, this was also the reason for one of the respondents decided to withdraw from the relationship due to the club being dormant. As he mentioned that “I was one of the members a few years back, now I do not join any because they are inactive” (Respondent 13). The triangulation data validate these statements by providing the reasons for why the clubs/associations especially the district level being dormant after its establishment. The president mentioned that it is the common practice that the president and the committee members of the clubs/associations are also entrepreneurs; who are very busy and committedly engaged in the business activities. Therefore, the chance for the person to neglect his secondary commitment (being the president) is very high. Besides that, the teamwork of the committees were lacking due to the same reason and needed to be exchanged often which is at least once a year. These have affected the performance of the clubs/associations.

Secondly, one respondent claimed that this chamber failed to provide support in solving his company’s problem when he was extremely in need. As the entrepreneurs pointed out that;

“DPMM(MCCM)is just providing training courses, but when we come to ask them help to solve our problem, they could not do anything...I met the president but still he could not do anything to solve my problem...how exactly they can help us (small businesses) are still unclear...I don’t understand what actually their purpose of establishment, I can’t see how they can help us to get what we want, I just pay the fee, they are supposed to provide a strong back-up or endorsement especially when we make any application to the government agency.” (Respondent 1)

When asked about the problems the firm encounters, he replied that his factory was built in a neighboring area which is located in a village. Therefore, due to the unsuitable location, his application for most of the government supports and grants have been rejected by the government agencies. When he asked for endorsement from the clubs/association to support his application, he was not getting support as he wanted although the factory is in the process of moving out to the other industrial location. He is frustrated for the way he was being treated. This is consistent with Noraini (2007) who claimed that MCCM failed to perform efficiently due to its internal political issues and the leaders’ lack of business skills and experiences. Thirdly, it has been claimed that some of the training and seminars programs were not adequately address the need of the indigenous entrepreneurs’ firms. Some of them mentioned that they still do not have the capability to join the programs they organized, such as the business matching and exporting activities.

V. Conclusion

The plausible explanations on the factors of participation and the extent to which clubs/associations provide support to small businesses, that emerge from the empirical findings have been made carefully by the researcher. This study found three important themes in describing the factors of participation of small business entrepreneurs in the clubs/associations, namely acquiring intangible resources, fulfilling social needs and enhancing network capability. It can also be concluded that some of the chambers fail to perform their roles effectively especially when the members are in need of help. Therefore, this study has implications to the clubs/associations in improving their support and facilities to the entrepreneurs. Clubs/associations need to be more attentive towards the needs of their members so the network relationship would be maintained and developed.

This study has a number of limitations in relation to its methodology. Since this is a qualitative study, it might not be generalised to other population. However, the value of the research will not eventually depend on how widely it can be generalised, as asserted by Flyvbjerg (2006); “That knowledge cannot be formally generalized does not mean that it cannot enter into the collective process of knowledge accumulation in a given field...the force of example is underestimated” (p. 227-228).

The exploratory nature of this study opens up a new prolific research area.

VI. Acknowledgement

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