

ASIA E UNIVERSITY

**THE ROLE OF PERBADANAN NASIONAL BERHAD
(PNS) IN PROMOTING BUSINESS-ORIENTED
MALAYSIAN HAWKERS AND PETTY TRADERS**

BY

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IN PROMOTING BUSINESS-ORIENTED MALAYSIAN
HAWKERS AND PETTY TRADERS

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ABSTRACT

The purpose of this study is to identify the role of Perbadanan Nasional Berhad (PNS) in promoting business-oriented Malaysian Hawkers and Petty Traders. A survey was conducted with the use of questionnaires and telephone interview to collect data from 100 respondents who were the participants of 1Malaysia Micro Entrepreneur Program (1MME) phase three (3). Phase three (3) involved the coaching session and also the final session of 1MME program.

The Association of Hawkers and Petty Traders selected the participants to attend this program based on certain criteria such as interest and potential to be developed. Data collection from the survey, together with the coach's observation, were analyzed based on four (4) sectors which were transformation to Self, Company, Business and System and the tool used to analyze the data was the organizational-level logic model.

Major findings of this study revealed that after attending the program, the respondents were able to transform and improve the four (4) sectors that were evaluated and achieved positive attributes that are very useful for the expansion and lifespan of their business. The study also revealed that Perbadanan Nasional Berhad (PNS) has played an effective role in the success of 1MME program which was further supported by the feedback from the respondents.

Based on the findings, it can be concluded that the objective of this study to identify the role of Perbadanan Nasional Berhad (PNS) in promoting business-oriented Malaysian hawkers and petty traders by delivering 1Malaysia Micro Entrepreneur Program (1MME) to promote human capital development has been achieved. Finally, several recommendations and suggestions were also included for subsequent research.

APPROVAL PAGE

I certify that I have supervised / read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a thesis for the fulfilment of the requirements for the Master of Business Administration.

A handwritten signature in dark ink, appearing to read 'Oo Yu Hock', is written over a horizontal dotted line.

Dr. Oo Yu Hock

Supervisor

DECLARATION

I hereby declare that the thesis submitted in fulfilment of the Master Degree is my own work and that all contributions from any other persons or sources are properly and duly sited. I further declare that the material has not been submitted either in whole or in part, for a degree at these or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constituted academic misconduct, which may result in any expulsion from the program and / or exclusion from the award of the degree.

Name: Roslina Binti Abd Samad

Signature of Candidate:



Date: 28th July, 2016

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LIST OF ABBREVIATIONS

BCIC	Bumiputera Commercial and Industrial Community
BERNAMA	Berita Nasional Malaysia
Co.	Company
CCTV	Closed-circuit television
1MME	1Malaysia Micro Entrepreneur
MDTCC	Ministry of Domestic Trade, Co-operatives and Consumerism
MyIPO	Intellectual Property Corporation of Malaysia
MOF Inc.	Ministry of Finance Incorporated
PNS	Perbadanan Nasional Berhad
PP1M	1Malaysia Hawkers Program
P1MPIN	Insurance Plan 1Malaysia Hawkers and Petty Traders Malaysia
SOP	Standard Operating Procedure

Chapter One

INTRODUCTION

1.1 Background of Study

The emergence of hawkers and petty traders continue to grow over time and according to the Malaysian Prime Minister, Datuk Seri Najib Tun Razak as stated by the Malay Mail Online in 2014, based on statistics by the Companies Commission of Malaysia and the local authorities in Sabah and Sarawak, there were more than one million registered hawkers and petty traders in the country as of April, 2014.

Hawkers and petty traders also termed as street vendors, street traders, sidewalk traders and peddlers. The description of this group of people are varies based on time or place where they work and differs between different states and countries as well as their usages also differs according to locality and region. According to the National Policy for Urban Street Vendors, 2004, street vendor is a person who offers goods or services for sale to the public without having a permanent built up structure but with a temporary static structure or mobile stall (or head load). Street vending is a natural market formed because of social needs. (Sharit Bhowmik, 2001)

Hawkers and petty traders can be found performing their activities either mobile by moving from place to place by carrying their wares on push carts, cycles, moving trains and other public transports or they can be stationary by occupying space at many locations such as on the pavements, at the street, markets, bus terminals, or other public or private areas. Customers will get the goods and services conveniently at affordable rates according to their economic and social conditions through this group of people which are acting as distributors.

In Malaysia, at times, this activity is regarded as a social problem based on the nature of activities which creating congestion, clutter up streets and unhygienic. The increasing number of informal street retail activities in Malaysia towns has also imposed negative disruption and endangered the formal business entities (Harian, 2015). however their activities are recognized by the society and authorities.

Therefore, there is a need to understand the behavior of informal business ventures in order to develop the entities as progressive entrepreneurial start-up and yet do cannibalized other forms of formal business entities. (Che Omar. A & Ishak. S. (2016).

In the developing countries, majority of people involves in petty trading which this sector has become a major part of the informal sector activities. Referring to Yukio (2011), street retailing provides employment and livelihood for many people in developing countries. In times of economic slowdown, the unemployed were encouraged by the government to look at self-employment opportunity such as hawking and petty trading as both are considered as a way of eradicating poverty when the employment opportunities are limited. However, it was believed that this informal economy in the developing countries will be disappeared once the sufficient levels of economic growth are achieved with the increased in employment levels and income.

In the national economy, hawkers and petty traders are identified as an important group and plays an important role in the country's socio-economic and help the communities in both urban and rural area to reduce their cost of living through consumer products, food and services with wide selection of choice at reasonable price. Therefore, in order to boost their operation, the improved facilities are built by the government such as new stalls, trading sites and complex as well as an integrated trading system.

Business is the main livelihood for hawkers and petty traders and based on their significant contributions to the growth of the socio-economic, The Malaysian government has implemented various activities and programs for them. These initiatives are to ensure that the hawkers and petty traders are continued to be taken care of and enable them to promote their business effectively.

Hawkers and petty traders can benefit from the Malaysian government's initiatives for their business transformation and become more robust, growing, sustainable, economically, viable and more competitive by implementing the more structured and systematic business management.

Figure 1

Overview of the '1Malaysia Micro Entrepreneurs' (1MME) Program



Source: PNS Library

The Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) is responsible to develop, supervise and to keep the welfare of the Malaysian hawkers and petty traders. In carrying these responsibilities, MDTCC with the cooperation of Perbadanan Nasional Berhad (PNS) has drawn a transformation program for Malaysian hawkers and petty traders in order to mobilize their mind transformation and self-advancement.

The study focused on the implementation of “1Malaysia Micro Entrepreneurs” (1MME) program. This is a Business in Transformation Program to build human capital development to the targeted group of Malaysian Hawkers and Petty Traders in order to be more competitive and systematic in operating their business effectively. This is a five-year program, ranging from year 2015 until 2020 and established by the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) through one of their strategic thrusts namely Human Capital Development with the strategic cooperation with Perbadanan Nasional Berhad (PNS).

1.2 Significance of the Study

This study will demonstrate the perception of the Hawkers and Petty Traders on the importance of continuous learning process and hand holding coaching in helping them to transform their mind to be more creative and innovative, viable and competitive for self-advancement and strengthening their business strategy in order to generate higher revenue.

On the other hand, it will establish the role of Perbadanan Nasional Berhad (PNS) in developing the targeted group of Malaysian Hawkers and Petty Traders. The targeted group of hawkers and petty traders are selected based on certain criteria and conditions as

set by the Association of Hawkers and Petty Traders. It aims to ensure the program is fully utilized by the participants that have potential and deserves to be developed.

Entrepreneurs and the Association of Hawkers and Petty Traders can look at this study and examine the program's effectiveness. Therefore would contribute better understanding on the role of PNS towards human capital development.

1.3 Statement of the Problem

Most of the hawkers and petty traders are facing low self-confidence and no proper direction whenever they plan for business expansion. This scenario might be happened because of many reasons such as limited resources, lack of support, guidance and motivation, thinking paradigm, being complacent in their comfort zone, lack of knowledge and skills, lack of exposure, poor infrastructure, personal constraints and procrastination.

According to the Article on The Informal Economy and The Local Economic Development by The World Bank Group (2016) stated that those in the informal economy are faced with many problems and some of the main ones are resource issues which are obtaining financial assistance and lack of training such as basic math, accounting skills as well as business management skills. These resource issues are the key to all successful businesses including those in the informal economy. With regards

to the study on street entrepreneurship in India by William and Gurto (2012), has stated that street entrepreneurship falls under the domain of informal economy and it can be defined as either stationary vendors who occupy space on the pavement or some other public or private space or mobile vendors carrying their wares on pushcarts or in baskets on their head. Informal entrepreneurship and street entrepreneurship are considered similar and both refer to the street retailing (Che Omar. A and Ishak.S, 2016).

In view of the above, every hawkers and petty traders are facing few stages of problems in building their business. The first stage will be at the start-up of their business where the proper plan and clear direction are important which includes idea on what to sell, how to sell the product in order to be different from their competitors. On top of that, lack of experience, knowledge and initial capital are amongst the impasse in starting the business and coupled with the lacking of motivation, support and discouragement are the reasons why many businesses fail at this stage.

Even though they managed to overcome all the challenges at initial stage, but without the required experience, knowledge and incapable in managing and running the business, they will definitely face the same problem as per at the initial stage.

This study examines the constraints and barriers encountered by the hawkers and petty traders in building their business and the effectiveness of '1MME' Program conducted by

Perbadanan Nasional Berhad through its Academy (PNS Academy) in promoting the business-oriented Malaysian Hawkers and Petty Traders.

1.4. Scope of the Study

The scope of this study only covers respondents who have attended the 1Malaysia Micro Entrepreneur Program (1MME) phase three (3).

1.5. Research Question.

How '1MME' Program can contribute to promote human capital development to the Malaysian Hawkers and Petty Traders?

1.6 Objective of the Study

To identify the role of Perbadanan Nasional Berhad (PNS) in promoting business-oriented Malaysian Hawkers and Petty Traders.

1.7 Limitation of the Research

The research survey is limited to circulating 100 questionnaires to the selected respondents only based on the nomination by the Association of hawkers and petty traders. Thus, the findings may differ if more samples are evaluated. Therefore, the findings of this study cannot be generalized to the hawkers and petty traders in Malaysia as a whole.

1.8 Organization of the Study

This report is organized into five (5) chapters.

Chapter 1 introduces the study.

In this chapter, contains an introduction of this study which provides overall background of the study on the role of Perbadanan Nasional Berhad (PNS) in promoting business-oriented Malaysian hawkers and petty traders. In this introduction chapter, consists of background of the study, significance of the study, statement of the problem, research questions, objective of the study, and organization of the study.

Chapter 2 provides a review of literature relevant to the study.

This chapter provides a review of literature on the role of Perbadanan Nasional Berhad through its Academy (PNS Academy) in promoting business-oriented Malaysian hawkers and petty traders with the implementation of 1MME program. On the other hand, this chapter will also provide literature review on the definition of 'promoting business-oriented' and the issues which hinder some of the hawkers and petty traders from participating in the program.

Chapter 3 presents the research methodology

This chapter describes the methodology used in this study. This study is qualitative method to analyse the identified hawkers and petty traders' development after attending the program. Data was collected by questionnaires and telephone interviews and presented in statistic method. Study on the effectiveness of 1Malaysia Micro Entrepreneurs (1MME) program is carried out by using the qualitative approach will help to provide in-depth understanding on the role of Perbadanan Nasional Berhad in promoting business-oriented Malaysian hawkers and petty traders based on feedback gathered from the participants of this program.

Qualitative research is a type of scientific research. In general terms, scientific research consists of an investigation that seeks answers to a question, systematically uses a

predefined set of procedures to answer the question, collects evidence, produces findings that were not determined in advance and produces findings that are applicable beyond the immediate boundaries of the study (Qualitative Research Methods, 2005).

Chapter 4 discusses the research findings

This chapter presents analysis and findings of this study and the effectiveness of the 1MME program relates to the active involvement from the participants.

Chapter 5 concludes the study with recommendation

This chapter provides conclusion of the study and also concludes additional discussion on contribution of the study. Furthermore, recommendation made for improvement and value added are based on the main results from the analysis.