

A Proposed Study on Malay Entrepreneurship in Edible Bird Nest Industry in Malaysia: Self-Efficacy Theory as a Research Approach

Mohd Rafi Yaacob¹, Wan Khairy bin Wan Ibrahim²

Abstract

This conceptual paper provides a proposed study on Malay Entrepreneurship in the edible bird nest industry in Malaysia. It begins with an early insight into edible bird's nest industry in South East Asia and the entrepreneurship of the said industry in Malaysia. This paper draws upon self-efficacy theory approach as a basis of study. A number of relevant dimensions of self-efficacy theory are analyzed. Amongst others are self-esteem, self-efficiency, ability to learn, as well as motivation to succeed. Past achievement helps entrepreneurs to look forward and grasp available opportunities. Using self-efficacy theory as proposed by Bandura will shed light into nature and characteristics of Malay entrepreneurs in the industry. Such a study is paramount to contribute to the literature of Malay entrepreneurship in a new venture.

Keywords: Malay Entrepreneurship, Edible Bird Nest Industry, Self-Efficacy Theory

1. Introduction

Malaysia is one of the largest market exporters of edible bird nests, however the total volume of 100 tonnes in 2010, slipped to only 20 tonnes 2011(Ban, 2011). The prospect looks promising, according to the Federation of Malaysia Bird Nest Association, with the strong collaboration along the Ministry of Agriculture & Agro Based Industry of Malaysia and the China General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), a working committee on the procedural and administrative problems of the Malaysian swiftlet industry will be established. Quick actions taken by both parties came immediately after the Prime Minister of Malaysia, Najib Tun Razak highlighted the issue to Chinese Premier Wen Jiabao on October 21, 2011 on the sidelines of the China-Asean Expo in Nanning, Guangxi Zhuang. In the wake of the import ban by China, the Agriculture and Agro-Based Industry Ministry of Malaysia have directed the industry players to implement the Good Animal Husbandry Practice and Good Manufacturing Practice Standards under the guidelines for the development of the swiftlet industry (Ban, 2011). According to the Malaysia Statistical Department, in the year 2010 there were 41 associations have been established in edible bird nest industry which led to gross income of USD 1 million (RM3million) and contributed to entrepreneurship and employment Apart from Chinese entrepreneurs who overwhelmingly has dominated the industry, this golden opportunity gives a great advantage to indigenous Malay entrepreneurs to explore and grasp opportunity of the lucrative edible bird nest industry.

The edible bird nest industry in Malaysia has been commercialized by the late 1980s which pioneered by Chinese entrepreneurs. The awareness of turning this industry to the upscale competitive industry occurred when the world market including Malaysia experience an economic crisis during the year of 1986 – 1988. According to Muhammad Yusof Hashim as cited in (Ismail, 2010), the history of edible bird nest in Malaysia has started hundred years ago, since 1405 in Lahad Datu and Gua Madai in Sabah, North Borneo followed by the voyages across the seas by Chinese Admiral Cheng Ho during Ming Dynasty in 1405 (Cheung and Wu ,2012). The highly demand of edible bird nest from Chinese aristocrats made Borneo became the popular edible bird nest exporter in the world. At present the highly produced areas of edible bird

¹Faculty of Entrepreneurship and Business University Malaysia Kelantan, Malaysia

²Faculty of Entrepreneurship and Business University Malaysia Kelantan, Malaysia

nest in Borneo located in Madai and Gua Gomantong in Sabah, Malaysia and Kalimantan, Indonesia ("Sandakan," 2013).

The clean bird nest with half cup shape used to achieve a price of USD 8,000 for a kilogram in the year 1980. Due to the expensive price and exotic factor of this edible bird nest industry, leading to the involvements of many local Chinese entrepreneurs. However, the production of edible bird nest limited to the cave areas in the areas. Edible-nest swiftlets build their nests and lay their eggs high on the walls and ceilings of caves in Borneo and Southeast Asia region.

The idea to bring out its original habitat to the man made habitat which similar to its actual belonging was first initiated by Chinese Indonesian entrepreneurs in 1915. Over time with extensive research and deep observation on the swiftlets original habitats, they started to build bird houses of swiftlets in a smaller scale. Their efforts turn out successful when the swiftlets could be harvested accordingly with easier, safer and more hygienic way. Arguably this found success was first being kept secret from many even though the houses for edible bird nest located near their own houses. Cultivating bird nests is a passion in parts of Southeast Asia, considered as much luck as it is skill. Nobody knows why the swiftlets build their saliva nests in some places but spurn others. Indonesian farmers control about 85% of the global bird-nest market; go to great lengths to achieve an optimal blend of cave-like darkness, humidity and fences stench to lure the little birds to their multi-storey bird houses.

The idea of creating big, open buildings as birdhouses came about decades ago, when swiftlets were found nesting in temples and deserted buildings in Southeast Asia. The style caught on mostly in Indonesia, the leading nest exporter opted to build housing for freeloading swiftlets, putting up blocky structure about 65 feet high, protected by a razor-wire-topped fence, to discourage thieves, in an open field. This are adapting their homes and office buildings to offer shelter to the lucrative birds, in some cases adding floors or hollowing out existing structures. In other cases, eager entrepreneurs are putting up entire condominium blocks strictly for the birds. Most of the interior walls will be demolished, the doors and windows will be sealed and covered so that the inside is darkened, and banks of pipes will be installed as air vents, with each set poking out five or six inches from the wall. The renovations are designed to attract a high-flying tenant. Those entrepreneurs make innovations as adding double walls to protect the birds from heat, as well as avoiding strong-smelling paint and cement, which they dislike. But the real secret of a successful birdhouse lies in the technique": the installation in the darkened, cavernous interior of imported sound systems and recorded swiftlet chatter.

Notwithstanding with the increasingly importance of the said industry, not many empirical research pertaining to entrepreneurs and entrepreneurship have been done in the area. Capitalising on the Theory of Self-efficacy popularized by Albert Bandura 1977, the aim of this paper is to propose a study pertaining to Malay entrepreneurship in bird nest industry in Malaysia in particular.

2. Definition of Entrepreneur and Entrepreneurship

The very word 'entrepreneur' is attributed to Richard Cantillon, in the 18th century, who wrote about individuals who buy materials and means of production at prices enabling them to combine into a new product (Hostager, Neil, Decker, & Lorentz, 1998). Three taxonomies of entrepreneurship have been identified by Herbert and Link (1989); each of them can be traced back to Cantillon's definition. In brief, these can be referred to as the German Tradition associated with Schumpeter (1954); the Chicago Tradition associated with the work of Knight (1921); and the Austrian Tradition associated with the work of Kirzner (1985). This taxonomy serves to identify significant commonalities. For example, the entire traditions place the entrepreneur in the context of economic dynamics and within the equilibrium paradigm; and each characterises entrepreneur in functional terms rather than focusing on personality characteristics often used in the popular media. Thus the link between entrepreneurship and economics has been made from the beginning.

Amongst early names associated with entrepreneurship, Joseph Schumpeter (1954), often times regarded by many scholars as the founder of modern entrepreneurial theory, portrayed entrepreneurs as innovators. He coined the phrase ‘creative destruction’ to describe the process by which entrepreneurs discover new opportunities and stimulate change in society. Entrepreneurship in this context is seen in revolutionary terms as the ability to bring about something new, whether this is a production method, technological development, product/service, distribution system or even a new organizational form. The second dominant view of entrepreneurship, based on the work of Knight (1921), viewed the entrepreneur as the person able to recognize opportunities by managing risk and uncertainty in order to create wealth. Finally, Kirzner (1985), who owes a debt to Knight’s work by emphasizing opportunity recognition, has developed a new theory of entrepreneurship taking it to mean having an alertness to profit opportunities (Spencer, Ryan, & Bernhard, 2008). In an attempt to synthesise all three traditions, Hebert and Link (1989) define an entrepreneur as ‘someone who specializes in taking responsibility for and making judgments decisions that affect the location, form, and the use of goods, resources and institutions’.

3. Application of Self- Efficacy Theory in the Edible Bird Nest Industry

According to Albert Bandura (1994) self-efficacy refers to “beliefs in one's capabilities to organize and execute the courses of action required managing prospective situations”. Simply speaking, self-efficacy is what an individual believes he or she can accomplish using his or her skills and capabilities under certain circumstances (Snyder, Lopez, Shorey, Rand, & Feldman, 2003). Self-efficacy has been thought to be a task-specific version of self-esteem (Lunenburg, 2011). The basic principle behind Self-Efficacy Theory is that individuals are more likely to engage in activities for which they have high self-efficacy and less likely to engage in activities those they do not good at (Van der Bijl & Shortridge-Baggett, 2002). According to Gecas (2004), people behave in the way that executes their initial beliefs; thus, self-efficacy functions as a self-fulfilling prophecy. Self-efficacy exerts influence over people's ability to learn, their motivation and their performance, people will often attempt to learn and perform only those task for which they believe they will be successful (Lunenburg, 2011).The basic idea behind the Self-Efficacy Theory is that performance and motivation are in part determined by how effective people believe they can be (Bandura, 1982; as cited in Redmond, 2010). This will definitely affect the ability of entrepreneurs to sustain in the bird nest industry.

Relating to the principle of self-efficacy theory, this study will investigate either entrepreneurs who succeed in business believe they can accomplish their business in the edible bird nest industry using their business skills and capabilities. Even though the edible bird nest industry is quite new for Malay entrepreneurs, they are confident enough to succeed because they believe overall nature of business is almost the same. Previous success in business is believed to motivate them in the new venture in the said industry. As self-efficacy influences entrepreneurs’ ability to learn more and more motivated thus entrepreneurs to learn every aspect of the value chains of edible bird nest industry. This include choosing the right location for bird nest, size of swiftlet house, interior design to replicate nature of bird nest environment, how to attract swiftlet and other techniques appeal to the birds to establish their new nest. Furthermore, Malay entrepreneurs who usually mingle together with Chinese entrepreneurs as they rely on them as main buyers of the bird nests quickly learn to properly harvest edible bird nests of their endeavours.

Furthermore the basic idea behind the Self-Efficacy Theory as postulates by Bandura (1982) is that performance and motivation are in part determined by how effective people believe they can be. Since most of Malay entrepreneurs in this business usually already succeed in their business, past and present performance motivate them to grasp opportunity in the new business. Since entrepreneurs usually need to wait until 3 years before the first harvesting, they usually use income from existing business to sustain. This will definitely affect the ability of entrepreneurs to sustain in the bird nest industry. Although the researchers yet to gather empirical data about Malay entrepreneurs in the said industry, observation and secondary sources from friends show many of them own batik business prior edible bird nest industry. Perhaps, excessive cash from existing business will use to finance new venture.

The above explanation shows the individual's self-efficacy will be high in that particular area, and since he or she has a high self-efficacy, he or she is more likely to try harder and complete the task with much better results. The opposite is also true. If an individual experiences a failure, self-efficacy is likely to be reduced. In relating to this, the proposed study will investigate either thus who failed in previous business are brave enough to delve into edible bird nest industry because of untapped opportunities that they believe. However, if these failures are later overcome by conviction, it can serve to increase self-motivated persistence when the situation is viewed as an achievable challenge (A. Bandura, 1977).

4. Conclusion

The edible bird nest industry that caters demand for Chinese market has been around for hundred years in the South East Asia due to suitable habitat for swiftlet birds. Traditionally, most supply of the nests were harvested from various caves. Overtime, Chinese entrepreneurs who live in the region have learned to cultivate edible bird nest through unnatural bird nests by establishing swift let habitat in abandoned buildings in urban areas. Since the industry is lucrative enough as escalating demand from the mainland China, the industry has attracted score of Malay entrepreneurs to jump into bandwagon. For Malay entrepreneurs the industry is relative new. Using self-efficacy theory as proposed by Bandura will shed light into then ature and characteristics of successful Malay entrepreneurs in the industry. Such a study is paramount to contribute to the literature of Malay entrepreneurship in a new venture that warrants empirical studies.

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