

Key determinants of success for bumiputera entrepreneurs in small and medium-sized micro enterprises

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Abstract

Bumiputera entrepreneurs play an important role in Micro, Small and Medium Enterprises (MSME) in the Malaysian economy. Therefore, the government has implemented a variety of initiatives and programs to increase the number of Bumiputera entrepreneurs. However, Bumiputera entrepreneurs still lag behind in the field of entrepreneurship, particularly in terms of sustainability and competitiveness. Although numerous studies have explored entrepreneurial success in general, there remains a limited number of empirical studies that specifically examine the critical success factors affecting Bumiputera entrepreneurs at the local level, especially in rural or semi-urban areas like Parit Sulong, Batu Pahat, Johor. Hence, this study aims to measure the level of success of Bumiputera entrepreneurs and determine the factors that influence their success in MSMEs in the aforementioned area. This study was conducted quantitatively using a questionnaire as a research tool. Purposive sampling techniques are used for data collection purposes. As a result, a total of 140 Bumiputera entrepreneurs were involved in this study. Descriptive analysis, Pearson correlation and multiple regression tests were applied for the purpose of answering the objectives of the study. Finding shows that Bumiputera entrepreneurs have a high overall score for success. The study also found that financial resources and financing, entrepreneurial skills, government support and technological innovation and adaptation have a significant relationship with the level of success of Bumiputera entrepreneurs. The main findings confirm that access to financial resources and financing, entrepreneurial skills and technological innovation and adaptation have an impact on entrepreneurs' success. The implication from this study summarizes that the factor of access to financial resources and financing still needs to be addressed to ensure that Bumiputera entrepreneurs' success is improved. Furthermore, the level of entrepreneurial skills supported by innovation and technological adaptation must be emphasized for Bumiputera entrepreneurs to survive in their businesses.

Keywords: Bumiputera entrepreneur, entrepreneurial skill, financial resources, government support, innovation, technology

Introduction

In an era of globalization and increased economic competition, business success requires innovation, effective tactics and a deep understanding of success factors. Bumiputera entrepreneurs in Malaysia contribute to economic development by managing micro, small and medium companies (MSME) and facing a variety of obstacles and possibilities (Rohailin et al., 2019; Azmi, 2020; Nur Shamshie Haryaty, 2022). Various views show Bumiputera MSME entrepreneurs' success factors. Capital, institutional support, innovation and technology competence are examples. Personal variables like leadership and entrepreneurship also affect success (Nur Afifah & Nurhawani, 2021; Zaimah et al., 2024).

According to the Department of Statistics Malaysia (DOSM, 2022), Bumiputera-owned businesses account for only 38.7% of total SMEs in Malaysia, despite forming over 60% of the population. Moreover, SME Corp (2021) reported that Bumiputera enterprises generally experience lower survival rates, smaller average business size and reduced access to formal financing mechanisms.

The success of an entrepreneur in a business is contingent upon its performance. A business's success can be assessed through various metrics, such as profit, sales, cash flow, investment and asset growth (Nurul Nadiyah & Nurul Nazlia, 2020; Badariah et al., 2020). Previous studies indicate that various factors impact the success of Bumiputera entrepreneurs, including local market conditions, support network facilities and a dynamic culture (Sauh et al., 2024; Sharifah Sofiah Atiqah et al., 2013). Furthermore, economic factors, political stability and access to capital and resources significantly influence the success of entrepreneurs (Zin & Ibrahim, 2021; Mohd Syahrir Rahim et al., 2017).

Bumiputera entrepreneurs' MSME success depends on financial resources and finance. John et al. (2018) say financial considerations determine a business's success. Azmi et al. (2019) further noted that Bumiputera entrepreneurs in MSME success depends on financial resources and finance. Suraiya et al. (2022) confirmed that finance improves business performance. MSME growth requires appropriate financial resources. Second, Bumiputera entrepreneurs' success depends on their entrepreneurial skills, which include business management knowledge, technical expertise in certain industries and the ability to plan, implement and manage business efficiently (Nur Afifah & Nurhawani, 2021).

Bumiputera enterprises also benefit from government backing. The National Institute of Entrepreneurship (INSKEN) and Malaysian Innovation Agency (AIM) offer Bumiputera entrepreneurs training programs (Muhamamd Zulhafizi & Zurinah, 2021). Studies show that successful Bumiputera entrepreneurs employ technology and creativity to boost operational efficiency and sales (Mohd Maliki & Norasmah, 2018).

The core issue addressed in this study is the persistent lag in entrepreneurial success among Bumiputera entrepreneurs despite various government interventions and support programs. While the government has implemented numerous initiatives to uplift Bumiputera participation in MSMEs, their business sustainability, growth and competitiveness remain relatively low compared to non-Bumiputera counterparts. This disparity is particularly evident at the grassroots level, where access to resources, skills and innovation adoption remains limited.

Consequently, this study aims to assess the degree of achievement among Bumiputera entrepreneurs and to identify the factors that contribute to their success in the realm of MSME in Parit Sulong, Batu Pahat, Johor. An examination will be conducted on elements including the

availability of financial resources and funding, the proficiency in entrepreneurial skills, the extent of governmental support and the capacity for technological innovation and adaptation.

Literature review

Bumiputera entrepreneurs

In general, an entrepreneur is an individual who starts and manages a business by taking risks with the hope of achieving personal and economic success and growth. According to Rahim et al. (2017), an entrepreneur is someone who collects resources and creates something new and different, adding value through innovative ideas to increase the wealth of individuals and society. Zaleha and Fairuz (2021) assert that entrepreneurs are those who establish businesses and apply innovation to enhance economic conditions. Yahya Ibrahim et al. (2009) and Suhaila et al. (2018) also characterize an entrepreneur as a person tasked with managing and coordinating production factors like land, human capital and business. In short, entrepreneurs are individuals who have personality traits such as being innovative, always ready, taking risks and opportunities, identifying and mobilizing resources and always being diligent in achieving success.

Bumiputera entrepreneurs refer to individuals from the Bumiputera ethnic group who are involved in business enterprises in Malaysia consisting of ethnic Malays, Sabah natives and Sarawak natives (Nor Ismadee, 2010; Mazlan Majid, 2012; Hashom, 2016). According to Abdullah and Hussin (2021), Bumiputera is an ethnic group that receives special recognition and support from the Malaysian government to ensure economic and social justice in this country. They play an important role in various sectors, especially in MSME. Bumiputera entrepreneurs in the MSME sector play a critical role in supporting economic growth, creating job opportunities, and contributing to local community development (Nur Afifah & Nurhawani, 2021).

Measuring entrepreneurial success

Past studies have used various measurements to measure business performance. Measuring the success of Bumiputera entrepreneurs refers to the assessment of the extent to which Bumiputera entrepreneurs achieve success in their businesses (Sajiah, 2019). A common measure of an entrepreneur's success in business is the level of profit obtained, i.e., whether it is lower than the industry average or higher than the industry average (Lussier 1995). The success of an entrepreneur in business depends on the performance of the business. Two indicators, namely financial performance and non-financial performance, can measure business performance, according to Suraiya et al. (2022). People often use business performance measures such as profit, revenue, sales and cash flow. Business growth, customer satisfaction, employee growth and the quantity of new products are examples of non-financial measures (Nadraturun Nafisah, 2018; Nur Afifah & Nurhawani, 2021; Zuriyati & Nurul Iiyana, 2018). The level of entrepreneurial success in this study was measured based on sales performance. Sales performance was assessed through indicators such as achieving a 20 percent increase in sales, maintaining consistent sales performance, recording higher sales compared to the previous month and year, as well as demonstrating creativity and business strategies aimed at sustaining and improving future sales performance.

a. Access to financial resources and financing

Rohailin et al. (2019) defined access to financial resources and financing as referring to the ability of entrepreneurs to obtain funds and financial resources needed to start and expand a business. This includes the ability to obtain loans from financial institutions, as well as access to various financial instruments, such as business loans or special financing schemes for MSME. According to Rodríguez et al. (2021) and Muhamamd Zulhafizi and Zurinah (2021), access to financial resources and financing refers to capital, such as credit loans and bank loans, which is very important for entrepreneurs in increasing business growth.

For MSME to achieve continuous and sustainable growth and obtain sufficient profits, access to financial resources is crucial (Nzumbi & Misungwi, 2019; Rodrigues et al., 2021). Noah et al. (2019) found that microfinancing is a tool to improve MSME performance, such as money transfers, deposits and insurance. According to Mahani and Suraiya (2019), access to financial resources and financing is crucial for the success of entrepreneurs because MSME often need capital to invest in new packaging technology to improve the quality and sustainability of packaging. Adequate financial resources allow entrepreneurs to manage operating costs, implement effective marketing strategies and implement innovations in business (Normaizura et al., 2019; Rohailin et al., 2019).

b. Entrepreneurial skills

Nur Afifah and Nurhawani (2021) and Dobrovic et al. (2018) defined entrepreneurial skills as referring to a combination of skills such as knowledge and abilities possessed by entrepreneurs to effectively manage, develop and grow a business. It includes skills in identifying business opportunities, making strategic business plans, managing resources efficiently, carrying out innovation and marketing and communicating and interacting with various stakeholders. Suhaila et al. (2014) explained the important entrepreneurial skills for entrepreneurs to implement strategic planning to grow their business in the long term.

Dobrovic et al. (2018) identified entrepreneurial skills as drivers of success. They found that entrepreneurs who have a high level of competence and skills are more likely to succeed. MSME entrepreneurs need to have strategic planning, marketing and sales skills, be highly knowledgeable, implement innovations in packaging and be skilled at managing human and financial resources efficiently and effectively (Schneider et al., 2023; Mahani & Suraiya, 2019; Johan et al., 2018; Arshad et al., 2017). Entrepreneurs need to have competent skills and knowledge to manage business (Soomro et al., 2025; Shamshie Haryaty et al., 2022; Muhamamd Zulhafizi & Zurinah, 2021; Nur Atikah Nor et al., 2020). Entrepreneurs also need to have high financial management skills to achieve success in business (Israel & Rutainurwa, 2025; Zaimah et al., 2024).

c. Government support

Nor Hafizah and Hazianti (2021) explained that government support refers to various types of assistance, incentives, policies, or programs provided by government departments or agencies to help with the financing, development, or business development of Bumiputera entrepreneurs. It includes financial grants, technical support, entrepreneurship training, infrastructure facilities, appropriate legislation and government contract opportunities. Nur Shamshie Haryaty et al. (2022)

and Atikah et al. (2020) added that government support includes training programs, business loans, tax relief and market access, all of which play an important role in supporting business growth and the development of entrepreneurs.

While the government plays a vital role in promoting entrepreneurship through financial aid, training, regulatory frameworks and market access (Arjawa et al., 2024; Choi et al., 2021; Atikah Nor et al., 2020; Azmi et al., 2019), the effectiveness of these initiatives varies. Programmes such as the Entrepreneur Development Program (ADP) and TEKUN have contributed to business development (Nor Hafizah & Hazianti, 2021), yet studies also highlight gaps in implementation, accessibility and long-term impact. For instance, Nur Shamshie Haryaty et al. (2022) argue that more proactive and targeted interventions are needed to ensure sustained success, especially in achieving the national goal of becoming a leading entrepreneurial nation by 2030. However, a global literature review highlights that the impact of government support programmes varies greatly across countries; in some cases, regulatory and financial interventions improved performance, while in others the outcomes were mixed or unclear (Prasannath et al., 2024; Chang & Webster, 2019).

d. Innovation and technological adaptation

Syed Zamberi Ahmad (2009) defines innovation as referring to a method to find a way to produce a new creation, product, or service that is better and more perfect. It includes the introduction of new products, new services, new production methods, or new ways of communicating and interacting with customers. According to Faradillah Iqmar et al. (2017), technology adaptation refers to the ability to adapt and apply existing or new technology in business operations. Entrepreneurs need to adapt innovation and new technology to achieve success in business (Atikah Nor et al., 2020; Nur Shamsurie et al., 2022). Researchers also study how entrepreneurs use innovation and technology to run their businesses. Researchers not only focus on entrepreneurs adapting to the latest technological developments, but also emphasize the development of businesses in a more sustainable and competitive manner.

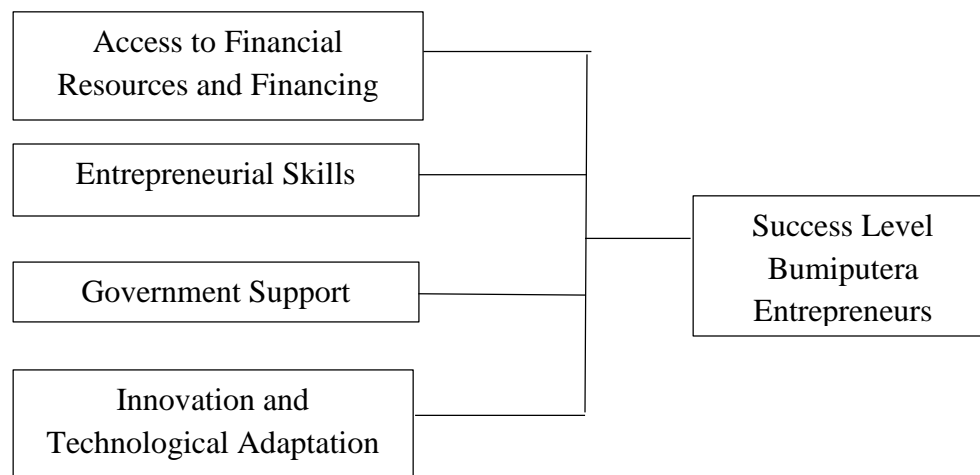
Mahani and Suraiya (2019) concluded that MSME entrepreneurs need to adapt to innovation and new packaging technology to succeed. In this regard, government support through financial assistance, loans, grants and tax relief is essential (Nur Shamsurie et al., 2022). Entrepreneurs also need to have the ability to identify and apply new technologies (Faradillah Iqmar et al., 2017; Atikah Nor et al., 2020). Rehman et al. (2022) highlight that innovation among MSME entrepreneurs in Malaysia, Pakistan and China is influenced by economic environments, business norms and local government support. Shared innovation features include digitalization, product and service enhancement, green technology, flexible business models, industry collaboration, supply chain integration and data analytics.

Study framework

This study is guided by the Resource-Based View (RBV) theory, originally introduced by Wernerfelt (1984) and further developed by Barney (1991). According to RBV, the success of an entrepreneur is determined by their ability to identify, acquire and leverage resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991). In the context of Bumiputera entrepreneurship, RBV offers a relevant lens for evaluating how internal resources such as

entrepreneurial skills, technical knowledge, social networks, access to capital and institutional support function as strategic assets that contribute to business success. These resources not only offer competitive advantage but also enhance business sustainability in the long term (Barney & Clark, 2007; Newbert, 2007).

Figure 1 shows the framework of the study. This study focuses on the factors and success levels of Bumiputera entrepreneurs in Micro, Small and Medium Enterprises in Parit Sulong Batu Pahat, Johor. The dependent variable for this study is the level of entrepreneur success measured through sales performance. Sales performance can usually be achieved when entrepreneurs attend development programs organized by stakeholders. Sales performance can be maintained through targeted sales increases. Increased sales can be achieved when successful entrepreneurs implement creativity and good business strategies.



Source: Adapted from Rohailin et al., 2019

Figure 1. Study framework

Previous research identified four success elements as independent variables: financial resources and finance, entrepreneurial skills, government backing and innovation and technological adaptation. Entrepreneurs' ability to obtain and manage financial resources to finance their businesses, including bank loans, investment capital and government financial support, is termed access to financial resources and financing (Muhamamd Zulhafizi & Zurinah, 2021). Entrepreneurs need management skills, risk-taking daring and marketing and management strategies to run their company (Nadia Farhana & Norasmah, 2020). Local and central governments offer Bumiputera entrepreneurs technical aid, entrepreneurship training, infrastructure and business development programs (Nor Hafizah & Hazianti, 2021). Entrepreneurs' capacity to use information technology, develop new goods and perform worldwide market research is called the innovation and technology adaption factor (Atikah Nor et al., 2020).

Methodology

Population, sample and sampling

The study population consists of Bumiputra entrepreneurs registered with the Malaysian Companies Commission (SSM). According to the Johor State TEKUN Office 2023, there are 650 Bumiputera entrepreneurs who are still actively running various types and sectors of business in micro, small and medium enterprises (MSME) in Parit Sulong, Batu Pahat, Johor. This location was chosen because of its strategic position to meet market demand in the southern zone and no such study has been conducted yet. The study sample consists of Bumiputera entrepreneurs from MSME in Parit Sulong, Batu Pahat. The required sample size is 129 MSME Bumiputera entrepreneurs. We calculated the sample size using G*Power 3.1 software (Faul et al., 2009).

Instruments and measurements

This study uses questionnaires as its instruments. Four parts comprise the research questionnaire: the respondent's background, business information, the entrepreneur's level of success and the factors expected to influence the entrepreneur's success. These factors include access to financial resources and financing, entrepreneurial skills, technological innovation and adaptation and government support. All statements are assessed using a Likert scale, with values ranging from 1 for strong disagreement to 5 for strong agreement.

Data collection

This study employed the purposeful sampling technique. The purposive sampling technique involves selecting a group of subjects with specific characteristics as study respondents (Chua 2021). This technique was chosen due to the specific focus of the study, which seeks to explore the key determinants that contribute to the success of Bumiputera entrepreneurs in a defined geographical and socio-economic context. This approach ensures that the data collected is relevant, context-specific and reflective of the experiences of the intended population (Etikan et al., 2016). We distribute the questionnaire online using the WhatsApp application (Simon, 2023). We used the online primary data collection method because it saves time and costs. The data collection process was carried out within a month, in October 2023.

Pilot study

To ensure the research instrument meets the prerequisites of validity and reliability, we conducted a pilot study on 30 Bumiputera entrepreneurs (Chua, 2022). The results of the pilot study indicate that Cronbach's alpha value is between 0.801 and 0.875, i.e., level of entrepreneur success (0.802), access to financial resources and financing (0.868), entrepreneurial skills (0.834), technological innovation and adaptation (0.814) and government support (0.801). This finding shows that all variables have acceptable reliability (Bond & Fox, 2015).

Data Analysis

We conduct descriptive and inferential data analysis. We use the average score to measure the level of success of bumiputra entrepreneurs. Bumiputera entrepreneurs classify their success into five levels: very low (1.00-1.80), low (1.81-2.60), medium (2.61-3.00), high (3.10-4.20) and very high (4.21-5.00) (Ghazali & Sufean, 2018). Cohen (2013) measured the strength of the relationship between variables using correlation analysis. Regression analysis determines the factors that impact Bumiputera entrepreneurs' success level (Hair et al. 2010). The study also performs normality and linearity tests to meet the prerequisites for regression testing. The study's regression equation takes the following form:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \mu$$

Where:

Y = The level of success of bumiputra entrepreneurs;

b₁ to b₄ = the value of the coefficient of each variable;

X₁ = Access to financial resources and financing;

X₂ = Financial skill;

X₃ = Government support;

X₄ = Innovation and technological adaptation.

Results and discussion

Respondent background

Table 1 shows the background of the respondents. The respondents consisted of 55.7% males and the rest females (44.3%). The majority of respondents were in the age group 31 to 40 (45.7%), followed by the age group 41 to 50 years (31.4%), 20 to 30 years (12.1%) and 51 years and above (10.7%). As for marital status, the majority of respondents are married (87.9%), followed by singles (7.9%), single mothers or fathers (2.9%) and the rest are divorced. Next, the level of education of the respondents, shows that the majority had a Malaysian Certificate of Education (61.4%), followed by a Diploma (15.0%). Bachelor's degree (10.7%), Master's degree (2.1%), PhD (1.4%) and the rest did not complete schooling.

Table 1. Respondent background

	Freq.	%
Gender:		
Men	78	55.7
Women	62	44.3
Age:		
20 to 30 years old	17	12.1
31 to 40 years old	64	45.7
41 to 50 years old	44	31.4
51 years and above	15	10.7

Marital status:

Single	11	7.9
Married	123	87.9
Single parents	4	2.9
Divorce	2	1.4

Education level:

Did not complete school	1	0.7
Lower Secondary (PMR)	12	8.6
Malaysian Certificate of Education (SPM)	86	61.4
Diploma	21	15.0
Bachelor's Degree	15	10.7
Master's Degree	3	2.1
PhD	2	1.4

Respondent's business information

Table 2 shows the background business information of the respondents. Finding shows that, 70% of respondents have sole proprietorship businesses, partnerships (20%) and the rest are sole proprietorships. In terms of the number of employees, the majority of respondents have less than 5 employees (73.6%), 5-30 employees (25.7%) and the rest between 31-75 employees. For the type of business, the majority of respondents run food and beverage businesses (33.6%), followed by services (25%), manufacturing (19.3%), textiles and clothing (11.4%) and the rest other businesses (10.7%). The majority of respondents have starting capital less than or equal to RM50,000 (70.7%), followed by RM50,000 to RM100,000 (24.3%) and the rest have capital between RM100,001 and RM500,000. In terms of initial capital sources, the majority of respondents obtained TEKUN loans (59.3%), followed by their own savings (25%), MARA loans (13.6%) and other sources of capital. As for the duration of doing business, the majority of respondents' businesses have been operating between 2 and 5 years (52.1%), 6 years and above (33.6%) and the rest have been operating for less than 2 years (14.3%).

Table 2. Background business information

	Freq.	%
Type of business ownership:		
Sole proprietorship	98	70.0
Partnership	28	20.0
Private limited (Sdn. Bhd.)	14	10.0
Number of employees:		
Less than 5	103	73.6
5 - 30	36	25.7
31 - 75	1	0.7
Type of business:		
Food and Beverage	47	33.6
Textile & apparel	16	11.4
Manufacturing	27	19.3
Services	35	25.0
Others	15	10.7
Initial capital amount:		
RM50,000 or less	99	70.7

Rm50,000 - RM100,000	34	24.3
RM100,001 - RM500,000	7	5.0
Source of initial capital:		
Personal savings	35	25.0
TEKUN loan	83	59.3
MARA loan	19	13.6
Others	3	2.1
Length of business operation:		
Less than 2 years	20	14.3
2 - 5 tahun	73	52.1
6 years and above	47	33.6

Level of success of bumiputera entrepreneurs

Table 3 shows the respondents' level of success. The agency's entrepreneur development program, which boosted my sales performance by 20%, yielded the highest mean (mean = 4.42, SP = 0.510) for Statement C1. According to SME Corp Malaysia's Performance and Prospects Report (2021), entrepreneurs who participated in the entrepreneur development program had better sales performance than those who did not. The findings of the agency that provides training for entrepreneurs (INSKEN) also found that entrepreneurs who follow INSKEN's guidance program have successfully increased sales revenue up to RM8.7 million by creating 100 new job opportunities throughout the year 2022 (Daily News, 2022).

Table 3. The level of success of bumiputra entrepreneurs

Statements		Mean	Std. deviation
C1	The agency's entrepreneur development program boosted my sales performance by up to 20%	4.42	0.510
C2	I am able to maintain sales performance in line with the established target	4.04	0.423
C3	My 2023 sales are higher than the previous year	3.84	0.591
C4	This month, my business sales are higher than the previous month	3.96	0.704
C5	I have the creativity and business strategy to enhance and maintain future sales performance	4.29	0.651
Cumulative score		3.71	0.458

For Statement C5, which is "I have creativity and business strategy to improve and maintain sales performance in the future," the recorded mean is 4.29 and SP is 0.651. This finding is in line with Mohd Maliki and Norasmah (2018), who found that successful entrepreneurs often use technology and creativity to improve business operations and maintain sales performance more effectively and efficiently. Next, Statement C2, which is "I am able to maintain sales performance according to the set target," recorded a mean of 4.04 and a SP of 0.423. This finding is consistent with the SME Corp Malaysia Performance and Prospects Report (2021; 2023) and the MSME SME Corp Malaysia Survey Report 2019; 2020; 2023, which show that entrepreneurs must

continuously follow development programs organized by agencies and departments to maintain business performance as well as compete in the local and global markets.

Next, we have Statement C4, "My business sales this month are higher than the previous month," and Statement C3, "My sales in 2023 are higher than the previous year," each with a mean of 3.96; SP = 0.704, and a mean of 3.84; SP = 0.591. Nurul Nadiah and Nurul Nazlia (2020) found that increased sales correlate with the effectiveness of marketing strategies and strategic locations that attract customers. Overall, Bumiputera entrepreneurs have a very high level of success (mean = 4.11; SP = 0.370).

Correlation analysis

Table 4 shows the relationship between the dependent variable and the independent variable. Access to financial resources and financing has a moderately positive relationship ($r=0.392$, $p<0.01$) with the respondent entrepreneur's level of success. This finding is in line with Kamaruddin and Wahid (2020), who stated that financial resources and financing drive success and enable entrepreneurs to develop businesses more competitively. Entrepreneurial skills also have a moderately positive relationship ($r=0.430$, $p<0.01$) with the respondent's level of success.

Table 4. Relationships between independent variables and dependent variable

Variables	Pearson correlation (<i>r</i>)	Significant
Access to financial resources and financing	0.392**	0.000
Financial skill	0.430**	0.000
Government support	0.357**	0.000
Innovation and technological adaptation	0.457**	0.000

** Correlation is significant at the 0.01 level (two-tailed)

The government support factor also has a moderately positive relationship ($r=0.357$, $p<0.01$) with the respondent's level of success. According to Yubidi and Othman (2022), government support through training programs, financial support, infrastructure assistance, and other assistance allows entrepreneurs to increase their self-confidence in managing businesses. Next, innovation and technology adaptation factors also have a moderately positive relationship ($r = 0.457$, $p<0.01$) with the respondents' success. According to Rosli et al. (2024), entrepreneurs must be skilled in applying innovation and technology widely in order to develop businesses more sustainably and competitively.

Therefore, we conclude that the four success factors; access to financial resources and financing, entrepreneurial skills, innovation, as well as technology adaptation and government support have a significant relationship with the degree of success of entrepreneurs in the study area.

Multiple regression analysis

Table 5 shows the results of the regression test between the dependent variable and the independent variable in the study. The regression test results revealed three significant factors, namely access to financial resources and financing ($\beta=0.177$, $p<0.05$), entrepreneurial skills ($\beta=0.193$, $p<0.05$),

and technological innovation and adaptation ($\beta=0.301$, $p<0.05$), which affect the level of success of MSME Bumiputera entrepreneurs. The government support factor, on the other hand, does not significantly affect the level of success of MSME Bumiputera entrepreneurs, with a value of only 0.034 ($p>0.05$). The value of R-square, $R^2=0.306$ contributes as much as 30% of the variance to the success of Bumiputera entrepreneurs in MSME [$F(4, 135)=14.913$, $p<0.05$]. Therefore, the MSME bumiputra entrepreneur success model is as follows:

$$Y = 1.152 + 0.177X_1 + 0.193X_2 + 0.301X_3 + 0.034X_4$$

Table 5. Coefficient of predictor factors on the level of success of bumiputra entrepreneurs

Independent variable	B	Beta	t-value	Sig.
(Constant)	1.152		2.831	0.005
Access to financial resources and financing	0.177	0.219	2.658	0.009
Financial skill	0.193	0.182	2.057	0.042
Government support	0.034	0.032	0.354	0.724
Innovation and technological adaptation	0.301	0.286	3.183	0.002

$R^2=0.306$; $F(4, 135)=14.913$; Sig. $F=0.000$

According to the regression analysis results in Table 4, the factor of access to financial resources and financing has a significant influence [$\beta = 0.219$, $t(135) = 2.658$, $p<0.01$] on the success of Bumiputera entrepreneurs. Nzumbi and Misungwi (2019) also found that access to financial resources and financing, such as capital, loans and grants, is an important component in determining success in a business. The entrepreneurial skill factor also has a significant influence on Bumiputera entrepreneur's success [$\beta=0.182$, $t(135)=2.057$, $p<0.05$] with the level of success of Bumiputera entrepreneurs. This finding is in line with Ayob et al. (2023) and Dobrovic et al. (2018), who found that entrepreneurs need to have the competence to manage the organization effectively.

Next, researchers found no significant influence of the government support factor [$\beta=.0032$, $t(135)=0.354$, $p>0.05$] on the success level of Bumiputera entrepreneurs. This suggests that, despite the availability of various government initiatives and programs, their direct impact on entrepreneurial success remains limited within the sample context. This finding is consistent with previous studies that have raised concerns about the effectiveness and accessibility of support mechanisms. For instance, Chang and Webster (2019) argue that bureaucratic inefficiencies, limited outreach and mismatched program objectives can reduce the intended impact of government aid on small enterprise development. Similarly, Prasannath et al. (2024) highlight that support programs may exist in form but often fall short in terms of implementation quality, relevance, or responsiveness to actual business needs. Meanwhile, innovation and technology adaptation factors have a significant influence [$\beta=0.286$, $t(135)=3.183$, $p<0.01$] on the success of Bumiputera entrepreneurs. This is in line with Atikah Nor et al. (2020) and Faradillah Iqmar et al. (2017) finding that entrepreneurs need to adapt to innovation and new technology to succeed in business.

In summary, access to financial resources and financing, entrepreneurial skills and innovation, as well as technology adaptation, have a significant influence on bumiputra entrepreneurs' success. The level of success is not significantly impacted by the government's support. The findings of this study align well with the Resource-Based View (RBV) theory, which

posits that a firm's sustainable competitive advantage and success stem from its ability to acquire, develop and utilize valuable, rare, inimitable and non-substitutable resources. In the context of Bumiputera entrepreneurs, access to financial resources and financing, entrepreneurial skills and innovation and technology adaptation represent key internal resources that significantly contribute to business success.

From the RBV perspective, financial capital is a foundational resource that enables entrepreneurs to seize market opportunities, invest in growth and manage risks making it both valuable and strategically important. Similarly, entrepreneurial skills such as decision-making, risk-taking and business acumen are intangible assets that are often embedded within the individual entrepreneur, making them difficult to imitate and a source of long-term advantage. Innovation and technological adaptation further enhance competitiveness by allowing entrepreneurs to differentiate their offerings, improve efficiency and respond swiftly to market changes, qualities consistent with RBV's emphasis on innovation as a strategic capability.

Interestingly, the study finds that government support does not have a significant influence on entrepreneurial success. From the RBV standpoint, this may be explained by the fact that external support, while potentially helpful, does not automatically translate into a sustained competitive advantage unless it is effectively internalized and converted into strategic capabilities. Government initiatives may provide a general platform or facilitation, but without the internal capacity to absorb, apply and leverage such support, its impact on performance may be limited. This reinforces RBV's core argument that internal resources and capabilities, rather than external interventions alone, are the primary drivers of firm-level success.

Conclusion

The study reveals that Bumiputera MSME entrepreneurs in Batu Pahat, Johor, have achieved a notably high level of business success. This success is significantly influenced by four critical factors, that is access to financial resources and financing, strong entrepreneurial skills, high levels of technological innovation and adaptation and the availability of government support. Among these, access to financial capital and entrepreneurial capabilities emerged as the most impactful internal resources, enabling entrepreneurs to implement innovation, manage operations efficiently, and sustain business growth. The positive correlation between innovation, technological adaptation and business performance further reinforces the need for continuous digital transformation among Bumiputera entrepreneurs in the evolving economic landscape.

Although government support was recorded at a high level, its direct impact on entrepreneurial success was not statistically significant. This suggests that while policy support remains valuable, the effectiveness of such assistance depends largely on the entrepreneurs' internal capacity to harness available opportunities. The findings underscore the relevance of the Resource-Based View (RBV) theory, highlighting that internal, inimitable resources, such as skills, knowledge and innovation are the foundation of sustainable entrepreneurial success.

Policymakers should focus on strengthening access to capital and enhancing the entrepreneurial competencies of Bumiputera MSMEs through targeted training, mentorship and innovation-driven initiatives. While government programs should continue, their design must be aligned with the specific capacities and readiness of entrepreneurs to ensure meaningful impact. Furthermore, promoting digital literacy and technological adaptability will be essential in equipping entrepreneurs to compete in the modern business environment.

Given the strong influence of entrepreneurial skills, the government should prioritize targeted, competency-based training that focuses on business strategy, digital tools and financial literacy, ensuring alignment with actual market needs. At the same time, policies must enhance access to innovation and technology by providing grants, incubator support and digital platforms, particularly for MSMEs in underserved areas. Although government support is widely available, its limited impact on entrepreneurial success suggests the need to recalibrate existing mechanisms through regular needs assessments and more demand-driven, co-created interventions with active input from entrepreneurs themselves.

Future studies could explore the mediating role of internal entrepreneurial capacity in shaping the effectiveness of external support mechanisms such as government assistance. Comparative studies across regions or demographic segments may also provide deeper insights into how contextual factors influence the dynamics of entrepreneurial success among Bumiputera MSMEs. Additionally, longitudinal research could track the sustainability of success factors over time, particularly in response to technological and market shifts.

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