ENTREPRENEURSHIP: A CRITICAL OUTLOOK ON HOUSING DEVELOPERS IN MALAYSIA

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Abstract
This paper aims to explore the entrepreneurial characteristics of indigenous and non-indigenous housing developers in Malaysia. The entrepreneurial characteristic is perceived to be one of the significant factors explaining the low involvement of indigenous people in the housing industry. Indigenous refers to the native people of Malaysia while non-indigenous refers mainly to Chinese developers. Indigenous housing developers often start as hired employees who are then encouraged by their companies to open their own businesses. Most members of the non-indigenous group start their businesses on their own initiative and interest, with strong family support. Lack of government support for the industry forces indigenous developers to take various related courses to advance their knowledge. In terms of entrepreneurial psychological characteristics, significant differences between both groups exist in proactiveness and innovativeness. However, indigenous developers have the same qualities as the non-indigenous in terms of acquisitiveness, internal locus of control, independence, and tolerance for ambiguity, but not in risk-taking propensity.

Keywords
Entrepreneurship, indigenous and non-indigenous housing developers and housing industry.

INTRODUCTION

The housing sector has been recognized as a vital component of the urbanization process toward the nation’s economic and social growth (Sheng, 1998 and Zhang, 2000). In Malaysia, by 2005, the population had increased to 26.75 million people. Indigenous people comprise the largest group of citizens (16.06 million), followed by Chinese (6.15 million), and Indians (1.83 million). By 2010, the Malaysian population is expected to increase to 28.96 million. This increase in population implies that housing demand in Malaysia will also rise.

Since the early period after independence, the private sector has played a dominant role in providing houses for the citizenry (Goh, 1997; Thillainathan, 1997; Yahya, 1997). Private housing developers are defined as entrepreneurs who construct houses for profit (Endan, 1988). In legislative context (Act 118), housing developers are defined as any