



UNIVERSITI PUTRA MALAYSIA

**A STUDY ON DEVELOPING THE KADAZANDUSUN
COMMERCIAL AND INDUSTRIAL COMMUNITY
(KCIC) IN SABAH, MALAYSIA**

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COMMERCIAL AND INDUSTRIAL COMMUNITY
(KCIC) IN SABAH, MALAYSIA**

By

GEOFFREY HARVEY TANAKINJAL

**Thesis Submitted in Fulfilment of the
Requirements for the Degree of
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**Dedicated to my beloved family and
the Kadazandusun community**



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TABLE OF CONTENT

	Page
ACKNOWLEDGEMENTS.....	iii
LIST OF TABLES	viii
LIST OF FIGURES	xiv
LIST OF ABBREVIATIONS	xv
ABSTRACT	xviii
ABSTRAK	xxi

CHAPTER

I INTRODUCTION

Background of Study	1
Justification.....	4
Issues and Challenges Faced by the Kadazandusun Entrepreneurs.....	8
Objectives of Study.....	17
Scope of Study.....	18

II LITERATURE REVIEW

Introduction.....	19
Community	20
Development	22
Community Development	23
Kadazandusun Entrepreneurs Community	28
Entrepreneurship Development	35
Bumiputera Commercial and Industrial Community (BCIC).....	39

III MALAYSIAN DEVELOPMENT PLANS

Introduction	42
State Economic Scenario	45
Organisations Involved in Achieving the Bumiputera Commercial and Industrial Community (BCIC) Status in Sabah.....	47
Ministry of Entrepreneur Development (MED).....	47
SMI Development Corporation (SMIDEC)	49
State Government Support for Entrepreneurship..	49
Entrepreneurship Development Programmes	53
Ministry of Entrepreneur Development Training	63

Involvement of KD Entrepreneurs in Commercial and Industrial Sectors	65
Current Situation of Kadazandusun Entrepreneurs in Commercial and Industrial Sectors	66
PUKONSA License.....	67
Manufacturing License.....	69
Paddy License.....	72
Business Transportation Permit.....	73
Logging License.....	74
Commercial Building Ownership	74
Investment and Loans	76
Government Tenders and Contracts	78

IV RESEARCH FRAMEWORK AND COMMUNITY DEVELOPMENT THEORIES

Community Development Theories	80
Endogenous Development Model	83
Exogenous Development	85
Comprehensive Development Model	88
Development Process	90
Limitation of Comprehensive Model	91
Research Framework	92

V METHODOLOGY

Introduction	98
Organisation Profile.....	98
Study Population.....	102
Sampling Procedures	103
Data Collection	103
Instrument	104
Pretest.	107
Analysis of Data.....	108
Process	108
Descriptive Analysis	
Limitation of Study	109

VI QUANTITATIVE RESULTS AND ANALYSIS

Introduction.....	110
Community Cultural Characteristics.....	110
Economic Development Performance	115
Development Variables	117
Demography of Respondents	119
Factor Analysis Results.....	124
Correlation Matrix	126
Communality	130
Total Variance Explained	130

Rotated Component Matrix	134
Sampling Adequacy.....	135
Regression Analysis	136
VII QUALITATIVE RESULTS AND ANALYSIS	
Introduction.....	141
Situational Analysis	141
Internal Factor Analysis Summary (IFAS).....	143
External Factor Analysis Summary (EFAS).....	147
Strategic Factor Analysis Summary (SFAS) Matrix.....	150
VIII DISCUSSION	
Discussion.....	154
Current Economic Performance.....	154
Community Information Awareness	156
Knowledge Regarding Available Loans.....	157
Administration and Management.....	159
Kadazandusun Networking.....	161
Market Share of Kadazandusun Community.....	162
Manpower Development in Kadazandusun Community.....	163
Financial Management of Kadazandusun Community.....	164
Strategic Factors in Situational Analysis	165
IX CONCLUSION	
CONCLUSION	174
X RECOMMENDATION	
Introduction.....	181
Information Center	181
Proposed Model	183
Diagnostic Approach	183
Identifying Stage.....	184
Transformation Phase.....	185
Management, Development and Skill elements.....	189
Future Recommendation.....	190
BIBLIOGRAPHY.....	192

APPENDICES	198
Appendix A: Development Programmes and Financial Assistance in Sabah.....	199
Appendix B: Questionnaire Survey for Kadazandusun Entrepreneurs in Sabah.....	208
Appendix C: Factor Analysis Results.....	213
Appendix D: Regression Analysis Results.....	218
Appendix E: Data Frequency.....	223
Appendix F: Situational Analysis Procedures...	239
BIOGRAPHICAL SKETCH	258



LIST OF TABLES

	Page
Table 1.0: List of Development Programmes and Implementers	53
Table 1.1: List of Supporting Development Programmes and Implementers	55
Table 2.0: Record of PUKONSA Certificate Based on Class of Licenses	67
Table 2.1: Active PUKONSA Certificate	68
Table 2.2: Bumiputera Companies Approval Under State Government Approval (SGA) and Federal Manufacturing License (FML) in Sabah	70
Table 2.3: Industry Total and Bumiputera Paid Up Capital	71
Table 2.4: Industry Total and Paid Up Capital for Non-Bumiputera in Sabah	71
Table 2.5: Bumiputera Involvement in the Ownership of Paddy Licenses in Sabah	72
Table 2.6: Bumiputera Ownership of Transportation Permit	73
Table 2.7: Logging License Concession and Ownership Composition Based on Categories and Approval	74
Table 2.8: Commercial Building Ownership Throughout Sabah	76
Table 2.9: Bumiputera Participation in Bumiputera Credit Loan Scheme	77
Table 2.10: Bumiputera Participation in Credit Guarantee Scheme in Sabah	78
Table 2.11: Section and Value of Projects Obtained by Contractors and Suppliers	79
Table 3.0: Civic Community: Sphere of Public Institutions and Decision Making Processes	82

	Page
Table 4.0: Interpersonal Relationship, Social Changes and Economic Development Over Time	83
Table 5.0: Overview of Variables Ranked According to Their Importance in the Development of Kadazandusun Commercial and Industrial Community (KCIC)	119
Table 6.0: Frequency for Respondent's Age	120
Table 6.1: Education Level	121
Table 6.2: Personal Monthly Income	121
Table 6.3: Legal Status of Company	122
Table 6.4: Correlation Matrix	127
Table 6.5: Total Variance Explained.....	131
Table 6.6: Rotated Component Matrix	133
Table 6.7: Sampling Adequacy Table.....	135
Table 6.8: Regression for Community Culture Towards Entrepreneurship	137
Table 6.9: Regression for Knowledge Regarding Available Loans or Credits.....	138
Table 6.10: Regression for KD Community's Networking.....	139
Table 7.0: Internal Factor Analysis Summary (IFAS)	143
Table 7.1: External Factor Analysis Summary (EFAS)	147
Table 7.2: Strategic Factor Analysis Summary (SFAS) Matrix	150
Table 8.0: Current Performance Table	155
Table 1A: Bumiputera Financing Schemes Available from Financial Sectors	200
Table 2A: Credit Guarantee Corporation Schemes	201
Table 3A: Concessionaire Financing Facilities Available in Financing Sectors	202

	Page
Table 4A: Development Programmes in Sabah	205
Table 5A: Supporting Development Programmes	207
Table 1C: Descriptive Statistic for Factor Analysis	216
Table 2C: Communalities	217
Table 1D: Regression for Knowledge Regarding Available Loans..	219
Table 2D: Information Awareness Regarding Systematic Approach in Applying Loans or Credit	219
Table 3D: Regression for KD Community's Networking	220
Table 4D: Kadazandusun Stands in terms of Market Share in the State's Economy	220
Table 5D: The Kadazandusun Manpower Development Effort for Future Needs	221
Table 6D: Kadazandusun Administrative and Business Management	221
Table 7D: Regression for Community Culture Towards Entrepreneurship	222
Table 1E: Our residents, and particularly our leaders, show a strong sense of community pride.....	224
Table 2E: There is an emphasis on quality in our business and community life.....	224
Table 3E: Our community is willing to invest in its future.....	224
Table 4E: There is a participatory approach to decision making in our community.....	225
Table 5E: Our residents have a cooperative community spirit....	225
Table 6E: Our community has a realistic appraisal of future opportunities.....	225

	Page
Table 7E: Our community is aware of competitive positioning in community and economic development efforts.....	226
Table 8E: Our community is aware of the physical environment and how it can contribute to development.....	226
Table 9E: Our community has an active economic development programme.....	226
Table 10E: There is a deliberate transition of power to the younger generation of leaders in our community.....	227
Table 11E: Women are accepted in leadership roles in our community.....	227
Table 12E: There is a strong belief in and support for education in our community.....	227
Table 13E: Our leaders use community fiscal resources Wisely.....	228
Table 14E: Our community leaders make sophisticated use of information sources.....	228
Table 15E: Our community leaders are willing to seek help from outside sources like the state, universities, utilities, and so on.....	228
Table 16E: Knowledge regarding available loans provided by the State government, Federal government, and the private sectors.....	229
Table 17E: How do you rate your community's information awareness regarding systematic approach in applying for loans or credits.....	229
Table 18E: In terms of networking, how does the Kadazandusun (KD) community flare compare to other communities in Sabah.....	229
Table 19E: Where do you think the KD community stands in terms of market share in the State's economy.....	230
Table 20E: Where do you put the KD community's manpower development effort for future needs.....	230



	Page
Table 21E: In terms of administrative and business management, where do you rank the KD community.....	230
Table 22E: How do you rate the KD community culture towards entrepreneurship.....	231
Table 23E: Financial Management.....	231
Table 24E: Financial Assistance.....	231
Table 25E: Management Skills.....	232
Table 26E: Human Resource Needs.....	232
Table 27E: Technology Development.....	233
Table 28E: Information Management.....	233
Table 29E: Entrepreneurship Management.....	234
Table 30E: Quality Development.....	234
Table 31E: Strategic networking.....	235
Table 32E: Business Development.....	235
Table 33E: Government Business Quota.....	236
Table 34E: Smart Partnership.....	236
Table 35E: Maintain Status Quo.....	237
Table 36E: Agricultural based industry.....	237
Table 37E: Foreign aids.....	238
Table 38E: Reliability.....	238
Table 1.0F: The KD Entrepreneurs Strength (Summary of Responses for Strength Factor).....	240
Table 2.0F: Weaknesses Factors That Are Facing the KD Entrepreneurs (Summary of Responses for Weaknesses Factor).....	241



	Page
Table 3.0F: Opportunities That Are Facing The KD Entrepreneurs (Summary of Responses for Weaknesses Factor).....	242
Table 4.0F: The Threats Factors That Are Facing The KD Entrepreneurs (Summary of Responses for Threats Factor).....	243
Table 5.0F: The KD Entrepreneurs Strength (First Response - 5 Point Rating).....	244
Table 6.0F: The KD Entrepreneurs Strength (Second Response - 4 Point Rating).....	245
Table 7.0F: The KD Entrepreneurs Strength (Third Response - 3 Point Rating).....	246
Table 8.0F: Weaknesses Factors That Are Facing The KD Entrepreneurs (First Response - 5 Point Rating).....	247
Table 9.0F: Weaknesses Factors That Are Facing The KD Entrepreneurs (Second Response - 4 Point Rating)....	248
Table 10.0F: Weaknesses Factors That Are Facing The KD Entrepreneurs (Third Response - 3 Point Rating).....	249
Table 11.0F: Opportunities Factor That Are Facing The KD Entrepreneurs (First Response).....	250
Table 12.0F: Opportunities Factor That Are Facing The KD Entrepreneurs (Second Response).....	251
Table 13.0F: Opportunities Factor That Are Facing The KD Entrepreneurs (Third Response).....	252
Table 14.0F: Threats Factors That Are Facing The KD Entrepreneurs (First Response).....	253
Table 15.0F: Threats Factors That Are Facing The KD Entrepreneurs (Second Response).....	254
Table 16.0F: Threats Factors That Are Facing The KD Entrepreneurs (Third Response).....	255



LIST OF FIGURES

Page

Figure 1.0: Entrepreneurship development programmes and organisation responsible for its implementation	48
Figure 2.0: Target Groups Based on Profession for the Establishment of Bumiputera Commercial and Industrial Community	58
Figure 3.0: Entrepreneurship Development Machines	65
Figure 4.0: Development Process Model	91
Figure 5.0: Research Framework	97
Figure 6.0: Mean Distribution for Community Cultural Characteristic	124
Figure 7.0: Propose Model for the achievement of Kadazandusun Commercial and Industrial Community.....	191



LIST OF ABBREVIATIONS

r^2	R squared
AFTA	Asian Free Trade Area
BCIC	Bumiputera Commercial and Industrial Community
BPSM	Human Resource Development Bureau
BPU	Bumiputera Participation Unit
CDC	Community Development Corporation
CGC	Credit Guarantee Corporation
DRID	Department of Research and Industrial Development
EEI	External Environmental Influences
EFAS	External Factor Analysis Summary
F1	Form 1
FML	Federal Manufacturing License
HRDF	Human Resource Development Fund
IDS	Institute for Development Studies (Sabah)
IEI	Internal Environmental Influences
IFAS	Internal Factor Analysis Summary
ILPT	Institute for Technical and Commercial Training
INDEP	Institute for Indigenous Economic Progress (Sabah)
KCCI	Kadazandusun Chamber of Commerce and Industry
KD	Kadazandusun
KDI	Institute for People Development
KKIP	Kota Kinabalu Industrial Park
MARA	Majlis Amanah Rakyat
MED	Ministry of Entrepreneur Development

MEDEC	Malaysia Entrepreneurial Development Centre
MID	Ministry of Industrial Development
MIDF	Malaysian Industrial Development Finance
MNC	Multi National Corporation
MP	Malaysian Plan
MRDE	Ministry of Resource Development and Enterprise
NDP	National Development Policy
NEP	New Economic Policy
OPP1	Outline Prospective Plan 1
OPP2	Outline Perspective Plan 2
OPPS	Outline Perspective Plan Sabah
PUKONSA	Persatuan Kontraktor-Kontraktor Sabah
SBC	Sabah Business Council
SCC	Sabah Credit Corporation
SDB	Sabah Development Bank
SEDCO	Sabah Economic Development Corporation
SEFF	Small Entrepreneurs Funding Fund
SFAS	Strategic Factor Analysis Summary Matrix
SGA	State Government Approval
SMEs	Small Medium Entrepreneurs
SMIDEC	SMI Development Corporation
SMLs	Small Medium Industries
SP	Special License
SPSS	Statistical Package for Social Sciences
SSDC	Sabah Skills Development Centre

SWOT	Strength, Weaknesses, Opportunities and Threats
UMNO	United Malay National Union
UMS	Universiti Malaysia Sabah
VDP	Vendors Development Programme
YS	Sabah Foundation



Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfilment of the requirement for the degree of Master of Science.

A STUDY ON DEVELOPING THE KADAZANDUSUN COMMERCIAL AND INDUSTRIAL COMMUNITY (KCIC) STATUS IN SABAH, MALAYSIA

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The creation of a Bumiputera Commercial and Industrial Community was formulated to achieve the second strategy of the New Economic Policy, which was removing the identification of race with major economic function. Through this concept an exploratory research on the creation of a Kadazandusun Commercial and Industrial Community was made to enable the Kadazandusun community to be at par with other communities by the year 2020.

The first two objectives of this study determined the current level of involvement of the Kadazandusun in commercial and industrial activities and identifying current entrepreneurship development programmes. From the secondary data, the Kadazandusun controls less than 17 percent of the 9 economic sectors used as a basis for comparison for current economic

performance and were not aware of entrepreneurship development programmes.

In accessing the strengths, weaknesses, opportunities and threats facing the community a questionnaire survey was conducted. Data processing included both qualitative and quantitative method.

Five groups representing the cultural community characteristics namely awareness, information, psychological, culture and manpower development were identified through factor analysis and acted as independent variables towards community's information awareness, knowledge regarding available loans, administration and management, networking, market share, manpower development and financial management in the regression analysis.

Using situational analysis, Strategic Factors Analysis Summary Matrix revealed strategic factors for the development of Kadazandusun community. Strategic strength factors were "Bumiputera Status", "Largest Bumiputera Group" and "Government Development Programmes", while the major weaknesses were "Motivation", "Access to Business Information", and "Management Skills". Whereas opportunities were represented by "Kota Kinabalu Industrial Park", "Access to Loans" and "Government Policies". The threat factors were "Competition from Other Communities", and "Politics".

An "Information Center" was recommended to be set-up by the Kadazandusun Chamber of Commerce and Industry to help entrepreneurs in terms of management skills, financial management, information management, quality development, strategic networking, business development, technology development and fulfilling human resources needs. Institutions dealing in business consultancy, entrepreneurship development programme, information technology, training and funding were also recommended in the proposed model.

These key factors will produce genuine entrepreneurs of quality and resilient to challenges, competitive in all potential area of economic growth, able to cultivate entrepreneurship culture, and capable of developing and nurturing the Kadazandusun community's capabilities in businesses and pursue the nation's industrialisation's goals as envisaged in Vision 2020.

Abstrak thesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

**SATU KAJIAN TERHADAP PEMBENTUKAN STATUS
MASYARAKAT PERDAGANGAN DAN PERINDUSTRIAN
KADAZANDUSUN (MPPK) DI SABAH, MALAYSIA**

Oleh

GEOFFREY HARVEY TANAKINJAL

Jun 1999

Pengerusi: Dr. Iskandar Abdullah

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Konsep Masyarakat Perdagangan dan Perindustrian Bumiputera telah dicipta untuk mencapai strategi kedua didalam Dasar Ekonomi Baru iaitu menghapuskan pengenalan kaum berdasarkan fungsi utama ekonomi. Melalui konsep ini sebuah kajian penerokaan terhadap pembentukan Masyarakat Perdagangan dan Perindustrian Kadazandusun telah dibuat bagi membantu membentuk komuniti Kadazandusun yang setanding dengan masyarakat lain menjelang tahun 2020.

Objektif pertama dan kedua kajian ini adalah untuk menentukan tahap penglibatan masyarakat Kadazandusun dalam bidang perdagangan dan perindustrian dan mengenalpasti program pembangunan keusahawanan. Berdasarkan keputusan yang telah diperolehi, komuniti Kadazandusun mengawal kurang daripada 17% aktiviti ekonomi didalam 9 sektor ekonomi yang digunakan sebagai

asas perbandingan prestasi semasa. Masyarakat Kadazandusun juga didapati tidak peka terhadap program pembangunan usahawan.

Dalam mengenalpasti faktor kekuatan, kelemahan, peluang dan ancaman yang dihadapi oleh komuniti Kadazandusun, borang soal selidik telah digunakan. Pemprosesan data melibatkan keadah kuantitatif dan kualitatif.

Lima kumpulan yang mewakili sifat-sifat budaya komuniti iaitu kesedaran, maklumat, psikologi, budaya dan pembangunan sumber manusia telah dikenalpasti melalui analisa faktor. Faktor-faktor ini bertindak sebagai pembolehubah tidak bersandar terhadap pembolehubah bersandar iaitu "kesedaran komuniti terhadap maklumat", "pengetahuan berkenaan dengan pinjaman sedia ada", "pentadbiran dan pengurusan", "jaringan", "syer pasaran", "pembangunan sumber manusia" dan "pengurusan kewangan" didalam analisa regresi.

Melalui kaedah "Analisa Keadaan", Jadual Analisa Faktor Strategik (SFAS) telah mendedahkan faktor-faktor strategik untuk pembangunan masyarakat keusahawanan Kadazandusun. Faktor strategik kekuatan terdiri dari "status bumiputera", "kumpulan bumiputera terbesar" dan "program pembangunan kerajaan". Faktor-faktor seperti "motivasi", "laluhan kepada maklumat perniagaan", dan "kemahiran pengurusan" merupakan faktor kelemahan yang

dikenalpasti. Manakala faktor peluang telah diwakili oleh "Taman Perindustrian Kota Kinabalu". "lalu lintas kepada pinjaman" dan "polisi kerajaan". Faktor ancaman yang dikenalpasti pula adalah "persaingan dari komuniti lain" dan "politik".

Sebuah "Pusat Maklumat" telah disyorkan dalam kajian ini dan dibentuk oleh Dewan Perdagangan dan Perindustrian Kadazandusun bagi membantu usahawan-usahawan dari segi kemahiran pengurusan, pengurusan kewangan, pengurusan maklumat, pembangunan kualiti, jaringan strategik, pembangunan perniagaan, pembanguann teknologi dan memenuhi keperluan sumber manusia komuniti usahawan. Institusi yang mengendalikan perundingan perniagaan, latihan dan pembiayaan kewangan termasuk dalam model yang disarankan.

Faktor-faktor utama ini akan melahirkan usahawan asli yang mempunyai kualiti dan daya tahan bagi mencabar dan bersaing dalam semua bidang yang berpotensi. Ia juga mampu membentuk dan meningkatkan kemampuan masyarakat Kadazandusun dalam bidang perniagaan untuk mencapai objektif perindustrian negara seperti yang termaktub dalam Wawasan 2020

CHAPTER I

A REVIEW OF THE BUMIPUTERA COMMERCIAL AND INDUSTRIAL COMMUNITY (BCIC) CONCEPT

Introduction

In less than 21 years from now, Malaysia will be witnessing a new community not through races or dialect but through one nation that is “Bangsa Malaysia”. At that time everybody will be equal. But are the bumiputera communities ready for this challenge? Or are they aware of what lies in the future? There are many elements or factors that contributes to the success of a community. One of the main segments that ensure the success and prosperity of a community is the economic segment. The economy segment provides the community with their basic needs and also furnishes the community with openings to improve their current situation. ¹ An opening here means opportunities such as doing business with

D: Mahathir Mohammad (1998) *The Way Forward*

