

## **Motivating Factors and Prospects for Rural Community Involvement in Entrepreneurship: Evidence from Mantanani Island, Sabah, Malaysia**

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**Abstract :** In Malaysia, particularly in Sabah, the government has been promoting entrepreneurship among rural people to encourage them to earn their living by making good use of the diverse natural resources and local cultures of Sabah. Nevertheless, despite the government's aim to encourage more local community in rural area to involve in entrepreneurship, the involvement of community in entrepreneurial activity is still low. It is crucial to identify the factors stimulate (or prevent) the involvement of rural community in Sabah in entrepreneurial activity. Therefore, this study tries to investigate the personal and contextual factors that may have impact on decision to start a business among the local community in Mantanani Island. In addition, this study also aims to identify the perceived benefits they receive from entrepreneurial activity. A structured face-to-face interview was conducted with 61 local communities in Mantanani Island. Data analysis revealed that passion, personal skills and self-confidence are the significant internal factors to entrepreneurial activity, whereas access to finance, labour and infrastructure are the significant external factors that are found to influence entrepreneurship. In terms of perceived rewards they received from taking up small business, it was found that respondents are predominantly agreed that entrepreneurship offers financial benefit than non-financial. In addition, this study also offers several suggestions for entrepreneurship development in Mantanani Island and it is hoped that this study may help the related agency to develop effective support policies in order to encourage more people in rural area to involve in entrepreneurship.

**Keywords :** entrepreneurship, motivation, perceived rewards, rural community

**Conference Title :** ICBETM 2017 : International Conference on Business, Economics and Tourism Management

**Conference Location :** London, United Kingdom

**Conference Dates :** January 19-20, 2017