

A QUALITATIVE STUDY ON ENTREPRENEURSHIP RESILIENCE AMONG URBAN POVERTY

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ABSTRACT: *This paper delves into the pivotal issue of urban poverty and its intricate relationship with entrepreneurship resilience in the Malaysian context. Against the backdrop of a rapidly urbanizing world, the study addresses the pressing challenges faced by urban poverty entrepreneurs who navigate a complex interplay of economic constraints, limited opportunities, and a shortage of governmental support, in sustaining their entrepreneurship. Drawing from a diverse range of data sources, including a bibliometric analysis of scientific literature, governmental statistics, and qualitative insights from urban entrepreneurs, the research aims to identify the variables influencing urban poverty entrepreneurship resilience. Moreover, the study endeavors to construct a resilient urban poverty entrepreneurship model, shedding light on the factors that contribute to the success and resilience of entrepreneurial ventures in the face of adversity. Through a comprehensive exploration, this paper seeks to provide valuable insights for policymakers, researchers, and entrepreneurs, contributing to a nuanced understanding of urban poverty dynamics and strategies for fostering economic independence in marginalized communities.*

Keywords: Entrepreneurship, resilience, urban poverty

1.0 INTRODUCTION

The complex dynamics of urban poverty and the critical need for lasting solutions make it a tough challenge in modern civilization and is receiving more and more scholarly attention. Even with all the research on urban poverty, there is still a great gap in the theoretical underpinnings of urban poverty studies. To close this gap, this conceptual paper examines 52 years of scientific research on urban poverty, emphasizing the historical background and the relatively scant attention given to urban poverty in comparison to rural poverty [1]. According to [2], there has been an alarming rise in Malaysia's urban poverty rate, which highlights the necessity for targeted interventions. The government's response, as presented in Budget 2023 and the 2022 Household Income and Expenditure Survey, highlights a shift from traditional cash help to customized aid methods that prioritize self-sufficiency. This change is essential because it promotes entrepreneurship and economic independence, especially for the Bottom 40% (B40) population [2]. However, the transition to entrepreneurship poses challenges for urban poverty entrepreneurs. The limitation of studies in exploring the urban poverty entrepreneurs' hurdles results in a dearth of understanding of the variables that influence their resilience. To close this gap, this study acknowledges the challenges urban poverty entrepreneurs confront, such as those related to finance, expertise, experience, and capability. The focus is to identify the variables and construct a resilient urban poverty entrepreneurship model. The problem statement highlights the persistent rise in the cost of living, particularly affecting urban poverty areas. Although urbanization has contributed to the general fall in poverty, obsolete data collection methods have resulted in an underestimation of urban poverty. A shift towards self-employment is advocated as a solution to Malaysia's high unemployment rates, highlighting the role of entrepreneurship in promoting financial independence [3, 4].

The research aims to identify the factors affecting entrepreneurship resilience to create a model specifically designed for urban poor entrepreneurs, and the study's significance mostly stems from its ability to provide beneficial guidance for underprivileged urban groups. This research sheds light on the complexity of urban poverty entrepreneurship and offers a comprehensive view of the relationship between resilience and entrepreneurship. Through an emphasis on the distinct socio-economic environments of Malaysian cities, the research aims to provide significant perspectives for the wider discussion on sustainable development, economic independence, and poverty alleviation.

2.0 METHODOLOGY

The data collection technique used in this study was a semi-structured in-depth interview conducted via focus groups and one-to-one interview sessions to provide rigor in comprehending the intricacies of cognition, emotion, and behavior. It sees itself as a means of revealing the important "what" and "how" that mold the journeys of entrepreneurship in the urban poor community. As we explore this academic landscape, the objective is to not only contribute insights, but to foster a deep understanding, cultivating empathy and appreciation for the urban poverty entrepreneurs facing challenges in providing resiliency in their business. This study uses a purposive sampling technique [5, 6] designed to obtain comprehensive and detailed first-hand data from the participants who are relevant to the research objectives and offer the most information [7]. 12 participants were chosen to be interviewed. These participants were urban poor entrepreneurs in Malaysia. The interviews were carried out at the agreed-upon premise, consisting of the same questions to ensure the accuracy and reliability of the results, and lasted between 40 to 90 minutes, with an average duration of 60 minutes. The information obtained from the interview was

digitally recorded with consent from the participants, transcribed verbatim, and properly coded for the later thematic analysis.

3.0 DATA ANALYSIS AND FINDINGS

This part of the work focuses on analyzing the raw data that was gathered using the specified research methods, which includes interviewing entrepreneurs from the urban poverty community. The interview session will be transcribed prior,

and excerpts of the participants' speech will be cited to support the investigation of the stated research objectives.

3.1 Background Information of Participants

Table 1 presents background information on respondents or cases involved in the study on entrepreneurship resilience within urban poverty communities. The respondents' age is between 34 to 68 with entrepreneurship experience ranging from 2 to 20 years.

| Respondent/Case # | Age | Position | Experience |
|--------------------------|------------|--------------------|-------------------|
| 1 | 43 | Urban Entrepreneur | 5 years |
| 2 | 53 | Urban Entrepreneur | 12 years |
| 3 | 59 | Urban Entrepreneur | 15 years |
| 4 | 49 | Urban Entrepreneur | 5 years |
| 5 | 68 | Urban Entrepreneur | 20 years |
| 6 | 34 | Urban Entrepreneur | 4 years |
| 7 | 36 | Urban Entrepreneur | 5 years |
| 8 | 41 | Urban Entrepreneur | 3 years |
| 9 | 42 | Urban Entrepreneur | 10 Years |
| 10 | 41 | Urban Entrepreneur | 2 Years |
| 11 | 41 | Urban Entrepreneur | 8 Years |
| 12 | 43 | Urban Entrepreneur | 2 Years |

3.2 Thematic Analysis of Findings

According to Braun and Clarke (2006), thematic analysis is "a method for identifying, analyzing, and reporting patterns (themes) within data." The thematic analysis involved classifying of main themes and sub-themes, which will be used to elicit the meaning from the data and finally develop a logical flow of evidence [7] to gather the findings of the study. Data analysis from this research revealed diverse themes commonly shared by the participants that may provide insights into entrepreneurship resilience among urban

poor entrepreneurs. That being said, the analysis highlights themes and ideas that participants in the interviews shared in common.

A comprehensive analysis of multiple cases yielded a total of 6 distinct themes, presented in Table 2. These six main themes were discovered from the forming patterns, where respondents agreed that financial capital, government assistance, innovation, support, knowledge and skill, and lastly motivation and self-efficacy contribute to entrepreneurship resilience.

| No | Case | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|-----------|------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| | Emergед Themes | | | | | | | | | | | | |
| 1 | Financial capital | | | | | | | | | | | | |
| 2 | Government assistance | | | | | | | | | | | | |
| 3 | Innovation | | | | | | | | | | | | |
| 4 | Support | | | | | | | | | | | | |
| 5 | Knowledge and skills | | | | | | | | | | | | |
| 6 | Motivation and self-efficacy | | | | | | | | | | | | |

The six major themes presented in Table 2 above are further discussed below:

3.2.1 Financial Capital

In the thematic analysis of qualitative data derived from participant interviews, financial capital emerges as a foundational theme crucial for entrepreneurship resilience. Respondents consistently highlighted the indispensable role of robust financial foundations in weathering challenges and sustaining their ventures. This theme underscores the significance of adequate funding for entrepreneurial initiatives, reflecting the practical realities and financial exigencies faced by urban entrepreneurs in navigating their businesses.

Based on this theme, respondent 1 stated:

"I had a shop before this. But with a personal problem, I have handed the shop back to the relevant municipal council. From that, I live doing business on the side of the road. It was a stormy day. The storm causes destruction. So I can't do business anymore. I don't have capital for the replacement."

Respondent 2 added:

"Finance, capital, equipment, and a fixed place."

Respondent 3 mentioned:

"I earn by cooking, but it's challenging as I don't have a proper place to cook. One thing I need is a shop, I would be happy if there's a shop to run my business". She further added, "Finance is really important for us to start a business or to make capital."

Respondent 6 :

"The equipment to run a business is there, but the capital to buy raw materials? That is not there."

Respondent 8 :

"My challenge is business loss. Sometimes I borrow my children's money first to recover from business loss".

Respondent 9:"You must have your own money, to start off something."

Respondent 10 :

'Capital is very important to ensure business continuity'

Respondent 11 :

"I think capital is important, without capital, business won't survive."

"The most important thing if you want to give help is financial help. We are small business entrepreneurs; the financial part is a little difficult."

3.2.2 Government Assistance and Guidance

Government assistance surfaces as another salient theme in the analysis, shedding light on the impact of policy-level support on entrepreneurship resilience. Participants identified governmental initiatives and assistance programs as pivotal contributors to their ability to navigate challenges and sustain their enterprises. This theme underscores the interconnectedness between public policies and the entrepreneurial ecosystem, emphasizing the role of external support structures in fostering resilience within the urban poverty context.

Respondent 1 :

"Non-effective government assistance" (summarized)

"Continuous assistance and monitoring are needed. Follow through and follow up" (summarized)

Respondent 7 :

"Give it (government subsidy) to specific people, to those who need it."

Respondent 9 :

"Once they have already been approved, there must be a follow-up. You have to coach them through the period."

"It's not just about seeing whether after six months it's a success. You have to monitor what they're doing and assist."

Respondent 11:

"It is also important that the responsible party can create a program to help promote the business of these small traders. We are not smart and we are busy. If they help, they can increase our sales."

3.2.3 Innovation

Innovation emerges as a recurrent theme, portraying its pivotal role in driving adaptive strategies and fostering entrepreneurship resilience. Participants consistently emphasized the need for creative and innovative approaches to navigate the dynamic business landscape. This theme underscores the entrepreneurial mindset of continuously seeking novel solutions and adapting to changing circumstances as a key factor in building and sustaining resilient ventures.

Respondent 9:

"My original understanding of business is that if you have a product or a service, and you see some kind of value that is surpassing some other existing products, then you can think that it is an opportunity or an advantage."

Respondent 12 :

"You have to be good at innovating. If you want to sell something, you have to be good at looking for uniqueness."

3.2.4 Support

Support, as a multifaceted theme, encompasses various forms of assistance and encouragement that participants highlighted as crucial elements contributing to entrepreneurship resilience. This theme encompasses both formal and informal networks, mentorship, and community support, emphasizing the importance of a supportive ecosystem in bolstering entrepreneurial endeavors within the urban poverty context.

Respondent 1:

"Support is important, it makes me strong and to never give up."

Respondent 5 :

"Outsider customers are better, we don't get support from our urban poor community as buyers".

Respondent 8 :

"Most of the people here don't buy my kinds of stuff. Most of the buyers are my friends from outside."

"We have to find the right person who can give us support and encouragement."

3.2.5 Knowledge and Skill

Knowledge and skill represent essential themes in the thematic analysis, emphasizing the significance of acquiring and applying expertise in entrepreneurial pursuits. Participants underscored the importance of both theoretical knowledge and practical skills in effectively managing and growing their businesses. This theme highlights the role of education and skill development in enhancing the resilience of urban entrepreneurs.

Respondent 3 :

"I want to increase my knowledge of business."

Respondent 9:

"I would say the challenge is knowledge. A lot of people don't realize there's this thing called risk management. You must have the competency."

"They must at least know what is the basic element of profit and loss. You need to know about the art of negotiation. You need to know communicative skills. You need to know also about networking. So, you need to have some personal skill development"

3.2.5 Motivation and Self-Efficacy

Motivation and self-efficacy emerge as intertwined themes that participants consistently identified as internal driving forces behind entrepreneurship resilience. The motivational aspect reflects the determination and passion that fuel entrepreneurs to overcome obstacles, while self-efficacy pertains to the belief in one's ability to execute tasks and overcome challenges. These themes underscore the psychological dimensions of resilience, portraying the critical role of personal motivation and confidence in entrepreneurial success.

Respondent 1:

"You really have to be strong and think about the money we wish to generate."

Respondent 6 :

"We motivate ourselves more."

Respondent 8:

"You have to be strong."

Respondent 10:

"You must be motivated to succeed. I always remember my family and imagine my children's faces. When things are hard and falling, they are the ones who make me strong and never give up."

Respondent 4:

"I get my income from working 2 jobs. Sometimes I sell used clothes, but it only makes a small amount of profit. Sometimes I get my income by being a cleaner. If anyone wants me to do some cleaning, I will do it. If there is work to be done, there will be money for me too. I have to be motivated to search for other income to pursue my business"

Respondent 9:

"For me, the most important thing is to believe in yourself that you can do that."

4.0 DISCUSSION AND CONCLUSION

The thematic analysis provides a rich understanding of the multifaceted dynamics shaping entrepreneurship resilience within the urban poverty context. Financial challenges, the need for effective government support, the role of innovation, the significance of a supportive ecosystem, the importance of knowledge and skill, and the psychological dimensions of motivation and self-efficacy collectively weave a comprehensive narrative of urban entrepreneurship resilience. These findings offer valuable insights for policymakers, community leaders, and support organizations seeking to enhance the entrepreneurial landscape in urban poverty settings. To promote resilience, interventions should focus on

providing accessible financial resources, improving the effectiveness of government assistance programs, fostering an innovative mindset, building supportive networks, investing in education and skill development, and nurturing intrinsic motivation and self-belief among entrepreneurs. The resilience demonstrated by urban poverty entrepreneurs is a testament to their determination and resourcefulness. By addressing the identified themes, stakeholders can contribute to creating an enabling environment that empowers these entrepreneurs to overcome challenges, achieve sustainability, and play a pivotal role in alleviating urban poverty. However, while this research offers valuable insights into the factors underpinning entrepreneurial resilience within urban poverty contexts, several limitations must be acknowledged. Firstly, the study's reliance on a limited number of participants may constrain the generalizability of findings. While qualitative research often prioritizes depth over breadth, a larger sample size could enhance the study's external validity. The experiences and perspectives captured might not fully represent the diversity within the broader population of urban poverty entrepreneurs facing similar challenges. Although qualitative research offers rich narratives, it might not have the statistical robustness of quantitative research. Because qualitative data are subjective, there is a risk of bias, and different researchers may interpret the same themes differently. In future research, integrating qualitative views with quantitative data may provide a more thorough understanding.

Acknowledgment

Authors acknowledge the Ministry of Higher Education (MOHE) for funding under the Fundamental Research Grant Scheme (FRGS) (FRGS/1/2022/SS01/UITM/02/14)

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