

## An Analysis of Factors that Influences Cottage Industry Development

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### Abstract

*The cottage industry in Malaysia contributes key economic revenues for the village population. It is mainly small-scaled operations, using local resources and traditional skills with very low investments but fast returns. However, the industry may not be flourishing currently due to the lack of modern technology, facilities, and knowledge transfer in place. The aim of this study is to determine the CI's current positions, challenges, and gaps in the state of Perak. This study was carried out via a self-administered structured questionnaire that was equally distributed throughout the Perak State (North Perak, Central Perak, and South Perak) involving 300 respondents. The study shows that a community's socio-economic development and CI sector are influenced by a variety of factors. It is due to both internal and external causes, such as interest and self-motivation, as well as the positions of different organizations, as well as family and community support.*

**Keywords:** *Cottage Industry, position, challenges, gaps, socioeconomic*

### 1. Introduction

The Rural and Industrial Growth Authority (RIDA) was established in 1951 with the general goal of providing comfort and improving the socio-economic status of the rural community through infrastructural and Cottage Industry (CI) development. RIDA introduced their mobile stores, which were an effort to market these goods to the rural community, in order to promote interest in CI (Official portal, Ministry of Rural and Regional Development). Fast forward to today, and the CI in Malaysia is a major source of income for the villagers. The income generated by this industry is the primary source of income for rural households (Mohd Redzuan and Fariborz, 2011).

The aim of this research is to determine the CI's current positions, challenges, and gaps in the state of Perak. It is a critical component in achieving the Malaysian government's goals of community development as part of the socioeconomic plan. While Malaysia intensifies its efforts to develop economically and become a fully developed country by 2020, as stated in the GTP Roadmap (2010), we must ensure that no Malaysian is left behind. The Malaysian government proposed a variety of measures to achieve this goal, including microfinance programmes, training, funding, and space allocation, among others (GTP: The Roadmap, 2010). The aim of this study is to obtain accurate feedback from the target groups regarding their experiences receiving government assistance and to identify any existing gaps.

The final report will focus on debates about the scope of identifying demand gaps in the socioeconomic context of the CI in Perak's local communities. It will explore the challenges that the communities in this study face, as well as the resources and business opportunities that are available to them. In short, the study will outline the multi-lateral cooperation required to advance the CI and improve the rural community's socio-economic situation in Perak.

**The key objectives of the study are primarily:**

- 1) To gain sufficient level of understanding of the CI and social demography of the community in Perak.
- 2) To identify the availability of suitable and viable business and employment opportunities that may be linked to the CI in Perak.
- 3) To assess the nature of intervention and assistance required by the CI in Perak.
- 4) To propose intensive training and coaching needs as part of the empowering programme for different target groups of the communities.

**Significance of study**

The aim of this study is for the researcher to be able to provide an overview of the role of CI in Perak. Due to a lack of modern technology, equipment, and knowledge transfer, the industry may not be thriving right now. As a result, these variables are seen as important in the growth of this industry in this research. With this goal in mind, it is reasonable to conclude that this research is important because it will try to determine how technology transfer and knowledge sharing can be integrated into the community intervention framework. This comes in line with the belief that knowledge sharing is strategically important because it not only allows them to perform well, but it also allows them to gain a competitive advantage (Information Resources Management Association, 2012).

**Cottage Industry in Malaysia**

In Malaysia, cottage industries provide important economic revenue to the village population. The incomes generated by the industries account for the majority of the total income of rural households (Mohd Redzuan and Fariboz Aref, 2011). Village people on Peninsular Malaysia's north-eastern shores are largely responsible for passing down centuries-old traditions and heritage to the next generation. Batiks, plant-woven handicrafts like baskets and mats, wood carvings, and pottery are mostly made by women in the local communities. Many also sell edible items such as fish crackers, belachan, and regional pastries. CI has piqued the interest of village women, particularly housewives, due to its home-based setting and flexibility in terms of business operating hours.

Men, on the other hand, are not barred from working in this industry. Men in CI help with more physically demanding tasks like building sampans (wooden boats), making furniture, forest plant or herb hunting, and fishing. It's incredible to see men working without any technical plans and relying entirely on skills passed down from previous generations.

**Cottage Industries in Perak**

Perak, as Peninsular Malaysia's second-largest state, has a lot to give in terms of CI. Perak is well-known for its food, but it also has a plethora of natural products, both from the sea and on land, that allow its residents to engage in CI businesses. Some of the CI found in the state of Perak are as follows:

### *Handicraft*

Traditional handicraft is a popular CI in Perak, with a stronghold in Kuala Kangsar. Labu sayong (earthenware), tekak benang emas (gold embroidery), bamboo carvings, and seashell designs are some of the handicrafts produced. Other handicrafts made in the area are made of wood or coconut shells. Despite the fact that these products are beautiful and distinctive, CI operators must develop knowledge and skills in order to promote and market them both locally and throughout Malaysia. They should also be encouraged to make their handicrafts unique to Perak in order to pique the interest of consumers looking for souvenirs or mementos of the state.

### *Kacang Putih of Ipoh*

Before potato chips and fries, the locals' favourite snack was "kacang putih." Migrant families from India brought this food product to Malaysia, and it quickly became everyone's favourite snack. In the late 1940s, the "kacang putih" industry began in the foothills of Gunung Cheroh in Ipoh. According to the founders of this industry, the word putih (white) was added to the name kacang because the steamed "kacang kuda" turned white. Due to the trading, the Gunung Cheroh settlement became known as Kampung Kacang Putih.

Visitors to this village can now purchase a variety of crunchy deep-fried, roasted, and steamed Indian snacks, such as murukku, pakoda, and omom, in addition to chickpeas. This small village now has a thriving family-run CI that produces these delectable snacks and is one of the country's major suppliers.. The location was later changed to Teluk Kurin B in Buntong and renamed Kampung Kacang Putih, becoming a well-known kacang putih hub and one of the city's most popular tourist destinations.

According to Chairman of the Kacang Putih Traders Association, the company now employs about 50 families full-time. Each family is said to have its own set of secret ingredients. In short, the CI, which began as a door-to-door company, has seen rapid growth and is on its way to greater success (NST, 2013).

### *Seafood Items*

In the state of Perak, the fishing village of Kuala Sepetang serves as a CI hub. The day's catch is either packaged for individual sale or processed into crackers, salted fish, dried seafood, and other food products. These are sold and made available near this village for visitors who want to go on boat rides to see eagles, catch a glimpse of the fireflies, or simply tour the area. This is part of the expanded service that the fishermen in Kuala Sepetang are now providing. These fishermen pooled all of their resources to buy boats and provide such tourism services. As a result of the presence of such a tourist attraction, the relevant CI operators see an increase in revenue. A positive impact on the growth of one sector of the economy will have a positive effect on the growth of another. Such ties can be seen in the fishing village of Kuala Sepetang.

Another fishing village tucked away in Perak's northwestern corner is Kuala Gula. Few people would think of it as a treasure trove of food, adventure, and sight. Tourists come to this village to enjoy the toddy wine made from coconut trees and traditional roasted coffee, in addition to watching the birds, as they do in Kuala Sepetang (The Star Online, 2014). This village also sells dried and salted seafood, which is another example of how the other industries in the region benefit CI. There is a lot that can be done to help fishing villages like this develop their businesses. To promote a cleaner and more welcoming

environment for future visitors, proper facilities and infrastructure should be put in place. The provision of appropriate stalls for CI operators may help to improve the image of these businesses and the surrounding area.

### *Belachan*

Apart from Belachan produced in factories (such as in Kuala Gula), many local communities in Perak make this popular Malaysian condiment at home with simple tools and equipment. The majority of belachan makers are fishermen's family members who buy fresh fish and prawns from fishing villages to produce this product. It's made and packaged at home, with the help of family members and neighbours. However, much of the equipment has begun to rust and must be replaced. The monsoon season also has an impact on their business, as it deteriorates their tools and equipment while also polluting their work areas. As a result, it is critical to provide better equipment, as well as advanced knowledge and tools, to these local communities in order to improve their belachan-making enterprise.

### *Wooden Furniture and Decorative Items*

The local community in Perak, especially the men, is engaged in the production of wooden furniture and decorative items due to the availability of good and quality wood. When and if good wooden materials are available, these objects are made at home. They are either made to order or manufactured in order to be advertised and sold at trade shows. Some even travel to Kuala Lumpur to sell and advertise their work. In order for CI operators to achieve greater success, knowledge about the latest technology in making wooden products and promoting these products should be shared and transferred.

### *Food Produce*

Perak's CI operators make prawn/onion crackers, local chips, Kuih Bahulu, Kuih Bangkit, and Kuih Peniram, among other foods and beverages. Soy sauce is also produced in the area for both local consumption and tourist purchase. Many people enjoy baking cakes and pastries. Aside from food, some have begun to make juices from local fruits such as kedondong.

## **The Roles of Various Agencies in the Development of CI in Perak**

Different agencies play key roles in the growth of CI in Perak. Multilateral cooperation and contributions from various agencies are critical in meeting the needs of the local community and advancing their CI companies to new heights. The following are some of the various roles that various agencies play:

### **Microcredit Schemes**

#### *Rural Business Challenge*

The Rural Business Challenge Programme (RBC) gives Malaysian youths the chance to demonstrate their willingness, passion, and determination to pursue entrepreneurship as a profession or source of income. MRRD will provide grants to successful entrepreneurs to help them carry out their business plans.

### *Majlis Amanah Rakyat (MARA)*

MARA, through MRRD, offers financial schemes to its rural population, such as Scheme Pembiayaan Perniagaan, to assist them in becoming self-sufficient through businesses. For Bumiputera women who want to apply for loans to start their businesses, schemes like "DanaNITA" are available. Women between the ages of 18 and 60 are exempt.

### *Amanah Ikhtiar Malaysia (AIM)*

The Ikhtiar Project, started by Universiti Sains Malaysia in 1985, was the forerunner of microfinance in Malaysia. The pilot project in north-west Selangor was the world's first Grameen replication project, with a budget of just RM 2,000. Grameen Foundation is a global non-profit organisation dedicated to providing creative and long-term solutions to poverty and hunger. Following the success of the pilot project, Amanah Ikhtiar Malaysia (AIM) was founded as an autonomous trust entity in 1987. It was established to help eradicate hardcore poverty by promoting microcredit across the world. By 2007, Target had opened 69 branches and served 173,000 "Sahabat" (UNDP, 2008).

The Malaysian government provides AIM with interest-free loans. Many success stories have emerged, especially from women entrepreneurs who have risen out of poverty as a result of their involvement in AIM. There have been concerns, however, that this source of microcredit does not hit the expected groups. As a result, studies like this are critical in highlighting the current (financial and non-financial) assistance provided by various agencies for the betterment of the rakyat, especially in rural areas.

Since then, various other microcredit schemes have been launched in the country to meet the diverse needs of the population. The table below lists some of the Microcredit Institutions that are available in Malaysia.

**Table 2.1: List of Microcredit Institutions in Malaysia**

No.	Microcredit Institution(s)	Target Group
1.	Amanah Ikhtiar Malaysia (AIM)	The poorest in the low-income community
2.	Yayasan Tekun Nasional (TEKUN)	Bumiputera Microentrepreneurs
3.	Majlis Amanah Rakyat (MARA)	Bumiputera Entrepreneurs
4.	Bank Pertanian Malaysia	Agriculture-based entrepreneurs

(Source: Bank Negara)

### **Rubber Industry Smallholders Development Authority (RISDA)**

The Rural and Regional Development Agency (RISDA) is a federal government agency under the Ministry of Rural and Regional Development. It was established on January 1, 1973, with powers granted by Parliament. Its goal is to use plantation activities and entrepreneurship to turn smallholder communities into progressive and productive communities. Some of the CI projects carried out in different parts of Perak have been documented by RISDA Perak. The organisation not only assists rubber

smallholders in replanting high-yielding plants, but also assists rural women in participating in CI such as handicraft-making to augment their household income (Borneo Post Online, 2017). The projects completed up to April 2006 are listed in Table 2.2-2.5.

**Table 2.2: Food Projects According to Responsible Centres**

No.	Responsible Centre	Types of Product	No. of Operators
Category: Food			
1.	Kuala Kangssar/Kinta	Bahulu/Dodol/Cili Sauce/Crackers	3
2.	Larut/Matang/Selama/Kerian	Traditional Kuih and Crackers ( <i>Kuih Peniram</i> , Muruku, Bahulu, Onion Crackers)	4
3.	Batang Padang/Hilir Perak	<i>Putu/Dodol/Mini Currypuff</i>	2
4.	Hulu Perak	Frozen Food/Currypuff/Samosa	1
	TOTAL		10

(Source: RISDA Perak)

**Table 2.3: Handicraft Projects According to Responsible Centres**

No.	Responsible Centre	Types of Product	No. of Operators
Category: Handicraft			
1.	Kuala Kangssar/Kinta	Processed rubber leaves/Batik	2
2.	Larut/Matang/Selama/Kerian	Processed rubber leaves/handicraft and traditional carving	8
3.	Batang Padang/Hilir Perak	Sewing and handicraft workshop	1
4.	Hulu Perak	Processed rubber leaves/rubber leaves flower	1
	TOTAL		12

(Source: RISDA Perak)

**Table 2.4: Plants Projects According to Responsible Centres**

No.	Responsible Centre	Types of Product	No. of Operators
Category: Plants			
1.	Kuala Kangsar/Kinta	Grey Oyster Mushroom	1

(Source: RISDA Perak)

**Table 2.5: Spices Projects According to Responsible Centres**

No.	Responsible Centre	Types of Product	No. of Operators
Category: Spices			
1.	Larut Mtg/Selana/Kerian	Black Spice	1

(Source : RISDA Perak)

### **Yayasan Bina Upaya (YBU) Darul Ridzuan**

This foundation was established with the goal of eradicating poverty and increasing the capacity and capability of the community's lower-income communities, regardless of ethnic, racial, or social backgrounds. The following are some of the programmes and facilities provided by this foundation.

- (i) Microcredit financing
- (ii) YBU Kiosk Amanjaya
- (iii) 1Amanjaya Mobile Shop
- (iv) Food-box for poor families

CI operators can now buy basic items such as milk, sugar, and rice at a lower cost thanks to the launch of the 1Amanjaya Mobile Shop. This is especially important for those who produce food as part of their CI business and need large quantities of all such products. The fact that such facilities are available at their doorstep would make the food preparation process go more smoothly.

### **Entrepreneurial Training Programmes**

Entrepreneurship growth programmes are offered by a variety of organisations. The National Entrepreneurship Institute (INSKEN, Institut Keusahawanan Negara) of Malaysia's Ministry of Entrepreneur and Co-operative Development (MECD), MARA, the Malaysian Franchise Association, and the Malaysian Cooperative College are among them. Some of the training programmes that were carried out are listed below.

- (i) Introduction to Entrepreneurship
- (ii) Entrepreneur Enhancement Programme
- (iii) Expansion and Networking Programme
- (iv) Entrepreneurship Reference and Advisory Programme

However, in order to promote CI growth, training programmes for the state of Perak must be tailored to meet local market demand and meet established needs.

## 2. Study Methodology

Quantitative research, as opposed to theory or logic, is a type of empirical inquiry that focuses on verifiable observation. This will entail watching the community (field work), gathering data, explaining the findings, and analysing the data. As a result, detailed questionnaires will be used as a key Quantitative Research methodology in this study (survey). Reviewing pertinent past research reports on the identified communities, Perak state government master plans, past community performance reports, national economic blueprint, and other key documents either available online or made accessible by government or non-government agencies will be part of the Secondary Data analysis.

### *Population & Sampling Procedure*

The state of Perak was chosen as the subject of this investigation. For this study, the researcher considered several methods for determining the appropriate sample size. Purposive sampling was used to interview 300 respondents from different categories for the quantitative survey.

**Table 3.1: Target Group and Number of Respondents**

No.	Target Group	Number of respondents
1.	North Perak	100
2.	Perak Central	100
3.	South Perak	100

## 3. Survey Findings

### **Socio demographic background**

A total of 300 people were asked to participate in this study, and their demographic profiles are shown in Table 4.1. The sample's average age is 41.23 11.470 years, with ages ranging from 20 to 67. The majority of the participants (25.0 %) were between the ages of 41 and 50 years old. It's worth noting that 14.0 % of the population is between the ages of 31 and 35, with another 21.0 % between the ages of 36 and 40. Youth under the age of 24 account for 9.0 % of the overall study, while those 51 and older account for



22.0 %. There were marginally more females than males in the sample for this analysis. According to Table 4.1, 189 (63.0 %) of the 300 respondents in this sample are female, while the remaining 111 (37.0 %) are male. Furthermore, when looking at the distribution of ethnic groups, the majority (75.0 %) were Malay, with Indians (13.0%) coming in second. Other ethnic groups made up 2.0 % of the sample population, while Chinese made up 10.0 %. Muslim people made up the majority (78.0%), followed by Hindus (12.0%) and Buddhists (10.0%). (9.0 %). The majority (86.0 %) were married, while another 8.0 % were still single, according to the marital status distribution. About 6.0 % were widowed or divorced from their spouses.

The group studied was mostly made up of people with at least a high school education (48.0%), with 34.0 % having only a primary school education. Approximately 5.0 % lacked a high school diploma. Just 7.0 % and 2.0%, respectively, had a diploma and a bachelor's degree. In terms of job status, the majority were self-employed (67.0 %). On the other hand, 22.0 % were employed full-time, while just 8.0 % appeared to be casual or part-time workers. A small percentage of them (3.0 %) were working part-time. When asked about their monthly salary, the majority of respondents (60.0 %) said that they received less than RM1000.00. Monthly earnings ranged from RM1001.00 to RM 2000.00 for a total of 17.0 %. Thirteen percent of the respondents have a monthly income of more than RM3,000. With a range of RM150.00 to RM35000.00, the mean income was RM2337.00 (SD = RM4734.00).

**Table 4.1: Demographic background of respondents (n = 300)**

Characteristics		Frequency	Percentage
<b>Age (years)</b> Mean: 41.23 S.D: 11.470	< 24	27	9.0
	25 to 30	27	9.0
	31 to 35	42	14.0
	36 to 40	63	21.0
	41 to 50	75	25.0
	> 51	66	22.0
<b>Sex</b>	Male	111	37.0
	Female	189	63.0
<b>Ethnicity</b>	Malay	225	75.0
	Chinese	30	10.0
	Indian	39	13.0
	Others	6	2.0
<b>Religion</b>	Islam	234	78.0
	Buddhism	27	9.0
	Hinduism	36	12.0

	Christianity	3	1.0
<b>Marital status</b>	Single	24	8.0
	Married	258	86.0
	Separated/Divorced	6	2.0
	Widow/Widower	12	4.0
	<b>Level of Education</b>	No formal education	15
	Primary	102	34.0
	Secondary	144	48.0
	Pre-University/Matriculation	12	4.0
	Diploma	21	7.0
	Bachelor Degree	6	2.0
<b>Current employment status</b>	In full-time employment (as an employee)	66	22.0
	Working full-time (self-employed)	201	67.0
	In part-time employment (as an employee)	9	3.0
	Casual/part-time (self-employed)	24	8.0
	<b>Income (RM)</b>	<1000.00	180
Mean: 2,337.00	1001.00 to 2000.00	51	17.0
S.D: 4,734.00	2001.00 to 3000.00	30	10.0
	3001.00 to 4000.00	12	4.0
	4001.00 to 5000.00	6	2.0
	>5001.00	21	7.0
<b>Health status</b>	Excellent	264	88.0
	Have some health problems	33	11.0
	Physical disability	3	1.0
<b>Own transport?</b>	Yes	219	73.0
	No	81	27.0

### Perception towards Socio Economic Status

The respondents' perceptions of their socioeconomic status were used to assess their level of agreement with various aspects of infrastructure and other facilities availability. Overall, the vast majority of responses emphasized the need for greater government support, as well as better infrastructure and

training facilities, to allow career development and business growth. According to table 4.2, the majority of respondents (93.0 %) agrees or strongly agrees that cost is a barrier to CI. Besides that, they believed it was difficult to find funders to sponsor the CI (88.0 %).

More than half of the respondents (63.0 %) said they don't know where to get business-related information. When asked whether government assistance would benefit their company, nearly all of them (92.0 %) agreed or strongly agreed that it would almost certainly boost their development. They also believed that obtaining training and information transfer from relevant authorities and experts would support their business (92.0 %). However, according to the study, 72.0 % of respondents did not obtain any financial support from the government to help them expand their businesses.

**Table 4.2: Perception towards socio economic status (n=300)**

No.	Statements	Strongly Disagree	Disagree	Agree	Strongly Agree
1	Cost is a hindrance to CI.	3 (1.0)	18 (6.0)	162 (54.0)	117 (39.0)
2	Difficult to find a funding to expand CI.	0 (0.0)	36 (12.0)	129 (43.0)	135 (45.0)
3	I know where to obtain tips regarding business.	96 (32.0)	93 (31.0)	90 (30.0)	21 (7.0)
4	I have obtained tips regarding business.	105 (35.0)	90 (30.0)	78 (26.0)	27 (9.0)
5	Assistance from authorities will enable me to increase my business.	18 (6.0)	6 (2.0)	132 (44.0)	144 (48.0)
6	I am currently receiving financial assistance from authorities to enable me to increase my business.	144 (48.0)	72 (24.0)	63 (21.0)	21 (7.0)
7	I have received training assistance for my business.	126 (42.0)	87 (29.0)	72 (24.0)	15 (5.0)
8	I believe that the training and knowledge transfer from the authorities will help me in my business.	9 (3.0)	15 (5.0)	141 (47.0)	135 (45.0)
9	I believe that interest plays an important role in my career/ business development.	0 (0.0)	6 (2.0)	135 (45.0)	159 (53.0)
10	Many programmes proposed by the government have not been implemented at grassroots level.	33 (11.0)	39 (13.0)	129 (43.0)	99 (33.0)
11	An integrated business programme will benefit the community.	0 (0.0)	3 (1.0)	153 (51.0)	144 (48.0)

When asked about the government's plan's implementation stages, the majority (76.0 percent) believed that most of the policies were not implemented at the grassroots level with the desired results. An integrated career and business programme received overwhelming support (99.0%), with the belief that such a programme would significantly benefit the citizens of the CI community in Perak. In short, given the availability of new business growth, the Perak CI community's collective voices called for a stronger capability enhancement and training potential. It is assumed that by putting in place a better programme, the opportunity for business development and expertise can be maximised.

**Table 4.3: Locality of produce (n=300)**

Race	Location these product produced		Total
	At home	At shop	
Malay	123 (54.7)	102 (45.3)	225 (100)
Chinese	15 (50.0)	15 (50.0)	30 (100)
Indian	30 (76.9)	9 (23.1)	39 (100)
Bumiputera Sabah	0 (0.0)	3 (100.0)	3 (100)
Bumiputera Sarawak	3 (100.0)	0 (0.0)	3 (100)

Table 4.3 above depicts the race distribution of locality of produce.

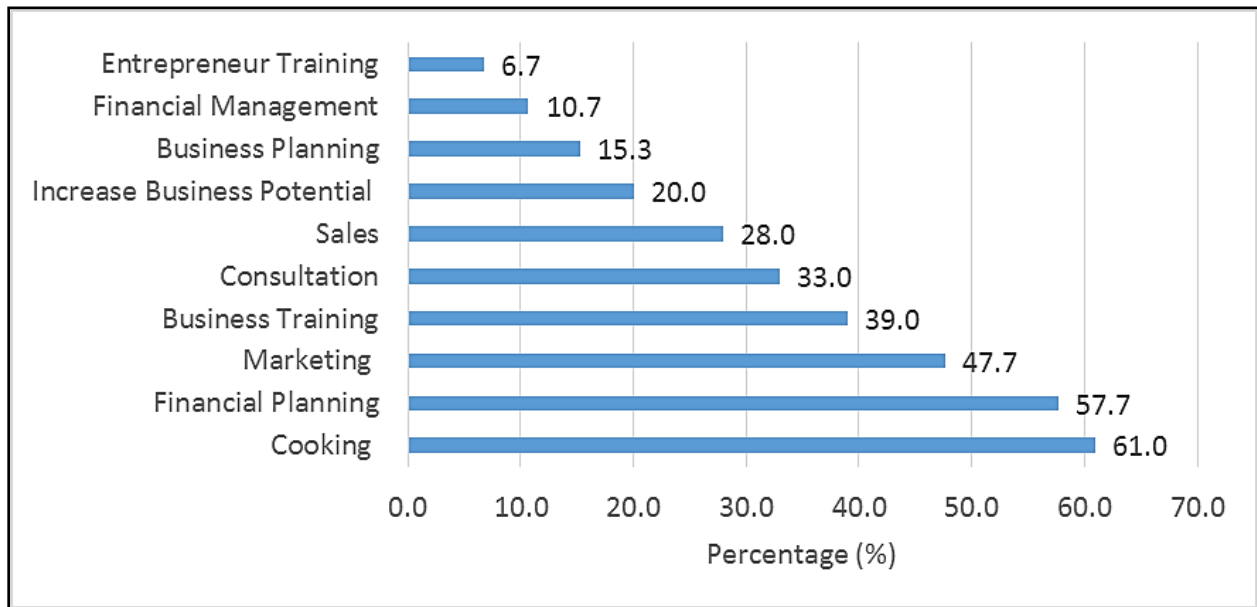
### **Recommendations for CI Development**

When respondents were asked to make practicable recommendations for CI creation at the community level, the scopes of the recommendations seemed to revolve around promotional and financial scheme availability. Financial support in the form of soft loans for business expansion was the key recommendation for CI growth at the community level. The proposal was made with the belief that, particularly in light of depreciating exchange rates, it would be beneficial. 70.3 % of all respondents said they would like financial assistance to buy equipment such as tables and chairs to help their company grow.

### **Recommendations for Types of Training**

For the appropriate authorities to consider, the respondents provided feedback in the form of different types of desired trainings. Cooking classes were at the top of the list, with (61.0 %). Cooking is a life skill that helps young people to learn to prepare nutritious foods. Cooking skills, food safety behaviours, and cooking self-efficacy have all increased in several studies (McFarland 2017). Sales and marketing are at the core of every company's growth. Most facets of a company are reliant on effective marketing and sales strategies. As a result, 47.7% and 28.0 % of respondents, respectively, would like to attend marketing and sales courses. The CI will not be able to achieve its full potential productivity without marketing. The importance of business preparation was also emphasised by the respondents. Thirty-nine percent of those polled believe that preparation would help them improve their CI skills. According to previous studies, staying current with current practises and expertise through ongoing business training provides a major competitive advantage. (2017, Mason).

Training in financial planning was mentioned by 57.7% of those polled. The value of making a financial plan for the CI company was recognised by the respondents. Creating a financial plan, according to Hill (2017), allows a company to see the larger picture and set long and short-term life targets. It is easier to make strategic decisions and remain on track to achieve business targets when a company has a financial plan. Furthermore, the financial plan, also known as a budget, aids in the business's day-to-day decision-making. When you compare predicted figures to actual results, you will learn a lot about the company's overall financial health and performance.



**Figure 4.1: Top ten types of training to enhance skills in CI business (n=300)**

#### **4. Discussion**

The study shows that a community's socioeconomic development and CI sector are influenced by a variety of factors. It is due to both internal and external causes, such as interest and self-motivation, as well as the positions of different organisations, as well as family and community support. The researcher believes that in order to fully comprehend a community's socioeconomic development, it is necessary to examine the specific factors that affect their work and life choices.

#### **Influencing Factors for development of CI in Perak**

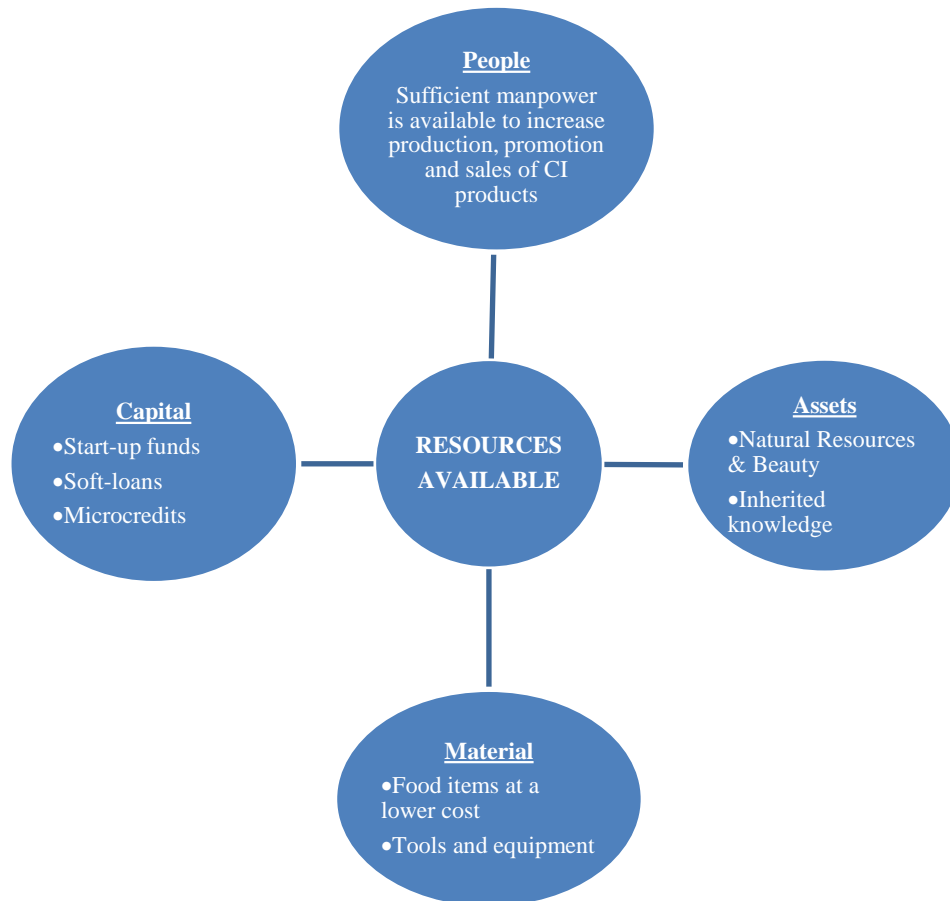
The following table depicts some of the influencing factors of CI growth as perceived by the stakeholders and the identified local community in Perak:

**Table 5.1: Influencing Factors for Development of CI in Perak**

Influencing Factors for CI Growth in Perak		
Demand Factors	External Enablers	Internal Factors
<ul style="list-style-type: none"> <li>• Perak is a famous tourist spot</li> <li>• Traditional <i>kuih</i> and snacks like <i>kacang putih</i> are always in demand</li> <li>• Handicrafts are always in demand</li> <li>• There is always demand for fresh seafood products</li> </ul>	<ul style="list-style-type: none"> <li>• Political willpower</li> <li>• Supported by other industries such as Fishing and Tourism</li> <li>• Natural resources</li> <li>• Increasing number of Tourists visiting Perak (Visit Perak Year 2017)</li> </ul>	<ul style="list-style-type: none"> <li>• Self-motivation</li> <li>• Change in attitude</li> <li>• Interest in business</li> </ul>

**Resources**

In the context of resources, the assistance given can be divided into 4 components; people, assets, material and capital. The following needs have been identified specifically for this project:



**Figure 5: Resources Available for CI Development in Perak**

## 5. Implication Of Study

### Development of Action Plan

This study's results will provide a summary of CI's development in Perak. It will also enable the researcher to make suitable recommendations for different agencies' interventions. Following the conclusion of this report, this will serve as the foundation for the implementation of the Plan of Action.

### Enrichment Body of Knowledge

Aside from that, the study's results have social and educational implications, and they can add to the body of information about the local community's socio-economic situation in Perak. The results support the notion that information sharing and transition are critical components in the upgrading of labour force skills.

## 6. Limitations & Recommendations For Future Study

This study has several limitations. To begin with, the research is limited to a few subsets of the local population. As a result, other community members' responses are ignored. The research also relies on a small amount of secondary data and literature reviews. It is also difficult to decide which Ministry or Department is responsible for overseeing the production of CI in the country and in the state of Perak in terms of monitoring and evaluation. Despite the fact that several agencies and departments are concerned with various aspects of poverty, rural growth, and small enterprises, there seems to be a lack of collaboration by a single responsible body. There is a general lack of understanding in this region, which is why an integrated framework for the production of CI in Perak should be in place. It is also suggested that a special unit, department, or agency be assigned to monitor the country's progress in this growing industry.

It is also hoped that in the coming years, further research will be conducted at the state level in order to provide a more accurate overview of current local scenarios. This research revealed that there are currently very few studies being conducted, indicating that this is a niche field of research. In conclusion, despite its limitations, this study was able to obtain relevant information about CI in Perak. However, there is still much to be done in this area, especially in terms of identifying and recommending CI's next steps in Perak.

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