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The Influencing Factors on Bumiputra Entrepreneur Intention to Use Co-Working Space

Nazatul Shima Abdul Rani[1*], K. Sarojani Devi Krishnan[2], Khairul Azizan Suda[3]

[12]UniKL Business School, Universiti Kuala Lumpur, 50250, Kuala Lumpur, Malaysia
[3]UniKL MIDI, Universiti Kuala Lumpur, 56100, Kuala Lumpur, Malaysia

ABSTRACT

Objective - This study is conducted to investigate the acceptance level of Bumiputra entrepreneurs that register with a government agency in Malaysia on the concept of co-working space related to operator supports (OS), facilities (F), and social and business networking (SBN), to use (IU).
Methodology/Technique – About 2,000 Bumiputra entrepreneurs were contacted via e-mail, and only 267 responded. The data were analysed using SPSS Software, and Cronbach's Alpha is more than 0.900 for OS, F, SBN, and IU. Hence all items can be used to measure the constructs.
Finding – Most respondents perceive OS, F, and SBN to be helpful and have a positive and significant relationship with the intention to use (IU) co-working space.
Novelty – Hence, it is recommended for the relevant government agencies with unutilized office premises to convert their office spaces into co-working spaces, as the findings have shown that most Bumiputra entrepreneurs intend to use co-working spaces and perceive them to be helpful.

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1. Introduction

In Malaysia, most micro businesses owned by the Bumiputra (Malay and native people of Malaysia) are the most vulnerable group during the COVID-19 pandemic (Rabun et al., 2022). The COVID-19 pandemic and the MCO (movement control order) have caused all entrepreneurs to face financial issues due to the halt of business operations, fixed costs, and other unexpected expenses (Tajudin et al., 2021).

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[*]Corresponding author: Nazatul Shima Abdul Rani
E-mail: shima.rani@unikl.edu.my
Affiliation: UniKL Business School, Universiti Kuala Lumpur, 50250, Kuala Lumpur, Malaysia

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Most of the academic research conducted during COVID-19 focused on business challenges and financial industry backwardness. However, studies on co-working spaces were not given attention to where co-working spaces can be an option for Bumiputra entrepreneurs to reduce rental, renovation, and equipment costs during post-COVID 19 (Gruenwald, 2020) (Tintiangko & Soriano, 2020). From a government agency portal that offers premises for rental for Bumiputra entrepreneurs in Malaysia, it was identified that a few of the premises owned by that agency are not fully rented. Hence, the co-working space to be rented to entrepreneurs will help the government agency reduce management costs and increase rental income for that government agency. In addition, entrepreneurs can reduce the renovation cost and purchase of office equipment by renting co-working space (Wang et al., 2022). There are two (2) objectives of this study, which are to assess the level of acceptance of entrepreneurs in renting the co-working space and the influencing factors that attract Bumiputra entrepreneurs to become tenants of co-working space.

2. Literature Review

The co-working space operator provides business support, such as sharing business networks, knowledge, ideas, training, and workshops (Robelski, Keller, Harth & Mache, 2019). In addition, in some instances, the operator provides funding support and other types of support required by tenants. Moreover, co-working space operators create a creative and homely environment to ensure tenants feel comfortable working in the co-working space (Fuzi, 2015) (Wang et al., 2022). Entrepreneurs can benefit from co-working space services and infrastructure, including access to high-speed internet, desks, and a simple interior design that can increase motivation and productivity among entrepreneurs. In addition, there are meeting room facilities, business advisor facilities, and opportunities for business development. Collaborative workspaces are ideal for new entrepreneurs that need support to move forward (Wang et al., 2022) (Yang et al., 2019). The community-centered approach is one of the most salient features that distinguish shared workspaces from other workspaces and traditional work offices (Gill et al., 2019). The competitive advantage in the co-working space is related to their ability to create a strong community that emphasises a collaborative work environment (Ansio et al., 2020) (Fuzi, 2015). Co-working spaces provide a sense of community, family, and friendship, a characteristic that drives people to commit to change. Heterogeneous and diverse communities in shared workspaces stimulate knowledge sharing and creativity and develop a sense of collaboration. In addition, the network offered by shared workspaces can be seen through the willingness of partner members to help each other according to their expertise (Berbegal-Mirabent, 2021) (Bouncken et al., 2021). Since most of the studies were conducted either on the host or operator or on the customer's side, a survey of the perception of non-user or those who do not know co-working space is yet to be explored. Hence, this study fills-up the gap in the study of non-user of co-working space among Bumiputra entrepreneurs on the usefulness and intention to use it from a Malaysian perspective.

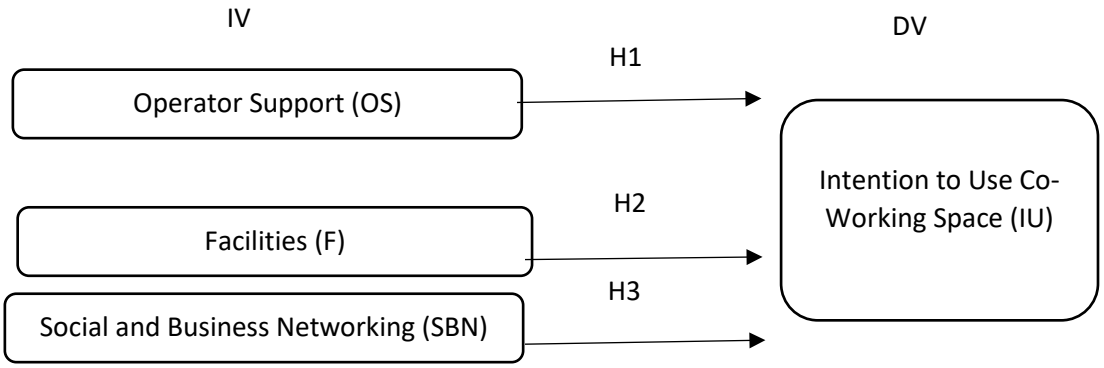

Figure 1. Relationship between OS, F, and SBN with IU

The theory used is the technology acceptance model (TAM) because the concept of co-working space is new and embedded with technology to support its function for the tenants. At TAM, perceived usefulness and perceived ease of use influence the behavior intention to use and actual system use (Davis, 1989). If the entrepreneur perceived that co-working space as valuable and easy to use, the entrepreneur might have the intention of using it. Hence, when co-working space is widely available and affordable, the entrepreneur might rent the co-working space in the future. This study focuses on the perceived usefulness (OS, F, SBN) as independent variables (IV) and the intention to use co-working space by the Bumiputra entrepreneurs as the dependent variable (DV) refer to Figure 1.

3. Research Methodology

This study aims to investigate the relationship between co-working space usefulness and the intention to use it among Bumiputra entrepreneurs in Malaysia. MARA is a government agency that governs the development of the native people of Malaysia, which are "Malay" and "Bumiputra" the database is comprised of more than one (1) million entrepreneurs registered with the agency. Using Krejcie and Morgan's table (1970), with a population of more than one (1) million, the sample should be around 335 respondents. Since this is a pilot study, a total of less than three hundred (300) respondents can be used to validate the questionnaires. As a result, a database of Bumiputra entrepreneurs from fourteen (14) states of Malaysia was retrieved from the e-usahawan portal, and more than 2,000 e-mails were sent with an investigative link. Approximately 267 respondents completed the survey, and the data were analysed using SPSS 28.0 software for reliability analysis, descriptive analysis, and correlation analysis. The questionnaires were divided into two (2) parts. The first part of the questionnaire is on the personal information of the entrepreneurs. The second part is on the variables used to measure the usefulness of the co-working space, such as support from the operator (OS) with twenty (20) items, facilities (FS) with twenty-one (21) items, social and business networking (SBN) with ten (10) items, and intention to use (IU) co-working space with ten (10) items. The measure for every element is the 5-point Likert scale, with 1 for "Strongly disagree" and 5 for "Strongly agree."

Out of 267 entrepreneurs who responded to the survey, most of them were males with 51.7%, aged between 31 and 40 years old (43.9%), attended university (31.5%), the sole proprietor (70.4%), service sector (86.1%), a yearly income of more than RM50K (59.9%), and has been in business for more than 5 years (59.2%). The reliability analysis was conducted for the four (4) variables rated above 0.900. Operator support (OS) with α=0.988 (20 items), Facilities (FS) with α=0.971 (21 items), social and business networking (SBN) with α=0.989 (10 items), and intention to use co-working space (IU) with α=0.970 (10 items).

4. Results

Most of the Bumiputra entrepreneurs agreed with the elements for OS (operator support), as most of the average was over 3.60 on the 5-point Likert scale. Out of twenty (20) items, three (3) items had a high mean of more than 4.00, and seventeen (17) items had a mean of more than 3.60, as shown in Table 1. Therefore, most Bumiputra entrepreneurs perceive that it is essential for OS (operator support) to have the capacity to provide business network support, knowledge, and ideas to tenants (Fuzi, 2015) (Robelski, Keller, Harth & Mache, 2019) (Wang et al., 2022).

Table 1. Descriptive Analysis – Operator Support

Scales	Items	Mean	Standard Deviation	N
Extremely Important Mean >4.00	Provide business network support.	4.03	0.83	267
	Provide knowledge.	4.03	0.84	267
	Provide ideas.	4.01	0.84	267

	Provide professional support.	3.99	0.84	267
	Provide a creative atmosphere.	3.99	0.84	267
	Provide training support.	3.99	0.82	267
	Provide networking support.	3.99	0.84	267
	Provide access to business networks.	3.98	0.83	267
Highly Important	Provide an inspiring atmosphere.	3.97	0.84	267
Mean 3.99 -3.90	Provide funding support.	3.97	0.92	267
	Provide feeling part of a community.	3.97	0.84	267
	Friendly operator.	3.96	0.85	267
	Helpful operator.	3.95	0.84	267
	Provide social support.	3.93	0.83	267
	An interactive operator.	3.93	0.83	267
	Homely environment.	3.93	0.89	267
	Provide information support.	3.93	0.90	267
Moderately Important Mean 3.89 -3.80	Provide motivational support.	3.85	0.93	267
Slightly Important	Provide emotional support.	3.77	0.93	267
Mean 3.79 – 3.60	Provide a relaxing atmosphere.	3.68	0.92	267

There are twenty-one (21) items identified for facilities, eleven (11) items with a mean of more than 4.00, and ten (10) items with a mean of less than 4.00, as appears in Table 2. Most Bumiputra entrepreneurs agreed that a co-working space must include high-speed internet connectivity, a washroom, a prayer room, printing facilities, computer facilities, a lounge, printing services, a locker facility, a mailbox, can use own laptop, and availability of business tools, resources, and network as extremely important (Wang et al., 2022) (Yang et al., 2019).

Table 2. Descriptive Analysis - Facilities

Scales	**Items**	**Mean**	**Standard Deviation**	**N**
Extremely Important	High-speed internet connectivity.	4.34	0.89	267
Mean: >4.00	Washroom.	4.25	0.92	267
	Prayer room.	4.22	0.93	267
	Printing facilities.	4.21	0.90	267
	Computer facilities.	4.21	0.89	267
	Lounge.	4.15	0.88	267
	Printing services.	4.14	0.89	267
	Locker facility.	4.12	0.90	267
	Mailbox.	4.09	0.92	267
	Can use own laptop.	4.03	0.94	267
	Business tools, resources, and networks.	4.00	0.85	267
Highly Important	Lobby.	3.97	0.95	267
Mean: 3.99 -3.90	Pantry or kitchen areas.	3.96	0.88	267
	3D printing services.	3.96	0.96	267
	Meeting rooms.	3.93	0.90	267
	Concentration rooms.	3.91	0.84	267
Moderately Important	Collaborative spaces.	3.86	0.87	267
Mean: 3.89-3.70	Event spaces.	3.83	0.92	267
	Affordable accommodation.	3.76	0.97	267
Slightly Important	Playroom.	3.56	1.02	267
Mean: 3.59 – 3.50	Fitness center.	3.55	0.98	267

Out of ten (10) items identified for social and business networking, two (2) items have a mean of more than 4.00, and eight (8) items have a mean of less than 4.00 (refer to Table 3). Most of the entrepreneurs agreed that a creative atmosphere and professional support from other tenants were essential, followed by interaction, an inspiring atmosphere, networking, collaboration, sharing ideas, and feeling part of a

community among tenants as highly important to the respondents of this study (Ansio et al., 2020) (Berbegal-Mirabent, 2021). Social support among tenants is perceived as moderately necessary among Bumiputra entrepreneurs.

Table 3. Descriptive Analysis – Social and Business Networking

Scales	Items	Mean	Standard Deviation	N
Extremely Important Mean: >4.00	Creative atmosphere between tenants.	4.01	0.87	267
	Professional support from other tenants.	4.01	0.82	267
Highly Important Mean:3.99-3.90	Interaction between tenants.	3.96	0.85	267
	Sharing of knowledge between tenants.	3.96	0.85	267
	Inspiring atmosphere between tenants.	3.95	0.91	267
	Network between tenants.	3.94	0.81	267
	Collaboration between tenants.	3.93	0.81	267
	Sharing of ideas between tenants.	3.93	0.85	267
	Feeling part of a community among tenants.	3.92	0.87	267
Moderately Important Mean: 3.89-3.80	Social support between tenants.	3.90	0.85	267

Out of ten (10) items for the intention to use co-working space, one (1) item had a mean of more than 4.00, and nine (9) items had a mean of less than 4.00 (refer Table 4). Most Bumiputra entrepreneurs agreed with the items on accessible anywhere in Malaysia or domestically, followed by the ability to access the facilities in other countries, convenient for their business, build business networks with other tenants, and 24/7 accessibility (Weijs-Perrée et al., 2019).

Table 4. Descriptive Analysis – Intention to Use Co-Working

Scales	Items	Mean	Standard Deviation	N
Highly Important Mean: >4.00	Access the facilities anywhere in Malaysia.	4.01	0.86	267
Important Mean: 3.99-3.90	Access their facilities in other countries.	3.99	0.86	267
	Convenient for my business.	3.96	0.90	267
	Build business network easily.	3.96	0.85	267
	Training support.	3.93	0.86	267
	24/7 accessibility anywhere and anytime.	3.93	0.87	267
Moderately Important Mean: 3.89-3.80	Workshop.	3.89	0.85	267
	More exclusive.	3.85	0.90	267
Slightly Important Mean: 3.79-3.70	Cheap	3.79	0.91	267
	Can rent accommodation within the facility.	3.78	0.94	267

As can be seen from Table 5, the highest mean is on facilities (F) with a mean of 4.00, followed by social and business networking (SBN) with a mean of 3.95, operator support (OS) with a mean of 3.94, and finally, intention to use (IU) with a mean of 3.91.

Table 5. Mean Analysis – OS, F, SBN, IU

Variables	Mean	Std. Deviation	N
Social and Business Networking(SBN)	3.95	0.75	267
Facilities (FS)	4.00	0.73	267
Operator Support (OS)	3.94	0.78	267
Intention to Use (IU)	3.91	0.78	267

According to (Schober et al., 2018), the Pearson correlation r-value interpretation as following: +/- 0.90 to 1.00 as having very strong correlation, +/- 0.70 to 0.89 as having strong correlation, +/- 0.40 to 0.69 as having moderate correlation, +/- 0.10 to 0.39 as having weak correlation, and +/- 0.10 to 0.10 as negligible correlation. Hence, after performing Pearson Correlation on the four variables, OS, FS, SBN, and IU, it shows that the relationships between OS, FS, and SBN with IU are positive and significant. The relationship is between OS and IU (r=0.828**; p=0.000) is a strong correlation, followed by FS with IU (r=0.741**; p=0.000) with strong correlation, and SBN with IU (r=0.622**; p=0.000) with moderate correlation (refer Table 6). Hence, it can be assumed that those entrepreneurs who agreed to rent co-working space also agreed with the usefulness (OS, F, SBN) of the co-working space and vice versa (Fuzi, 2015) (Wang et al., 2022). Bumiputra entrepreneurs are attracted to the items of the OS (operator support), F (facilities), and SBN (social and business networking) that might help them and their businesses in the future.

Table 6. Pearson Correlation Analysis – OS, F, SBN, IU

		SBN	F	OS	IU
SBN	Pearson Correlation	1	0.738**	0.685**	0.622**
	Sig. (2-tailed)		<0.001	<0.001	<0.001
	N		267	267	267
F	Pearson Correlation		1	0.788**	0.741**
	Sig. (2-tailed)			<0.001	<0.001
	N			267	267
OS	Pearson Correlation			1	0.828**
	Sig. (2-tailed)				<0.001
	N				267
IU	Pearson Correlation				1
	Sig. (2-tailed)				
	N				

**. Correlation is significant at the 0.01 level (2-tailed).

5. Discussion

In terms of the level of acceptance of the co-working space, the result of the correlation analysis, showed a positive and significant relationship between operator support (OS), facilities (F), and social and business networking (SBN) to use co-working space (IU) and vice versa refer Table 6 and Figure 2. Hence, Bumiputra entrepreneurs perceived that operator support (OS), facilities (F), and social and business networking (SBN) are helpful and have an influence on the intention to use (IU) co-working space in the future.

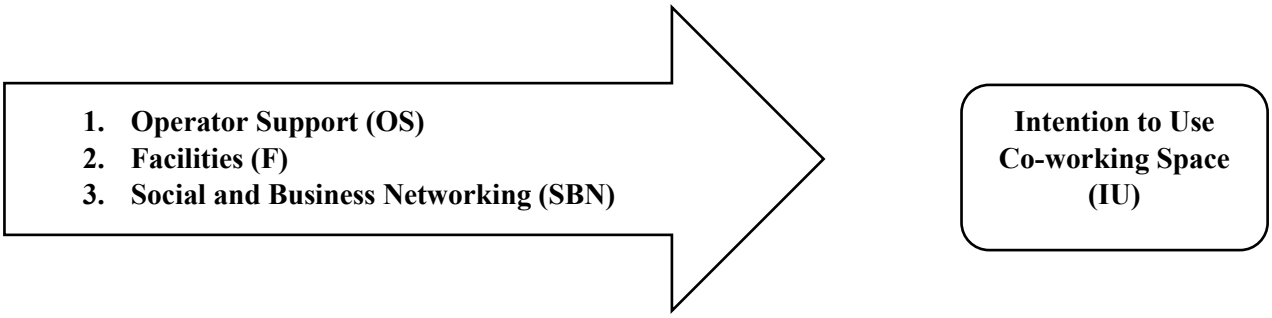

Figure 2. The Relationship Between OS, F, and SBN with IU

As seen in Table 7, most respondents agreed that the operator of a co-working space must provide business network support, knowledge, and ideas for the tenants, similar to findings in other countries (Robelski, Keller, Harth & Mache, 2019). In addition, in terms of facilities, the respondents agreed that high-speed internet connectivity, washroom, prayer room, printing facilities, computer facilities, lounge, printing services, locker facility, mailbox, ability to use their laptop, and able to use business tools, resources, and network as extremely important for a co-working space, which is similar with previous studies (Wang et al., 2022) (Yang et al., 2019).

Other than that, for social and business networking, most respondents agreed that a creative atmosphere and professional support among tenants are essential in a co-working space, as found by previous studies (Berbegal-Mirabent, 2021) (Bouncken et al., 2021). As for the intention to use, most Bumiputra entrepreneurs agreed that being able to access co-working space anywhere in Malaysia is essential, which is similar to studies from other countries such as the Netherlands, Germany, and the Czech Republic that highlighted accessibility as one of the most important criteria for a co-working space (Appel-Meulenbroek et al., 2021).

Table 7. Factors and Items Perceived to be Extremely Useful for Co-working Space

Operator Support	Facilities	Social and Business Networking	Intention to Use
Provide business network support. Provide knowledge. Provide ideas.	High-speed internet connectivity. Washroom. Prayer room. Printing facilities. Computer facilities. Lounge. Printing services. Locker facility. Mailbox. Can use own laptop Business tools, resources, and networks.	Creative atmosphere between tenants. Professional support from other tenants.	Access facilities anywhere in Malaysia.

As a result, government agencies taking care of the Bumiputra entrepreneurs should renovate office spaces into co-working spaces. It should take into consideration those elements that are extremely important for operator support (OS) in Table 1, facilities (F) in Table 2, social and business networking (SBN) in Table 3, and intention to use co-working space (IU) in Table 4.

6. Conclusion

In conclusion, this study has achieved both objectives; the findings showed that most Bumiputra entrepreneurs are optimistic about renting co-working space. Most of the Bumiputra entrepreneurs perceived that the facilities (F), social and business networking (SBN), and operator support (OS) from the operator are important and valuable for a co-working space. The implication for the government agency is that an organization with business premises or office spaces not fully utilized should start considering converting those spaces into co-working spaces. Hence, in renovating premises to be co-working spaces for the Bumiputra (Malay and native people of Malaysia) status entrepreneurs, the provider must ensure the facilities include high-speed internet connectivity, washroom, prayer room, printing facilities, computer facilities, lounge, printing services, locker facility, mailbox, a space that allow the tenant to use own laptop, and equip with business tools, resources, and network. In addition, operator support should be available to provide business network support, knowledge, and ideas to the tenants, as supported by previous studies (Ansio et al., 2020) (Bouncken et al., 2021). Other than that, social and business networking should be created among tenants to ensure a creative atmosphere and professional support from other tenants. Hence, the attraction of a co-working space depends on the facilities and the business and social glue created by the co-working space operator (Bouncken et al., 2021). Another implication of this study is for Bumiputra status entrepreneurs to consider renting a co-working space, as it can minimize some of the costs related to office set-up and equipment, utilities cost, etc., because already included in the rental fees (Yang et al., 2019). This study is significant for the government agency with business premises or office spaces, and for other building owners to renovate their buildings and offer them for rental using the concept of co-working space from this study. However, the limitation of this study is that it focuses on Bumiputra entrepreneurs that are registered with the government agency used for this study. As such, for future study, it is recommended to include all entrepreneurs in Malaysia to capture the preference of entrepreneurs of different ethnicities, age, and gender.

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