THE ROLE OF LEADERSHIP IN COMMUNITY-BASED ENTREPRENEURSHIP: A DUAL CASE STUDY APPROACH

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Abstract

Leaders play a crucial role in spearheading the success of community-based entrepreneurship. However, as the role is on a volunteering basis, the impact on the community is mixed. Community leadership is critical as it can lead to a harmonious and prosperous community. Strong leadership would help the community to gain many advantages, especially economic empowerment. The paper presents a comparative analysis of two Malaysian communities chosen for government initiatives but experienced different outcomes. A community leader must have passion, motivation, and capability to lead community members in achieving their goals. Community leaders must be knowledgeable with strong human and psychological skills. The commitment of leaders to contribute should be indefinite and not only when they are holding post. Vision and mission by leaders would help the community to be self-reliant and self-sustained in future. The paper contends that leaders should be committed to leading the community, and a succession exercise must be in place to develop new young leaders for sustainability.

Keywords: Community leadership, community entrepreneurship, case study, leadership role, Malaysia
1. Introduction

Community-based entrepreneurship is regarded as a crucial tool for the development of marginalised and underprivileged communities that are cut off from the mainstream economy as well as a vital component of social uplift (Parwez, 2017). In ensuring the success of community-based entrepreneurship, leadership is vital. Although it has the potential to be their most important position, community leadership is frequently the one that receives the least attention in study on community foundations (Strawser, 2021). The government has initiated numerous initiatives especially community-based entrepreneurship to address poverty in rural areas in improving economic empowerment (Subramaniam et al., 2015).

The Malaysian government uses the National Blue Ocean Strategy (NBOS) to apply its high effect, low cost, and rapid execution to national development, keeping with its goal of becoming a high-income country. The National Development Strategy (MDS), which served as the framework for the 11th Malaysia Plan from 2016 to 2020, is based on the NBOS. The goal of MDS is to quickly provide the government with a low-cost solution that has a significant influence on the economies of capital and people. GDP growth, major corporations, significant investment projects, and financial markets are all aspects of the capital economy. On the other hand, the people's economy focuses on issues important to the general public, such as employment, small companies, the cost of living, the welfare of families, and social inclusion. Several ministries carry out the application of NBOS. Table 1 presents the details of ministries that are involved in NBOS. MDS emphasizes creativity and innovation in strategy formulation and adheres to fair process norms in strategy execution. The government is ingeniously unleashing and increasing national resources by redefining the traditional borders between public and private organisations. When ministries and agencies break down their silos to unleash underutilised resources, costs are reduced. People receive more value when those resources are creatively deployed to hotspots. This keeps taxes low while allowing for the simultaneous pursuit of high income and increased public well-being. One of the NBOS initiatives run by the Ministry of Agriculture is called My Village My Future (MVMF), and it aims to enhance young people's engagement in rural economic activities, especially agriculture (Adenan et al., 2015). The initiative of MKMF has helped the community to come together to spur entrepreneurship activities in the village. The anchor businesses provide job opportunities for youth and act as a catalyst and mentors for young people to start a business venture. The primary goals are to reduce urban youth migration, increase the number of young people with leadership potential, and increase revenue from agro-business ventures in their communities (Rus et al., 2018). Additionally, the programme encourages the use of natural resources and vacant land. Youth are encouraged to engage in agriculture-based entrepreneurship activities because the Ministry of Agriculture is leading the project. From throughout Malaysia, 14 villages have been chosen to receive training as part of this project. Certain villages with high potential for community-based business will get significant financial assistance and non-financial support from other organisations.

Leaders are essential in motivating the community to accomplish its objectives. However, only a few studies focus on the community's leadership but more on social entrepreneurship. Many community projects tend to be inclined toward social activities rather than the economy. However, community-based
entrepreneurship would assist members of the community in getting better income collectively. Thus, the collective drive is essential to ensure the project's success and provide opportunities for its members in the long run. Eventually, community projects must be able to help their members from poor liberations. Numerous initiatives have been taken and executed to promote entrepreneurship development and improve socio-economic conditions. However, it is discouraging to observe the general lack of success of the entrepreneurial venture, as only a few examples can be replicated. These failures suggest that there are many gaps in community-based entrepreneurship processes. Thus, this paper investigates the factors that influence successful community leaders.

Table 1. Ministries under NBOS

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<thead>
<tr>
<th>1. Ministry</th>
<th>1.2. Cluster</th>
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<tr>
<td>1.3. Ministry of Agriculture</td>
<td>1.4. Food and Beverages</td>
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<td>1.5. Ministry of Tourism and Culture</td>
<td>1.6. Homestay</td>
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<td>1.11. Ministry of International Trade and Industry</td>
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2. Literature Review

2.1. Community Leadership

According to Wilkinson (2023, p. 2), a community is "a series of interrelated acts by which residents express their common interest in the local society." From this viewpoint, the structure of what makes a community has been seen as somewhat paradoxical concerning organizations (Nommm et al., 2020). Social cohesion involves the interpersonal dynamics and sense of connection among people. Increased social cohesion can be associated with various physical and psychological health benefits (Jennings & Bamkole, 2019). Leaders in the community must be knowledgeable, respected, and empowered. One leader may be chosen for each community by the organization, the community, or the members themselves. Community leadership benefits from being embedded into social networks, shared vision and decision making, but pre-existing skills and tacit knowledge also play a role. Community leaders can also assist niche building by working closely with intermediary actors (Martiskainen, 2017). A community should allow the developing leadership or the core group to share in the leadership duties. Community leaders help members communicate with one another and foster debates, but they do not control the community's members or claim ownership. Members of prosperous communities are their own (Catana, 2020). One of the difficulties facing community leaders is that some lack official authority connected to positional power (O'Brien & Hassinger, 1992). According to earlier research, local government will need to overcome three obstacles in order to fulfil this role: involve individuals in setting community priorities; provide strategic leadership; and maximise the collaborative potential of other local
institutions (Sullivan et al., 2006). Leaders may not have formal leadership roles, but they impact their networks and contacts (Brown & Flood, 2020). The fundamental role of community leaders has, however, been consistent with more organizationally based leadership models despite the difficulties in defining the domain. To mobilize the resources required to accomplish a shared objective or set of goals, leadership has been important (Pigg, 1999). However, there still needs to be a sizable gap in the literature regarding the tools and techniques linked to successful community leadership (O’Brien & Hassinger, 1992). Strawser (2021) emphasises that community leadership is both the value-add and distinctive role that community foundations can play. By utilising their expertise related to local concerns, community foundations help both the community and the fund provider (the government). He stressed further that civic leadership, community involvement, and collective leadership should all be used to assist community leadership, as seen in Figure 1.

![Figure 1. Community Leadership (Strawser, 2021)](image)

2.2. Community-Based Entrepreneurship

Peredo and Chrisman (2006, p. 310) define community-based entrepreneurship (CBE) as “a community acting corporately as both entrepreneur and enterprise in pursuit of the common good”. In a conventional CBE model, either a person or a group is in charge (Parwez, 2017). The cornerstones of CBE are a group effort, mutual trust, and a drive for economic activity supported by institutions (Parwez, 2017). Yang et al. (2019) emphasized the need for good leadership and support in building a company's endeavour. CBE can only advance with the help of the community's engaged individuals and active engagement in efforts to support self-employment, empowerment, and community job creation (Yong & Hassan, 2019). Prior research on community involvement tended to emphasize locally-based tourism and economic development. The community's collective decision to engage affects the outcome of CBE (Amin & Ibrahim, 2015). According to Azlizan et al. (2012), with community members actively participating, it is anticipated that via entrepreneurial opportunities and activities, rural entrepreneurship will advance toward prosperity and success in rural areas (Jaafar et al., 2014).

In addition to serving as more than just a regulator, the government must be heavily involved in developing and promoting CBE projects in developing countries (Ahmad & Talib, 2015; Jaafar et al., 2020; Soluk et al., 2021). Few effective CBE models have been accepted and put into practice by developing nations, particularly in the economies of the third world, where entrepreneurship is young and understudied. In their systematic research analysis, Numerous internal and external elements, including as
self-determination, attitudes, entrepreneurship skills, government support and intervention, and access to social networks and social capital, were highlighted by Hassan et al. (2021) as having an impact on CBE. They continued by explaining that while the use of local resources is not important in CBE however, leadership is still important.

The fact that initiatives are typically developed and carried out by agencies rather than community members is a significant problem in developmental operations. This has frequently resulted in the local populace and recipients needing a sense of ownership. The fact that local support for a project dries up as the funding runs out illustrates this. The recognition of this tendency has compelled several domestic and foreign organizations to develop and carry out programmes with increased local involvement (Brinkerhoff & Brinkerhoff, 2021; The World Bank, 2020). It has been determined that forming sustainable economic activities should receive more attention than welfare programmes to improve collaborative development (Parwez, 2017). Through case studies, this study attempts to analyze community-based entrepreneurship with the implicit research question of how leaders might promote the development of livelihoods and, ultimately, the empowerment of the entire community. This paper combines conceptual and empirical analysis with a case study technique in community-based entrepreneurship to advance the understanding of the idea.

3. Research Methodology

This study is exploratory. It seeks to discover how community entrepreneurship helps to foster entrepreneurial activities in the community. Hence, a qualitative research approach was deemed appropriate to uncover relevant exploratory primary data where the context is essential and the constructs are barely developed. The method employed was a case study with a dual-case design. A total of nine villages were selected under My Village My Future programs. For this study, two villages were selected as recommended by the Ministry of Agriculture as they had shown excellent performance compared to others. In addition, a field visit was made to apprehend the relevant sites and events; on-site observations were conducted, and photos were captured to further enhance the brief interviews that the researcher had with a few representatives from the community during the occurrence. As a single case study cannot provide a generalized conclusion, triangulation between data collection techniques was made to further support the study (Parwez, 2017). This paper highlights the findings that emerged mainly from the photos, essays and notes that were developed in this dual-case study design.

4. Methods

This paper adopts a qualitative case study approach method (Creswell, 2013) through in-depth interviews with stakeholders such as leaders and government officers and site-field visits. The rationale for a qualitative case study approach is that it allows for a holistic understanding of a phenomenon within real-life contexts from the perspective of those involved (Merriam, 1988; Stake, 2005; Yin, 2011) and allows the researcher to grasp the intricacies of a phenomenon (Stake, 2005). The think-aloud protocol (Hu & Gao, 2017; Li et al., 2012) was adapted for use in the study by asking participants to relate their opinions. Participants were asked to explain how and why (Gillern, 2016) they lead the community
relating to community-based entrepreneurship activities. A set of questions was prepared to guide the flow of the discussion. Interviews have been carried out with the local authority and community to investigate and identify key success factors of community entrepreneurship in this village. An interview with the local authority was conducted in the local agriculture department office.

Meanwhile, an interview with the community was conducted informally to gather more information. The session with the local authority was more to understand the modus operandi of the MKMF initiative. The session focused on the presentation of the agriculture department officers. This paper will present the interview's outcome with the local community. A set of general questions were prepared prior to the visit. Due to time constraints, the interview was carried out informally during the farm visit. Therefore, the results are generated based on the perception and understanding of researchers.

4.1. Case Study 1

The first case study is about Village K, located about 100km from central Malaysia. This village has 250 population with the majority of the elderly. In this village, few businesses have been established by young villagers, considered anchor businesses that helped the village secure MVMF grants. Before securing the grant, the local authority appointed the head of the village. Mr A is a young man in his 40s. He is very passionate, committed, and motivated. In addition, he developed good networking with local authorities, ministries, and industries. He worked closely with villagers to develop new start-ups. Besides MVMF grants, he managed to secure a few other grants for the village and community. Eventually, the community of Village K was selected as the most successful recipient of MVMF as they managed to generate about RM1mil within a year from community initiatives such as planting particular breeds of bamboo, cow and goat farming, as well as selling local flavor smoked beef. The close relationship among villagers in the community helps the smooth progression of MVMF, and many entrepreneurial activities have been carried out that generate income for the community.

Consequently, one business impacts the other businesses, like a domino effect. For example, opening a homestay attracts more customers to the village, who then become customers of the smoked house and visit the animal farms. Under Mr A’s leadership, many new business establishments were created. However, the appointment of the head of the village is determined by the local authority, which was influenced by the political scenario. Due to that, Mr A was removed, and the elderly leader was appointed. Unfortunately, the new leader needed to lead community-based entrepreneurship in the village. As a result, the community-based entrepreneurship projects were slowly diminished, the anchor businesses ran individually, and the effect on the community was limited (Parwez, 2017; Peredo & Chrisman, 2006). The prominent factors that dampen the growth and sustainability of CBE in Village K are the need for an entrepreneurial figure or individual who can lead the CBE projects. As the anchor business owners are busy with their businesses, and the village chief is old, the initiative to embark on CBE is almost nonexistent. Unfortunately, Mr A decided not to collaborate further with the community after being relinquish from his post. He was adored and admired by not only the community but also the government officials but sadly he didn’t have a successor to continue his legacy.
4.2. Case Study 2

For the second case study, Village KB was recommended by the ministry of tourism due to numerous excellent achievements in CBE activities in tourism and agriculture. There are roughly 60% older residents and 40% younger ones. Situated around 70km from Kuala Lumpur, the town is near the Kuala Lumpur International Airport. Its location makes it vulnerable to the problem of youth migration. Village KB’s success story was owed to its leader. It all started when the head of the village, Mr Y, decided to participate in a local authority competition in 1992 and won the Most Beautiful Village award, bringing him trips to a few countries. He established a homestay industry in the village to provide income to villagers. His relentless determination, commitment, and passion allowed him to secure some government grants and support. The ministry of tourism, agriculture and science and technology are among the ministries supporting the CBE projects in the village. As a result, the village is well known for its homestay industry, local snack industry, and agriculture. During his tenure as the head of the village, Mr Y started a succession program to develop more community leaders. Eventually, when he stepped down, his legacy was carried on by a new young leader. My Y continue to support young leaders in terms for financial, networking, resources and skills. Mr Y showed an excellent leadership example and continued to support his successors and remain their advisors. Today, CBE in village KB has spread to many industries and developed many young talented entrepreneurs. A former village chief's steadfast and visionary leadership, well-groomed youth leaders, and strong and engaged community involvement are all essential components of this achievement. Young leaders are still actively developing new CBE projects and maintaining succession planning programs.

5. Discussion and Conclusion

Leaders in the community are essential to help the community achieve its goals, especially in economic empowerment. Community-based entrepreneurship initiatives are meant to help members of the community to be financially independent in the long run. The government gives many incentives to assist the community. Without a strong community leader, many CBE would end failed and wasting all the resources given. Community leaders must possess knowledge and strong leadership skills including networking, communication skills, cognitive skills. Leading, managing, and handling community require strong human and psychological skills. The selection of community leaders received mixed reviews (Sullivan et al., 2006). A quality of community leaders should properly accessed in many perspectives such as the leadership skills and human relations. The government should also be careful in selecting leaders as the consequence might be fatal. A qualitative research strategy predominates in terms of the research methodology used in this study. Applying a quantitative research approach more regularly might result in discoveries. Even though this study places a high emphasis on qualitative research for the development of key concepts and operationalization, the availability of necessary data—which is typically problematic—is another critical prerequisite. As might be expected, this analysis is based on the original data from the case. Technique uniformity is another issue that inquiries face, and the case study design is prevalent.
This study emphasizes how the government is leading the way in community-based entrepreneurship to promote development in rural areas. Leaders of the community must have a strong passion, commitment, and motivation to support the CBE of the community. The tireless effort for the community demand capable and suitable leaders who are fully committed to the community. In ensuring the sustainability of CBE, leaders should be selected and chosen based on their leadership skills. The role of leaders in the community, especially in rural areas, is vital to address poverty. This study is not without limitations. Firstly, the study follows a dual-case design. In order to comprehend leadership in community-based entrepreneurship, the study used Village K and Village KB as case studies; events and activities are restricted to a single occurrence. The disadvantage of a dual-case approach, however, is that it cannot offer a conclusion that can be applied generally. To address this limitation, the process's validity has been verified through the use of a triangulation technique. The robustness of the method has been reinforced by reproducing the example using pattern-matching, a technique that connects many facts from the same case to a theoretical statement. Secondly, the interview was limited due to particular procedures and control by the relevant agency. The impact of CBE on the community still needs to be well documented, and the success stories are limited. Developing solid and capable leaders is important in the community to guarantee success and continuity. The study should be extended for future research to other types of CBE, rural and urban. The inclusion of factors such as characteristics of leaders, especially psychological, should also be investigated. In addition, quantitative research helps provide a generalization of the study.

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