

**RESEARCH ON INNOVATION: THE CASE REVIEW OF  
TEHNOPRENEURS IN MELAKA**

**MAISARA BINTI MOHD KHAIRUL ANUAR**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

## **APPROVAL**

“We hereby declare that we have read this thesis and in our opinion this thesis is  
sufficient in terms of scope and quality”

**Signature** : .....

**Supervisor's name** : DR. AMIRUDDIN B. AHAMAT

**Date** : .....

**Signature** : .....

**Panel's name** : PROF. MADYA. DR. HASLINDA BTMUSA

**Date** : .....

RESEARCH ON INNOVATION: THE CASE REVIEW OF  
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MAISARA BINTI MOHD KHAIRUL ANUAR

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## DECLARATION

“I hereby declare that this thesis title “Research on Innovation: The Case Review of Technopreneurs in Melaka” is my own work except for the quotations summaries that have been duty acknowledge”

**Signature** : .....

**Name** : MAISARA BT MOHD KHAIRUL ANUAR

**Date** : .....

## **DEDICATION**

I dedicated this research to my late father, En. Mohd Khairul Anuar bin Awang and, my mother, Pn. Osmaliza Othman, who has been my main source of inspiration and my encouragement during studies. I also dedicate this to my siblings and friends, who has supported me throughout the process and to my supervisor, Dr. Amiruddin b. Ahamat, who has guiding and helping me in develop my skills and to complete this research. Lastly, I dedicate this to my best friend, Azizi Azahar, who giving me lots of advice and motivation in completing this research.

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## ABSTRACT

Innovation is one of the most fundamental practices in economic growth, and it has great potential to develop solutions to economic and social challenges. Innovation is the key to the survival of commercial firms in today's business and market environments. It enables different firms to survive and prosper by creating market value and competitive advantage. Hence, the process of innovation also giving positive impact to the society where it is able to fulfill society needs and solve their problem. This, Research on innovation are focused mainly on the innovation produce by the technopreneurs. The specific objectives of this research study are: to investigate the challenges that faced by technopreneurs when implement the innovation, to analyze the impact of innovation to the society and to identify the factors that influences in the innovation performance. Therefore, to achieve the objectives in this research, an interview session has been setup among the technopreneurs in Melaka which are Cheesecake ZOWA and Auro Technologies, Automation & Robotics company. The findings show the analysis of the three independent variable that has been collected during interview sessions. In conclusion, this research is giving more understanding on the impacts of innovations.

*Keywords: Innovation practices as a path for business performance*

## ABSTRAK

Inovasi adalah salah satu amalan yang paling asas dalam pertumbuhan ekonomi, dan ia berpotensi besar untuk membangunkan penyelesaian kepada cabaran ekonomi dan sosial. Inovasi adalah kunci kepada kelangsungan firma komersial dalam persekitaran perniagaan dan pasaran hari ini. Ia membolehkan firma yang berlainan untuk bertahan dan berjaya dengan mewujudkan nilai pasaran dan kelebihan daya saing. Oleh itu, proses inovasi turut memberi kesan positif kepada masyarakat di mana ia dapat memenuhi keperluan masyarakat dan menyelesaikan masalah mereka. Ini, Penyelidikan mengenai inovasi tertumpu terutamanya pada hasil inovasi oleh usahawan teknologi. Objektif khusus kajian penyelidikan ini ialah: untuk menyiasat cabaran yang dihadapi oleh usahawan teknologi apabila melaksanakan inovasi, menganalisis kesan inovasi kepada masyarakat dan mengenal pasti faktor-faktor yang mempengaruhi prestasi inovasi. Oleh itu, untuk mencapai matlamat dalam penyelidikan ini, sesi wawancara telah disusun di kalangan usahawan teknologi di Melaka iaitu merupakan Cheesecake ZOWA dan syarikat Auro Technologies, Automation & Robotics. Penemuan ini untuk menunjukkan analisis tiga pemboleh ubah bebas yang telah dikumpulkan semasa sesi wawancara. Kesimpulannya, penyelidikan ini memberi lebih pemahaman tentang kesan inovasi.

*Kata kunci: Inovasi sebagai jalan untuk prestasi perniagaan*



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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

The main purpose of this research is to review the case of innovation towards entrepreneurs in Melaka. In this study, it is to discuss the challenges that faced by technopreneurs when they make an implementation in the innovation, to know the impact of innovation capabilities towards the society and discussing about how the process are influencing the innovation performance. In addition, this chapter also explaining about the problem statement, research question, research objectives, scope and the significance of the study.

#### **1.2 Background of Study**

Innovation is one of economic growth's core strategies and has the capability to resolve economic and social obstacles. Innovation is the survival for firms in business and market environments. By creating new market value and competitive advantage among them, it allows different industries to survive and thrive. Moreover, innovation also described where, according to the (Kenneth B. Kahn, 2018), innovation is a result that determines what output is being achieved, including product, process, marketing, business model, supply chain, and organizational innovation.

According to the reviews whereas innovation has become a pervasive phenomenon or has spread widely around the world, still there are many organizations that find innovation challenging or, in other terms, difficult to find or pursue. This is because, due to the genuinely tangible innovation and its advantages, one of the reasons is that they must to understand that innovation is in three different things which is an outcome, process and mindset. In this context, many organizations faced obstacles in order to create and improve their innovation. While, (OECD, 2010) said that innovation is to boost growth and to enable organization for overcome the social challenges and to mitigate climate change, sustainability and foster social together.

In addition, (Jack Stilgoe, Richard Owen, Phil Macnaghten, 2013), states that responsibility is always necessary in the practice of research and innovation because there is no innovation that will perform in the good term without responsibility. Therefore, it is determined as a concept that attempts to give values to individuals, society and the ecosystem through to the process of innovation and technology development is not only concern for the experts, but should also be available to stakeholders and the public as well (Pandza & Ellwood, 2013). Further, (Von Schomberg, 2012), has define the responsible innovation as below:

*“a consistent, interactive mechanism where community and innovators are mutually responsive with a goal to the acceptability, sustainability and social desirability of the innovation process and its marketable products”*

Responsible innovation exists as there are requirements, expectations, issues and obstacles which need to be adequately defined and resolved it. Furthermore, not all innovation has its responsibility because, based on the different opinions, values and competitiveness, there will be issues in management especially among stakeholders. This will have an effect on people, cultures and the ecosystem.



### **1.3 Problem Statement**

This research study is about the innovation where it is determined as a good and high quality of innovation and can derive the values and benefits to the society. According to the reviews whereas innovation has become a pervasive phenomenon or has spread widely around the world, still there are many organizations that find innovation challenging or, in other terms, difficult to find or pursue. Throughout the process, there are problems where not all the stakeholders have been involved and the collaboration between the stakeholders also not very good and sustainable since they are having the different motives and goals toward the innovation. This is because, due to the genuinely tangible innovation and its advantages, one of the reasons is that they must understand that innovation is in three different things which are an outcome, process and mindset. In this research also, not every process is giving influences towards the innovation performance since it is depending on the stakeholder participants and which flow that the organization will choose.

### **1.4 Research Question**

Researcher had highlighted the research questions on the context of innovation among technopreneurs. Therefore, the research questions are as constructed as below:

1. What are the challenges faced by technopreneurs when implement the innovation?
2. What is the impact of innovations capability to the society?
3. What is the factor that influence in innovation performance?

## **1.5 Research Objectives**

Based on the problem statement for this study, the requirements of each research objective are gained from the research question where it is constructed as:

1. To investigate the challenges that faced by technopreneurs when implement the innovation.
2. To analyze the impact of innovation capability to the society.
3. To identify the factors that influences in the innovation performance

## **1.6 Scope of study**

The aim of this research is to emphasize and define the obstacles that technopreneurs face while implementing innovation to produce value-added in innovation. This is because, there will be difficulties faced by technopreneurs throughout the innovation process where it will make the process more complicated, especially if the challenges or issues come from the stakeholders. Therefore, the researcher also wants to analyze the impact of innovation capability on society and the factor affecting the performance of innovation. The researcher is targeting technopreneurs in Melaka as a respondent in this study, and the researcher will use the interview technique to collect information.

### **1.7 Significance of study**

The significance of this study is to identify the challenges that technopreneurs face and to provide them with recommendations to overcome and prevent the challenges. In addition, this study also examines the impact of innovation capacity on society, where innovation will enable society to gain benefit and fulfill their needs and wants. From this research study, it will be giving benefits to the both stakeholder whether the profit organization or the non-profit organization and also to the society. Besides that, the implementation of the innovation actually can be one of the key success in the market if the collaboration between the stakeholders and public are well and do not have problem hence can get benefits and value from the innovation. Therefore, this research study will help the technopreneurs to become more effective and efficiency in order to implement the innovation and to avoid problems that will occur to the negative impact.

### **1.8 Summary**

In this chapter, the main issues that have been discussing is about the challenges in the process of implement the innovation especially among the stakeholders and the publics. The innovation is giving the positive impact as well as the responsible innovation hence it is making the stakeholders have different motive and goals towards the process of innovation. This because, the stakeholders have their own self-interest and what they want to achieve from the innovation. Lastly, the impact of innovation to the society and the factor that had influences in the innovation performance also has been discussing in this research.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter will be discussing the overview of innovation among the technopreneurs where the researcher has determined the challenges that faced by technopreneurs when they implement the innovations and the impact of responsible innovation capabilities to the society and how the process of innovation is influencing in the productivity performance. Furthermore, (Abbing, 2010) had mentioned that innovation is the key source of success for organizations or technopreneurs to survive in industry because there are many competitors out there who have good knowledge and intellectual of innovation and make it more competitive among technopreneurs.

Innovation is one of economic growth's core strategies and has the capability to resolve economic and social obstacles. Innovation is the survival for firms in business and market environments. By creating new market value and competitive advantage among them, it allows different industries to survive and thrive. Moreover, innovation also described where, according to the (Kenneth B. Kahn, 2018), innovation is a result that determines what output is being achieved, including product, process, marketing, business model, supply chain, and organizational innovation.

By referring to the (Burget, 2017), these techniques are not examining the entire range of purposes processes products and the consequences of innovation, but are specifically investigating the research stage, especially the final stage. Therefore, (Zwart, 2014) mentioned that the added value of innovation related to ELSA is more focused on maintaining economic industrial cooperation and socioeconomic benefits. Nevertheless, Van den Hove (2012) believes that innovation goes beyond by creating innovation are for economic growth as it is designed to give people benefits and values by fulfill their requirements and also providing economic environmental and social sustainability as well.

## **2.2 Challenges faced by technopreneurs**

According to the (Katherine J. Klein and Joann Speer Sorra, 1996), saying that implementing innovation within an organization is a mechanism where organizational participants are encouraged to be more valued and engaged in using innovation. They also state that implementation can be efficient and consistent if the organizational members quality is good and can function at all stages of innovation. Each member's ability to function can be the strength of organization where they faced difficulties when implementing the innovation, while ensuring that the values of innovation meet with the target. Process innovation is the implementation of new or product development and it involves several improvements in the instruments, human capital and working methods (OECD, 2005).

According to the (Von Schomberg, 2013), innovation is not to be found in clear-cut and isolated problems that need to be solved are named as the "grand challenges" in time, climate change, resource depletion where the renewable and non-renewable natural resource is limited due to high demand and others. This ' grand challenge ' is the driving force of innovation where it plays an important role in the EU: Horizon 2020 research and innovation program which it emphasizes or develops for research and innovation based on this ' great challenge. '

### **2.2.1 Conflicts of interest among stakeholders in case of 'grand challenges'**

Innovation requires stakeholders and the society to participate in the early stages of the innovation process in order to make future planning and the uncertainty that innovation will bring in the future. Furthermore, (Von Schomberg, 2012) states that stakeholder and society can help to accomplish the responsibility of controlling and leading the innovation progress towards the ethically acceptable, socially beneficial and sustainable path. The responsible governance is expected to enhance the chance of innovation adoption and can embedded the better innovations in society. Thus, (Ribeiro, 2016) also encourages the innovations to provide societies with the better benefits. Innovation is characterized as "taking care of the future through the mutual management of science and innovation in the present" (Stilgoe, 2013).

In addition, (George, 2016) saying all these problems occur even though in this new era and industry has been upgraded and encountered the technological economic and social change. Science and technological development are considered as the solution to the grand challenges (Godin, 2015), but it still requires collaboration among the stakeholders participating in the coordinated action (George, 2016). For example, governments are usually will develop the policy agendas where it is can stimulate the innovative solution, meanwhile the scientist and engineer will be focusing on making sure the innovation.

Innovation are often to have profound impact on the public where it is caused of the multiple of stakeholders that have different, often competing, value and opinions in order to solve the problem in innovation. This is giving problems because there are many different views of opinions during the innovation process whether it is considered s good, social or responsible. According to the (Yaziji and Doh, 2009), all these different perspectives are attributable among the stakeholders to the various agendas and motivations of business and non-profit organizations. In addition, they also stated that the profit and non-profit organizations have different approaches in order to create value where normally the profit organizations or companies will be focusing more on economic value by producing and selling products and services to consumer meanwhile, the non-profit organizations will more focusing on the creating the social value where it is can give values and benefits to society hence more understanding them.

However, the involvement of stakeholder in innovation process are liable to failure because of the difference's opinions and motives between the stakeholders. Referring to the (Correlje, 2015), it is not easy to incorporate this process with the ethical and social implications where technological and scientific developments are become more fully incorporated into society. In addition, it is important for stakeholder's involvement even though have differences opinions and motives because the power of imbalances among the stakeholders especially in the case of grand challenges.

### 2.2.2 Mutuality among stakeholders limited

By referring to the (Flipse, 2012), usually the social and ethical aspects are not including in the innovation process, however in order to develop model of innovation, the various of technology assessment approaches has been develop. The approaches are assuming that stakeholders should involve themselves in the early stages of innovation process so that they able to incorporate with the ethical and societal aspects. According to the (Von Schomberg, 2013) defined that innovation as a transparent and interactive process where the societal and innovators become mutually responsive to each other with the ethical, sustainability and societal desirability in the innovation process hence able to marketable the products.

Moreover, throughout the innovation process, it should be characterized by transparency, interaction and mutual responsiveness where, with collaboration between stakeholders and partnership, there will be a good connection and information sharing, resources, activities and capabilities as the success will not be achieved if there is only one side that actively joins. However, (Roelofsen, 2011) state that the differences of power, vision, goal, sector and motive among the stakeholders will limit the possibility of the mutual responsiveness and it is having been question whether the opinions and motive between two parties are desirable to be finds. Hence, some of the stakeholders also will uncertain to participate in the collaboration if there is many importance that have been discuss among the stakeholders.

Therefore, the social and ethical approval of innovation is the important criterion as well as the participation of the stakeholder in the innovation process, but the risk-reward evaluation and also the investment decision will be the responsibility of the investor alone. The mutual responsiveness among the stakeholders of non-profit organizations also limited since they will not take the responsibility for an innovation where the outcomes are uncertain and have the unpredictable impacts.