FACTORS THAT INFLUENCE WOMEN ENTREPRENEURIAL SUCCESS IN MALAYSIA: A CONCEPTUAL FRAMEWORK

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Abstract

This study focused on examining the factors which influence the success of women entrepreneurs in Malaysia. This study is going to focus on individual factors which consist of entrepreneurial characteristics, work experience and training. Based on previous literature, there are four characteristics which frequently cited to influence the success among women entrepreneurs which are need for achievement, risk taking, self confidence and creative and innovative. Besides, women entrepreneurs as well need work experience and training in order to develop themselves and become successful entrepreneurs. In this study, the success of women entrepreneur will be measured by non-financial aspects because women will become less successful if compared in terms of financial aspects since they usually owned small and slower growing business. Thus, this study will adapt the subjective measurement of entrepreneurial success which is work life balance satisfaction since only few studies has used it in measuring success of women entrepreneurs.

Keywords: entrepreneurial characteristics, women entrepreneurial success, work experience, training.

INTRODUCTION

Background of Study

According to Global Entrepreneurship Monitor 2004, women represent more than one third of all population in this world. The contribution of women in the development of country also has been long recognized. Women have been able to put themselves in forefront as a leader in many field of expertise such as medical, business, law, politic and etc. (Thuaibah,2007). In addition, the involvement of women in entrepreneurship also has been improved significantly (Hamed, Mohamed & Mat, 1999). It is supported by Alam, Jani and Omar (2011) who claimed that entrepreneurial landscape nowadays not only involved by men yet women also have shown they are not only adhering to the stereotype scenario.

However, it seems like women’s involvement in entrepreneurship is not as active as they could be since people know little on women entrepreneur compared to men entrepreneur (Alam et al., 2010). The number of involvement between women and men in entrepreneurship are significant and women seem tend to involve in small industries such as services, food and retails compared to men (Hamed et al., 1999). According to Department of Statistics Malaysia 2011, the percentage of women entrepreneur that involved in the micro industry (87.9%) is higher than those in the small (11.3%) and medium industry (0.8%). In fact most of the women entrepreneurs involved in the services sector compared to other sectors (Table 1.0). This indicates that women entrepreneurs still prefer the less risky business sector as well as sector that provide them with low income. Therefore women entrepreneurs will be left behind compared to male entrepreneurs in terms of competitive spirit and business development. It is supported by Ahmad (2011) who claimed that most of business owned by women tends to be micro, small and medium enterprise which usually results in low growth.
To date, the number of women’s involvement in entrepreneurship are overwhelming. There are also a lot of stories on successful women entrepreneurs all over the world (Alam et al., 2010) and so do in Malaysia. This clearly shows that government also values the importance of women entrepreneurs because the successful entrepreneurs help to enhance the socio economic development. Nevertheless, the numbers of successful women entrepreneurs are still low if compared to male entrepreneurs. In most regions in this world, women entrepreneurs systematically have higher fear of failure if compared to males (GEM, 2012) which became the main barrier for them to develop business and be a successful entrepreneur. In addition, from the internalization aspects among developing country, which refer to the business with 25% of customer from outside their home economy, business owned by women in developing country are still left behind with 17% compared to male ownership with 26% (GEM, 2012). It shows that there are still not many women entrepreneurs who dare to take their business to international level. Similarly, in Malaysia, women entrepreneur are difficult to expand their business internationally because they tend to choose business with less risk which undoubtedly will generate less income (Ahmad, 2011).

The failure and achievement among women entrepreneurs is often associated with the constraints that faced by them. Some of the constraints are difficulty in financial assessment lack of skills, limited business networking, lack of experience, lack of self-confidence, work stressor, gender discrimination, educational experiences, lack of knowledge, lack of access to IT, work-family conflict and high competition in domestic as well as international market (Roomi & Parrot, 2008; Bhardwaj, 2014; Ahmad, 2011; Gisip & Dawayan, 2013; Chitra, 2014; Kim & Ling, 2001; Tambunan, 2009; Kallerberg & Leicht, 2014). Besides, some women also do not believes that there are a lot of opportunities for them to be explored and do not believe their capabilities to have a business (GEM, 2012). According to Dhameja (2008) the main difficulties which associated with women is pertaining to their responsibilities towards family, works and society. Fitting business with family obligation is difficult for women especially those with children (Wilmerding, 2006 cited by Rehman & Roomi,2012). Women entrepreneurs have to assume multiple roles regarding family and business which cause them to have less time and energy to perform in their work and play significant role in economic development (Kim & Ling, 2001; Dhameja, 2008).

In conclusion, the obstacles faced by women entrepreneurs will have a negative impact on the ability, durability and competitiveness of women entrepreneurs to develop either in the domestic or global market (Gisip & Dawayan, 2013). Thus, women must be competent enough to survive by molded themselves with entrepreneur qualities, traits as well as skills (Ummah & Gunapalan, 2012) then only they will be able to adapt with global changes and become successful in this arena.

### Table 1: Percentage of Sectors Owned by Women Organization (%)

<table>
<thead>
<tr>
<th>Firm Size</th>
<th>Services</th>
<th>Manufacturing</th>
<th>Agricultural</th>
<th>Construction</th>
<th>Mining</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>88.4</td>
<td>89.6</td>
<td>70.3</td>
<td>40.3</td>
<td>25.9</td>
<td>87.9</td>
</tr>
<tr>
<td>Small</td>
<td>11.0</td>
<td>10.3</td>
<td>21.0</td>
<td>36.7</td>
<td>40.8</td>
<td>11.3</td>
</tr>
<tr>
<td>Medium</td>
<td>0.6</td>
<td>0.1</td>
<td>8.7</td>
<td>23.0</td>
<td>33.3</td>
<td>0.8</td>
</tr>
</tbody>
</table>
Problem Statement

According to Kallerberg and Leicht (2014) women entrepreneurs are said to have higher failure rate and lower business growth. In Malaysia as well, women entrepreneurs also considered as less successful as the top ten richest men for the year 2014 are still been dominated by men and none of women are listed among them (Utusan Malaysia, 2015). Even though after several years women entrepreneurs have been provided with funding from government, their business is still not thriving (Rohani, 2014). This is supported by Fairlie and Robb (2008) in their study on the comparison of performance among women and men owned business indicate that women entrepreneur is less successful if compared to men entrepreneurs.

The production of successful women entrepreneur is important since it helps in contributing to nation economic growth (Fuad & Bohari, 2011). Due to the importance of having more successful women entrepreneurs, Rieger (2012) suggested that more research on successful women entrepreneur should be conducted in order to enrich the knowledge on women entrepreneur which lead to produce more successful women entrepreneur in the future. Even though entrepreneurial studies are continually conducted however not much research on entrepreneurial success among women has been conducted (Ahl, 2006; Alam et al., 2010; Akhalwaya & Havenga, 2012). Azmin et al., (2011)and Teoh and Chong (2007) supported by claimed that only a handful of research has been conducted to find the reason of successful women entrepreneur in Malaysia. In addition, it is also supported by Jain and Ali (2012) who suggested attention on factors that lead to the growth of women entrepreneurs need to be identified.

Entrepreneurial characteristics has been suggested as one of the factors that need to be studied in order to determine the characteristics that possess by women entrepreneurs to achieve their success (Fuad & Bohari, 2011; White et al., 1997). According to Owen (2003) there are vast of research which conducted on personality/characteristics that associated with entrepreneurs yet still lack of research which determine the personality that influence the entrepreneur outcome such as success. Based on previous literature, the most frequently mentioned entrepreneurial characteristics among women entrepreneurs are need for achievement, risk taking, self-confident and creative and innovative (Ranasinghe, 2012; Javadian & Singh, 2012; Ummah & Gunapalan, 2012; Fatimah Hassan et al., 2014). To date, the study on psychological characteristics and entrepreneur success in Malaysia are still less especially among women entrepreneurs (Fuad & Bohari, 2012). Similarly, lack of research on women success also has limited the understanding on the characteristics which contribute to their success (Ranasinghe, 2008; Rieger, 2012).

Prior experience appears to be most important among women entrepreneurs in the estimation of their chances to become success (Cohoon et al., 2010). It is supported by Fairlie and Robb (2008) who mentioned that one of the factors why women are less successful if compared to men is because they have lack of prior work experience in similar business and family business. Besides work experience, training is also one of the factors which influence the success of entrepreneurs (Ekpe, Norsiah, & Razli, 2010; Jusoh, Ziyae, Asimiran, & Kadir, 2011). Lack of training among entrepreneurs has been mentioned as one of their weakness which affects the development of their business (Botha, 2006). However previous literature reveals that studies on the effect of training on women entrepreneurial success has not widely been discussed (Ekpe et al., 2010). By attending training, entrepreneurs will indirectly help to increase economy globally and employment opportunities as they are becoming more innovative to fulfill the demand by consumers (Jusoh et al., 2011).

Research Objectives

1. To examine the relationship between entrepreneurial characteristics (need for achievement, risk taking, self-confidence and creative and innovative) and women entrepreneurial success.
2. To examine the relationship between working experience and women entrepreneurial success.
3. To examine the relationship between mentoring and women entrepreneurial success.
LITERATURE REVIEW

Women Entrepreneurial Success

Women entrepreneurs are facing greater conflicts to balance between family life and business life which cause them to have less time to involve in entrepreneurial activity (Lee & Rogoff, 2012). Due to that reasons women entrepreneurs women are said to be less likely to success in their ventures. In order to help women entrepreneurs, various women entrepreneur and industry association has been formed to serve as a platform for them to widen and established their network, to conduct training programmes, seminars and motivations (Ariff & Abu Bakar, 2003). Based on previous study, research that focusing on women entrepreneurs success in Malaysia are still insufficient (Teoh and Chong, 2007) and this study aims at filling this gap.

Defining success among individual success was quite difficult since it has been defined by researchers in many ways besides the measurements also varied (Paige & Litrell, 2002; Niemen et al., 2003; Teoh & Chong, 2007; Lai et al., 2010; Alam et al., 2011). In referring to women studies, there is varied description of what success meant to them. As mentioned by Syed Shah Alam et al. (2010), women entrepreneur would not view as successful if their success is measured by economic perspectives because women frequently owned business that is small in size and slower growth. Knotts et al. (2004) claimed that business success for women business owners may be viewed as one’s ability to achieve a necessary balance between all parts of their lives.

Based on previous study, entrepreneurial success among women can be measured through three dimensions which are financial, non-financial as well as the combination of financial and non-financial. By referring to the nature of women business which usually smaller and slower compared to male, it is more preferable to measure their success in non-financial aspects. Furthermore, to avoid any biasness or inaccuracy in measuring the success, only non-financial measurement will be judged among those women entrepreneur in this study which focus on work-life balance satisfaction. It is due to the reason that the issue of balancing between work and family responsibilities has gained much attention (Buttner & Moore, 1997) but only few studies used it in measuring the success among women entrepreneurs.

Factors of Women Entrepreneurial Success

Entrepreneurial Characteristics

According to Fuad and Bohari (2011), study on psychological characteristics is very important as it can determine the success among women entrepreneurs. Jain and Ali (2012) in order to develop more chances of entrepreneurial success, psychological characteristics among entrepreneurs are important to be recognized and sharpened. It is supported by Olakitan and Ayobami (2011) who claimed that in order to judge whether business plan will be carried successfully by entrepreneurs, a deeper understanding of the entrepreneurs personality need to be studied. With consideration of the previous researchers, this study adopts the definition given by Rao et al. (2014) which mentioned entrepreneurial characteristics as characteristics that essential for entrepreneurs.

Entrepreneurial characteristics among entrepreneurs are very important to be identified as it has received attention all over the world (Fuad & Bohari, 2012). In addition, Olakitan and Ayobami (2011) claimed that many studies have been conducted on the entrepreneurial characteristics of successful entrepreneurs. Furthermore, based on study conducted by Fuad and Bohari (2011) research on these characteristics are very important as it may determine the characteristics that possess by women entrepreneurs to achieve their success. By referring to the previous literature, four dimension of psychological characteristics related to women entrepreneur success from previous research have been highlighted. The studies showed that psychological characteristics such as self-confidence, need for
achievement, risk taking and creative and innovative have been widely accepted by most authors (Ranasinghe, 2012; Javadian & Singh, 2012; Ummah & Gunapalan, 2012; Fatimah Hassan et al., 2014).

Work Experience

Entrepreneurs with previous work experience can be classified as the one with unique knowledge which considered as the real asset to the firm (Barriera et al., 2008). The knowledge which gained by entrepreneurs either tacit or explicit are very important in order to improved skills of resource acquisition and in identifying an appropriate resources. In fact, Santarelli and Tran (2013) found that entrepreneurs with working experience appear to improve their operating profit.

Prior experience appears to be most important among women entrepreneurs in the estimation of their chances to become success (Cohoon et al., 2010). It is supported by Fairlie and Robb (2008) who mentioned that one of the factors why women are less successful if compared to men is because they have lack of prior work experience in similar business and family business. Women entrepreneurs with lack of prior work experience especially in similar business will limit their acquirement of general and specific business human capital which is important for running successful business (Fairlie & Robb, 2008). Similarly, Stockdale (2005) mentioned that it is very important for women entrepreneur to gather as much as possible relevant experience before start their work in order to become a successful entrepreneur.

Training

Training is identified as one of the factors that lead women entrepreneurs to have successful enterprise as it provide them with knowledge on marketing, financial, business plan as well as prepared for a higher confidence level (Bauer, 2011). Nowadays, training programmes has been established in order to enable women to improve the skill and entrepreneurial development (Ariff & Abu Bakar, 2003). However, women entrepreneurs are difficult to move forward and achieve success in their business because there is still insufficient training and exposure gained on entrepreneurship and business (Women's Development Foundation, 2003 cited by Adibah, 2015). It was included aspects of marketing, business management, financial management, product development, quality control, how to make loans and etc. Through attending training or short courses, it will help women entrepreneurs to succeed in their ventures by embedded them with crucial characteristics such as risk-taking, self-confidence, creativity and innovativeness (Teoh & Chong, 2007).

Previous findings proved that, women entrepreneurs with lack of access to training will have low performance (Hisrich & Brush, 1999). It is supported by Roomi & Harrison (2008) who claimed that women entrepreneurs who were not professionally trained will be lack of business management training which become barrier for the growth of their business. It is due to the reason that, training provides entrepreneurs with knowledge that related to business which helps their business become more competitive and robust (Jusoh et al., 2011). Raduan Che Rose et al. (2006) in their study found that successful entrepreneurs involve greatly in training and developing their staff. It is because the employees can help them to sustain the business and survive in long term.

Bhardwaj (2013) conducted a study on the impact of training towards women entrepreneurial performance found that the challenge faced by women entrepreneurs is lack of information which it can be solved by attending enough training. He further explained that training helps women entrepreneurs in providing them with necessary information such as skills on how to conduct research related to industry, competitors, consumers and their network. Hence, by attending a training, it prepares entrepreneurs to be more confidence to face any challenge and become more success in future. In addition a study by Kickul et al. (2007) examine the influence of training among women entrepreneurs on resources acquisition that needed for the growth has found that women entrepreneurs need to have proper and correct training at correct time according to their stage of business in order for them to develop their business as intended.
CONCEPTUAL FRAMEWORK

There are three independent variables and one dependent variables identified for this study. Independent variables are entrepreneurial characteristics, work experience and training while women entrepreneurial success is dependent variable. An overview of the research framework is shown in below diagram:

![Proposed Conceptual Framework](image_url)

CONCLUSION AND DISCUSSION

An increase in the participation of women in labor force indirectly indicated the increase of women in national development is accentuated. Furthermore, the involvement of women in nations’ labor force is very essential in order to transform the country from being developing to developed country. In addition, the involvement of women is so important to mobilize the economic model that indirectly creating more opportunities for them through involvement in entrepreneurship which is more competitive and profitable. In another words, the development of the country will be remained stagnant without involvement from women in entrepreneurship field. Even though the numbers of women entrepreneurs are increasing yearly, however, women entrepreneurs are still lag behind and not successful compared to men due to several reasons.

Therefore, factors that contribute to success among women need to be recognized as it will help them to be effectively in accessing business opportunity which then leads them to grow their business. By understanding the factors that influence the success or performance among women entrepreneurs, Malaysian women entrepreneurs will be able to broaden their business successfully in globalized environment. Thus, the main objective of this study is to examine the relationship between individual factors (entrepreneurial characteristics, work experience and training) with women entrepreneurial success.


