

Exploring Factors Contributing to the Success of Women Entrepreneurs in Malaysia



Azlin Shafinaz Arshad, Marziah Mokhtar, Afiza Azura Arshad, Arlinah Abdul Rashid

ABSTRACT--- *The purpose of the study is to explore factors contributing to the success of women who embarked in entrepreneurship. The study was conducted on 150 women entrepreneur in Malaysia by distributing the survey questionnaire. using convenience sampling. The study found charisma and friendliness are the most crucial factors contributes to the success of women entrepreneur while government support is the least contributing factor. Factor analysis conducted on success factors of women entrepreneur in Malaysia categorized the factors into four constructs; Individual & Social Characteristic, Marketing & Business Support, Efficient Management and Customer Engagement. The study found that Customer Engagement Factor contribute the most to the success of women entrepreneur in Malaysia.*

Keywords: *Entrepreneur, Entrepreneurship, Success Factors, Women Entrepreneur.*

I. INTRODUCTION

Entrepreneurs are known globally to be the utmost importance to the economy as many of its main activities act as economy's engine, enacting and empowering all monetary action. Entrepreneurs are catalyst agent for expansion and promotion of economic activities in every scope of economic life of a country with the introduction of new combinations, improvise on existing productive resources and at the same time create job opportunities to the society (1). The heart of any country's economy is the entrepreneur where investment in entrepreneurship provides greater chance towards an improved economy (2). Entrepreneurs refers to people who propose in starting business by organizing, managing and taking risk (3). Entrepreneurship has been acknowledged as one of the crucial aspects for many developing countries and is the engine of economic development in the past years as well as the foreseeable future. Entrepreneurship refers to individual's ability in identifying and discovering opportunity which gives benefit to the society (4). Entrepreneurship involved the creation of something new with added value by putting extra effort and time which comes with financial and social risks resulted in monetary rewards monetary and personal satisfaction (5)

while (6) described entrepreneurship involves discover, evaluate and exploit opportunities with the intention to develop and come out with new goods and services. Entrepreneurship has been acknowledged as engine for economic development and is a catalytic agent especially in expanding and promoting for business activities all over the world (4). This is supported where entrepreneurship is among the core areas for any country's economy (7).

The importance of entrepreneurial activities cannot be denied as entrepreneurial activities are recognized as among the crucial sources for economic growth and employment opportunities for many nations (8). Although many researchers have put much effort to study entrepreneurship in Malaysia, not many studies focused into women (9-11). Hence, this study aim to explore factors that contribute to the success of women entrepreneurs in Malaysia. Studying factors which have an influence towards women entrepreneur success allows others to have a broader understanding of how to ensure the business success (12). In addition, this study will assist women entrepreneurs to expand their business globally.

II. LITERATURE REVIEW

Although several studies on the success factors of women entrepreneur around the world has been undertaken, studies on women entrepreneur in Malaysia are still insufficient. Some of the factors that were found influencing women entrepreneur success are human capital, networking, financial assistance and opportunity. (13) focuses on characteristics such need for achievement, risk taking, self-confidence and creative and innovative that lead to women entrepreneur success while (14) looked into risk-taking, innovativeness and entrepreneurial competencies of women entrepreneur itself as contributor factors to success.

Women entrepreneurs in ASEAN countries are on the rise and many studies were conducted in ASEAN countries to find the motives behind the success of women entrepreneurs. An empirical study in Singapore revealed the reasons that inspire women to own a business and found higher need for achievement, higher need for dominance and moderate needs for affiliation and autonomy are among the success factors (15). Study on women entrepreneurs in Quang Tri Province, Central Vietnam discovered women business owner success is due to the values they possessed and their insights towards entrepreneurship (16). Study conducted in Indonesia on motivation of entrepreneurs found family members influences and their participation do have an impact towards their business success (17) while another study found among the challenges of women

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* Correspondence Author (s)

Azlin Shafinaz Arshad, Malaysian Academy of SME & Entrepreneurship Development, Universiti Teknologi MARA, Malaysia.

Marziah Mokhtar, Centre of Foundation Studies, Universiti Teknologi MARA, Malaysia.

Afiza Azura Arshad, Faculty of Business Management, Universiti Teknologi MARA, Malaysia.

Arlinah Abdul Rashid, Arshad Ayub Graduate Business School, Universiti Teknologi MARA, Malaysia.

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entrepreneur are difficult to get financing, difficult to find qualified workers, work-home conflict as well as low profit (18). Research on women entrepreneur in North Cyprus revealed the key factors that lead to the success of women entrepreneur is pull factor comprises of self-determination, achievement-oriented and honesty (19-20).

Women entrepreneurs contributed greatly in ensuring the success of many nations (21). Studies of women-owned SMEs in Pahang, Malaysia discovered interest, life impulse, skills and environmental influence do have an impact on women involvement in business (22). Research in South Africa in the Gauteng province discovered lack of education and training, difficulty to obtain financing, discrimination on gender, and shortage of resources are among the issues faced by women entrepreneur (23). Similar study in Valencia, Spain discovered different internal and external factors affect the success of women entrepreneur (24).

Numerous studies were found to determine the success factors of women entrepreneur around the world. A study on women entrepreneur in Bangladesh found factors that contributes towards their success are technology accessibility, social skill, type of business, training & motivation, social security & freedom, assistance provided & easy regulation, support from family & quality assurance and risk encounter (25) while study in UAE discovered personal, environmental factors and support given by government contributes greatly to women entrepreneur success (26). One study found that confidence, determination, and vision do influence rural women entrepreneur success (27) while in another study revealed pull and push factors on the other hand have some influence on the woman entrepreneurs success (28). Self-motivation, support from family members, social network and information and communication technology are among the factors that contributes significantly towards women entrepreneur success in southern Punjab, Pakistan (29). Environmental dimensions, family dimensions and personal attributes are crucial factors in influencing success of women entrepreneur in the state of Kelantan, Malaysia (30) while family members support is vital for the women entrepreneur success (31).

III. METHODOLOGY

Quantitative method using survey questionnaire was employed by distributing to women who are involved in entrepreneurship throughout Malaysia. A simple random sampling method is used in which from 150 respondents only 118 responded resulted into 78.6 percent response rate. The survey questionnaire was divided into two section. Section one identifies the background of respondents and the business while the second section determines the success factors of women entrepreneurs. Five-point Likert scale were used where 1= strongly disagrees, 2 = disagree, 3 = neither agree or disagree, 4 = agree and 5 = strongly agree. Data analysis used are factor analysis, reliability analysis and descriptive analysis.

IV. RESULTS & FINDINGS

The profiles of the respondent and their business are shown in Table 1. From a total of 118 responses usable,

majority of the women entrepreneurs are above 40 years old with 56.6%, followed with 14.4% for respondents aged between 35-39 years old and 11.9% aged between 30-34 years. Only 15.3% respondents are below 30 years old. A total of 52.5% of these women entrepreneur is married, 25.4% are single mother, 11.9% are separated and 10.2 are still single. When asked about their academic qualifications, 50.9% has a diploma, bachelor's degree and master's degree, 11% had certificates qualification while 38.1% received tertiary education. A total of 72% of respondents registered their business as a sole proprietorship, 14.4% as a private limited company and 13.6 as a partnership. The business location of many women entrepreneurs is in the central region (46.4%), southern region (24.6%), northern region (17.8%), eastern Malaysia (10.2%) and east coast (8%).

Table 1: Demographic characteristics of respondents

VARIABLES		FREQUENC Y	PERCENTAG E
Age	Below 25	10	8.5
	25-29	8	6.8
	30-34	14	11.9
	35-39	17	14.4
	Above 40	69	58.5
Marital Status	Single	12	10.2
	Married	62	52.5
	Separated	14	11.9
	Divorcee	30	25.4
Education Background	Primary	1	.8
	Secondary	44	37.3
	Certificate	13	11.0
	Diploma	29	24.6
	Bachelor's degree	29	24.6
	Postgraduate	2	1.7
	Business Ownership	Sole Proprietorship	85
Business Location	Partnership	16	13.6
	Private Limited Company	17	14.4
	Northern Region	21	17.8
	Central Region	55	46.6
	Southern Region	29	24.6
	East Coast	1	0.8
	Eastern Malaysia	12	10.2

The mean scores and standard deviation of factors contributes to women entrepreneur's success is presented Table 2. The mean scores for success factors of women entrepreneurs ranging between 3.10 to 4.22. The study found the most important factors contributes to women entrepreneur success in Malaysia is friendliness and charisma (M=4.22). The next important factor is position in

society (M=4.12), support of family and friends (M=4.11) and hard work (M=4.10). Women entrepreneurs in Malaysia indicate the least importance factors contributing to their business success is satisfactory government support (M=3.19).

Table 2: Mean Scores for Success Factors

SUCCESS FACTOR	MEAN SCORE	STANDARD DEVIATION
Good Management Skills	3.84	.599
Good Customer Service	3.81	.640
Charisma: Friendliness	4.22	.572
Government Support	3.19	1.080
Appropriate Training	3.56	.948
Access to Capital	3.44	.892
Previous Business Experience	3.68	.892
Support of Family and Friends	4.11	1.093
Marketing/Sales Promotion	3.36	.814
Product at Competitive Price	3.87	1.000
Hard Work	4.10	.634
Strategic Location	3.66	.789
Social Skills	4.05	.917
Ability to Manage Personnel	3.61	.582
Maintenance of Accurate Records	3.87	.952
Position in Society	4.12	.711

In determining the factors contributes to women entrepreneur success in Malaysia, factor analysis is undertaken. Any items that has factor loading less than 0.6 was removed (32). One item which is access to capital is being removed leaving fifteen items for further analysis. The factor analysis loaded success factors into four main constructs; Individual & Social Characteristic, Marketing & Business Support, Proper Management and Customer Engagement. The items which are categorized as “Individual and Social Characteristics” comprise of products are offered at competitive price, hard work, supports received from family and friends, previous business experience, social skills and position in society. The second construct is categorized as “Marketing & Business Support”. The items include marketing/sales promotion, strategic business location, government support and the ability of managing personnel. The third factor consists of good management skills, appropriate training and maintenance of accurate record which are categorized as “Efficient Management” while the last factor is categorized as

“Customer Engagement”. Items under this factor are the charisma and friendliness as well as having a good customer service. Based on the success factors identified, the reliability analysis using was conducted. Any value below 0.6 must be removed to determine the reliability of the items (33, 34). The reliability tests conducted found the factors to be above the recommended value. The KMO value of 0.760 shows the adequacy of sampling. From the factor analysis conducted, all factors are found to be significant where the four factors cumulatively explain 69.87% of the variance. The factor analysis and reliability analysis results are presented in Table 3.

Table 3: Factor Analysis and Cronbach’s Alpha for Success Factors of Women Entrepreneurs

SUCCESS FACTORS ITEMS	FACTOR			
	1	2	3	4
Product at Competitive Price	.834			
Hard Work	.810			
Support of Family and Friends	.792			
Previous Business Experience	.727			
Social Skills	.675			
Position in Society	.625			
Access to Capital (*)				
Marketing/Sales Promotion		.842		
Strategic Location		.800		
Government Support		.791		
Ability to Manage Personnel		.776		
Good Management Skills			.788	
Appropriate Training			.744	
Maintenance of Accurate Records			.729	
Charisma: Friendliness				.849
Good Customer Service				.662
Kaiser-Meyer-Olkin (KMO)		0.760		
Eigenvalue	6.185	2.092	1.884	1.018
Cum. Variance Explained (%)	38.653	51.729	63.502	69.864
Cronbach’s Alpha (dimension)	.848	.827	.689	.693
Overall Cronbach’s Alpha		.886		

(*) Loadings below 0.6

Table 4 presents the mean score of the four factors

contribute women entrepreneur success. Among all four factors, Customer Engagement (M=4.017) are found to be the most important factor to women entrepreneurs as it generates the highest mean followed with Individual & Social Characteristics (M=3.989), Efficient Management (M=3.757) and Marketing & Business Support (M=3.456).

Table 4: Descriptive and Inferential Analysis

CONSTRUCTS	MEAN SCORE	STANDAR DEVIATION
Individual & Social Characteristics	3.989	3.512
Marketing & Business Support	3.456	3.212
Efficient Management	3.757	1.805
Customer Engagement	4.017	1.062

V. CONCLUSION

Majority of the respondents agree that charisma: friendliness, position in society, support of family and friends and hard work are crucial to their success as the mean scores were all above 4. This findings is consistent with studies past studies where supports from people close to you is crucial to ensure success in business ventured (10, 30, 31, 35). However, the present study discovered support from the government has the lowest mean score which indicate that these women entrepreneur are not in the know of various assistance offered by the government. This study supports findings conducted on Turkish entrepreneur's view where the government do not contribute to their business success (19). Similarly, many of the respondents did not use assistance provided by the government due to the complication of procedure and they did not know and aware of the services available (36). In addition, one study discovered there was a need to coordinate the roles of governmental agencies involved in entrepreneurship development in order to improve quality of entrepreneurship ecosystem of the country as some of the roles of these agencies are overlapping (37).

Finding of the current study opposed with earlier studies. SMEs in Serbia discovered there were seven factors that contributes to their success which are position in society, interpersonal skills, approval and support, competitive product/service, leadership skills, always to be informed and business reputation (38). SMEs in Turkey found six factors generated such as characteristics related to the individual, social connections, competition, management skills, reputation/social skills and market support (19).

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AUTHORS PROFILE



Azlin Shafinaz Arshad is a senior lecturer at Malaysian Academy of SME & Entrepreneurship Development (MASMED), Universiti of Teknologi MARA (UiTM). Previously she holds the post as the Head of Department for Entrepreneurial Education in 2016 and in 2018 as the Head of Department for Entrepreneurial Research. She obtained her Doctor of Philosophy (Management) from Universiti Teknologi Malaysia (UTM) in 2016, Master of Business Administration from Universiti Teknologi MARA (UiTM), BBA (Hons) Finance from Universiti Teknologi MARA (UiTM) and Diploma in Accountancy also from Universiti MARA Malaysia (UiTM). Her research interest is in Entrepreneurship, Entrepreneurial Orientation, SMEs, Women Entrepreneurship, Entrepreneurial Intention, Leadership. She is a lifetime member of Malaysia Economics Association and Malaysian Consumers and Family Economics Association.



Marziah Mokhtar is a senior lecturer at Centre of Foundation Studies (CFS), Universiti of Teknologi MARA (UiTM). Previously she holds the position as Assistant Secretary of Innovation and Commercialization Unit, Ministry of Science, Head of Commercialization Unit at Research Innovation Unit, Universiti Teknologi MARA (UiTM) and now as MASMED Coordinator at Centre of Foundation Studies (CFS), Universiti of Teknologi MARA (UiTM). She obtained her Doctor of Philosophy (International Trade) from Universiti Kebangsaan Malaysia (UKM), Master of Business Administration from Universiti Teknologi MARA and a degree in Public Policy from Universiti Kebangsaan Malaysia (UKM). She is a lifetime member of Malaysia Economics Association and Malaysian Consumers and Family Economics Association.



Afiza Azura Arshad is Senior Lecturer in Economics at Faculty of Business and Management, Universiti Teknologi MARA, Malaysia. She obtained her Master of Business Administration from Universiti Teknologi MARA and Bachelor of Science from University of Missouri, Rolla United States of America. She is a lifetime member of Malaysia Economics Association and Malaysian Consumers and Family Economics Association.



Arlinah Abdul Rashid is Senior Lecturer in Economics at Arshad Ayub Graduate Business School, Universiti Teknologi MARA, Malaysia. She holds a PhD in Economics from Lancaster University, United Kingdom, Master of Business Administration from Universiti Teknologi MARA and a degree in Economics from the University of Michigan, Ann Arbor. Her research interest are managerial economics, environmental economics and applied economics. She is a lifetime member of Malaysia Economics Association and Malaysian Consumers and Family Economics Association.