

A Survey of Women Entrepreneurs in Malaysia: A Case of Siti Khadijah Market, Kelantan and Pekan Rabu, Kedah

Rozita Arshad*

Zalinah Ahmad

Rozita Abdul Mutalib

Nur Syakiran Akmal Ismail

School of Government, UUM College of Law,

Government and International Studies,

Universiti Utara Malaysia, 06010 UUM Sintok, Kedah

*Corresponding author; email: roz@uum.edu.my

ABSTRACT

Efforts taken by Malaysian government to encourage her people to venture into business are undeniable. As women constitute nearly half of the total population, women's contribution towards national economic development has been recognized by Malaysian government. Women have to compete together with men in order to ensure that their status within the society is uplifted. Their involvement as business entrepreneurs make them at par with other successful male counterparts. This paper is to look at women entrepreneurs at both Siti Khadijah Market, Kelantan and Pekan Rabu, Kedah. Data were based on research done to both places. The findings of the research show that strong competition has been identified as the most challenge those women faced as an entrepreneur. Besides, assisting family total income is the most influencing factor that lead them to become entrepreneurs and acquiring appropriate skills as entrepreneur is also has been identified will further improve on their way of doing business.

Keywords: *women, women entrepreneurs, influencing factors, challenges.*

INTRODUCTION

Today, it is undeniable that women are important contributor to world economic activity, which is 52.5 percent said to be involved directly and indirectly in the development of economic activities (UNDP, 2008). Their determination in helping to improve the economy of family is part of the reason for the development of entrepreneurial characteristics among them. According to Sladjana, Dragan, Ivica and Goran (2013), women entrepreneurship has led to a new direction of entrepreneurship development, whereby the number of companies and businesses whose owners are women in developing countries is also increasing. Therefore, initiative to provide better environment for the development of female entrepreneurship in order to ensure development of women's entrepreneurship on the right track is crucial. However, is unlimited to the developing countries, in the United States, women-owned businesses have also been a major element in the evolution of its economy and as driving force to the national revenues (Welsh & Dragusin, 2006). In 2004 there were an estimated 10.6 million privately-held companies, which is 50 percent or more are women-owned businesses in the U.S.A. (Center for Women's Business Research). The UK also has shown a rise in female-owned business (Forson & Özbilgin, 2003). With this reason, by enabling more women to venture into business by providing more favourable support environment, this will further can impact and generate both social and economic benefits to the economy.

WOMEN ENTREPRENEURSHIP

An entrepreneur is a person who possesses the entrepreneurial qualities, bears the risk provides capital and uses them in setting up business. Besides, they also generate innovative business ideas, take new business opportunities, make investment by themselves or borrow, take risk and enjoy profit as a reward of their endeavour and expand the business (Ahammad & MoududUI-Huq, 2013). While Begum (1993) identifies an entrepreneur as one who initiates and establishes an economic activity or enterprise. Entrepreneurship thus refers to the general trend of setting up new enterprises in a society. According to McMullan and Long (1990) an entrepreneur is a self employed person who has to face uncertainty, and will never tie to the

traditional way of making deals. An entrepreneur takes active roles in the decision making and the risk of a business in where she/he has majority ownership (Moore, 1990).

There are many reasons of women choose to be self-employed rather than being an employee such as inherit the business from family, could not find an equivalent position, environmental influences, forced entrepreneur and lifestyle choice that make women to become an entrepreneurs. According to Smith-Hunter and Leone (2010), fifty per cent of the population in most countries consists of women and fifty per cent of the amount that is the labour force potential. Therefore, women contribution to the economy is undeniable. However, many studies have concluded that women start their own businesses for a variety of reasons (Robichaud et al., 2013). Among the reasons included, having an idea for a business plan, a passions for solving a specifically related career problem, wanting to be more in control of their careers, maintaining a more balanced life, having a flexible work schedule, taking a personal vision and turning it into a lucrative business. Generally, a business owned by women entrepreneurs is only small businesses. One of the reasons is due to their new involvement in entrepreneurial activities. Women entrepreneurs in small and medium sized enterprises have become the driving force in promoting and strengthening the role of women. They also tend to go into the services industry as compared with the manufacturing industry or any other types of business. For example, 90 percent of women entrepreneurs in Singapore earn a small scale business, 8 percent of them are medium-sized and 2 percent of them are big business. Besides, female entrepreneurship can be a way out for the women who want to be independent and control over their own career (Sladjana et al., 2013).

WOMEN ENTREPRENEURS IN MALAYSIA

According to Allen and Truman (1993), research related to women entrepreneurs in developing countries such as Malaysia is still lacking as compared to the studies conducted in developed countries like the United States and the United Kingdom. This constraint has resulted a limited understanding on the needs and problems faced by women entrepreneurs in developing countries as compared to the developed countries. This situation becomes more complicated when there is a

difference apparent among women in developing countries in terms of the structure of social interaction, selection of career and family patterns of women in the countries (Aldrich, 1989).

As outlined in 9th Malaysia Plan in 2006, one of the agenda is to develop 2nd phase of Industrial and Commercial Society of Bumiputras in which the emphasis is on developing entrepreneurs who are competitive and resilient (Ishak, Othman & Buang, 2007). According to Hussin (2009), there are several factors positively motivating women to venture into business and one of the factors is the existence of National Policy on Women that has been introduced in 1990. There are many women entrepreneurs ventured into the hawkers, retail and wholesale sales, which are mainly simple business activities and require simple and low basic technology. This is because the field does not require high skills of labour and capital, not complex and very minimal of risk. The study by Hoe et al. (2012) found that the majority of women entrepreneurs venture into food and drink, clothing and retail trade which are mainly simple basic business activities.

Besides, the Malaysian Government has introduced various programmes and schemes to assist women in increasing their competitiveness in the employment market (Hoe et al., 2012). For example, the Special Assistance Scheme for Women Entrepreneurs that was implemented by the Small and Medium Industries Development Corporation (SMIDEC) is a scheme that provides a more readily available financing access to women entrepreneurs. Further, women entrepreneurship training programmes also give benefits in various entrepreneurs skills such as development of managerial knowledge and skills, knowledge of pricing the product, and service and knowledge about marketing skills (Nagesh & Narasimha Murthy, 2008). According to Man (2010), the Women Economic Development (WEDA) programme in Sarawak brings positive changes to the women entrepreneurs especially in business knowledge, skill acquisition and entrepreneurial operations.

They are several reasons that lead women to involve in business ventures. Among the reasons for women to involve in business ventures was mainly due to the need to support families' income (Hoe et al., 2012). Another reason is due to their intention to be independent. By being independent, they are able to determine their own time of work, and discipline themselves as well. Besides, several characteristics possessed also contribute towards successful entrepreneurs. Some of the characteristics are learnt and developed

such as being independent, confident, and creative as well as innovative. Another pull factor for some women has been the need for independence from traditional authority figures and the confines of the rigid hierarchical structures of the corporate world (Forson & Özbilgin, 2003). For these women, controlling where, how and when they work, in addition to gaining economic independence from men, motivated them into self-employment (Aldrich, 1989). However, there is a challenge that women entrepreneur cannot avoid to face with it. According to Gill et al. (2010), lack of necessary resources, management skills and family conflict may hinder their early stage involvement in business. Another obstacle that may impede them at the early stage of entrepreneurs is financial or capital constraint.

RESEARCH METHOD

A survey method was employed whereby questionnaires were distributed to the respondents at Pekan Rabu, Alor Setar, Kedah and Pasar Siti Khadijah, Kota Bharu, Kelantan. The research used a quantitative method to gather the information. This paper compares and discusses on selected elements among women entrepreneurs between these two places. The elements compared are the demographic background, skills possessed and required courses, factors influence women to venture into business, and challenges faced by those women entrepreneurs. There will be a separate discussion between these two places; comparison between these two will be further highlighted in the discussion

Profile of Women Entrepreneurs at Siti Khadijah Market, Kelantan (SKM)

Almost 80 percent of total number of entrepreneurs at Siti Khadijah Market are women. Most of them are within the age of 30 – 50 years old. As of education background, majority of the total women entrepreneurs are SPM/MCE holders. There are some of them holding PMR/SRP/LCE, Diploma as well as a degree which constitutes a very small percentage. Based on their monthly income, majority of the entrepreneurs earn an income between RM2,001 and RM4,000, followed by those whose income is between RM1,000 to

RM2,000. There is also a small percentage of them has an income more than RM4,000. In terms of capital for starting the business, majority of the respondents has started capital between RM10,000 to RM50,000. There are very few respondents have capital within the range RM50,001 to RM10,000 and less than RM1,000.

In terms of factors influencing women to venture into business, different reasons have been highlighted. The main factor is to get higher rate of saving and the main source of income, while showing interest in business and inherit business from family constitutes a second factor of entering business. Other reasons are supports from the members of families, friends and also government initiatives as well. Interestingly, not liking the previous jobs is also among the reasons that have made them to venture into the business sector.

Those women entrepreneurs who participated in this research did have skills and attend the programmes or workshops handled by *MARA (Majlis Amanah Rakyat)*, *PUNB*, *IKBN*, and other government agencies. However, 32% of respondents do not get any formal training or courses on business in which 18% of them mentioned that they got trained by their families. All respondents are willing to attend the programme, training or courses on business if they were given an opportunity to attend the programme. Most of them (32%) choose programme that will develop their skill in marketing, followed by managing operation and financial management. With skill received from the attended the entrepreneurial programme, one of the respondents (based on interview session) did mention that there was improvement in their business and she knew how to manage their finance accordingly. Table 1 outlines those factors and percentage received.

Table 1.

Factors Influence Women Entrepreneurs to Venture into Business Sector

| Factors | Percentage (%) |
|-------------------------------|----------------|
| Hoping to get higher income | 88 |
| Getting support from families | 88 |

(continued)

| Factors | Percentage (%) |
|----------------------------------|----------------|
| Assisting family total income | 88 |
| Having experience in business | 86 |
| Being independent | 82 |
| Showing interests | 80 |
| Government initiatives | 66 |
| Inspired by other people success | 58 |
| Pressure in life | 56 |
| Dislike of being employed | 56 |

Based on the above Table 1, assisting family total income, getting support from families and hoping to get higher income are the most influencing factors (with all 88%) why those women venture into business, followed by having experience in business, being independent and showing interest in doing business with the percentage within the range of 86% to 80%, respectively. Surprisingly, government initiatives have been shown as less influencing factor which constitutes 66% followed by inspired by other people’s success, pressure in life and disliked of being employed that contribute 58% to 56%, respectively.

There are several challenges faced by women entrepreneurs. Table 2 summarizes the challenges and percentage for those challenges, from highest to the lowest percentage. Table 2 shows the percentage of challenges that the respondents at Pasar Siti Khadijah faced to achieve success in doing business. For instance, 84% respondents agreed that strong competition is the most challenge they faced, followed with 82% on the ineffective use of marketing mechanisms and 80% on lack of necessary skill in finance management. Difficulties in getting capital (78%) are also one of the challenges faced by the respondents in which both sectors, government and private, did not provide easier platform for them to get the capital for gearing up their business. As detailed by one of the respondents (during the interview session), her main problems during starting up the business were lack of capital and strong competition. Lang and Sieh (1994) cited that women

entrepreneurs did use their personal savings to start up business due to difficulties in getting capital or loan. The other challenges revealed to be a constraint for their performance in businesses including supplier cannot fulfill their needs, lack of skill to do marketing, expensive prices from supplier, difficult to get capital from government and others.

Table 2.

Challenges Faced by Women Entrepreneurs

| Types of Challenges Faced | Percentage Agreed (%) |
|---|-----------------------|
| Strong competition | 84 |
| Ineffective use of marketing mechanisms | 82 |
| Lack of necessary skill in finance management | 80 |
| Getting capital from private sector | 78 |
| Lack of knowledge in book keeping record | 76 |
| Weak of using online marketing | 74 |
| Supplier cannot fulfil the needs | 74 |
| Lack necessary skill to do marketing | 70 |
| Not getting competitive prices from supplier | 68 |
| Getting capital from government | 66 |
| Less or lack of capital received | 62 |
| Lack of employed workers | 56 |
| Weak communication skills | 52 |
| No information on getting advise on business | 52 |
| Lack of support or advise from government | 40 |

Profiles of Entrepreneurs at Pekan Rabu, Kedah (PR)

Majority of women entrepreneurs doing business at Pekan Rabu is within the age of 21 – 50 in which those who are 30 years and below is the highest in number. As of education background, a majority of them hold SPM/MCE. Only a small percentage holds a diploma and STPM. However, there were some who only had primary school education (6%).

One explanation which may be offered for the factors influencing women to venture into business is due to the intention to assist family (98%), hoping to get higher income and showing interests in business (94% respectively), and being independent (92%). Some of respondents did inherit business from family or having experience in business (84%). Other reasons are supports from the members of families, friends and also government initiatives as well. Interestingly, not liking the previous jobs has made them to venture in business sector (60%).

This study also found that women entrepreneurs at Pekan Rabu did have skills and attend the programmes or workshops handled by some related agency such as by *MARA (Majlis Amanah Rakyat)* and other government agencies. However, 68% of respondents mentioned that they do not get any formal training or courses on business. 28% of the respondents mentioned that they got trained by their families. All respondents agreed that they will attend the programme, training or courses on business if they were given an opportunity to attend the program. Most of them (38%) choose programme that will develop their skill in financial management, followed by marketing management (28%). One of the respondents that was interviewed did mention that there was improvement in her business and she knew how to manage her finance accordingly after attending entrepreneurial programme. There was an increase in her income and business networking as well. In addition, respondent did recall her problem on book keeping record and how she inaccurately calculate her sales and this may contribute towards loss in her total sales.

Table 3 below outlines factors influence women entrepreneurs to venture into business.

Table 3.*Factors Influence Women Entrepreneurs to Venture into Business Sector*

| Factors | Percentage (%) |
|----------------------------------|----------------|
| Assisting family total income | 98 |
| Hoping to get higher income | 94 |
| Showing interests | 94 |
| Being independent | 92 |
| Having experience in business | 90 |
| Getting support from families | 84 |
| Government initiatives | 82 |
| Inspired by other people success | 80 |
| Pressure in life | 64 |
| Dislike of being employed | 60 |

Table 3 indicate that more than 90% of respondents have identified the following factors influence their decision to venture into business. For instance, 98% agreed that assisting family total income is the most reason they venture into business; followed by showing interests and hoping to get higher income (94%); being independent (92%), and having experience in business (90%). Surprisingly, government initiatives has been one of the influencing factor which constitute 82% followed by getting support from families (84%) and inspired by other people success (80%). However, pressure in life and disliked of being employed were also reasons they venture into business.

There are several challenges faced by women entrepreneurs. Table 4 summarises the challenges faced by women entrepreneurs.

Table 4 above shows the challenges faced by women entrepreneurs in Pekan Rabu. 92% of women entrepreneurs responded that strong competition is the most challenge they faced in doing

business. Getting capital from government (88%) and private sector (80%), and less capital received (62%) are among top challenges faced by women. These both government and private sectors did not provide an easier platform for them to get the capital for their business

Table 4.

Challenges Faced by Women Entrepreneurs

| Types of Challenges Faced | Percentage Agreed (%) |
|---|-----------------------|
| Strong competition | 92 |
| Getting capital from government | 88 |
| Getting capital from private sector | 80 |
| Supplier cannot fulfil the needs | 78 |
| Less or lack of capital received | 74 |
| Ineffective use of marketing mechanisms | 70 |
| No information on getting advise on business | 70 |
| Not getting competitive prices from supplier | 66 |
| Lack necessary skill to do marketing | 64 |
| Lack of knowledge in book keeping record | 64 |
| Weak of using online marketing | 62 |
| Lack of necessary skill in finance management | 60 |
| Lack of support or advise from government | 60 |
| Lack of employed workers | 60 |
| Weak communication skills | 42 |

DISCUSSION

As we compared between those women entrepreneurs, acquiring appropriate skills are important for them doing well in their business. However, majority of women entrepreneurs at PR did not have skill

and received formal training as opposed to those women entrepreneurs at SKM. However, most of them agreed that they will attend the appropriate training and programmes to enhance their skills in doing business. Skills in financial management and marketing are two programmes that help them to manage their business.

Both women entrepreneurs at Siti Khadijah Market (SKM) and Pekan Rabu (PR) stated that assisting family total income is the most influential factor why they venture into business. Women entrepreneurs at SKM showed that getting support from families and hoping to get higher income are main factors influence women to venture into business. While assisting family total income, showing interests in business, being independent and hoping to get higher income are the main influencing factors why those women venture in business (for PR). This is supported by study done by Brush (1992) in which women involvement in entrepreneurial activities was influenced by source of income, interests and support from families.

Moreover, women entrepreneurs at SKM and PR has similar scenario in which strong competition is the most challenge they faced. With 84% respondents agreed that strong competition is the most challenge they faced for SKM. It is true as well for PR in which 92% respondents agreed that strong competition is the most challenge they faced. Therefore, the appropriate skills should be acquired for them to do better in business.

Difficulties in getting capital also are one of the challenges faced by the respondents in which both sectors, government and private, did not provide easier platform for them to get the capital for gearing up their business. For SKM, 78% agreed that they have difficulties getting capital from private sector as opposed to 68% from government sector. This contradicts with PR in which difficulties to get capital from government and business sector constitute 88% and 80% respectively.

CONCLUSION

This paper discussed the factors influence why women are venturing into entrepreneurial activities. The challenges faced by those women also have been explored. The study has been conducted at Siti Khadijah Market, Kelantan and Pekan Rabu, Kedah. Interestingly,

there is similar finding between those women in which strong competition is the most challenge they faced as an entrepreneur. Besides, assisting family total income is the most influencing factor why they become entrepreneurs. Indeed, acquiring appropriate skills can further improve on their way of doing business. Perhaps, those relevant agencies should take into account their needs on required courses and training.

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