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A Comparison of Factors Influencing Malaysia and Southern Thailand Women Entrepreneurs' Success

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ABSTRACT

Background: Women entrepreneurs make significant contribution to employment, economy and development of the ASEAN nations. The importance of women entrepreneurs have been stressed time and time again by most ASEAN countries like in Malaysia and Thailand. However, their success in entrepreneurship remains unclear. Objective: Objective of this study is to examine personal factors, social factors, and organizational factors which influence the success of Malaysian women entrepreneurs and made a comparison with the Southern Thai women entrepreneurs. Results: Success factors in Malaysia and Thai women entrepreneurs are similar due to significant and positive associations with independent variables such as individual factors namely motivation, risk-taking, work-family balance, and organizational factors i.e. management, marketing, financial, and operational skills. However due to the difference in the political, economic and social environment of Malaysia and Thailand, the environmental influencing factors are different in Malaysia versus their Thai counterparts. Malaysian women entrepreneurs obtained and gained access more easily to support and financial aid by the government in a more political stable environment, and they have stronger social ties or relationship with their suppliers and customers due to the concept of "Guanxi" or relationship. Religious values and spiritual factors also contribute more strongly to the success of Malaysian women entrepreneurs than Thais. Conclusion: The findings of this study have revealed the importance of personal and organizational factors to the success of women entrepreneurs both in Malaysia and Thailand. It also revealed the need to study the environmental factors affecting different nations to understand the factors influencing the success of women entrepreneurs in different countries. Based on this study more research can be triggered by other authors to further understand various other factors effecting women entrepreneurs in ASEAN countries.

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INTRODUCTION

Women entrepreneurs have been involved in various types of business in areas which they have advantage such as boutiques, hairdressing saloons, food stalls, flower shops, etc. In Malaysia they play an important role in the development of the country. Women entrepreneurs made up more than 47 percent of the labor force of the country (Abdul Ghani, 2014). While there are numerous research on women entrepreneurs, not many research have examined the differences and made comparison of the success factors of women entrepreneurs in different countries.

According to Lee (1997) the secret of the success of women entrepreneurs today is truly locked

up in the motivation or what is behind it. Therefore to examine the success of women entrepreneurs, the researchers intend to look at what motivates them to start business, how they maintain it, and how they differ from those who do not have such motivation. In other words, what are the factors that determine the success in these entrepreneurs?

This research will examine the similarities and differences of Malaysian and Thai successful women entrepreneurs. According to Md. Isa *et al.* (2013), the government's efforts in inculcating the population toward engaging the entrepreneurial ventures have seen success in the light of increasing numbers of entrepreneurs in Malaysia, regardless of gender. Unlike Thailand, various entrepreneurial programmers, training and mentoring services have

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been provided by the Malaysian Government toward helping the entrepreneurs in Malaysia.

Even though the enterprises are growing in numbers, in Thailand entrepreneurship is still considered underdeveloped because of insufficient business knowledge and management skills among the entrepreneurs (Buranajarukorn, Gibson, & Arndt, 2006). In relation to this issue, Nakhata (2007) suggested that it is necessary for Thai entrepreneurs to give priority to higher education (tertiary level) and encourage additional, both formal and in-house, training in management competencies continuously.

Literature Review:

Success is commonly defined from the economic perspectives of growth or sales and or/of increase in profits (Butner & Moore, 1997). A handful of women entrepreneurs also measure success as economically valuable resources (Dhaliwal, 2000) Success is hence measured when income is generated and contributing to the family. On the other hand, Paige and Littrell (2002) defined success in terms of freedom and independence, control of own future and becoming one's own boss. Besides these intrinsic values, success is also measured in terms of extrinsic measures such as income, financial returns and wealth.

In Malaysia, a large number of women entrepreneurs are involved in the hawkers' business, retailing and wholesale business. This is because, these sectors do not require much skilled labour or high capital, not complex and the risk involved are lower.

Undoubtedly, there are many motivations to encourage one to become entrepreneur namely age, marital status and family status (Lee, 1997). For example, the woman entrepreneur felt that she should have her own business for more income related motivation and higher family status, and married women want to venture into business due to support for family business or to support the husband's business. A younger woman may also venture into business due to the need for freedom and flexibility provided by owning their own businesses.

In addition to the urge or motivation to become successful entrepreneurs, personalities and characteristics of the person are also very important to the success of women entrepreneurs. Example will be like self-innovation and self-control. Self-innovation in the person will translate into motivation to change their life. Besides that, in a multi-cultural society like Malaysia, the culture to become an entrepreneur, in comparison of the ethnics is different as well. For example, the Chinese ethnic is found to be more entrepreneurial and risk taking although today there are a sharp increase of Malay entrepreneurs who are risk takers, due to the support and motivation from the Malaysian government.

Besides all these internal factors mentioned above, achievement of an entrepreneur also come

from socio economic motivation, the career itself, and opportunities provided by the environment. Noraini (2005) discovered that women entrepreneurs in Malaysia focus on the type of business which does not carry high risk. However, the government has helped many women succeed in their areas, for instance by providing more empowerment supports to them and hence, the business sector has become another opportunity and platform for many women to earn an extra income outside their home premise. In relation to this issue, Yusuf (1995) found that the most critical factors contributing to a business success derived from good management skills, access to financing, personal qualities and satisfactory government support.

The success of many women enterprises also depends very much of the effective and efficient use of resources in the organization. From the Strategic Management Resource Based Theory perspective, staff must be competent to manage the organization resources. Having competencies are vital to win over their competitors (Carson & Gilmore, 2000). Therefore to be successful women entrepreneurs, they must know how to utilized and manage their companies resources effectively and efficiently. In addition to organizational factors, environmental factors like strong financial support by the government (Naser & Mohamed, 2009), strong social ties (Alam *et. al.*, 2011), availability of micro credit (Zheib, 2006) and spiritual influence or religion (Yusof, 1995) could trigger the entrepreneur motivation in entrepreneurship.

An empirical study of success factors of women entrepreneurs in the Southern region of Malaysia (Alam *et. al.*, 2011) revealed that family support, social ties, and internal motivation affect positively and significantly influence the success of women entrepreneurs in small business. Another empirical study on success factors of women entrepreneurs in the northern Malaysia (Md Isa *et al.*, 2013) found that internal motivation (such as passion, discipline, dare to take risk, self-confidence and positive attitude are the most essential factors that influence the success of women entrepreneurs in Malaysia. More importantly, all the three factors; individual, organizational and environmental factors seem to have a significant impact on the success of women entrepreneurs in Malaysia.

Methodology:

The research was conducted using a mixed method. The collection of data about the respondents' background was carried out using the quantitative method. This is where the respondents' background and profile was obtained using a questionnaire as the instrument of study. However, in order to have an in-depth understanding of the success factors, and for the researcher to probe further and analyze subjectively into the personality and minds of the women entrepreneurs, a qualitative

approach was used. This mixed method helped the researchers to capture a more complete and comprehensive findings of successful women entrepreneurs in Malaysia. In addition, the qualitative study is more objective in nature because it involves minimum interference from the researchers during the data collection period. Hence, the data collected are assumed more reliable.

The population of this study was successful women entrepreneurs in Malaysia who have made their millions in their profits and sales. The sample consists of four ethnic Bumiputerans, five ethnic Chinese and two ethnic Indians who have been identified as successful entrepreneurs domestically in

Malaysia as well as internationally. The women entrepreneurs' list was obtained from the Ministry of International Trade and Industries (MITI) and Ministry of Rural Development.

The data for this study came from two sources, namely the primary, and secondary sources. Primary data were obtained from questionnaire sent to the respondents and by follow up face to face interviews with the respondents. A set of quantitative questionnaire was also provided to the respondents for them to fill in their profile and background. The instrument for the face to face interview was adapted from Smith Hunter (2006).

Table 1: A summary of sample size.

State	Women entrepreneurs
1. Penang	1
2. Kuala Lumpur	6
3. Selangor	4
	11

As a brief summary for the demographic profiles of respondents, Table 2 below presents the demographic background of the respondents.

Table 2: Highest Response of Demographic Categories.

Demographic Categories	Highest Response Received
Personal information Age Education Marital Status Number of your children Religion Parents own a business Business experiences Personal income Household income Number of your family members	35-55 years High School /Bachelor's degree/Master's degree Married 1-6 children Muslims ,Buddhist and Hindus No 50% Yes and 50% No 100,000-200,000 per month 200,000-300,000 per month 4 - 8 family members
Business information Type of industry sector business location Business age Company category Type of supports and assistances from the Government Profit	Retail and Services Penang, Selangor, Kuala Lumpur 5 -15 years Micro company with 10- 50 employees Heavy Support from government Good

Overall, from the descriptive information above, the researchers may conclude that most entrepreneurs are in their middle age, educated, Muslim and Buddhist women, married with children they are involved in retail and services business between 5 to 15 years in big cities/states like Penang/ Kuala Lumpur and Selangor - currently they have in between than 10 or 50 employees with good monthly profit.

Findings And Discussion:

The result of the interview with these women showed that the success factors for women entrepreneurs derived from mostly inner drive like motivation to do business due to their interests and passions towards their entrepreneurial ventures, desire to develop oneself, being different from the others, building good relationship with employees, customers, supplier, seek self-confidence and faith

in God, develop good leadership skills such as trust, honesty, responsible risk taking, or build good team work and being flexible and open minded

This inner factors or motivation are not different from those found in Thai women entrepreneurs in the research of Tantasuntisakul, Md Isa and Yamaqupta (2015). According to Tantasuntisakul *et al.* (2015), to succeed in business, Thai women entrepreneurs need to create an inner drive to pursue their desired goal, which mainly focused on earning higher income or profit in business. With this motivation they persevere to sustain in the dynamic and ever changing market needs and wants. Thus, they must willingly take a calculated risk in making critical decisions, especially those that involve a certain level of investment. In many situations, women entrepreneurs also face dilemma in which to focus more, either their own work/career or family. During this situation, their wise decisions and ability to

divide their time and efforts will ensure their personal success in balancing their daily lives without much hassle. Similar to other women entrepreneurs in the global arena, Thai women entrepreneurs also acknowledge the importance of these three personal factors to their success.

However, apart from these personal factors, Malaysian women banked on their spiritual, mental and physical support and assistance that came from their family members such as husband, siblings and children. These support and assistance came in the form of lots of affection and assistance during the ups and downs of their business. Their support also comes from acquaintances and close friends.

From the interview with these entrepreneurs, the researchers also gathered that to be successful entrepreneurs they must acquire the capabilities and skills to manage, plan, monitor the organization and its production resources- For example they must be good in handling finance of the company, ensure cash flow efficiencies, make additional investments, capable of recruiting suitable staff, provide sufficient motivation and training, build good relations with their stakeholders and monitor their workers' performance.

Hence, a successful women entrepreneur must be good leader, provide guideline, make decisions, set future plans for the organizations and determine the organizational culture and working etiquettes of the organization. Most of the women entrepreneurs practices democratic, situational and autocratic leadership. These findings are similar to those success factors discovered by Tantasuntisakul *et al.* (2015) who found that apart from the personal or individual factors, the organization competencies such as management, marketing, financial and operation also play an important role in determining the entrepreneurial success (Hoe *et al.*, 2012; Chittithaworn, Islam, Keawchana, & Muhd Yusuf, 2011; Rose, Kumar, & Yen, 2006; Timmons, Zacharakis, & Spinelli, 2004). Nevertheless, women entrepreneurs should plan, execute, monitor and evaluate their work and their employees work commitment and outcomes more efficiently and effectively. Marketing competency is very crucial for all entrepreneurs. Implicatively, they must be able to understand their customers' diverse needs and wants, and later put more efforts to design and develop better products and services to cater the demand. In addition, they are usually good in business operations and handling financial matters for their companies.

Other factors that influence the success of women entrepreneurs include the environmental factors like prevailing political stability, economic situations and socio cultural factors of the country. In Malaysia, the fifty over years of political stability under the National Front government provided the impetus for the women entrepreneurs to expand the business. Besides, the government provides very

strong support to increase the number of women in employment by developing special policies and incentives to encourage more women to become successful entrepreneurs. Loans and financial supports are easily available, and counseling and guidance are provided to many newly breed women entrepreneurs including those who just graduated from higher education institutions. This is in contrast to their Thai counterparts whereby Thai entrepreneurship is considered underdeveloped because of insufficient business knowledge and management skills (Buranajarukorn *et al.*, 2006). Thus, to survive, many Thai women depend on loans from banks, financial institutions and family members since government agencies do not offer much financial supports (Suhami, 1998).

Another factor that have been strongly associated with the success of women entrepreneurs are the strong influence of spiritual and religious factors in their business ventures. Religious and spiritual factors have been considered very important to most of the women interviewed. Apparently, most of them have strong faith in their respective religions. They believe the need to be guided by their religious and spiritual values and practices, that will help them to make wiser decisions, take risks, be patient with their business challenges and outcomes, etc. These women banked on strong religious grounding in respect of being discipline, humility, and inclination to build good relationships amongst fellow human beings as expected in their religion. According to Abdul Ghani *et al.* (2014), as Malaysia is an Islamic country, freedom to wear Islamic dress to work, Muslim women rights to do business and no discrimination in the religion while doing business, also act as the contributory factors to motivate Muslim women entrepreneurs to do business in Malaysia. Furthermore, Islam provides the guidance and principles for morality in making money and doing business. It is unlikely for a religious women entrepreneur to be involve in transactions which are ethnically or morally wrong such as cheating customers (Hoe *et al.*, 2011)

Conclusion:

The findings of the study revealed that internal locus of controls of the women entrepreneurs (whether they have the motivation, passion, interest and capabilities) are important to venture into business, and these are equally important for both Thai and Malaysian entrepreneurs. The success of women entrepreneurs also depends much on how good they are in leadership, management skills in handling their companies, and marketing skills in handling their products and customers. These are all known as organizational factors.

Malaysians women entrepreneurs are lucky in the sense of they have access to many aids and financial loans more easily than they counterparts in Thailand. The government support in Malaysia is

also stronger for women entrepreneurs to easily start and expand their business. Political situation in Malaysia is also more stable compared to Southern Thailand, and other environmental factors such as cultural and social contacts such as good relationship and spiritual faiths in religions play a more significant influence in the success of Malaysian women entrepreneurs compared to Thailand.

Based on this study more researches can be triggered by other authors to further understand various other factors affecting success of women entrepreneurs in Malaysia, Thailand and other ASEAN countries.

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