

A Glimpse at Women Entrepreneurs in Penang

Satu Tinjauan kepada Usahawan Wanita di Pulau Pinang

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ABSTRACT

Women entrepreneurship is a force to be reckoned with. Women in business are commonly found all over the country and they help to create vibrant economic activities in domestic arena. This study focuses on the characteristics of 50 women entrepreneurs in the state of Penang, Malaysia. Among others, we find that many of them are stay-at-home married women with children. Therefore, they have to juggle and find balance between family life and their business. It is interesting to note that 84 percent come from families with entrepreneurial experiences. Therefore, it is fair to say that this kind of exposure has cultivated interest among these women to become entrepreneurs themselves. Further, family support has been one of the important factors that encourage these women to venture into businesses. However, despite their involvement in business, 50 percent of our respondents have not attended any training and courses on entrepreneurship. It seems that they rely more on advices from family members on issues related to their business compared to formal or government institutions. This is probably due to their reliance on personal savings and family sources of capital in embarking into the businesses such that institutional involvement is minimal in charting the direction of their businesses though they are aware of various kinds of financial assistance provided by the government. Hence, even in a smaller scale, women entrepreneurs are increasingly creating wealth for the nation while simultaneously caring for their families.

Keywords: Women entrepreneurs; entrepreneurship; business; Malaysia; Penang

ABSTRAK

Keusahawanan wanita adalah satu daya usaha yang tidak dapat dinafikan lagi. Wanita yang terlibat dalam pelbagai jenis perniagaan terdapat di seluruh negara dan mereka turut menyumbang dalam memeriahkan aktiviti ekonomi domestik. Kajian ini bertumpu kepada 50 orang usahawan wanita di negeri Pulau Pinang, Malaysia. Ramai di antara mereka adalah surirumah yang mempunyai anak. Oleh kerana itu mereka juga perlu membahagikan masa antara tanggungjawab rumahtangga dan perniagaan yang dijalankan. Perlu ditekankan juga bahawa 84 peratus daripada responden datang dari keluarga yang terlibat dalam bidang perniagaan. Oleh kerana itu boleh dikatakan bahawa latarbelakang keluarga ini memainkan peranan dalam menimbulkan minat mereka untuk turut terlibat dalam bidang keusahawanan. Selain itu, sokongan keluarga terdekat juga menjadi pendorong utama mereka. Walau bagaimanapun, didapati bahawa 50 peratus daripada responden tidak menghadiri sebarang kursus atau latihan berkaitan perniagaan. Mereka mungkin lebih bergantung kepada nasihat ahli keluarga berbanding institusi kerajaan yang disediakan. Hal ini mungkin disebabkan oleh faktor modal perniagaan yang diambil daripada simpanan sendiri ataupun ahli keluarga, maka dengan itu mereka tidak terikat dengan syarat dan peraturan institusi atau agensi tertentu dalam menentukan arah tuju perniagaan mereka. Namun begitu, kebanyakan daripada mereka mengetahui tentang bantuan kewangan yang disediakan oleh kerajaan. Oleh itu, walau dalam skala yang kecil usahawan wanita tetap menyumbang dalam mencipta kekayaan negara, dan pada masa yang sama bertanggungjawab terhadap keluarga tetap dilaksanakan.

Kata kunci: Usahawan wanita; usahawan; perniagaan; Malaysia; Pulau Pinang

INTRODUCTION

Entrepreneurship is one of the important ways to achieve financial independence and wealth. For a country like Malaysia, entrepreneurship is the way to move forward to achieve the much desired status of a developed country. Women in Malaysia have been involved in entrepreneurship for so long though most of their enterprises are on smaller scale compared to male entrepreneurs. The desire to help their family on daily expenses and deep interest in business activities are among the drivers of women entrepreneurship. Hebert and Link (1989) have stated at least twelve characteristics of an entrepreneur that include, among others, an entrepreneur is a person who is willing to take risk in the face of uncertainty; supplies financial capital; a decision maker; an organizer and coordinator of economic resources; the owner of an enterprise; and an allocator of resources among alternative uses. Dewan Usahawan Wanita (Dewanita) has identified several common factors in determining the success or failure of a woman entrepreneur. The success factors include the ability to bring new products to the market, understanding the market environment, creative, enthusiastic, proactive and self-motivated. While the failure factors include lack of training and exposure to all aspects of entrepreneurship, limited access to loans, conflict between career and family, unsupportive environment and weak business networking. Therefore, internal and external factors seem to have profound influence on the success or failure of women's business enterprises.

Women in Malaysia are very fortunate to receive equal right to education along with their male counterparts, such that it opens up women's opportunities in employment in tandem with their levels of education. Women constitute almost half of the Malaysian population. According to the Department of Statistics, there is approximately 13,453,154 female in Malaysia in 2010 or 48.80% of the total population in Malaysia. From this figure, about 46.1% of the total female populations are in labour force. The increment in female participation in labor force shows that the participation of women in national development agenda is very important. Yet, some women prefer to be entrepreneurs to paid jobs or better still they are in paid jobs but also getting involved in businesses for alternative income. In times of escalating prices including staples, this option is very viable.

METHODOLOGY

Today, there are many well-known and successful women entrepreneurs in Malaysia. Their success stories have been featured in conventional and new media alike. Oftentimes, their stories include a failure or a series of failures before they rise above the challenge. The stories are intriguing and motivating at the same time such that they deserved to be highlighted. The exposure and rendering life stories of successful entrepreneurs could motivate other women to involve in entrepreneurship themselves. Therefore, in this study, we would like to explore the personal and business characteristics of women entrepreneurs and we start our analysis by studying the characteristics of women entrepreneurs in Penang. To do so we distributed a set of questionnaires to 50 women entrepreneurs in the state of Penang, Malaysia.

RESULTS AND DISCUSSION

For this study, we present the characteristics of 50 women entrepreneurs regarding their personal and business characteristics that could be the beginning of further understanding of the nature of women entrepreneurs in Penang in particular and in Malaysia in general.

Table 1 presents the descriptive statistics of 50 women entrepreneurs in this study. It shows that most of the entrepreneurs are between the age of 21-50 years. Lee-Gosselin and Grise 1990 document a smaller age range in their study which is between 31 and 45 years old from their 400 respondents in Quebec, Canada. It seems that nowadays younger women are attracted to entrepreneurship and started to be involved in business earlier in life. This is probably due to greater access to information that has opened up the opportunities to new kind of business i.e. online business. It is also worth noting that most of our respondents are married with children. We observe that support from husbands and children have been one of the characteristics of women entrepreneurs in our sample, in line with what has been found in previous literature. In addition, these women have to juggle between their maternal or family responsibilities with entrepreneurial activities. The challenges that women entrepreneurs face in fulfilling the demands from family and attention towards customers and employees are more contradictory than that of

male entrepreneurs (Grasmuck & Espinal 2000). Typically women suffer unequally from men in terms of legislation and social stereotypes because when women are expected to excel in their venture,

their families suffer and when women are expected to be primary caregivers, their businesses also suffer (Winn 2005).

TABLE 1. Descriptive Statistics of Women Entrepreneurs in Penang

Demographic variables	Category	Frequency	Percentage (%)
Age	• 20 years old and below	2	4
	• 21 to 30	6	12
	• 31 to 40	15	30
	• 41 to 50	15	30
	• 51 to 60	12	24
Race	• Malay	39	78
	• Indian	4	8
	• Chinese	7	14
Marital status	• Married	39	78
	• Widow/Divorcee	5	10
	• Single	6	12
Number of children	• None	6	12
	• 1 to 5	44	88

N=50

Also, five of our respondents are either widowed or divorced such that we expect that the responsibility of looking after the children will be greater compared to married women entrepreneurs. Given the lack of government assistance for single mothers in Malaysia in comparison to developed countries (Aassve et al. 2007; Amato 2000; Ridge & Millar 2011) and the fact that law enforcement on financial support from absent fathers (Cook 2013; Evans 2011; Waller & Plotnik 2001) left much to be desired the responsibility of raising the children and running the business would be huge for this particular group of women entrepreneurs. They have to manage between childcare responsibilities and business activities alone, with no husbands around like married women. As paid childcare expenses are often too expensive for them, childcare assistance from family members such as their parents, siblings and friends plays important role in the livelihood of single mothers (Harknett 2006; Hew 2003; Raymo & Zhou 2012).

Table 2 shows that most of the respondents are SPM holders (44%) and this figure reflects the proportion of Malaysian workforce, whereby the SPM holders constitute the biggest number of our workforce. The table also informs us that women entrepreneurs in Penang have appropriate

TABLE 2. Highest Level of Education

Category	Frequency	Percentage (%)
Primary school	1	2
PMR/SRP	6	12
SPM	22	44
STPM/Certificate	5	10
Diploma	9	18
Others	7	14

N=50

number of years of schooling as 86 percent of our respondents are SPM holders and above. Education, as we are aware of, is one of the most important path out of poverty as educated minds should be able to identify opportunities to better one's life when it happen. As we have mentioned earlier, one of the characteristics of an entrepreneur is the ability to identify opportunity and to think creatively. Malaysian women have the advantage of receiving equal education as their male counterparts, and this has opened up more doors to women to pursue the fields that they are passionate about because there are no boundaries in getting the qualifications that they need.

TABLE 3. Previous Working Experience

Category	Frequency	Percentage (%)
Housewives	28	56
Government/ private sector employees	15	30
Others	7	14

N=50

Table 3 shows that more than half of our respondents are housewives and do not have working experiences while the rest have been in formal paid wage or have had some working experiences before they get involved in entrepreneurship. The information gathered in Table 3 may suggest that there exist pull and push motivating factors in their decision to be involved in entrepreneurship. The following argument depicts an example of the pull and push factors relevant to the context of this study.

It is plausible for housewives to start their own entrepreneurial activities mainly because they are able to combine family obligations with earning an income and this is particularly true when the husbands do not have stable jobs or incomes or they do not work at all (Franck 2012). This argument is further supported by the responses that we have collected when the respondents were asked about the reasons for their involvement in entrepreneurship. Generating income to support the family was the main reason while keen interest in entrepreneurship followed as the second reason for their involvement in entrepreneurship. Having said that, income generation is indeed an important factor in women's involvement in entrepreneurship so does other issues related to autonomy, flexibility and renegotiation of spatial boundaries (Franck 2012). Moreover, literature has well documented the findings that women devote a higher proportion of income to family well-being rather than for personal expenditure. More importantly women contribute a bigger proportion of their income (smaller income than men in many cases) to the households than men which indicates that women's small investment in businesses may contribute to higher household benefits (Grasmuck & Espinal 2000). Further Grasmuck and Espinal (2000) state that as women increase their level of

income contribution to the family, married women tend to gain higher decision making influence in their households.

We find that most of our respondents started their businesses when they were younger i.e. below 40s and most of them started between the age of 21 and 30 years old. This finding reflects Gadar and Nek Kamal (2009) who find that women in Malaysia undertake their entrepreneurial activity between the ages of 21 and 40 whilst Syed Shah, Mohd Fauzi and Nor Asiah (2011) recorded 25 to 40 years for half of their women entrepreneurship study in Southern Region of Malaysia. This is an interesting fact as young women choose to have their own small businesses instead of having careers in paid jobs. Women at this age tend to have small children and running their own businesses gives them the opportunity to earn money and look after the children as well. Further, the involvement of women entrepreneurs at younger age may be explained by findings of Vroom and Pahl (1971) and Li, Su and Wang (2016). According to both studies, risk taking orientation tends to be higher among younger person compared to older ones. Our finding reflects previous studies whereby the older group samples (31 to 40 and 41 to 50 years of age) represent only 20 percent of the total sample altogether.

We also notice that most of these women entrepreneurs have some kind of experience in the businesses that they are in and they also have family members who are involved in entrepreneurship. This probably explains the reason why half of our respondents do not attend any training or courses on entrepreneurship. They most likely have learnt from other family members about their businesses or they just do it on their own judgment as portrayed in Table 4. Only 16 percent of the respondents seek advice from MARA/TEKUN/AIM but we do not have the information whether they get loans or funding from these institutions or not.

The sustainability of businesses is always an important issue to look upon. Our findings give an impressive indication of business sustainability as presented in Table 4. Women entrepreneurs in our study are able to run their businesses for many years with 70 percent of them have managed their businesses for more than 5 years. The profitability or incomes from these businesses are not captured in this study though the business duration indicates to some degree the profitability of their businesses.

TABLE 4. The Respondents' Business Profile

Item		Frequency	Percentage (%)
a) Age when the business started	• Below 20	11	22
	• 21 to 30	29	58
	• 31 to 40	8	16
	• 41 to 50	2	4
b) Experience in current business	• Yes	43	86
	• No	7	14
c) Family members involved in entrepreneurship	• Yes	42	84
	• No	8	16
d) Attending training/courses on entrepreneurship	• Yes	25	50
	• No	25	50
e) Seeking assistance/advice from any party on entrepreneurship	• None	11	22
	• Family	27	54
	• Ministry of Women, Family and Community Development	2	4
	• MARA/TEKUN/AIM & financial institutions	8	16
	• Others	2	4
f) Duration of the business (in years)	• Less than 1	4	8
	• 2 to 5	11	22
	• 6 to 10	11	22
	• 11 to 15	8	16
	• More than 16	16	32
g) Number of employees	• None	9	18
	• 1 to 2	26	52
	• 3 to 4	13	26
	• More than 5	2	4

N=50

Further, these women entrepreneurs are found to be able to create jobs for others as well. Job creation is indeed important in any economy and the contribution of women entrepreneurs in job creation is something that cannot be taken for granted regardless of the size of their workforce.

Further, our mainstream economy seems to inadequately measure marginal economic activities done by petty traders though this kind of activities are the source of livelihood for many who are self-employed or outside the formal job sectors in government or private organizations.

TABLE 5. Business Funding

Item		Frequency	Percentage (%)
a) The capital when starting a business	• Below RM 1,000	1	2
	• RM 1,000 to RM 5,000	18	36
	• RM 5,001 to RM 10,000	15	30
	• RM 10,001 to RM 50,000	16	32
b) The sources of capital	• Savings	21	42
	• Loans from family	11	22
	• Inheritance	18	36
c) Awareness on the grants and loans from the government agency and bank	• Yes	48	96
	• No	2	4

N=50

Another important and interesting characteristic of women entrepreneurs is that they usually get funding from their own savings and family related funding (husband, relatives and inheritance). This fact is well documented in previous literature and probably due to inadequate financial support, bureaucracy and inconsistency of government policies as well as lack of entrepreneurial education at tertiary level and inadequacy of entrepreneurial training posed as hindrance to Malaysian entrepreneurs in general (Syed Zamberi & Xavier 2012) and women entrepreneurs in particular. Respondents in our study comprises of mostly SPM holders and below, such that getting loans from financial institutions would not be a walk in the park. The amount of paperwork such as preparing a business plan and other requirements such as fixed monthly payment would be too much to handle by many as incomes from their entrepreneurship activities are irregular. Thus, they resort to getting their business capital from their own savings and those who are close to them. Our finding do not confer with that of Syed Shah et al. (2011) whereby taking a loan from the bank seems to be the most popular source of funding among their respondents (69.1%) though 28.9% of them still get their capital from family members.

However, we find that most of our respondents are aware of the availability of grants and loans provided by government agencies and banks yet they prefer to get capital from own savings and family members than getting it from government agencies and banks. We postulate that inadequate information, perceived difficulties in the application process and transaction costs in applying the grants and loans have deterred women entrepreneurs. In other words, they try to avoid the hassles of acquiring the grants and loans from formal institutions.

CONCLUSION

The contribution of women entrepreneurs in Malaysian economic landscape is undeniable. Today, women who juggle family with careers are looked upon as capable and competent to handle business independently (Syed Shah et al. 2011). Our study comprises of only 50 women entrepreneurs in Penang, Malaysia and cannot be generalized to other Malaysian context, yet this small scale study

confers with many literature discussions on the characteristics of women entrepreneurs in different settings. We conclude that women are involved in business mainly to generate extra income to support the family. In other words, they are assisting their husbands in financing family expenses. For widowed or divorced women, their businesses will most likely provide the main income for their families. Some of these women entrepreneurs may get involved in businesses out of necessities but most of them have passion in entrepreneurship and other benefits that come with it such as financial independence and self-worth. This research is done in a society that is pretty much traditional i.e. patriarchal household norms such that consent and support from family members especially the husbands are required before they can venture into entrepreneurship activities.

This is further enhanced by our findings on the capital used by these women to embark on their business – they come from their own savings and money from family members. It is then fair to indicate that women entrepreneurship activities in Penang often revolves around family affairs. These women want to improve the living standard of their family through entrepreneurship activities by increasing their household incomes. It is also the nurturing nature of women that motivate them to start a business so that their family members, in particular the children could have more opportunities that come with increased total income of the family.

Further, women entrepreneurs in our study do not blindly jump into entrepreneurship activities. They have a reasonable amount of schooling, previous experience in the venture that they involved in and they have other family members to advise them and share their experiences in matters related to running a business. Hence, we could see that government agencies and banks do not play important roles in women entrepreneurship. This is probably due to the scale of their businesses whereby they are involved in small scale businesses compared to male entrepreneurs. Yet, they are able to stay in business for a number of years and are able to hire other people to work for them. At a micro level, these women entrepreneurs are creating jobs for themselves as well as for others. As most of our respondents are SPM holders and below, we expect that they reside in the lower echelon of our society. With the escalating cost of living faced by all Malaysians today, people who

are from the lower income groups would be badly affected by price hike. Women entrepreneurship could provide some safety net for their family in dealing with the increment in daily cost of living.

The facts presented in this study should not be missed out by policymakers. Apart from giving various incentives for macro level business ventures, entrepreneurship issues on micro level, in particular women's entrepreneurship issues should be given more space and assistance by the Ministry of Family and Society Development in developing entrepreneurship culture among women from all walks of life in Malaysia. Our findings suggest that since women entrepreneurship is also a family matter, then different approaches should be created to reach and encourage women to involve in entrepreneurship through their families. It is shown that family support, social ties and internal motivation are significant elements affecting success among women entrepreneurs in Malaysia (Syed Shah et al. 2011). These women entrepreneurs obviously lack formal entrepreneurship training and skills, therefore it is viable for policymakers to provide the means for them to enhance their skills and knowledge in entrepreneurship to push them ahead in their business venture. Therefore, policymakers and educators who are interested in increasing the ranks of women entrepreneurs need to understand the biases and barriers that adversely affect women who start their own businesses, in order to provide proper guidance and enact appropriate legislation (Winn 2005). As one wise man says,

"You educate a man; you educate a man. You educate a woman; you educate a generation."
- Brigham Young

SUGGESTION FOR FUTURE RESEARCH

This study focuses only on self-funded businesses without taking into consideration other types of businesses funding. Investigating the type of business funding may provide a comprehensive outlook on the issues discussed in this study. Therefore, we suggest that future research should include this concern.

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