International Conference on Economics, Entrepreneurship and Management

2019 (**ICEEM2019)**

 **Langkawi July 6, 2019**

**DETERMINANTS OF SUCCESS FOR WOMEN ENTREPRENEURS IN KELANTAN: A REVIEW**

Normaizatul Akma Saidi1, Nor Maizana Mat Nawi2, Nurul Fardila Abd Razak3, Noraida Saidi4

1, 2, 3,4Faculty of Hospitality, Tourism and Wellness Universiti Malaysia Kelantan, Malaysia

Email: normaizatulakma@gmail.com

**Abstract.** The aim of this paper is to provide a comprehensive literature review on the success factors of women entrepreneurs in Kelantan. Specifically, the role of a woman in entrepreneurs is investigated. Based on this review, evidence suggests that family support, social ties and internal motivation represent the most significant determinant to the success of women entrepreneurs in the small business. Therefore, women have played a significant role in the economic development and help to stabilize the economy.

**1. Introduction**

The process of identifying opportunities in the market place, organizing the resources as required to pursue these opportunities and investing the resources to exploit the opportunities for long term gain is referred to as. Besides that, entrepreneurship also comprises of idea generation, planning, organization, visualization, innovation, risk bearing, and decision making. A person who takes an active role in the decision making and the risk of a business in which he or she has majority ownership referred to as entrepreneur (Moore, 1990), while other research by McMullan and Long (1990) state that entrepreneur who has to face ambiguity and initiates to apply contemporary way of making deals through equally independent.

In addition, those women who initiate, organize and co-operate a business enterprise are referred to as women entrepreneurs. Meanwhile, “areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization” are the Critical Success Factors or CSFs defined by Rockart (1978). To achieve effectiveness in those critical areas, managerial planning and action must be practiced accordingly (Saraph et al., 1989). Therefore, the success of women entrepreneurs can be determined when those factors and practices be addressed effectively. It is important to develop an understanding of their critical success factors to face before and during their business operation, as women increasingly enter into the ranks of business founders.

In other studies, entrepreneurship been chosen by women as a flexible career in order to manage their family obligations (DeMartino & Barbato’s, 2003). The flexibility of an entrepreneurial career is important to women who have not yet married, and that it becomes even more important once they are married and have children as emphasized by the study.

In the past decades, the gender differences and social restriction between men and women made it challenging for the country to incorporate women effectively into the economic development projects. Entrepreneurship has always been associated with men, masculinity and their success; thus, previous researchers took an effort in analysing gender differentiation in the business venture and give an emphasize on the success of women entrepreneurs because it was least considered (Maimunah, 1996). The labour force participation rate showed an increase to 48.6 percent in 2017 as compared to 45.8 percent in 2016 as data in Table 1 and demonstrated in Figure 1 below (Department of Statistics Malaysia). The increase of labour force participation rate was mostly driven by female employed persons and indirectly it shows a positive role of women in pushing the economy forward as shown by the statistics.

Table 1: Statistics of Labour Force by Sex, Kelantan, 1983–2017

|  |  |  |
| --- | --- | --- |
| **Year** | **Female** | **Male** |
| 1983 | 41.3 | 75.9 |
| 1984 | 45.3 | 78.8 |
| 1985 | 45.4 | 79.5 |
| 1986 | 45.7 | 79.6 |
| 1987 | 47.2 | 80.6 |
| 1988 | 52.9 | 82.3 |
| 1989 | 47.3 | 80.4 |
| 1990 | 49.1 | 79.7 |
| 1992 | 48.8 | 80.6 |
| 1993 | 44.2 | 80.9 |
| 1995 | 47.5 | 79.7 |
| 1996 | 48.2 | 80.3 |
| 1997 | 45.0 | 78.3 |
| 1998 | 45.9 | 78.7 |
| 1999 | 43.6 | 78.2 |
| 2000 | 43.6 | 78.0 |
| 2001 | 40.7 | 76.3 |
| 2002 | 43.2 | 75.3 |
| 2003 | 45.5 | 76.3 |
| 2004 | 40.3 | 72.4 |
| 2005 | 37.6 | 71.1 |
| 2006 | 39.1 | 69.6 |
| 2007 | 38.6 | 70.2 |
| 2008 | 39.3 | 69.8 |
| 2009 | 39.4 | 69.8 |
| 2010 | 41.7 | 72.3 |
| 2011 | 41.6 | 71.0 |
| 2012 | 44.3 | 72.1 |
| 2013 | 46.1 | 72.6 |
| 2014 | 48.8 | 71.7 |
| 2015 | 49.5 | 74.4 |
| 2016 | 45.8 | 72.3 |
| 2017 | 48.6 | 73.4 |

*Figure 1: Statistics of Labour Force by Sex, Kelantan, 1983–2017*

Men entrepreneurs are mainly focused by most of the researches on entrepreneurs as compared to women entrepreneurs. The reasons that women choose to become entrepreneurs have been studied by previous researches (Buttner and Moore, 1999; Lee, 1997; Sarri & Trihopoulou, 2005) or on the challenges faced by these women face in a stage of start up a business (Brindley, 2005; Menzies et al., 2004). The study on this topic is now appropriate since the number of women entrepreneurs in Malaysia keep growing. Therefore, this study aims at reviewing the literature on Malaysian women entrepreneurs. It examines the influence of three factors; family support, social ties, and internal motivation on the success of women entrepreneurs.

**2. Past Evidences**

**2.1 Success of Women Entrepreneurs**

Brown (2015) quoted the speech by Anne Sweeney, former president of Walt Disney which “define success on your own terms, achieve it by your own rules, and build a life you’re proud to live”. Thus, to achieve desired aims and attains prosperity is the success that determined by the individuals themselves. To show how successful the woman is in her business would require no proper measurement tool. Foley and Green (1989) stated that there is no commonly accepted definition of success as business success can be understood in many ways. In addition, the survival of the business is associated with success as agreed by some researches. Hence, the achievement of something desired, planned or attempted is referred to as success.

In other studies, success is defined by intrinsic criteria include freedom and independence, controlling a person’s own future, and being one’s own boss; whilst extrinsic outcomes are, among others, increased financial returns, personal income, and wealth (Paige & Littrell, 2002). Conversely, business success is commonly defined in terms of economic or financial measures which include return on assets, sales, profits, employees and survival rates; and non-pecuniary measures, such as customer satisfaction, personal development and personal achievement as discussed by Masuo et al. (2001).

**2.2 Family Support**

Family an important factor influencing the young entrepreneur to start a business (Aldrich & Cliff, 2003). The family embeddedness perspective suggests that perceived family support, primarily consists of long term emotional and intellectual support get good ideas about how to do things from family. In the context of entrepreneurship, perceived emotional support concerns the perceived family members’ approval and encouragement of the individual’s entrepreneurial actions.

In addition, Aldrich and Cliff (2003) propose a family arguing has the potential to exert a substantial influence on the firm. They go on to suggest that the characteristics of entrepreneurs' family system, such as family resources, norms and values, can influence the processes involved in venture creation.

However, families play a central role in the resource mobilization process during start-up. Families are an important source of early stage financing (Bygrave, et al., 2003), and families influence entrepreneur’s decisions particularly around issues such as ownership and transition (Wiklund, Nordqvist, Hellersterdt & Bird, 2013).

More recently, Chrisman et al. (2003) asserted that family represents a critical and often used resource for startups. Nevertheless, few studies have explored the role that families play in resource mobilization, particularly with respect to youth entrepreneurship. The lack of social capital coupled with a lack of financial capital lead young entrepreneurs to seek resource and emotional support from their families in order to start a new business. Youth entrepreneurs have little, if any, business knowledge, few social relations and little experience in how to make sense of the entrepreneurial process (Nielsen & Lassen, 2012).

**2.3 Strong Social Ties**

Social networks like groups of other women entrepreneurs enable women to discuss, share some views and problems. Communication is vital especially among group of people who understand and encounter similar situation. Nevertheless, entrepreneurship is men dominating societies, hence making an effective network among women entrepreneurs become challenging. But this network is vital since it helps women entrepreneurs to be close to each other and able to give advices when possible. In addition, idea generation for business development also can be discussed through the network (Alam, Jani, & Omar, 2011).

The resources embedded in and available through relationship is refers to social capital (Gedajlovic et al., 2013). Moreover, social capital is good for entrepreneurship as emphasized by a range of studies (Estrin et al., 2019). Based on previous studies, countries with higher level of social capital individuals are more likely to start businesses, especially at the macro level (Estrin et al., 2013), more business opportunities seen by individuals (Kwon & Arenius, 2010), and investment in starting-businesses are more likely done by angel investors (Ding, Au & Chiang, 2015).

Therefore, strong ties in the business world do help women in achieving success in their businesses along with the social support. Then, female entrepreneurs in Canada, Singapore and Ireland utilized networking as a means of business development as found by McClelland et al. (2005).

**2.4 Internal Motivation**

Female entrepreneurs contribute to economic development through their business establishment and workplace creation for others. Currently, there is a growing trend in females participating in entrepreneurial activity. It is important to know characteristics of women starting new businesses, their motivations for doing so and their performance levels in businesses ([Ramos et al., 2014](https://www.emeraldinsight.com/doi/full/10.1108/WJEMSD-09-2015-0037)). Ismail, Shamsudin and Hamiton (2012) stated that it has become essential effort to enhance comprehension of the motivational factors that relates with the new venture creation in a nation such as Malaysia where the government has been concerned to promote, support and develop local business society among Malaysian women.

Women entrepreneur’s view is focussing on the power of controlling their own fate, enhancing relations with the clients and making valuable things ([Elenurm & Vaino, 2011](https://www.emeraldinsight.com/doi/full/10.1108/WJEMSD-09-2015-0037)). A study done by Alam et al., (2011) identified internal motivation, family support and strong social network affect positively and significantly to the success of women entrepreneurs in the business. A lot of previous studies examine on motivation factors that encourage women to be an entrepreneur. Akehurst, Simarro and Mas-Tur (2012) explain that the most factors which motivate women to participate in business are due to intrinsic or transcendental factors such as desire for independence, self-realization, internal control, perseverance, interest in taking up challenges, opportunity to develop skills and experience and chance to influence own destinies. Being independent are also considered as critical factors that motivate women entrepreneurs. Thuaibah et al. (2007) found that the motivating factors for women to get involved in business are due to independence, interest and financial matters. They found that the internal factors are higher than the external factors that motivate the women to participate in business.

Other than that, women’s motivation and commitment to become entrepreneurs have been based on push or pull factors ([Robinson, 2001](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1)). The “push” or negative factors are associated with the facts or situations that force a female into pursuing her business idea. These can be redundancy, unemployment, frustration in previous employment, the need to earn a reasonable living and a flexible work schedule, reflective of the family caring role that is still expected of women ([Alstete, 2002](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1); [Orhan & Scott, 2001](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1)). The “pull” or positive factors are those associated with factors of choice ([Orhan & Scott, 2001](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1)) and the desire for entrepreneurial aspirations ([Deakins & Whittam, 2000](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1)). These relate to independence, self-fulfilment, autonomy, self-achievement, being one’s own boss, using creative skills, doing enjoyable work, entrepreneurial drive and desire for wealth, social status and power ([Alstete, 2002](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1); [Orhan & Scott, 2001](https://www.emeraldinsight.com/doi/full/10.1108/MD-04-2017-0411?fullSc=1&mbSc=1)).

**Conclusion**

Conclusively, there was a sharp increase over the years in entrepreneurial activity conducted by women, then there was a sharp decrease over the years in entrepreneurial activity conducted by men especially in Malaysia. Yet, understanding their critical success factors can is vital to better understand the education and training needed by potential women entrepreneurs. Based on this review, evidence suggests that family support, social ties and internal motivation represent the most significant determinant to the success of women entrepreneurs in the small business. Therefore, women have played a significant role in the economic development and help to stabilize the economy.

**References**

Akehurst, G., Simarro, E. And Mas-Tur, A. (2012). Women entrepreneurship in small service firms: motivations, barriers and performance. The Service Industries Journal. 32(15). 2489-2505.

Alam, S. S., Jani, M. F. M., & Omar, N. A. (2011). An empirical study of success factors of women entrepreneurs in southern region in Malaysia. International Journal of economics and Finance, 3(2), 166-175.

Alam, S.A., Mohd, M.F., and Omar, N., (2011). An empirical study of success factors of women entrepreneurs in Southern Region in Malaysia. International Journal of Economics & Finance, 3(2): 166-175.

Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. Journal of business venturing, 18(5), 573-596.

Alstete, J.W. (2002), “On becoming an entrepreneur: an evolving typology”, International Journal of Entrepreneurial Behaviour and Research, Vol. 8 No. 4, pp. 222-234

Brown, J (2015). “Addicted 2 Success”. Retrieved from: http://addicted2success.com/quotes/26-of-the-worlds-most-powerful-quotes-from-successful-women/

Bygrave, W. D., & Reynolds, P. D. (1999). Who finances startups in the USA? A comprehensive study of informal investors, 1999-2003. A Comprehensive Study of Informal Investors, 2003(2006), 2002-2006.

Chrisman, J. J., Chua, J. H., & Steier, L. P. (2003). An introduction to theories of family business.

Chua, J. H., Chrisman, J. J., Kellermanns, F., & Wu, Z. (2011). Family involvement and new venture debt financing. Journal of Business Venturing, 26(4), 472-488.

Cruz, C., & Nordqvist, M. (2012). Entrepreneurial orientation in family firms: A generational perspective. Small Business Economics, 38(1), 33-49.

Deakins, D. and Whittam, G. (2000), “Business start-up: theory, practice and policy”, in Carter, S. and Jones-Evans, D. (Eds), Enterprise and Small Business: Principles, Practice and Policy, Financial Times Prentice-Hall, London, pp. 115-131

DeMartino, Richard, and Robert Barbato (2003). "Differences between women and men MBA entrepreneurs: exploring family flexibility and wealth creation as career motivators." Journal of business venturing 18, no. 6: 815-832.

Department of Statistics Malaysia, (2019). The Source of Malaysia’s Official Statistics,

Ding, Z., Au, K., & Chiang, F. (2015). Social trust and angel investors' decisions: A multilevel analysis across nations. Journal of Business Venturing, 30(2), 307-321.

Edelman, L. F., Manolova, T., Shirokova, G., & Tsukanova, T. (2016). The impact of family support on young entrepreneurs' start-up activities. Journal of Business Venturing, 31(4), 428-448.

Elenurm, T. and Vaino, E. (2011), “Interpretations of entrepreneurial success factors by female entrepreneurs and executives in a catch-up economy”, ICSB World Conference Proceedings, International Council for Small Business (ICSB), Washington, DC, pp. 1-20.

Estrin, S., Mickiewicz, T., & Stephan, U. (2013). Entrepreneurship, social capital, and institutions: Social and commercial entrepreneurship across nations. Entrepreneurship theory and practice, 37(3), 479-504.

Estrin, S., Mickiewicz, T., Stephan, U., & Wright, M. (2019). Entrepreneurship in Emerging Markets. The Oxford Handbook of Management in Emerging Markets, 457.

Foley, P., Green, H. (Eds.) (1989). “Small business success”. London: Paul Chapman.

Gedajlovic, E., Honig, B., Moore, C. B., Payne, G. T., & Wright, M. (2013). Social capital and entrepreneurship: A schema and research agenda.

Ismail, H. C., Shamsudin, F. M., and Chowdhury M. S (2012). "An Exploratory Study of Motivational Factors on Women Entrepreneurship Venturing in Malaysia," Business & Economic Research (BER), vol. 2

Maimunah, I., (1996). "Gender needs analysis of women entrepreneurs." Pertanika Journal of Social Sciences & Humanities 4, no. 1: 1-9.

Kwon, S. W., & Arenius, P. (2010). Nations of entrepreneurs: A social capital perspective. Journal of Business Venturing, 25(3), 315-330.

Manolova, T., Shirokova, G., Tsukanova, T., & Edelman, L. (2014). The impact of family support on young nascent entrepreneurs's start-up activities: A family embeddedness perspective.

Masuo, D., Fong, G., Yanagida, J. and Cabal. C. (2001). Factors Associated with Business and Family Success: A Comparison of Single Manager and Dual Manager Family Business Households. Journal of Family and Economic Issues, 22(1): 55-73.

McClelland, E., Swail, J., Bell, J., and Ibbotson, P. (2005). Following the Pathway of Female Entrepreneurs: A six-country investigation. International Journal of Entrepreneurial Behavior and Research, 11: 84-107. Doi:10.1108/13552550510590527, http://dx.doi.org/10.1108/13552550510590527

McMullan, W. Ed, and Wayne A. Long (1990). Developing new ventures: The entrepreneurial option. Harcourt Brace Jovanovich.

Moore, D.P., (1990). "An examination of present research on the female entrepreneur—Suggested research strategies for the 1990's." Journal of Business Ethics 9, no. 4: 275-281.

Nielsen, S. L., & Lassen, A. H. (2012). Identity in entrepreneurship effectuation theory: a supplementary framework. International Entrepreneurship and Management Journal, 8(3), 373-389.

Orhan, M. and Scott, D. (2001), “Why women enter in to entrepreneurship: an explanatory model”, Women in Management Review, Vol. 16 No. 5, pp. 232-243

Ozgen, E., & Minsky, B. D. (2013). Why some college students engage in entrepreneurial activities while others do not. Journal of Entrepreneurship Education, 16, 45.

Paige, R.C. and Littrell, M.A. (2002). Craft Retailers’ Criteria for Success and Associated Business Strategies. Journal of Small Business Management, 40(4): 314-331.

Pena, I. (2002). Intellectual capital and business start-up success. Journal of intellectual capital, 3(2), 180-198.

Ramos, L., Maldonado, E. and Hernández, E. (2014), “Comparison of women entrepreneurs profiles in Coahuila, Mexico and San Juan, Puerto Rico”, Global Conference on Business and Finance Proceedings , Vol. 9 No. 2, pp. 190-200.

Robinson, S. (2001), “An examination of entrepreneurial motives and their influence on the way rural women small business owners manage their employees”, Journal of Developmental Entrepreneurship, Vol. 6 No. 2, pp. 151-167.

Rockart, J. F., (1978). "Chief executives define their own data needs." Harvard business review 57, no. 2: 81-93.

Saraph, J. V., P. George, B., and Roger G.S., (1989). "An instrument for measuring the critical factors of quality management." Decision sciences 20, no. 4: 810-829.

Sorenson, R. L., & Bierman, L. (2009). Family capital, family business, and free enterprise. Family Business Review, 22(3), 193-195.

Thuaibah, Azlah, Rozeyta, Hisyamuddin and Noorizwan, (2007). Women’s involvement in entrepreneurship in Johor: a study about critical success factors in achievement and failure in handling business. Project report. FPPSM: UTM.