



**UNIVERSITI PUTRA MALAYSIA**

**CHARACTERISTICS OF SUCCESSFUL WOMEN  
ENTREPRENEURS**

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**CHARACTERISTICS OF SUCCESSFUL WOMEN  
ENTREPRENEURS**

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## **CHARACTERISTICS OF SUCCESSFUL WOMEN ENTREPRENEURS**

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**February 1998**

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Studies**

This is a descriptive study which aims to examine the characteristics of successful Bumiputra women entrepreneurs in Peninsular Malaysia. The characteristics were classified into personal, business, non-business and demographic. Data from 200 women entrepreneurs were collected from the membership list of the Malaysian Association for Bumiputra Women in Business and Profession, (Peniagawati), and the Ministry of Entrepreneur Development, using self-administered mailed questionnaire.



Data collected were tabulated and presented in the form of frequencies and percentages. Only women entrepreneurs whose businesses have been in operation for at least three years and whose annual sales exceed RM500,000 were categorised as successful and taken as sample of the study.

The majority of the women entrepreneurs were found to be less than 40 years of age, married with children, most of whom are of school-going age. Most of them have gone through tertiary education, possessing at least a diploma and have had some working experience prior to the entrepreneurship. By nature, most of them are hard-working, brave and confident and looking for self-achievement when venturing into business and not just monetary gain. Most of the entrepreneurships they choose to venture into are services-oriented, with paid-up capital exceeding RM150,000. Business ownership are mostly in the form of partnerships, and most of the businesses have been set up between four to ten years ago. The businesses receive some support from government agencies in the form of advice and licensing, but not adequately in the area of financing. Financial support is mostly obtained from banks, financial institutions and family members. Most of the women mentioned that they found obtaining financial support and workers as the main problems during the start-up as well as growing stages of the business, while family members, especially husbands, have been applauded as being most supportive throughout their venture in the business world.



Even though the number of successful women entrepreneurs have increased over the years, the number of unsuccessful ones are also undoubtedly many. It is recommended that future research be conducted on unsuccessful women entrepreneurs in order to learn from their mistakes and past experiences. Another interesting area of research is the study on business partnerships between spouses and how their relationship affect the business and vice versa.



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Pendidikan**

Penyelidikan ini bertujuan mengkaji ciri-ciri usahawan wanita Bumiputra yang berjaya di Semenanjung Malaysia. Ciri-ciri ini terbahagi kepada ciri peribadi, yang berkaitan dengan perniagaan, yang tidak berkaitan dengan perniagaan, dan ciri demografi. Data daripada 200 usahawan wanita dikumpul dari senarai keahlian Persatuan Wanita Bumiputra dalam Perniagaan dan Profesion Malaysia (Peniagawati), dan juga Kementerian Pembangunan Usahawan dengan menggunakan kaedah soal-selidik secara pos.



Data yang telah dikumpul disusun dalam jadual yang menggambarkan frekuensi dan peratus. Cuma usahawan wanita yang telah menjalankan perniagaan mereka melebihi 3 tahun dan mempunyai jumlah jualan yang melebihi RM500,000 setahun di takrifkan sebagai berjaya dan diambil sebagai sampel penyelidikan ini.

Secara umum, usahawan wanita yang dikaji mempunyai latar belakang demografi yang berusia kurang daripada 40 tahun, telah berkahwin dan mempunyai beberapa orang anak yang masih dibangku sekolah. Mereka merupakan kumpulan yang berpendidikan tinggi dan memiliki sekurang-kurangnya kelulusan diploma dan pernah bekerja sebelum berkecimpung dalam bidang perniagaan. Dari segi peribadi, mereka merupakan kumpulan yang rajin bekerja, berani, mempunyai keyakinan diri yang tinggi dan melibatkan diri dalam perniagaan untuk pencapaian diri dan bukan semata-mata bermotifkan wang. Kebanyakan wanita ini berkecimpung dalam perniagaan yang berbentuk perkhidmatan dan melibatkan diri kurang dari 10 tahun yang lalu. Kebanyakan daripada perniagaan mereka mempunyai modal berbayar melebihi RM150,000. Bantuan agensi kerajaan diterima dalam bentuk khidmat nasihat dan pelesenan sahaja dan bukan dalam bentuk kewangan. Masalah yang mereka hadapi semasa permulaan dan perkembangan perniagaan ialah untuk mendapatkan bantuan kewangan dan pekerja. Sementara itu, keluarga, terutama sekali suami, telah disebut sebagai paling banyak membantu mereka semasa menghadapi permasalahan sepanjang penglibatan mereka dalam perniagaan.

Walaupun ramai wanita telah berjaya dalam perniagaan mereka, tidak kurang juga bilangan yang tidak berjaya. Adalah dicadangkan penyelidikan dijalankan ke atas usahawan wanita yang tidak berjaya untuk mendapat iktibar dan pengajaran dari masalah dan pengalaman mereka telah lalui. Satu lagi bidang penyelidikan yang menarik ialah pengkajian mengenai perniagaan yang dijalankan secara perkongsian di antara pasangan suami isteri dan kesan perniagaan ke atas hubungan mereka dan sebaliknya.



## **CHAPTER 1**

### **INTRODUCTION**

#### **The Problem and Its Context**

Malaysia is undergoing tremendous changes in its socio-economic system. A country famous for its lush equatorial forest, mining and agricultural produce has been rapidly transformed in image and identity. Within a span of two decades, Malaysia has been successful in bringing about a transformation of the society which has enabled all Malaysians to enjoy a better quality of life. In the 1960s, Malaysia was preoccupied with the objective of creating sufficient jobs in the labour surplus economy. However in the 1990's, the economy is facing a serious problem of labour shortage.

One particular group of people benefiting most from the economic boom are the ones in the corporate world, giving birth to a new breed of Bumiputra entrepreneurs. Entrepreneurship is an activity greatly encouraged and welcomed by the ruling government. The advocates of the free market system believe that it is capable of



fostering a perfect market system. Furthermore, small businesses can encourage a healthier atmosphere for competitiveness than in a situation of monopoly capitalism. As a result, several organisations have been set up to cater to the various groups of entrepreneurs from various background, community, state and gender. One of the main organisations promoting the cause of Bumiputra women entrepreneurs is the Malaysian Association of Bumiputra Women in Business and Profession, also known as Peniagawati which has been in existence for the last sixteen years. Other similar organisations such as NAWEM (National Association of Women Entrepreneurs in Malaysia), Wawasanita are also active in propagating entrepreneurship amongst the women of this country.

The history of women entrepreneurship started in the olden days when women were only involved in family economy. Colonialism added another dimension to Malaysian history and heritage, whereby labourers, among them women, were brought into the country from Southern India to work in rubber plantations and Chinese settlers were shipped from China to work in tin mines. Some of these women chose to work in order to supplement the family income. The Indian women would help out with the rubber tapping and the Chinese women were famous for their 'dulang-washing' activities. Similarly, pre-independent indigenous Malay women helped their husbands in the padi fields and other agriculturally-related jobs as unpaid helpers to supplement the breadwinner of the family, namely, the men.



Obtaining independence from the British in 1957 saw Malaysia entering into a new era. Education became accessible to everyone and high-ranking positions are no the prerogative of the 'white masters'. Women are no more confined to the four corners of the house but are able to explore new frontiers and dwell in areas unthinkable of before Independence. A recent study has shown that women have been involved in various enterprises which were formerly male-dominated (Maimunah 1996). The number of women regarded as self-employed is estimated at 400,000 which accounted for approximately 25 percent of the total entrepreneur population in this country (Statistics Department 1996).

Women constitute 49.8 percent of the total Malaysian population of 19.7 million in 1994. The percentage of women in the working-age group(15-64 years old) was 48 percent but they accounted for only one third of the total workforce in this country. Table 1 shows the percentage distribution of women's employment by industry from 1980 until 1995.

**Table 1**

Percentage distribution of women's employment by industry

Industry	1980	1985	1990	1995
Agriculture and Forestry	39.0	38.4	34.4	28.4
Mining and Quarrying	10.3	10.5	12.9	11.9
Manufacturing	40.1	43.1	46.4	43.4
Electricity, Gas & Water	7.5	3.4	6.9	7.8
Construction	7.1	5.6	4.3	12.4
Wholesale & Retail Trade, Hotel & Restaurants	29.3	37.7	38.6	37.6
Transport, Storage & Communication	6.3	10.4	11.1	11.2
Finance, Insurance & Real Estate	29.5	35.1	34.2	40.3

Sources: Sixth Malaysia Plan 1991-1995(1991:463)

Seventh Malaysia Plan 1996-2000(1996:623)

The data in Table 1 show that the number of women involved in agriculture is decreasing over the years, while those involved in manufacturing, wholesale, retail and trade, and finance are steadily increasing. These shifts are mainly due to the mass urban migration of the rural population and a better level of education and opportunities awarded to today's women.

Better education has become the 'passport' to better paid jobs and with the policy on free trade, women have the liberty to choose whether to stay 'in service' or 'go out on her own'. Wealthy husbands who are not able to enter into business due to their positions in the public sector has also become a contributory factor as to why

wives hold high positions in companies alien to their own training and specialty. Such is the common scenario of women entrepreneurship in the West Coast of Peninsular Malaysia. Women from the East Coast have been exposed to small businesses very much earlier and are now regarded as 'old hands' in the business.

### **Statement of Problem**

A major impetus to research into women in business in the last decade or so, has been the recognition of the increasing contribution of women to business ownership, and hence to society as a whole. This has led to an interest in 'feminising' research into entrepreneurship and business ownership generally (Moore 1990; Hurley 1991; Stevenson 1990; Fischer et al. 1993).

The government of Malaysia has insufficient empirical information that might guide its efforts in producing more successful entrepreneurs, especially amongst women. Although efforts have been made by the government via the Ministry of Entrepreneurial Development and other relevant bodies to upgrade entrepreneurial skills of existing and aspiring entrepreneurs, the number of really successful women entrepreneurs has not risen as much as their male counterpart.

There is also very little research on the characteristics of successful entrepreneurs in developing countries. Hence there is a need for this study to

determine the characteristics of successful women entrepreneurs in the context of the whole entrepreneurial world.

A major research question to be addressed is ‘What are the characteristics of the successful women entrepreneurs? Another question which should be addressed is ‘What are the problems encountered by these women entrepreneurs in their business venture?’

## **Objective**

### **General Objective**

The general objective of this study is to examine the characteristics of successful women entrepreneurs in Peninsula Malaysia.

### **Specific Objective**

The specific objectives of this study are as follows:

1. To examine the personal characteristics of the successful women entrepreneurs.
2. To examine the business-related characteristics of the successful women entrepreneurs.

3. To examine the non-business-related characteristics of the successful women entrepreneurs.
4. To examine the demographic background of the successful women entrepreneurs.
5. To examine the problems women entrepreneurs face in their business venture, i.e. at the beginning and during the running of the business.

### **Significance of Study**

This study is intended to promote a better theoretical understanding and recognition of the complexities associated with the success of an entrepreneurship. Moreover, it can significantly contribute towards theoretical advancements in successful entrepreneurship models, and specifically, to strengthen the fields of Women Entrepreneurship and Women's Studies. Therefore, it is not just an individual's issue but also of organisation and government concern.

It will also help an individual who intends to embark on an entrepreneurship, to be aware of the various characteristics required for the success of the venture. This awareness can be a powerful motivator for a new entrant in entrepreneurship.

The findings would offer suggestions for formulation of entrepreneurial development policies and practices as well as comprehensive training programme for women venturing into this arena. The results of this study would offer various

organisations from the public sector such as those affiliated to the Ministry of Entrepreneur Development, universities, and other institutions offering extension studies as well as non-governmental organisations (NGOs) like the Malay Chamber of Commerce, Peniagawati, NAWEM and training consultants suggestions of continuing education programmes. The results would also provide individuals with knowledge that could enable them to be more successful in their business ventures.

### **Assumptions**

The primary assumption in this study is that the characteristics of successful men entrepreneurs are treated to inclusively to refer also to characteristics of successful women entrepreneurs.

The study also assumes that the research model which is mainly based on work in the West is also applicable to the Malaysian settings.

The entrepreneurs in the study are also assumed to be women who are successful in running their own businesses or are partners in the businesses which have been run for at least three years.

## **Limitations**

The findings of this study are unique to the accessible population of Peniagawati (Malaysian Association of Bumiputra Women in Business and Profession) and the Ministry of Entrepreneur Development. Hence the results are limited by its sample and operations.

The sample is representative of only Bumiputra women entrepreneurs operating in Peninsular Malaysia. Thus the findings of the study may not be generalised to all women entrepreneurs in Malaysia.

## **Definition of Terms**

**Entrepreneurship:** The United States Department of Commerce (1986) defines entrepreneurship as one who takes an active role in the decision making and risk taking in business in which she or he has majority ownership. Bowen and Hisrich (1986) regards entrepreneurship as the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks; and receiving the resulting rewards of monetary and personal satisfaction.

**Entrepreneur:** An entrepreneur is a self-employed person who has to face uncertainty, and will never be tied down to the traditional way of making deals. The

United States Department of Commerce(1986) suggests that research commonly employ a broad definition for the concept of entrepreneurship: an entrepreneur is “one who takes an active role in the decision making of a business in which s/he has a majority ownership.

Woman entrepreneur: Woman head of the business enterprise, who assumes the responsibility and risks of the enterprise.

Successful women entrepreneurs: The operational definition is given as those women entrepreneurs who have been running their businesses for more than three years and have total annual sales exceeding RM500,000.

Personal characteristics: Description of the personality and psychology of the woman entrepreneur and how she perceives herself and the surrounding. Amongst these are perceptions of success, risk taking, etc.

Business-related characteristics: Description of the business venture in terms of its classification, age, type of ownership, paid-up capital and total sales.

Non-business related characteristics: Other factors which describe the business, such as the type and nature of external assistance the venture receives.