

How to Improve Our Businesses? A Study on Rural Women Entrepreneurs in Two Selected States in Malaysia

Kalthum Hj. Hassan, Norehan Abdullah, and Rohana Yusof

Abstract----Despite being able to change their traditional roles as housewives to become entrepreneurs, rural women entrepreneurs seem to be trapped at the same level of achievements in their businesses for a long time. Even though most of them have received various types of financial and non-financial supports from governmental and non-governmental agencies, the level of productions and services and incomes among the entrepreneurs do not appear to improve satisfactorily. Therefore, this study intends to investigate limitations withholding rural women from progressing and to discover contributing factors for successful rural Malay women entrepreneurs. The study deals with rural women entrepreneurs from two selected states, Kedah and Penang located in northern part of West Malaysia. Data are collected through focus group discussions and non-participant observation. The study discovers that the limitations faced by rural women are problems in securing larger amount of loans to expand their businesses, uncompetitive marketing system, low standard of product packaging, limited knowledge in ICT and business management skills and limited business networking system. In addition most respondents acknowledged that the importance of family support especially their spouses. The study discovers that in addition to the above findings, each state contributes different aspects of limitations. For example in Penang most of the main limitation is lacked of business premise/space suitable for small businesses. In addition, not many activities organized by governmental/ nongovernmental agencies to promote small businesses' products and services.

In Kedah the main limitation is to acquire skills to improve business service quality. The respondents agree that they do not have the skills to train their workers especially the sales persons in their shops on proper business conducts. They acknowledge that the skills are important to ensure long term business relationship with their customers. To improve their businesses, most respondents feel that they need more exposure to business system and culture; need to acquire skills in business management and to learn more about their products potentials at national and international levels.

Keywords---Malaysia, rural, small business, women entrepreneurs.

Kalthum Hassan is with School of Government, Universiti Utara Malaysia, Sinto, 06010, Kedah Malaysia (phone no: 604-9287901; e-mail Kalthum@uum.edu.my).

Norehan Abdullah is with School of Economic, Finance and Banking, Universiti Utara Malaysia. Sinto, 06010, Kedah Malaysia (e-mail: norehan@uum.edu.my)

Rohana Yusof is a director of Northern Corridor Research Centre, Universiti Utara Malaysia. Sinto, 06010, Kedah Malaysia (e-mail: rohana@uum.edu.my)

I. INTRODUCTION

The Malaysian government has introduced various development policies and programmes to enhance the economic and social status of rural residents and to alleviate poverty. In doing so, the government has offered diverse types of loan schemes and financial and equipment supports to the rural poor and non-poor to facilitate them to involve in any economic activities of their choices which has resulted in a significant increase in number of rural women entrepreneurs. These opportunities have encouraged Malay rural women, who were mostly fulltime housewives to venture into small businesses.

Women Entrepreneurship has been recognized as an important untapped economic growth. In Malaysia, with various financial and non-financial support systems to promote entrepreneurship, the prospect for women in business is indeed promising. The remarkable growth of women-owned businesses has made headlines in many countries when women consistently have been launching new enterprises at twice the rate of men [1]. This is also factual for Malaysia as women are creating an increasingly significant portion of the Small and Medium Enterprise sector, which is the major source of new jobs. However, despite the above promising scenario, several studies on women entrepreneurship have discovered that not many small and medium businesses owned by women able to yield high returns. This paper investigates problems and limitations withholding rural Malay women entrepreneurs from progressing. It also determines factors that able to promote rural Malay women entrepreneurs to prosper.

II. PROBLEM STATEMENT

Several findings have discovered most of rural Malay women entrepreneurship activities are largely involving with food related enterprises such as food stalls and small and medium sized restaurants and small scale home-based cakes and traditional delicacies [2]. Even though there are a number of successful rural Malay women entrepreneurs, but the number is quite limited. In general, most women entrepreneurs are coping with socio-economic changes by productively using their free time and existing skills for setting and sustaining enterprises [3].

While rural Malay women entrepreneurs have demonstrated their potentials, the facts remain that they are not able to contribute more than they already are.

This scenario has raised some research questions of interest, to discover the problems confronting rural Malay women entrepreneurs to become successful entrepreneurs. The focus is to investigate limitations withholding rural women's from progressing and to discover contributing factors for successful businesses and the opinion of the respondents on how to deal with the limitations.

III. RESEARCH QUESTIONS AND OBJECTIVES

A. The Research Questions

- i. What are the limitations withholding Malay rural women's from progressing?
- ii. What make rural Malay women entrepreneurs succeed in their businesses

B. The Research Objectives

This study intends:

- i. To investigate limitations withholding Malay rural women's from progressing.
- ii. To discover contributing factors for successful rural Women entrepreneurs.

IV. RESEARCH METHODS

A. Data Collection Method

For the purpose of this study, data collections were carried-out in Penang Island and Langkawi Island. This is because the Islands are both tourist attraction sites. However, both of the islands have different business settings. Langkawi Island is a duty free Island. Even though there are a number of shopping centres, small and medium size businesses are still dominant in the island even in Kuah, the capital city of the Island. However, in Penang Island is a higher scale tourist island, with more high street shopping complexes. There are a few shopping areas/lots designated for small and medium businesses. However, these businesses are dominated by Indian Muslims (mostly men) and Chinese.

These two locations are selected to retrieve and verify the assumption that different location and communities face different problems and opportunities and hence require different livelihood strategies.

Data collection method for this study is qualitative specifically Focus Group Discussion (FGD) and non-participant observation. Two focus group discussions were organized to generate exhaustive discussions on opinions based on experiences of the respondents on related issues. Twenty two (22) respondents were selected for focus group discussion in two different research locations.

Eleven (11) were from Langkawi Island, Kedah and another eleven (11) were from Penang Island. Later in this article, these two place will be named as Langkawi and Penang. In Langkawi, the FGD was carried-out among entrepreneurs from rural areas. Most of the entrepreneurs have business premises in Kuah. A few have premises in their villages and market their products in Kuah and other parts of Langkawi Island.

FGD in Penang was carried-out in a small village called Jalan Bharu, in Balik Pulau District. Majority of the

populations in the district are Malays. Most of the respondents in Penang Island operate their businesses in the villages and market their products in various small towns and urban centres in Penang.

The non-participant observation method is used to gather information on the daily transactions of the participants' trading processes and business practices. This gave the opportunity to observe their business premises, their social interactions with customers, business colleagues and employees.

B. Background of the Respondents

The selection of respondents is based on the following criteria to provide sampling units appropriate to this study:

- 1) Women who have been in business for 5 years and more. This is to ensure they have sufficient experiences in managing their businesses.
- 2) The women were selected from different types of businesses such as food related businesses, women clothing and accessories boutique, homestay managers and operators and several others.
- 3) The respondents are among those who are doing small businesses and experiencing increased in household incomes due to the participation in the businesses. The monthly business net income is RM800 or more.
- 4) They are from rural areas even though they operate their businesses in nearby cities/ towns.
- 5) Participants are willing to participate in the study.

V. LITERATURE REVIEW

For this study, an entrepreneur can be defined as a person who creates a new business in the dimensions of uncertainty for gaining growth and monetary profits by recognizing opportunities and constructing the required resources [4]. Numerous studies discover that barriers withholding accomplishment of women enterprises in Malaysia can be summarized to the following elements; financial and capital assistance; network; education, training and counselling; and usage of ICT. The identification of these factors aid in the initiation of policies and programmes for entrepreneurship development among women.

Study by Jariah and Laily (1995) have identified that Malaysian women entrepreneurs are facing problems of low levels of education, lack of skills (especially managerial skills), performing the dual role of housewife and businesswoman, working as unpaid family workers and a lack of representation at decision making [5]. In an attempt to analyze these problems, it is assumed that an understanding of Malay social-cultural values would be a prerequisite in planning women's future in the field of entrepreneurship. A lack of understanding of these values would make it impossible to correct traditional perceptions and views, for instance women's domestic role, and future plans for Rural Malay women progress would be likely to fail because they would be in conflict with the established and existing values of an industrial society.

Study by Rohana, a survey of the personal characteristics of the respondents was made and the respondents describe their own personal characteristics and how they are related to their

decisions to set up a business venture [6]. The study shows that Malay business women have distinctive characteristics that impact their entrepreneurial practices, behaviour and actions. The characteristics are self-confidence, a person with visions, willingness to learn and committed and dedicated to their religion.

According to Rohana (2012) factor that contributing to the gap in success is cultural, historical, regional, economic, academic, religious and familial factors [6]. Although these factors may cause some women to become successful entrepreneurs, it is also possible to have the same factors negatively influence other women. For example, while familial support may help some women in their successful careers, an unsupportive family may cause women not succeed in business. While, socio-cultural factors play an important role in the growth of women owned enterprises, women entrepreneurs do not enjoy the same opportunities as men due to a number of deep-rooted discriminatory socio-cultural values and traditions [7].

To make innovation a part of the business practice, business owners need to develop the right attitude, conviction and creed in practicing the innovative mind. Attitude toward innovation seems to be the most important determinant that put together all other aspects of innovation in place for a business venture. Entrepreneurs with the right attitude towards innovation, coupled with motivation to put their innovation into practice, and pass down this zeal to their subordinates and workers would achieve success in their business ventures [8].

Saudi female entrepreneurs were motivated by financial and non-financial factors, pull and push, and internal and external motives. Personal characteristics of the business owner, the quality of the product produced within the firm, advertising and promotion strategies, family support, previous education, availability of resources, and years of experience were all elements identified by participants as contributing to their success. Obstacles suffered by participants included competition, filing government paperwork, conflict between roles at work and home, marketplace changes, and lack of management skills based on study by Sarah Alzahrani [9]. While, A study of Nigerian women business owners founds that a high self-concept regarding their role in business and commitment to business could help women to become more successful entrepreneurs [10]. This study also reveals that entrepreneurial success depends on psychological factors such as self-concept, managerial competence, and work-stress and business commitment.

The literature mainly defines the factors supposed to effect small business growth in two categories. The first involves entrepreneurs' characteristics such as behaviour, personality, attitude, their capabilities including education and training that create higher expectations in some industry sectors, their personal role, goals and growth aspirations and their social capital which influences access to resources [11]. Other entrepreneurial factors identified are as a previous management experience, family history, functional skills and relevant business sector knowledge [11]. At the same time as, none of these though, has been shown conclusively to constitute a universal success factor. The second category of the factors influencing the business growth is the business

itself in terms of its structure and goals, the performance of its management, in particular their ability to make rational decisions about its operation.

In planning the future of rural Malay women entrepreneurs, an understanding of these northern region rural Malay social-cultural values would help to rectify the traditional perceptions and views on roles of rural Malay women in households and as income generators. In particular, this study also hopes to provide an understanding on limitations withholding rural women from progressing and provides suggestions to deal with the limitations. In addition, the findings of this study could provide insights and recommendations to relevant departments and organizations to promote the development of Malay rural women in the field of entrepreneurship; and for effective pedagogical processes and programmes of education for rural Malay women business owners.

VI. ANALYSIS AND FINDINGS

The discussion on the FGD is divided into two groups, Langkawi Group and Penang Group. This analysis is to separate the issues and challenges faced by these two groups due to differences in business environment and challenges experienced by these groups.

A. Langkawi FGD

Since most of the entrepreneurs have their own business premises, they are concerned with the quality of services to be delivered to their customers. Most of them understand the importance of having good customer service to provide good impression and ensure long term business association with customers. They realize that customer relation skills and ethics are important for small businesses to attract tourists and at the same time to portray good impression about Malaysian tourism industry to tourists. Most of the respondents feel that they have lacked of knowledge and skills to train their staff for the skills.

During the discussion, most of the respondents understand the basic requirements for good customer relation. They outlined the requirements as follow:

- 1) Staff needs to have good amount of knowledge on the business products and services so that they will be able to guide and give suggestions to customers on the choices of products and services based on the customer needs and preferable.
- 2) Staff should be able to converse/ communicate at least in simple English with tourists.
- 3) Staff should have professional skills in entertaining customers' needs and preferences related to the business products and services.

Another issue is having a strategic business premise. There are lots of business premises in Kuah town area however, the price to purchase or to rent the premise is high. It deters small businesses to be located at strategic business location.

Next is the difficulty to obtain raw materials for business products and services from Langkawi Island. Therefore the materials need to be purchased from other places which requires additional cost to transport the material. In addition,

the materials are taxable and therefore contribute to increase in the production cost.

Another observation by the respondents is most officers in economic development agencies are not business minded. Most of the officers are unable to assist and provide proper guidance to new comers in business. They do not have any idea or interest to ensure the agency's rules and procedures are friendly to the needs of a business environment.

Lastly, most of the rural women entrepreneurs acknowledged that have very limited knowledge on the usage of ICT to expand their businesses.

B. Penang FGD

Most of the respondents were housewives before venture into businesses. They start their businesses after they participated in community business development programmes initiated by local community groups under Agricultural Association Authority (*Lembaga Pertubuhan Peladang – LPP*). In Penang, most of businesses are dominated by the Chinese especially medium and large scale businesses.. This scenario includes businesses in Balik Pulau District even though the majority of the population in the district are Malays (Pulau Pinang, 2012) Therefore, in order for rural Malay women to be able to established their businesses and able to have controlled over the businesses they need to venture into different aspects of business opportunity that is products and services to fulfill demands of a specific group of people to avoid competition. The FGD main discussion was on problems faced by the respondents in managing their businesses. The problems are outlined as follows:

- 1) Infrastructure and service
 - Lacked of proper and affordable business premises in Balik Pulau District.
 - Lacked of events and exhibition activities to promote small and medium business industries.
 - Lacked of knowledge to access for loan
- 2) Business management
 - Lacked of quality control
 - Uncompetitive marketing system
 - Low standard of product packaging
 - Inability to manage business effectively
 - insufficient capital and lacked of financial support

The respondents acknowledged that they have been approached by a number of development and financial agencies offering financial assistance for their businesses. However, due to lack of exposure and management skills the respondents are reluctant/ unable to accept the offer. They have seen some of their business colleagues failed when they wanted to move to a higher level. Therefore, according to most respondents, even though they have desire to expand their businesses they are very careful in doing so. As for the moment, they prefer to be well-prepared before doing so.

The respondents are hoping to be able to have proper trainings in business management skills at affordable fee. They are hoping to have assistance from government agencies of higher learning institutions to organize the training.

Both FGD groups acknowledge the importance of proper support system in their household to ensure they can function effectively in both their businesses and at homes. Blessings from their spouses, other family members and parents are important to rural Malay women before they proceed with their plans/ intentions.

Most of the respondents agree that they have difficulties in managing their own businesses due to lack of experiences in the field. Most of them were housewives and have very little exposure to business world. Even though some of them had attended several business management workshops prior to commencing their businesses, they found it quite difficult to apply the theoretical concept to practice. However, those who attended the workshops agree that the workshop have provided the basic knowledge and techniques to manage their businesses.

From the observation, rural Malay women are able to survive in the male dominated sphere are because they are venturing into a different cluster/ sector of businesses that are suitable to women's capability and skills. The observation discovers that some of the respondents are highly deterministic in achieving their goals. In addition, most of the respondents have future plans to expand their businesses and working hard to achieve them. However, they are very cautious to take every new step to avoid any problems along their journey to achieve their long term goal. This is proved by looking at a few of the respondents who have to sacrifice their problematic marriage to ensure that they can stabilize their businesses. They wanted to build a strong economic base for the future of their families. From a conversation with a 75 years old respondent, she has a big plan to expand her business premises to a new shop lot near a new shopping mall in Kuah town centre (Langkawi Island). She has already rented a shop space over there. She also plans to sell a different product in the new lot. Right now she is in the women clothing business.

There is also a young girl in Penang, who is very active promoting her business product that is batik. At first, she opens a small batik printing workshop nearby her parents' house five years ago. Now, the business has expanded and become her family's business managed by her.

Both FGD groups acknowledge that management skills are important to ensure long term business progress. In order to achieve that, they need to be trained and exposed to various business systems and cultures to acquire experiences and skills in business management. They also want to ensure that their staff are well-trained to establish good customer service and long-term business relation.

VII. CONCLUSION

In summary, the FGDs for both groups were focusing on the problem in expanding businesses. However, issues and problem for both FGD are slightly different. In Langkawi, the issue is more on the customer services since most of the respondents have their own shops. While in Penang, the issue is about the limited business premises for the respondents to market their products directly.

To improve their businesses, most respondents feel that they need more exposure to business system and culture; need to

acquire skills in business management and to learn more about their products potentials at national and international levels. Hence, the study can conclude that if Malaysia is to benefit fully from the female potential for job creation and economic growth, decision-makers at local and national level must agree to take measures to ensure the best possible framework to support women's entrepreneurship.

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