

**FACTORS INFLUENCING WOMEN ENTREPRENEURS BUSINESS SUCCESS OF  
SMEs IN MALAYSIA**

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FACTORS INFLUENCING WOMEN ENTREPRENEURS BUSINESS SUCCESS OF  
SMEs IN MALAYSIA

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## **ABSTRACT**

Small and Medium Enterprise (SME) plays an important role in the economic development of the country. There are an increasing number of women entrepreneurs involve in this sector nowadays. Hence, this paper presents findings of a research study design to investigate the factors that influence women entrepreneurs' business success of SMEs in Malaysia. This research focus on six variables that contribute to the business success namely; financial capital, motivation and goal, social networking, government support, improvisation and adoption of information and communication technology. Questionnaire was used as a method of data collection in this research and has been distributed to 150 women entrepreneurs in Malaysia. Multiple Regression analysis was used to analyze the research hypothesis. Multiple Regression analysis showed that collectively all factors have positive influence on women business success. However, if it indicates individually, motivation and goal and government support factors have no significance influence to women business success. The findings of this study could contribute both theorists and managerial practitioners.

## **ABSTRAK**

Perusahaan Kecil dan Sederhana (PKS) memainkan peranan penting dalam pembangunan ekonomi negara. Terdapat peningkatan jumlah usahawan wanita yang terlibat di dalam sektor ini pada masa kini. Oleh itu, kertas kerja ini membentangkan hasil reka bentuk kajian penyelidikan untuk mengkaji faktor-faktor yang mempengaruhi kejayaan perniagaan usahawan wanita PKS di Malaysia. Kajian ini fokus kepada enam pemboleh ubah yang menyumbang kepada kejayaan perniagaan iaitu; modal kewangan, motivasi dan matlamat, rangkaian sosial, sokongan kerajaan, penambahbaikan dan teknologi maklumat dan komunikasi. Soal selidik telah digunakan sebagai kaedah pengumpulan data dalam kajian ini dan telah diedarkan kepada 150 usahawan wanita di Malaysia. Analisis Regresi Berganda digunakan untuk menganalisa hipotesis kajian. Analisis Regresi Berganda menunjukkan secara kolektif bahawa kesemua faktor mempunyai pengaruh yang positif terhadap kejayaan perniagaan wanita. Walaubagaimanapun, jika ia menunjukkan secara individu, faktor motivasi dan matlamat dan sokongan kerajaan tidak mempengaruhi terhadap kejayaan perniagaan wanita. Hasil kajian ini boleh menyumbang kedua-dua pengamal teori dan pengurusan.

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## LIST OF ABBREVIATIONS

Abbreviation	Meaning
BNM	Bank Negara Malaysia
FEM	Federation of Women Entrepreneurs Associate Malaysia
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
ICT	Information and communication technology
ILO	International Labor Organization
KPWK	Ministry of Women and Family Development
MITI	Ministry of International and Trade Industry
NAAM	New Women's Movement Foundation
NAWEM	National Association Women Entrepreneurs of Malaysia
NEW	New Economic Model
NGOs	Non-governmental Organization
RMK6	Six Malaysia Plan
RMK9	Ninth Malaysia Plan
SME	Small Medium Enterprise
SME Corp.	Small Medium Enterprise Corporation
SMIDEC	Small Medium Industries Development Council

USAHANITA	=	Association of Bumiputera Women Entrepreneurs
WAO	=	Women's Aid Organisation
WEA	=	National Women Entrepreneur Award
WIM	=	Women Institute of Management
WSME	=	Women SME Association of Malaysia

# **CHAPTER 1**

## **INTRODUCTION**

This chapter addresses the introductory part of the research. It basically includes background of the study, statement of the problem, research question, research objectives, significance of the study, research scope, and the limitation of the study.

### **1.1 Background of the Study**

Women constitute a large part of the population of Malaysia (Rozzy, 2009). Great contribution of women to national development has long been recognized. As a wife, mother and children, they are a key pillar in shaping Malaysia generation of more effective and efficient and progressive in future. Women entrepreneurs have contributed significantly to the economic development of the country, both in the jobs created and in the generation of revenue. Even though there is no data about the number of women participation in SMEs, but in the past few decades's women's involvement in small business increased significantly. In fact, there are many women entrepreneurs are increasing in Malaysia (Teoh and Chong, 2008).

Moreover according to Isa and Jusoff (2009), women entrepreneurs play as important role in promoting economic development in Malaysia, as well as help emphasizing employment opportunities. Research has shown the importance of women entrepreneurship has contributed to the overall economic development of the country (Allen, Langowitz, & Minniti, 2007). Although entrepreneurship scholars agree that age,

employment status, education, and household significant determinants of income for women to start their own business (Allen, Langowitz, & Minniti 2007), the majority of women entrepreneurship tend to be more visible and effective when directly related to the increase in the standard of living is low (Minniti, 2009). Over the last two decades an increasing number of women entrepreneurs starting their own businesses and self-employed (Botha, 2006).

At present, women's involvement in economic activity has become increasingly important to the development of Malaysia (Ahmad, 2009). Women should not be forced to do their job at home, but the majority of them have the courage to take part in the business. Courage and commitment in business has led to great success in contributing to the success of the country (Mansor, Suzanna and Siti, 2008). According to the former Prime Minister of Malaysia Tun Dato 'Seri Dr Mahathir Mohamad, (2002) the achievements and the role played by women in entrepreneurship is very clear shows the potential of women in the face of competition. According to Azizah Abdullah, (2005) in her speech at Opening Ceremony Bumiputra Women Entrepreneurs of Malaysia (Usahanita) confirms, if women dream of becoming a successful man, they need to implement an efficient features such as competitiveness, progress and create energy. To be brave and not afraid to face the risk of failure is the starting point for successful women entrepreneurs.

According to Jamilah (1992), in 1980, women represented for only 7% of employers in the economically active populations of Malaysia. Furthermore, 0.6% of Malaysian women entrepreneurs were categorised as employers, while 16% were categorised as own-account employers in 1984. Hardly, 10% of the total number of all employers was women. The percentage increases only 8.5% in year 1990, with men still dominant the vast majority in employer status Women's Aid Organisation, (2001). Entrepreneurship development is also an important issue linked to the Malaysia current development of economic. Embarking from the Sixth Malaysia Plan (RMK 6), the Government seems to focus on promoting entrepreneurs development as it represent innovation and an important key in current economy. Entrepreneurship has also been recognized as a major element for creating jobs and important determinants of economic growth in Malaysia. As a result, some of the action plan by the Malaysian government that fears about the industry, privatization and entrepreneurship can increase the number of successful women entrepreneurs in business (Maimunah, 2001).

However, Malaysian women entrepreneurs have recently become recognised as important pool of resources for Malaysia's economic growth. Women represented for about half of the total population, and about 36.7% of Malaysia's total workforce of 10.9 million, with an increasing representation at the professional, technical and managerial levels Ninth Malaysia Plan (2006). In Malaysia, according to the Malaysian Business Commission (2010), shows that among the top business venture registration were food and beverage businesses. There are 49,554 business units owned by women in 2010 and 54,626 was recorded in 2011. This is clearly shown that women entrepreneurs in

Malaysia have a strong commitment to contribute and involved in commercial and economic activities.

According to Department of Statistic Malaysia (2011), women represented 49% or 14 million of Malaysia's total population. 19.7% of all Malaysian SMEs are owned by women. Majority of these female-owned enterprises are focused in the service sector, amounting to as much 91.7% of their overall participation as SMEs, followed by manufacturing at 6.9%, with the balance in construction, agriculture or mining (SME Census, 2011). The increase in women's participation in the labour force shows that women in development activities has become increasingly prominent and more positive. This is facilitated by the development of the country's many opportunities and space for women to enhance their achievements in various fields and activities in addition to opening and a greater challenge to continue to serve and managed in accordance with the process of industrialization and modernization of the country towards the 21st century (Moha, 1997).

Entrepreneurship is very important for women because it provides a way to become self-sufficient, responsible for their own career path, and as a way to overcome the "glass ceiling" of the corporate world. There is a relationship between women's entrepreneurship and economic growth (Minniti, 2009). According to Hisrich (2005), entrepreneurship is increasingly recognized as an important tool of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism. Transforming ideas into economic opportunities is the decisive

issue of entrepreneurship. History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks.

Entrepreneurial activity has become the focus of attention in many countries because it stimulates the economy development and employment opportunities. Many governments have recognized the contributions entrepreneurial activity and have started to provide various forms of financial assistance and facilities to improve entrepreneurship in countries respectively. Similarly, Malaysia, a country that aspires to become a developed country state in 2020, has been increasingly emphasized industrialization as a way to encourage the formation of new businesses (Abdullah, 2009). Plan “Vision 2020” project is considered as “social engineering” which aims to create “Modernity Malaysia” through “rebuilding the economy, society and identity” (Furlow, 2009).

New business increasing in small and medium enterprises (SMEs) sector in Malaysia is evidence of the Government Dedication Malaysia in promoting entrepreneurship (Zain, Akram & Ghani, 2010). SMEs recognized as the “backbone of Malaysia” long-term industrial development program “(Brothers et al., 2010) because they are considered “mechanism in generating domestic investment-led, stimulate economic development and improve the job market for the country” (Kang, 2007). Small and medium enterprises receive adequate attention in the policies of economic and social development whether in countries that have developed or developing countries. Since 1990s in the United Kingdom, a series of Government White Paper Competition has been



impacted more on the role and contribution to the economic growth of the SME sector to be more competitive (Smallbone, 2004).

In addition, several large countries like United Kingdom, United States of America, and Australia success in generating employment, innovation and growth through the contribution of SMEs in the country (Patlay, 2004; Carter and Van Auken, 2006; and Ehrich and Billett, 2006). In line with industry developments, East Asian countries such as Japan, Korea and Taiwan, for example, also depends on the economic resources of SMEs and most developed countries with the development of SMEs (Asri and Darawa, 2012).

In Malaysia, small and medium enterprises are one of the main strengths of the country's economic growth and almost 99.2% of the total entrepreneurs in Malaysia is a registered dealer SMEs and contributed 32% of gross domestic product (GDP) (Asri and Darawa, 2012). The above statistics show that the contribution of SMEs to the economy is important. In addition, the development of SMEs is also important for industry growth and contributes to a more aggressive competition in the industrial sector because it may be complementary supporting industry or industry to other industries.

In the field of entrepreneurship in Malaysia, men and women entrepreneurs are seen as a positive competition. However, in the SME sector, the involvement and contribution of women entrepreneurs to the economy is still less compared to male

entrepreneurs. Among Malaysian SMEs, 16% or almost 83,000 businesses owned by women entrepreneurs by census in 2005 Ministry of International and Trade Industry, (2009). The low representations of women entrepreneurs make men as the main dominator on the SME sector in Malaysia. Also, 89.5% of women-owned in Malaysia is in the service industry (MITI, 2009). Many of them provide services that are largely confined to “feminine” scope of work. The services provided by women’s business including child care and pre-school, beauty and skin care, training and consulting, property management, and insurance (Ministry of Women and Family Development, 2003).

Though the rate of women’s entrepreneurship is low, Malaysia’s government recognize their potential contribution to the country’s economy since women have begun to take part in the business, professional, management and technical fields at an increasing rate (Bank Negara Malaysia, 2005). Various forms of support and assistance are given by government to foster women's entrepreneurship. Support and assistance ranges from the formulation of the country policies to promote women’s participation in the economy (Ahmad, 1998) for business advice, funding and development of entrepreneurial skills (BNM, 2005). All these initiatives aim to reduce barriers and obstacles to women to become entrepreneurs. To facilitate women’s entrepreneurship, Malaysia’s government established Ministry of Women, Family and Community Development in 2001, as an agency to promote women to venture into business (BNM, 2005; Teoh Chong & 2007), especially in single-establishment firms or small share of the house (BNM, 2005; Farida, 2004). Government of Malaysia "aspiration in developing

additional 4,000 women entrepreneurs in 2012 are included in the fourth terrace of the National Key Result Areas (MITI, 2009; KPWKM, 2009). In addition to the provision of financial assistance, the National Women Entrepreneur Award (WEA) was introduced with and approved by MITI and the ministry to recognize the achievements of women entrepreneurs from various industries in Malaysia (MITI, 2009).

In addition to the government's efforts in promoting women's entrepreneurship, many women's non-governmental organizations (NGOs) such as the Confederation of Women Entrepreneurs (FEM) and the National Association Women Entrepreneurs of Malaysia (NAWEM), provides networking opportunities and skills training programs for equipping women or other women entrepreneurs with the necessary entrepreneurial intentions routes, knowledge and efficiency in setting up and running their small business. Programs offered include not only important business skills, such as developing a marketing strategy, packaging, labelling, but also technical skills like hairdressing, cooking, and floral arrangements (Farida, 2004; The Star, 2010).

Hence, it is noted that the Malaysian government is seriously contributes and supports the entrepreneurship field especially in women entrepreneurs' development in the recent years. This shows that the participant of women entrepreneurship in the country is very important in the process of country development, especially in the rapid sectors such as bio-technology and information and technology area towards Vision 2020.

However, according to the Global Entrepreneurs Monitor (GEM) research in Malaysia, in an entrepreneurial environment, success reflects badly on the assistance provided by the government, shows that the regulation of the new firm opposition, and the bureaucracy of the government and the requirements of licensing prevent fresh organizations from growth. It exist uncertainty about the efficiency of government in assist a new organization to growth. The lack of government assistance categorized into lack of capital support, lack of training, and market opportunity are the main factors that lead women entrepreneurs in Malaysia are holding back (Gatsiounis, 2006).

In addition, many research efforts have been proceed to examine factors that affect the performance of women entrepreneurs' as a prove to the literature and a previous researcher, although the factors that have been studied and carried out among developed countries . It is very important for Malaysian women entrepreneurs to understand these factors as they depends a great influence on the success of their business, especially when they compete in a challenging global business field.

According to significant challenges and issues that had been faced by SMEs women entrepreneurs who are driven by a number of factors involved, researchers argue that the study on examining factors influencing women entrepreneurs' business success of SMEs in Malaysia needs to be done. Therefore, this research can be considered as an interesting topic and issues to be reviewed and explored in detail and this study will focus whether factors such as financial support, motivation and goal, social networking,

government support, improvisation and adoption of information and communication technology (ICT) will be able to influence the women entrepreneurs business success in Malaysia as a survey.

## **1.2 Problem Statement**

The involvement of women in entrepreneurship is seen as something that positively to the economic development of the country. Along men, women also do not miss the opportunity to participate enliven entrepreneurship in Malaysia. Rapid economic growth attracts more women to participate actively in the world of entrepreneurship. As of today, around the world there are many women entrepreneurs have become millionaires famous. In fact, some of them are more aggressive than men in terms of thoughts, feelings and actions (Faridah, 2000). In the business world, a woman evidently has its own advantages when compared with men. Women are often more willing to deal with customers and conscientious manner to manage the business. The nature of such austerity enables them to control costs in business operations. Such principle itself is decisive to the success and advancement in their field of endeavour.

As explained in the beginning, there is increasing numbers of Malaysian women entrepreneurs of SMEs. But the country does not yet exploit them very well to contribute a lot for economic development. One of the reasons for this might be problems of women entrepreneurs themselves. However, the country is still not received enough contribution from women entrepreneurs towards country development. Women entrepreneurs themselves might be as the reason due to this problem. This is explained by differences

empirical evidence. According to Gemechis (2007) and ILO (2009) found that women entrepreneurs are facing a numbers of obstacles around them for examples, women entrepreneurs facing a tough conditions into to increase huge financial capital which are demanded by the bank as a condition to accessing the loan and generally women owned business with their low start up and working capital (Kimathi,2009).

According to Ashwin (2002), women entrepreneurs in Malaysia face a huge obstacle in term of to gain financial resources at the lending institutions for examples they are lack to access of: (i) loan; (ii) social networking; (iii) management experience opportunities and (iv) management between responsibilities towards family and operating the business.

Various researches have tried to differentiate an entrepreneurs and businessman (Sexton, 1991). They stressed that a person to become an entrepreneur if they have high tendency to growth Krishna, (2003). In addition, according to Cliff (1998), they observe the trend of growth as a person's tend to develop and growth ahead to attain the same. Therefore, the profitability is always applied as a criterion for identifying the organization success.

In any field of endeavour, not everyone will be successful. Likewise to entrepreneurship, there are some entrepreneurs will succeed and some will face of failure. Although well known that entrepreneurship is an area of high risk for failure, but the involvement of women, particularly in this field shows a positive trend. There are many

reasons that motivate a women engage in business as an economic activity or source subsistence (Mahashim, 1995).

Most women who are venture into business actually have been involved with other works, such as wage earners working in the public sector or private. There were also among those who have worked themselves in various fields such as agriculture, handicraft companies, food and other non-work business. For a salaried job, work derived not from commerce itself, but only to offer services as an employee to another party. This raises taste is not free, is not satisfied in terms of income and had to work under the direction of others. It makes them want to try to start their own businesses. If there are self-employed, they can produce their own products based on their own experienced, skills and knowledge and direct market their products without through a middle man who is considered choke the blood. (Faridah, 2000).

However, there are also women entrepreneurs venture into business because of the circumstances forced. For example they do not have a good educational level. Then, at the urging of life as well as family or friends, then the individual begins business whether small or large scale, depending on existing capital, ability, experience and support of those around them.

Past studies have basically focused on gender differences in practices and the implications of these matter for the various measures of entrepreneurial performance (Collins-Dodd, Gordon, & Smart, 2004; fasci & Valdez, 1998; Orser, Riding, and Manley, 2006; Watson, 2003 ). Currently, gender differences in social networking has become a focal point for literature (Klyver, 2007;. Menzies et al, 2004).

According Reevy & Maslach (2001), gender differences in the structure of social networks (ie, gender composition) may have implications for the type of support received by women and men entrepreneurs. For example, social support from previous study has shown that women are more likely to find and provide emotional and social support, while men are more likely to seek and provide informational social support.

According to Metz & Tharenou (2001) stated that the importance of entrepreneurship for the participation of entrepreneurial networks may vary as a function of gender. Women entrepreneurs may struggle to develop appropriate social networks and effectively as 'interrupted' nature of their career such as commitment, child care and etc.

In addition, according to Women Matter (2010), stressed that women are less involved in social networks and have a different network than men. In this context, one must emphasize that one of the most important factors that explains start is the structure



of a social network of entrepreneurs. The network where is women mostly involved is accordance with their family duties. This situation can be barrier to their business life. Women face a "double burden" syndrome, which is currently as today model in our society, in order to balance work and domestic responsibility. A women entrepreneur has not have many opportunities and possibilities to seek a resources, knowledge advantages and support to start a business.

In line with the globalization, ICT is the main factor which women entrepreneurs can penetrate the wider market in their field. However, previous researchers have shown that the use of IT among women entrepreneurs in SMEs are still remain low (Pavic, et al., 2007. Yu, 2006). Some of the challenges of IT using have been identified such as lack of financial resources and expertise, lack of IT knowledge and potential and shortage of skills (Blackburn and Athayde, 2000; Cavalcanti, 2006; Ndubisi & Bull, 2003; Utomo, 2001).

According Kapurubandara et., al (2006) stated that two obstacles internal and external factors preclude the use of ICT among SMEs in developing countries. For examples the internal barriers including firm characteristics, owner characteristics, cost and return on investment, and external barriers including social, cultural, regulatory requirements and infrastructure.

In today's global economy, SMEs will not be able to compete successfully without the more efficient use in Information Technology. However, despite their significant contribution to domestic supply, jobs and economic growth and exports, there is a broad discussion about the obstacles faced by local SMEs. These obstacles are preventing them from growing further and put them in a critical position to face the new challenges arising from globalization, liberalization and organizational change and technology extensively. It has been reported that the challenges faced by Malaysia SMEs undermine their performance.

According to Kotelnikov (2006) ;Thomas et., al (2007); Stuti (2005) , SMEs face many barriers to compete in a globalized market, which includes: i) poor financial strength, ii) lack of skills for the new business environment, iii) lack of capabilities accessing the technology management, iv) low productivities, and v) lack of information and technology skills.

These findings are supported by Ting (2004), in which he said the lack of access to financial systems, human resource constraints and limited or inability to use the technology is a problem in the SMEs.

To enhance performance and sustain a competitive environment in the business, entrepreneurs usually have to change the course of their original plan, remain flexible, and constantly develop their business (Mullins and Commissars, 2009). As a result, entrepreneurs must be able to formulate and implement strategic decisions within this

novel as an example is improvise to take advantage of opportunities to move their firm towards brighter.

Baker, Miner, and Eesley (2003), affirm that entrepreneurs are spending significantly amount of time to formulate extemporaneously and implement strategic decisions, using only the resources available to them in this time. However, this fact should not be regarded as stating that improvisational behaviour always, but usually, a form of benefit action to entrepreneurs.

In Malaysia's economic situation, there are many workers who dismissed and many degree and diploma holders who are still unemployed. At the beginning 2002, there were approximately 40,000 unemployed graduates (MB Muda et.al, 2003). This encourages them to become an entrepreneur as a condition force for salaried employment opportunities are limited. In addition, governments, non-governmental organizations (NGOs) and women's organizations have organized various programs and training to educate and train Malaysia's community especially women in business. Programs and training made specifically for women as they are seen to have great potential for excellence in business. According to Noor Azmah (2002), only 15% of the total working-age women in Malaysia involved in business. This problem may occur due to the mind-set that they cannot excel in business. Thus, this study investigated the factors those influencing women entrepreneurs business success of SMEs in Malaysia namely financial capital, motivation and goal, social networking, government support, improvisation and ICT.

However, women entrepreneurs observe their business separately from male entrepreneurs' which is women expose separate social experiences that might create the revised choice between them as professional experience and their combination of social networking. (Bussey et., al 1999). Some studies show that women-owned businesses are no more likely to fail than men-owned (Johnson, 1993). Women are deemed to assess success in relation to their achievement in attaining personal goals (i.e. self-fulfilment, goal attainment etc.) (Buttner et., al 1997). Other researchers found that differences in initial capital and goals explain the poorer performance in growth and survival of women-owned businesses (Cooper and Woo 1994).

Success and failure is an individual who holds a fair for members business. Most studies and interviews conducted on individuals who has been successful and excel in business had experienced failure in business at least once, before they bounced back to restart their businesses. According to Osborn (1995), many entrepreneurs fail and 90% which commenced business in the USA have been closed in the past 10 years.

Hence, it is important for all government institutions, banking and capital provider agencies as well as women associations in order to provide assistance for women entrepreneurs in term of obtain the capital (Women SME Association of Malaysia. 2006). Therefore, they are more preferred to rely on their own personal capital while they frequently face a high requirement to obtain the financial.

In addition, according to the action plans by territory issued by Women's Development Foundation in 2003, the women involved in the field of business and entrepreneurship, whether in urban or rural areas often face problem as follows:

- i. Lack of training and exposure on aspects related entrepreneurship and business such as marketing, product development, quality control, advanced production technology, business management, financial management, import and export business, how to apply for a license business, how to make loans, motivation and self-confidence. This problem faced not only by urban women but also rural women involved in micro enterprises, small-scale industries based on agriculture and agro-tourism.
- ii. Limited opportunities to get loans and credit facilities from financial institutions to start a business and for the purpose business development.
- iii. A large number of women involved in the informal sector either as own employees or workers exposed to exploitation such as low wages and poor working conditions.
- iv. Lack of knowledge about business opportunities as well as various aid schemes provided by various government agencies such as the Ministry of Development Entrepreneurs, Ministry of Rural Development, Ministry of Youth and Sports, Ministry of Agriculture and others government assistance in improving assistance to women entrepreneurs of SMEs.
- v. Women entrepreneurs, especially those involved in the food industry and crafts hand less business opportunities such as the supply of snacks and souvenirs when the country hosts conferences, sporting events, meetings and other events

involving many participants from inside and outside the country (Source: Internet, Development Foundation Women, 2000).

Therefore, specific assistance programs in the field of skills and entrepreneurship for women was implemented by the government to enable them to develop themselves and seize opportunities in the job market. In this regard, courses in business, organizational and financial management have been implemented. Association of Bumiputera Women Entrepreneur (Usahanita), National Association of Women Entrepreneurs of Malaysia (NAWEM), Federation of Women Entrepreneurs Association Malaysia (FEM) is a suitable platform for women entrepreneurs to get information and help women entrepreneurs of SMEs in creating a network among them.

In the early 1970s, research was focused on psychological characteristics and sociology of women entrepreneurs, motivation, education and work experience (Chursill & Hornaday, 1987), the ratio between men and women in terms of business (Schrier, 1975; Schwartz, 1976; White & Cox, 1991), the ratio between women managers in corporate and women entrepreneurs (Bowen & Hisrich, 1986), women who ventured into an industry dominated by men (Hisrich & O'Brien, 1981), identify discrimination and barriers faced by women entrepreneurs especially when they want to start anew business. There is also research that examines aspects such as strategy, organization, problem; type of management, entrepreneurial activities such as capital formation, behaviour networking and environmental factors (economic) (Brush, 1992).

In about the 1990s and 2000s, research studies related to women entrepreneurs gaining the attention of researchers both inside and outside the country. Concentration on this research more focused on motivating factor for women to embark entrepreneurship (Muriel & Don, 2001; Still & Timms, 2003; Serrano et al, 2005), factors that influence the success (Teo, 1996; Zimmer & Sacrborough, 1998; Suaibah et.al., 2005), problems (Jones, 1990; Lang & Sieh, 1994; Mohamad, 1996), the use of IT in business (Garca et al, 1998; Nelson et al, 2005), personality entrepreneurs (Hannu, 2000), career and family conflict (Parasuraman & Simmers, 2001), strategy development (Gundry & Welsch, 2001), obstruction of success (Clare, 2005) and others.

In Malaysia, women entrepreneurs research still less than the western countries such as the United States and Canada. There are several studies related to women entrepreneurs as that has been done by Tee Kee Pei (2000), Norsidah (1999), Wan Halim (1995), Siti Norbayah (1997), Mohd Zabid (1996), Suaibah et.al (2005) and many others. Looking at the lack of research on women entrepreneurs in Malaysia and observe the increasing numbers of Malaysian women entrepreneur, the researcher believes it is appropriate for this study to examine the influence of six factors which are financial capital, motivation and goal, social networking, government support, improvisation and the use of information and communication technology (ICT) towards the success of women entrepreneurs of SMEs in Malaysia.

### **1.3 Research Questions**

This research is conducted to examine the factors influencing women business success of SMEs in Malaysia which investigated the independent variables such as financial capital, motivation and goal, social networking, government support, improvisation and adoption of information and communication technology (ICT) towards the business success of women entrepreneurs as dependent variable. According to the issues and problem above, several questions have arisen which is become the basis for this study. This research will try to identify and find the answer based on the questions as below:

1. Does financial capital influence the women entrepreneurs' business success in small and medium enterprise?
2. Does motivation and goal influence the women entrepreneurs' business success in small and medium enterprise?
3. Does government support influence women entrepreneur business success in small and medium enterprise?
4. Does social networking influence women entrepreneurs' business success in small and medium enterprise?
5. Does improvisation influence women entrepreneurs' business success in small and medium enterprise?
6. Does adoption of Information and communication technology influence women entrepreneurs' business success in small and medium enterprise?



#### **1.4 Research Objectives**

The main objective of this research is to examine whether there is a relationship between independent variables with the women entrepreneurs business success of SMEs in Malaysia. Based on the problems and research question that have already discussed above, the researcher has indicates several research objectives for this research. Specifically, the objectives are listed below:

1. To identify the business profile of women entrepreneurs of SMEs in Malaysia.
2. To investigate the elements that influences participation of women entrepreneurs of SMEs in Malaysia.
3. To identify respondents' perceptions of factors in the success of women entrepreneurs of SMEs in Malaysia
4. To identify whether financial capital, motivation and goal, social networking, government support, improvisation and adoption of information and communication technology (ICT) are able to influence women entrepreneurs' business success of SMEs in Malaysia.

## **1.5 Significant of the Study**

This research aims to examine whether the independent variables which are financial capital, motivation and goal, social networking, government support, improvisation and adoption of information and communication technology (ICT) are able to influence the business success of women entrepreneurs of SMEs in Malaysia. In increasing the participation of women entrepreneurs of SMEs in Malaysia, women entrepreneurs need to know how to start a business to achieve the success and survival in their business. Therefore, this research opens the space and opportunity to all to know the elements that influence the women entrepreneurs' success of SMEs in Malaysia.

In term of theoretical or academic purposed, the researcher provides the empirical proves which is important to the women entrepreneurs of SMEs in order to explore and identify whether independent variables can influence the dependent variables, so that women entrepreneurs of SMEs is able to increased and grown rapidly towards playing as important tool in Malaysia development. The importance of this research is viewed as a positive thing where women entrepreneur's participants of SMEs have increased tremendously and become highly contributed in the economic sector of a country.

Moreover, this research also expected to be able to provide information, knowledge and strength to the women entrepreneurs of SMEs in Malaysia to run and achieve the business success. Information and knowledge needs to be shared among women entrepreneurs of SMEs because the increasing in this field and they have to face of high competition in the business nowadays. Based on the results of the present study, it

is hoped that a resource guide will be introduced of which it could be utilized to assist not only women entrepreneurs but entrepreneurs in general towards gaining a successful business in small, medium and enterprise in Malaysia. Besides, it is hope that this study will able to be a platform and useful information for future researches who are interested in studying women successful in this area.

## **1.6 Research Scope**

The scope of the research will focused on the owner or entrepreneur or manager or other top management of the SMEs women entrepreneurs firms in Malaysia. According to Barry (2008), owner or manager is often described as having a vision of the company and ability to articulate it. Thus, it is a reason why the researcher chooses the top management of the firms.

This study was limited to women entrepreneurs of SMEs in Malaysia. This study only focuses on the factors that influence the success of women entrepreneurs of SMEs. In addition, this study will examine the problems faced by women entrepreneurs of SMEs during start up and when operating.

## **1.7 Limitation of the Study**

This study acknowledges several limitations. First, this research is limited to examine the factors influencing business success of SMEs firms in Malaysia which focusing only in women entrepreneurs. Second, the setting for the study is a several random women entrepreneurs of SMEs firms in peninsular Malaysia such as Perlis, Kedah, Pulau Pinang

and others. Third, the time duration to complete this research is very limited. Data collection cannot be expended beyond the northern area because the researcher used quantitative data and personally face to face to distribute the data to respondents. The data from this research was gathered through questionnaires and the survey is limited to 150 respondents only. The research survey which is based on questionnaires is depending on the willingness of cooperation from the respondents. According to Isaac and Michael (1990), an interpretation and understanding of potential respondents might be differing from non-respondents in the research. The respondents in this study involve the entrepreneurs, owner, manager, founder or top management level in the women SMEs firms in Malaysia and it based from the sample size on the Yamane (1967).

## 1.8 Definition of Key Terms

Table 1.1  
*Definition of key terms*

Terms	Definition
<b>Business Success</b>	According to Lucky (2011), business success can be defined as tends to provide information on efficiency, profit, liquidity, size, growth, success/failure, leverage and market share.
<b>Financial Capital</b>	Referring to Harding (2002), financial capital can be defined as debt capital, equity capital,

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	business angels, or formal venture capitalists for a firm to start-up the business.
<b>Motivation and Goal</b>	According to Slocum and Hellriegel (2007), motivation is referred to the forces acting on or within a person that lead the person to behave in a specific, goal-directed manner.
<b>Government Support</b>	According to Hashim et al (2003), government support can be defined as to provided capital and technical assistant, training assistant, source of information, consultancy towards entrepreneurship development.
<b>Social Networking</b>	Pursuant to Casson (1997) social networking can be defined as a set of high trust relationships which either directly or indirectly link together everyone in a social group.

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**Improvisation**

According to Crossan (1998), improvisation refers to a creative and spontaneous action.

**Adoption of Information and communication technology (ICT)**

Pursuant to Ifueko Omoigui Okauru (2011), ICT is the digital processing and utilisation of information by the use of electronic computers.

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**1.9 Organization of the Thesis**

The researcher is well-organized this research and five chapter are divided in this study. Chapter 1 is an introduction part for this research which explained the direction of this research by presenting a problem statement that has led to the concepts, research objectives and research questions, significance of the study, the research scope, and the limitation of the study. This chapter is important in order to provide a depth understanding to the reader about the roadmap of the research.

In the Chapter 2, the study will discuss on the literature review concerning to the definitions and the concepts that are linked to the women entrepreneurs' of (SMEs) in Malaysia. In addition, this chapter also will demonstrate the details about independent and dependent variables which are financial capital, motivation and goal, social networking, government support, improvisation, adoption of information and

communication technology (ICT) towards women entrepreneurs business success. Moreover the researcher will touch a bit about underpinning theory which is applied in the study. After that, the research will explain the outcomes of previous researches related to the factors influencing women entrepreneurs of SMEs towards their business success.

After that, Chapter 3 will explain the research methodology in the research. The researcher will explain regarding to theoretical framework, research hypothesis, research design, operational definition, research population and sample, data collection method, and the data analysis techniques.

Moreover, in the Chapter 4, the researcher will explain the findings of the study and data analysis. This chapter will present the overall results from the analysis in the form of text, tables, and figure to the reader. After that, the explanation and discussion regarding the findings will be done by the researcher properly.

Finally, conclusion and recommendations will discuss in the Chapter 5. The implications of the study will be highlight by the researcher. Furthermore, the researcher will provide a recommendation for this research and give some suggestion for the sake of future research. After that, the researcher will conclude and summarize all the study based on the analysis results.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

In this section, the researcher presents theories and retrospective previous study which is relevant to this study. The researchers have used a variety of references materials such as manual journals, books, newspaper clippings, magazine, thesis, mass media and other printed materials. The material is used to help researcher understand and deepen the study. In addition, this section describes the approach and findings from previous studies whether from within or from outside the country in connection with this research.

The literature review is intended to look more closely at the objectives and a critical assessment of previous studies that have to do with the factors that influence women entrepreneurs' business success in the SME sector in Malaysia, whether it is influenced more by internal or external factors. At the end of this section, underpinning theory also explains and expectancy theory is selected by the researcher to elaborate that business success is highly depends on the entrepreneurs motivation. It is significance to know and understand the basis of literature review through the comprehension of underpinning theory.



## **2.2 Small Medium Enterprise (SMEs)**

Small and medium enterprises (SMEs) play an important role in the economic development of a country. The current trend of economic growth and rapid industrial development has made Malaysia as one of the most open economy in the world. Evidently, SMEs contribute significantly to the development of economy in Malaysia; when the most recent data indicates that SMEs now account for more than 90% of businesses in Malaysia. Like many other countries, SMEs in Malaysia are involved in a diverse range of industries, which can be categorized into manufacturing, services, agriculture mining and quarrying and others (SME, Oct. 2013).

SME contribution to GDP increased from 29.4% in 2005 to 33.1% in 2013. In terms of performance by economic sectors, the increase in share of SMEs to GDP in the period 2005 – 2013 was largely contributed by the services sector and further supported by the construction and mining sectors (SME Annual Report, 2013). Their contributions resulted big impacts to the economy as a whole. Pursuant to Asri and Darawi (2012), in their research, 99.2% of the total entrepreneurs in Malaysia are the dealer of SMEs that have been registered and contributed by 32% of Malaysia gross-domestic product (GDP).

Realizing of the importance of the SME sector and the increase of women involvement in Malaysia, the government is very sensitive and open space in the form of a variety of opportunities and guidance to SMEs to open up more opportunities for them to participate in this sector in line with the realization of the vision of the country towards a developed nation by 2020. For women entrepreneurs, in particular, several measures have

been taken to facilitate the involvement of women in business by providing easy access to capital.

In 1998, the Women Entrepreneurs Fund has been established with an allocation of RM10 million, of which RM9.5 million was approved involving 12 projects (8th Malaysia Plan). In addition, through the Small Entrepreneurs Fund, six thousand women received the benefit funds totaling RM65 million (8th Malaysia Plan). It was some evidence of increased and interest of women entrepreneurs in Malaysia.

### **2.2.1 Definition of Small Medium Enterprise (SMEs)**

Government agencies are the one which provide assistance to the SMEs industry and the definition mostly depends on them. There are various definitions of SMEs according to the roles, functions and related organizations that can be found in the literature but this study will use the definition proposed by SMIDEC as this is the most comprehensive. According to SME Corporation (2014), SMEs can be categorized into three categories: (i) microenterprise, (ii) small enterprises and (iii) medium enterprises. The definition of SMEs based on two criteria namely categories the number of employees and annual sales turnover.

According to The National SME Development Council Meeting 14th October 2013 (SME Corp. Malaysia, 2014) has provided a new definition for SMEs applicable starting January 1 2014 which was announced by the Malaysian Prime Minister, YAB Dato' Seri Najib Tun Haji Abdul Razak as follows:

- Manufacturing: Annual sales not exceeding RM50 million or the number of workers time does not exceed 200 people.
- Services and other sectors: Annual sales not exceeding RM20 million or number full-time employees not exceeding 75 persons

A business is classified as an SME if it meets one of two eligibility criteria of annual turnover or the number of full-time employees, whichever is low. The definition is based on the size of the operation is as follows:

- Micro enterprises across all sectors with annual sales of less than RM300,000 or the number of full-time employees less than 5 people.
- Table 2.1 summarizes the definition of small and medium-sized category by each sector.

Table 2.1  
*Definitions based on the size of the operation*

Category	Micro	Small	Medium
<b>Manufacturing</b>	Sales turnover of less than RM300,000 or	Annual sales of RM300,000 to less of RM15 million or from 5 to less than 75 employees.	Annual sales of RM15 million and not exceeding RM50 million or from 75 to no more than 200 employees
<b>Service and other sectors</b>	Full time employees less than 5	Annual sales of RM300,000 to less of RM3 million or from 5 to less than 30 employees.	Annual sales of RM3 million to be exceeding RM20 million or from 30 to no more than 75 employees

(Source: SME Corporation, 2014)

- If a business meets one of the criteria include the size of the operation different, the smaller size will apply. For example, if sales Annual firm located in, under the category of micro enterprises, but the number of employee is under the category of small companies, the business will classified as micro enterprises.

This standard definition of SMEs adopted by all government agencies to ensure it easy facilitates the introduction of SMEs to all sectors. The standard also helps performance monitoring and contribution of Small and Medium Businesses better for the country's economy (Mohd Nor Hakimin Yusoff, Mohd Rafi Yaacob 2010).

### **2.2.2 The Role of Small Medium Enterprise (SMEs) in Malaysia**

Pursuant to Asri and Darawi (2012), contribution and importance of SMEs in Malaysia as a whole can be seen in several aspects. SMEs provide many benefits for many parties, not only to individuals, communities, agencies or organizations but also the interests of the country's growth. For example, the benefits for economic development, including employment opportunities, increase the amount of reserves and saving foreign exchange, create a better income distribution to the public, helping to develop and improve skills among the workforce, involving both employees and management level, assist in enhance the transfer of foreign technology and assist in improving relations between other large firms and strengthen the country's industrial base structure.

On the other hand, the role of SMEs to the community should be recognized as SMEs provide opportunities for individuals to engage in business, access to talent, job opportunities, meet the needs of the community, and the inventiveness and creativity

(MPC Annual Report, 2011). The benefits can help people who do not have jobs because of low level of education to get a job that can change a family's economic status and reduce unemployment, especially in rural areas. Furthermore, technology used in industrial SMEs is simple technology that can be inherited and easy learned by anyone, regardless of educational background. Employment opportunities can also prevent the migration of rural population to urban areas that can cause overcrowding in housing areas.

In addition, in terms of the contribution of SMEs to the country, it can reduce the unemployment rate in the country, the equitable distribution of national income to the community because of the high salaries to employees, provide training and development for employees and increase savings in the economy. According Akbal and Afkari (2012), one of the functions of the SMEs is to help every industry in the country to avoid dependence on the sensitivity of the global economy. SMEs need to be developed in an integrated of Malaysia economy. Moreover pursuant to SME Corporation (2014), country's industrial base can be strengthen through the relationship and technology transfer with international company and SMEs have provided options to the nation to reduce imports of products and services.

In Malaysia towards Vision 2020, the significance and role of SMEs is important to ensure that the industry as a leader in the country. The roles and responsibilities of the government also plays an important role in implementing the plan for SMEs in the industry between 2010 to 2020 in which time assigned as part of the New Economic

Model (NEW) to make Malaysia as one of the industry respective country in the world (Annual Report of MPC, 2011).

### **2.3 Entrepreneurship**

In the line with globalization, technological and international economic changing due to creates greater uncertainty in the global economy. Entrepreneurial development is believed to contribute more to the country and meet the challenges of new environmental, social and economic perspectives. This entrepreneurship development has been seriously concerned by the government in order to increasingly considering innovation by entrepreneurs to the country's economic competitiveness and entrepreneurship policies in most countries actually closely related to innovation policy, which share characteristics and high risks and challenges. Dynamic process creation of new firms introduces and deploys innovative product and the structure of organizational according the economy.

However, the entrepreneurship objective and policies is different in each country based on basic needs and various perspectives of what is meant by entrepreneurship. To support this, according to Schumpeter (2005) pointed out that in some countries, entrepreneurship is associated with regional development programs and the establishment of new companies are stimulated to increase employment and output in a region. In the others perspective, entrepreneurship is the main element in strategies designed to facilitate the involvement of specific group of target, such as women in the economy. Some countries are trying to enhance the creation of firms, while others are presented to support high-growth companies. While many countries are developed high efforts to

emphasize entrepreneurship, the results look different. The entrepreneurship barriers are attracted by the countries to identify the differences policies effectiveness.

Various definitions of entrepreneurship have been revealed by various authors in previous research. According to Hisrich (2005), entrepreneurship is defined as the process of developing new value by contributing effort and time, financial opportunity, and environmental risk, and reward from the financial and personal assistance satisfaction and freedom.

Formed from the definition above, it is possible to conclude that the definition of entrepreneurship is almost the same. Approval from the standpoint of behavior including:

1. initiative taking,
2. the organizing and reorganizing of social and economic mechanisms to turn resources situations to practical account,
3. the acceptance of risk or failure

Definition of entrepreneurship is seen from various purposes. According to Darren et al. (2009), entrepreneurship is referring to an individual process independently to identify and penetrate opportunities. Moreover, according to Ogundele (2007) state that entrepreneurship as a process that opportunities emerge in the resources, environment, grab the opportunities to provide products and better service to consumers and making as a reward for the risk taken.

Hence, entrepreneurship can be defined as opportunities of environmental that hold to be observed. In addition, according to Rebecca et al. (2009) explain that entrepreneurship as organizing creative process, the management company and predicting the risks emerge in the company. Moreover, according to Hisrich and Peters (2002), it is the process of creating something new, and consider it involve barriers and rewards. Four important factors are used in their definition of time and effort, discipline, creativity and risk.

Furthermore, Robert et al. (2008) noted that entrepreneurship is the creation of something new and assuming the risks and rewards. Therefore, all learning the skills necessary to assume the risk of setting up businesses and develop winning strategies and implement them with all the passion, perseverance and spirit needed to win any game (Rebecca et al. 2009). The authors emphasize the need for entrepreneurs / owners of firms to learn new skills that will help the performance of their firms. Therefore, an entrepreneur should have some skills if he/she wants to achieve the performance of large firms.

Pursuant Rebecca et al, (2009) concluded that entrepreneurship is solely concerned with what an entrepreneur really is not - the use of resources in managing the company and assuming the risks and maximize the benefits of its businesses. They concluded that entrepreneurship is concerned with the resource implement in managing the company and predicting that risks and emphasize the advantages of its business. They mentioned that entrepreneurship is a typical process to generate profitability for both



entrepreneurs and individuals in the community. Hence, success entrepreneurs required others entrepreneurs to have a great management skills. According to Rebecca et al., (2009) these skills include the capabilities to adapt new methods in business operations and to adapt a change and to deal with environment changes.

Based on the above, Arowomole (2000) defined entrepreneurship as a form (in the community or state) of those individuals, who are not shy to face the possibility and ready to achieve significant performance. To support this, Amit, Glosten and Muller (1993) defined the development of entrepreneurship as the process of producing a profit (firm performance) of new, unique and valuable combination of resources in an uncertain environment and fuzzy. Given this definition, entrepreneurship development, the same can be seen as a gradual process in which individuals take the time to growth a business or developed profitability to increase the revenue. In addition, according to Amit et al. (1993) suggested's because the two definitions emphasize the issue of firm performance, prosperity and profitability.

Thus, in order to fostering entrepreneurship, it is involving actual or potential entrepreneurs to become more efficiency in operating their firms. This involvement is to ensure that the firms running out in their business and must be learn at many steps and in many institutions. Continuously, it is clear that entrepreneurship is a process and not SMEs. Therefore, it is a process that led to the founding and establishment of SME or business venture. Entrepreneurship is a process that led to the growth of SMEs and

businesses in many angels which categorized in retail, manufacturing, services, or wholesale.

## **2.4 Women Entrepreneurs**

Today women play a major role in helping the development of and the competitiveness of many countries. According to Smith-Hunter and Leone (2010), 50% of the population in many countries is made up of women and 50% of the total labor force potential is. In Asia Southeast number of women entrepreneurs is more than 50% (Coughlin & Thomas, 2002). Meanwhile, in Europe as much as 25% of women have has his own business empire and 64% in Russia and it was show a significant and sustained contribution to the economy formerly showed no forward movement (the website of the Department of Prime Minister, 2011).

The size of the female population in Malaysia has increased from 11.5 million in in 2000 to 13.5 million in the year 2010 (Department of Statistics, 2011). Therefore, women continue to be the main source of influence development of future generations and become a contributor to the economy. In 2000, only 10.4% of the 3.23 million Malaysian working females were employers while more than quarter of them was paid employees in all economic sectors (MWFD, 2003). Thus, there are various meanings of women entrepreneurs which is rely on its role and context.

According to Saleem (2010), woman entrepreneur is a person who accepts the challenges to meet her personal desire and to become economically independent by running the business and intent a high desire to do something positive and quality in order to contribute value in both family and social life.

According to Nguyen (2005), There are several studies related to women entrepreneurs as an elements that make women stay away from the corporate sector and intend to become entrepreneurs, (Brown, 1997; Chandralekha et al, 1995; Gundry et al, 2002;. it Helmi, 1997; Hamilton, 1993; Stoner et al, 1990; Winn, 2005), and the adoption of information technology among women entrepreneurs' (Ndubisi and Kahraman, 2006).

According Brusino (2009), he stated that women entrepreneurs' usually operate their business by using their own capital as compared to male entrepreneurs are more likely to depending on seed capital from external sources. As a result, women entrepreneurs choose to have greater control over their business. Schawbel (2009) recommends that women entrepreneurs tend to build or establish a business by sectors that have an interest and affection. Therefore, they will work very hard to make their business successful.

In addition, Nguyen (2005) states that most women start their own businesses to provide additional flexibility and life offset in managing their traditional responsibilities as a wife and primary caregivers of children through continuous struggle and war. There

are many success stories of women entrepreneurs that make it the most significant in business world. Therefore, it is about time to identify what factors influence the success of women entrepreneurs' of SMEs in Malaysia.

To encourage higher participation among women entrepreneurs in Malaysia, according to Datin Seri Rosmah Mansor, wife of the Prime Minister of Malaysia in the opening ceremony of Entrepreneurial Skills Affirmative New Women's Movement Foundation (NAAM) in Putra World Trade Centre (PWTC), she advises women entrepreneurs successful at present do not to remain in the comfort zone but always trying to build a greater business empire. Furthermore, she suggested that women entrepreneurs need to exploit the advantages of each to remain competitive in an increasingly global and challenging (Utusan Malaysia, 2014).

## **2.5 Business Success**

Several definitions reveals in the study of entrepreneurial success. According to Zinger et al. (2001) and Rhodes and Butler (2004), the success of entrepreneurs has been identified in two factors which is the financial and non-financial. Entrepreneurial success is measured by financial performance in terms of return on assets (Masuo et al., 2001), the return on investment (Gadenne, 1998), assets (Norma and Tjarita 2010;, Nwachukwu, 1995; Paige and Littrell, 2002 ), profitability (Orser et al, 2000), income (Paige and Littrell, 2002;. Duchesneau and William, 1990; Haber and Reichel, 2005;. Orser et al, 2000).

In contrast, according to Masuo et al., (2001) non-financial aspect consists of customer satisfaction, development of personality and entrepreneur's awareness (Masuo et al., 2001). Accordingly, according to McClelland et al. (2005) he adds that refers to the satisfaction of the successful entrepreneurs to gauge community needs and wants as non-financial indicators of performance. According to this, this research uses financial performance in terms of the value of assets by the entrepreneur as a major of success.

Business performance or success can be defined in different angle by various researchers as identified by Paige and Littrell (2002), the meaning of business success is used by intrinsic criteria including freedom and independence, to control own future, and being own boss; whereas extrinsic result is, among other things, financial returns of financial, entrepreneurs own income, and profitability. According to Masuo et al. (2001) stated that business success is measured by financial revenue, profits, return on assets, employees and rates; and no financial measures, such as personal fulfillment, customer satisfaction and individual development.

Moreover, Vesper, 1990; Watson et al, 1998; Taormina & Lao, 2007 measure business success based on the ability to handle more than three years. In addition, business success is also measured by the company profitability and the level of profit with the same field are low, equal or to increase than the level of profitability of the field (Abdul Manaf, Omar & Yee, 2012). Moreover, Ashraf Qureshi (2010) measured the success of business by the strength of capital of the company, customer satisfaction and the entrepreneur's satisfactions in their careers.

According to Thibault et al. (2002) recommend that individual element namely demographic variables and element such as the use of technology businesses, business period, venue , financial capital, employees involvement and business structure as a vital factor to examine the entrepreneurial success of SMEs in Southwestern Ontario.

Furthermore, Machado, Cyr, and, Mione (2003) pointed that the management style of women entrepreneurs with variables such as a) planning and strategic choices; b) a decision; c) formulation of objectives; d) the structure of the company and share power; and e) human resource policies have been associated with and have a relationship with their success. The success is measures using the acquisition, the number of workers, benefits and the wedges.

Determinant of business success also varied in nature. The further study by Rogoff et al. (2004) determined the internal factors and external factors influence the business success. The previous study stressed on the entrepreneur's characteristics and business owners; while the next deals with external factors which control of the entrepreneurs. Based on the internal elements involve the size and years in business, the capability to execute foreign capital investment, management, financing, planning, experience, and skills to carry out such projects identified. Examples of external factors or environment is such as resource availability, business opportunities, government regulations, economic conditions, competition, mortgages, corporate debt and market conditions.

In addition, Alexandra L. Anna, Gaylen N. Chandler<sup>b</sup>, Erik P. Herod Jansenc and Neal (2008) in their paper entitled "Women business owners in traditional and non-traditional industries" reveals that traditional women business owners may have contributed to the success of those from non-traditional owners. In particular, for traditional owners, the efficacy of efforts to identify opportunities and economic management and career expectations of autonomy and income (or wealth) was positively associated with the sale. To the effectiveness of the same group towards the planning and the need for security is negatively associated with the sale. Non-traditional for women, the effectiveness of efforts towards planning and career expectations of autonomy was positively related to sales while the expected money or wealth is negatively related.

## **2.6 Financial Capital**

Financial capital is an important factor that is needed by women entrepreneurs in the SME business success. According to Harding (2002) showed that financial capital has a direct impact on the ability of entrepreneurs to get financial capital for the venture. Generally, the financial capital needed by the firm to start a business often come from debt capital, from the entrepreneurs themselves, the business capital of the other, or from venture capitalists.

According to Fairlie and Krashinsky (2008), one of the most important obstacles that prevent aspiring entrepreneurs from starting a business and growing a small business from inadequate access is a financial capital. Pursuant to Fairlie and Robb (2008), examined the relationship between initial capital and business performance directly,

previous research shows a strong positive correlation. Firms with higher level of initial capital are less likely to close, have higher profits and sales, and is more likely to hire employees.

According Brush et al. (2001) reported that although women often found at the beginning team, they are the “real absent in leadership positions in start-up companies funded effort.” Researchers in the United States and Canada have also suggested that women Business owners often do not get venture capital company owned by the people (Brush, Carter, Greene, Hart, & Gatewood, 2002; Carter, Brush, Greene, & Gatewood, 2003; Greene, Brush, Hart, & Saporito, 2001; Prime Minister's Task Force on Women Entrepreneurs, Report and Recommendations, 2003).

Furthermore, the estimates are large and consistent across outcome. This positive relationship is consistent with the inability of some entrepreneurs to obtain the optimal level of startup capital because of borrowing constraints. Because these entrepreneurs are constrained in the amount of initial capital which can be used to buy buildings, equipment, and other investments, they business is less successful than if they can invest the amount of optimum capital. To be sure, the positive correlation, however, can be partly attributed to the alternative potentially successful ventures become more likely to generate an initial capital of business venture which is seen as potentially less successful (Fairlie and Robb 2008).



According to (Berger & Udell, 1998; Barona & Gómez, 2007) stressed that availability of financial resources for the new business is determined by their age, which vary in line with the size and relative opacity / transparency. Thus the new companies, which are generally small, start with its own resources entrepreneurs and angel investors people (relatives, friends, some businessmen consolidated).

In addition, (Bygrave, 1997; Kaplan and Strömberg, 2003; Hellmann, 2000; Hellmann and Puri, 2000; Botazzi & Da Rin 2002; Wong, 2005; Gomez, 2009) in their study describes the relationship between financial capital and the opportunity to growth of new companies have been studied by different authors note that venture capital investment in the company's capital raising opportunities for development and consequently for growth.

Therefore, companies that dispose of higher levels of capital to run the process professionalization of directors faster, reach the market faster, generate more work (Hellmann and Puri, 2000), and apply for more than a patent company who do not get this type of financing (Hellmann and Puri, 2000; Botazzi et al, 2007). Based on past studies on financial capital, this clearly shows that women entrepreneurs need financial resources to start their business and having to deal with financial constraints.

### **2.6.1 Financial Capital and Business Success**

Firms increasingly need more financial to assist them expand their business and contribute more profits. Hence, if the owner of the business is not able to find the resources to support financial growth, business profitability will be affected (Hisrich and Brush, 1987). Previous studies have also exposed that under capitalization by women entrepreneurs firms have long-term negative impacts on the profitability of the business (Carter and Allen, 1997). This is due to lack of funds to start and grow a business lead the result in the inability to have economies of scale in a challenges world.

Moreover, it will also give the impact to the firm's inability to obtain capital from the bank (Storey, 1994). In addition, with the financial assistance not only affected the business profitability but will also impact on the success and failure of the business.

In addition, according to Hellmann and Puri (2000), mentioned that companies that dispose of higher levels of capital to run the process professionalization of directors faster, reach the market faster, generate more work and apply for more patent than a company which do not get this type of financing (Hellmann and Puri, 2000; Botazzi et al, 2007).

Moreover, according to Namusonge (2006) the advantages entrepreneurs having a networking with the landing agencies such as banking institutions because the performance of the business is affected by the ability to access financial resources and emphasis on that source has a stronger towards the performance of business. However, it has been determined that women entrepreneurs faced this support as one of the biggest

barrier towards them because suffer in banking discrimination and financial community (Mutuku, et al., 2006).

According to Scherrer (2003) stressed that eighty percent of business failures are due to poor internal management, especially the management of financial capital. In terms of relationships, Gatewood et.al (2004) and Bozbura (2004) mentioned that there is a significance relationship between financial capital and business success.

## **2.7 Motivation and Goal**

Motivation is one of the most important factors in influencing the attitudes and behavior of human beings, thereby causing various levels of performance. It involves a series of renovations and directs people the desired behavior into patterns of work (Griffin, 2013).

According Chater (2011), motivation is the psychological characteristics that cause the organism to action toward maintain specific desired goal-directed, controls and maintain goal-directed behavior. It can be explain as a driving force; a psychological force or strengthen an action towards a desired goal. For example, profitability is motivation that drives a desire to high effort. Motivation is the reason or psychological cause of an action.

According to Kamal Naser, Wojoud Rashid Mohammed, RanaNuseibeh (2000), in their research study entitled "Factors affecting women entrepreneurs: evidence from emerging economies" have found that financial support from the government, especially in the start-up capital is an important factor that motivates women to set up their own business.

According to Shaver et al. (2001) found that entrepreneurs who believe in their skills and abilities are encouraged to use the effort required. Moreover, Douglas and Shepherd (2000) model of entrepreneurship as an option to make the utility function, which reflects the expected revenue, total operating revenues are expected to achieve this, the risks involved, as well as other factors such as a person who "s attitudes to and perceptions of independence anticipated working environment, eg; the presence or financing opportunities.

Impact of entrepreneurial motivation about their success is a topic widely recognized in developed countries. Several studies have been conducted to determine the relationship. Kuratko, Hornsby and Naffziger (1997) and Robichaud, McGraw and Roger (2001) surveyed entrepreneurs from North America to determine what categories of motivation leads to business success. The results of their study showed that the motivation of entrepreneurs fall into four main categories: 1. Extrinsic reward, 2. Independence / autonomy, 3. and 4. Intrinsic rewards of family safety. The four groups of factors determine the level of motivation of entrepreneurs who in turn have an impact on their business success.

On other hand, Benzing, Chu and Kara (2009) in their study of entrepreneurs in Turkey, among others, have presented the results of the comparison a lot of research on the factors motivating entrepreneurs' in different countries. For example, they state that Swierczek and Ha (2003) in their study of the Vietnam small business owners find that the challenges and achievements of the more important motivator and safety requirements.

In Romania, income and job security requirements is a powerful driving force of self-satisfaction and personal needs (Benzing, Chu and Szabo 2005). In contrast, entrepreneurs in India have the strongest driven by a desire for autonomy and then to increase their income (Benzing and Chu 2005). In Turkey, motivated entrepreneurs to start their own businesses so that they can provide security for themselves and their families and increase their income (Ozsoy, Moksoy and Kozan 2001).

Another study found that personal goals also act as a motivation for entrepreneurs to put more effort in their business. Entrepreneurs believe that they will get more income after they reach their goals and performance is measured based on th achievement and the goals (Kuratko et al., 1997). Some researchers identified that motivation and objectives as an vital element in determining success or failure in the business (Manev et al, 2005;. Borooah and Hart, 1999; Herron, 1990; Brockhaus, 1980).

Moreover, the motivation for entrepreneurship can be seen in the range of four key drivers: financial motivation, desire for independence, factors related work, and factors related to the family (Carter et al, 2003;. DeMartino and Barbato, 2003).

In addition, according to Robichaud, McGraw, & Roger, (2001), several factors have been found to motivate entrepreneurs such as internal and external factors to the entrepreneur for examples family, self-fulfillment, family safety, desire for independence, and financial benefits, growth, and also the recognition of opportunities are some of the factors that has been found to encourage individuals to engage in entrepreneurship (Chu, Benzing & McGee, 2007).

Moreover, according to Yalcin and Kapu (2008) in their study of Kyrgyzstan entrepreneurs, found that the desire to acquire more money and lack of employment opportunities suitable to be the main driver. Furthermore Chu et al. (2007) found that main motivator of entrepreneurs among Kenya and Ghana are personal satisfaction and growth, job security, revenue, and create jobs for themselves. Therefore, to achieve business success, entrepreneurial women need to determine the motivation and goals in order to steer their business performance and be able to achieve superior performance.

### **2.7.1 Motivation and Goal and Business Success**

Most firms will face many challenges in the era of modernization. The firm managed to maintain their performance and success is highly dependent on the motivation and goals of women entrepreneurs themselves. High motivation and clear goals that will lead to improved firm performance in their business.

According to Storey (1994), women who seek to develop their businesses are encouraged to perform higher and obtaining more profits and increasing margins of profit in their business. Hence, motivation shows a high relationship to business success (Lerner et al., 1997). Moreover, Lerner et al., (1997) mentioned that women entrepreneurs' can handle the obstacles when they have high motivation and goals to gain high performance.

In Malaysia, Nordin's research (2005) describes that the psychological motives such as self-satisfaction, supportive environment factors; industry sector, source of finance and women entrepreneurs seek of independence are affect Terengganu women entrepreneurs' executing themselves into the business filed.

Furthermore, according to Stewart and Roth (2007), they found that high levels of achievement motivation is consistent with the role of entrepreneurship, which seems very interesting achievement individual motivation because of the potential to generate more satisfaction of achievement in entrepreneurial environment, which provides context of

autonomy, flexibility, and challenge to realize the achievement. Thus, it shows that motivation and goal highly related towards women entrepreneurs business success.

## **2.8 Social Networking**

Social networking is defined as the relationship that exists between entrepreneurs (ego) and their connections (changes) for business purposes. This type of relationship networks using either directly or indirectly between ego and alter/s them. Changing consisting of family members, friends, relatives and business contacts. Social networking is important for entrepreneurs to gather important sources of their business.

According Staber (2001), Network plays an important role in binding and bring companies together into an innovative system that contractual relations, product development partnerships, and alliances complex inter organizational strong and effective. Previous research has recognized that the network is an important source of information for entrepreneurs and small enterprises (BarNir and Smith, 2002; Greve and laff, 2003). Is the main source of information for both men and women entrepreneurs to connect to markets, suppliers, customers, technology, and basic networks have emerged as valuable to contribute assistance to women entrepreneurs (Frazier and Niehm, 2004).

Furthermore, the process involves gathering Entrepreneurship scarce resources from the external environment. Entrepreneurs usually get resources through their networks (Dodd, et al., 2002). Existing literature shows that the network entrepreneur is



really a set of opportunities, which helps entrepreneurs to access resources directly or indirectly. According to Anderson et al, (2005), a network of family and friends tend to move in the same circle with entrepreneurs, these resources cannot offer more than just the scope of the entrepreneurs themselves; they may not be sufficient varied in nature.

In addition, Sirmon, Hitt and Ireland (2007) stressed extensive network may consist of various experts with diverse educational and professional background. Network members generate capital sources as diverse as finance, supply, customers and new technology. Diversification of sources allows entrepreneurs to create capabilities that help business firms to develop new competitive advantage, which in turn improves the performance of new companies.

Moreover, researchers have found that men and women are rooted in different social networks and have suggested that differences in network led to the economic consequences of different (Popielarz 1999). Sex differences in the structure of social networks may have implications for the type of support received by women and men entrepreneurs. For example, social support literature has shown that women are more likely to seek and provide emotional and social support, while men are more likely to seek and provide play an important role (eg, information) and social support (Reevy & Maslach, 2001).

Furthermore, Johnson and Scholes (2005) stated that, social network means to maintain SMEs success by alliance with shortcomings, because previous researchers found that a strategic network corporate a in recommended solution and it can be implement as a method to provide assistance among SME owner / managers, working with big firms thus get help from local institutions such as chambers of commerce.

According Hoskisson, HITT and Ireland (2004), a strategic network is a group of firm that has been established to create value through involvement in many cooperative arrangements, namely strategic alliances and joint ventures. Research shows Small Medium Enterprise (SMEs) maintain two kind of network connectivity. Firstly is the relationship between social networks which categorized into the friends, relatives, acquaintances and family. There is a network of organizations and it is composed with network support such as the government institutions, non-governmental organizations (NGOs), lending agencies, institutions that support SMEs other and the relationship between firm networks such as networking with SMEs large firms. This types of networking are essential to the performance of SMEs.

However, the networking of SMEs, between among company and the surrounding are more private and less regular. According to Premaratne (2002) , mentioned the important source for entrepreneurs to obtain own networks come from discussion with family, external consultants, trade fairs, seminars, and contacts with other SME owners. They realized that the effect of the establishment of a private network for the development of SMEs has positively effecting the increased of SMEs.

According to Women's Institute of Management (2005) in Malaysia, women entrepreneurs' face a shortage of networking than male although many women entrepreneurs' and associations existed as NAWEM, USAHANITA which are broadly server as a basic step for women entrepreneurs' to create alliance, information exchange and experience and conduct training programs, motivational workshops, seminars on entrepreneurship, entrepreneurs and leadership and other assistance. This barrier shows that women are not participate in the associations because they are jungle between business and family responsibilities. These obstacles insulate the women capability to get consultancies and capital informal peer networks and also the information required for remain longer in the industry and firm development. Hence, it may bring difficulties to women entrepreneurs' in creating alliance that helps to their survival of business.

Therefore, the results of this study suggest that social networks of women entrepreneurs are more likely to include agents which provide emotional and social support (such as friends) and less likely to include agents that provide social support plays an important role (such as business contacts). Namely, women entrepreneurs may have business relationships fewer in their social networks than men entrepreneurs who have access to associations, clubs and networks (business, internet, social clubs or sports) where they discuss business and negotiate bid. Therefore, entrepreneurial networks may be especially important for women.

### **2.8.1 Social Networking and Business Success**

Important business network for women entrepreneurs to expand their business and improve firm performance. Business networks constructed can measure the success or failure of firms for women entrepreneurs. According to Boyd (2005), networks have long been recognized as important tool to the survival of women entrepreneurs run establishments. It is an essential element for entrepreneurs to get access to capital / loans, information, and advice needed to start and operate a new business with ease (Carter et al 2006).

According to Mutuku et al (2006), in their research found that, help and emotional support from a partner is more important for women entrepreneurs' success despite men and women have different priorities in creating a network of relationships. Men are more important motif (pursuit of personal gain) while women have more affective consideration in social relations.

In addition, according to Mutuku et al (2006), mentioned that when women entrepreneurs faced with business problems or difficulties, they get help from strong ties first (family), then close friends and further to source of networking business at the last while male entrepreneurs frequently get support from their network. This may be due to a lack of professional experience or various social networks necessary for women to make full use of information and resources available.

Other type of network in the association as well is vital elements of affect the performance of the business. Therefore, it is vital for women entrepreneurs to have any expertise in their firms. Moreover, previous studies conducted in the United States and other countries have shown that business profitability will be affected by their belief in women's organizations as members (Lerner et al 1997). According to Kulmala and Uusi-Rauva (2005), networking has positive relationship with the business performance make it easier for the business to develop. Thus, the strong social networking practices will drive the firm to achieve the business success.

## **2.9 Government Support**

In line with the increase of women entrepreneurs of SMEs, the government is the main artery for them in providing support and assistance to enhance women entrepreneurs to venture into business. According to Hashim et., al (2003), government support can be defined as an institutional which provided financial and technical assistant, training program, development and consultancy, information resources and so on towards entrepreneurship development.

Pursuant to Parker (2002), Government support for small and medium enterprises (SMEs) is increasing in rich countries and is based on the view that SMEs contribute to the generation of high-quality and highly innovative work. There is also a perception that SMEs are more flexible and responsive to consumer demand. This is a view commonly in Australia, where to enrich the existing entrepreneurial activities and encourage SMEs is

one of the objectives of neo-liberal economic policy. It is broadly assumed as a factor for resolving the problems of current economic, including unemployment and industrial stagnation.

Financial infrastructure is well developed and can meet a variety of financing needs of SMEs is important to support power competitiveness and sustainable growth of SMEs (BNM, (2008). Government policies and strategies are designed to ensure that SMEs have a positive impact of each program implemented. This is appropriate with the ultimate goal of policy aimed at fostering and development SMEs in Malaysia (BNM, 2010).

Financial assistance established by the government has some specific objectives, namely to (i) the development of technology, (ii) improving the skills of human resources, (iii) the development of entrepreneurs, (iv) marketing and promotion, (v) development and product quality, and generally (SMEs info, 2008).

Realizing the effectiveness of government policies on the increase of SMEs companies, entrepreneurs need to give a positive feedback towards the policies. Current researches have addressed the strategies and political necessary for the firm to connect with the government (eg, Bonardi, Hillman and Kiem, 2005; Hoskisson et al, 2000). Thus, this study documented that corporate political relation with the government that affects firm performance.

The findings by Mohd Nor Hidayad bin Hambali (2011) found that all the factors of government support such as finance and credit, training and development, advisory services and consulting, marketing and business opportunities, and support infrastructure provided by the government can help improve the success of women entrepreneurs in the SME entrepreneurship.

In addition, according to Siti Nor Wardatulaina Mohd Yusof (2011) found that support for entrepreneurship and government policies relating to the 'business angel' and the availability of risk capital, the availability of financial resources, and the effect of government support for entrepreneurship and the role of government policies to entrepreneurial activity also correlated with successful entrepreneurs in Malaysia. This is supported by study of Syarifah Rohaya Wan Idris et al., (2013) who found that there were six critical factors contributor to the success of a business cooperative grocery store in the State Sarawak comprising factors of entrepreneurship, support, communication, competition, story setup and management.

In contrast, several other studies found that state aid is essential to the success of small businesses. Pambula (2004) in his research among three small manufacturing firms in Nigeria stressed that those firms gaining loans and other support do not expose better than firms that are disadvantaged. Moreover, Kirpalani and Macintosh (1980) in their research of thirty four SMEs firms in the United States and Canada and stressed that internal elements such as the involvement of top management, R & D, technology, marketing mix and production functions, and no government assistance specified in the

firm's success international marketing. For them, the support considered a hygiene factor in the sense that it is a condition that allows small firms to compete in global markets, but not enough for their success.

### **2.9.1 Government Support and Business Success**

In Malaysia and others developing countries, the government pose an important tools towards the entrepreneurs success. Pursuant to Joseph (1995), the support from government comes in various ways such as capital and technical assistance, development of training, consultancies, information, and etc. Various studies that included Sarder et al. (1997), Bowen and De Clercq (2008) and Minniti (2008) discussed the important role of government to entrepreneurial performance.

Furthermore, Cheston and Kuhn, 2002;. Jill et al, 2007; Kuzilwa, 2005 mentioned that government assistance, including training programs, contribute a positive effect towards the entrepreneurs success. Entrepreneurs are assumed to be well equipped in terms of skills, knowledge and information to manage propriety their firms and led to their success based on the training program provided to them. Thus, government support positively associated with the success of women entrepreneurs business.



## **2.10 Improvisation**

There are numerous definitions about improvisation. Specifically, according to Miner et al. (2001), the improvisation is a combination of intentional and substantive design and implementation of novel production. In particular improvisation is a creative process, has the characteristics of spontaneous action, specific characteristics that often been overemphasized by the literature (Moorman and Miner, 1997; Crossan, 1998; Weick, 1998). Moreover, Crossan & Sorrenti, (1997) state that improvisation is led by intuition and is featured by both real-time and purposely types of actions (Cunha, Cunha & Kamoche, 1999; Vera & Crossan, 2004; 2007).

According Baker et al., (2003), improvisation was also studied in the entrepreneurial process, considering for example in the process of founding alliance with pattern recognition opportunity or inclination to examine how improvisation can be run for the future of entrepreneurial intentions (Chen & Ma, 2005; Hmieleski & Corbett, 2006; 2008). Finally, individuals were used in the study to investigate the role of improving the team leader in this type of process (Vera & Rodriguez-Lopez, 2007).

In addition to individual improvement, scholars found that improvements may arise in the group stage. Scholars approaching the study team level and should take into account other factors apart from improvisational ability of individuals who can affect the team improvements, such as group dynamics, the influence of the context and the characteristics of the team. Although collective, team or group improvements built on

individual improvement, "team improvement is more than the amount of individual improvement, because activities with individuals make collective improvisational action system "(Vera & Crossan, 2005).

According Hmieleski and Corbett (2003), process improvement occurred in two methods based on the context of entrepreneurship. First, an individual is faced with the problem and see the problem the advantages. Furthermore, compare the person issues to other people that have faced in the past and choose indices based on past experience. Reference refers as a strategy to respond to the surrounding.

In addition, according to Baron and Ward (2004), state that the use of heuristics and cognitive bias during the upgrade raises questions frequently asked whether entrepreneurs prefer heuristic and non-systematic thinking. Of course, empirical evidence showed positive the relationship between the tendency of individuals' to improvise and intentions of entrepreneurial recommended that entrepreneurs who are lie on towards heuristic think more so than others.

Apart from Baker, Miner, and Eesley (2003), there seems to be little published studies that investigate the improvisation role in entrepreneurship. The same gap in mainstream literature program seems to exist with respect to individual work at the level of improvement. There has, however, the investigation should be considered from improvisation in groups and organizations level.

Furthermore, according to Eisenhardt and Tabrizi (1995) in their research of different rational than improvisational process development of new products. These studies recommended that a real-time, hands-on approach to product development tend to be more effective than rational, efficiency-oriented approach -especially for goods that are uncertain and when speed is crucial.

Moreover, according to Miner, Bassoff, and Moorman (2001) showed that the improvised can accepted and categorized into the activities of formal organizations, such as the organizations may be planning to improvement by opportunities developing to improve and support process improvement.

In line with entrepreneurship, there are two important information can be as an example. Firstly, the improvement show as effective strategy for behavior managing change, specifically in dynamic conditions such as in new ventures running in development industry is often faced. Secondly, it shows that the activities of improvisational can be incorporated into a special work processes, and also this organization culture.

Therefore, entrepreneurs may consider actively manage the extent to which they improve the firm, and do so in due environment demand. As improvements that are seen as important behavioral strategies for driving entrepreneurial process, it seeks to determine the extent to which entrepreneurs tend to have a tendency to for behavior of improvisational.

### **2.10.1 Improvisation and Business Success**

Improvisation is needed by women entrepreneurs in the process of bringing business to the next step forward. As discussed earlier, according to Vera and Crossan (2004; 2005) improvisation is the process of entrepreneur's attitude to act spontaneously to a problem or opportunity in prospects.

Vera and Crossan (2004; 2005) states that various elements that can affect improvements in the effectiveness of the organization namely, culture experiments, real-time information and communication or memory, and some personal elements such as expertise and teamwork skills that give impact towards the team level performance. In addition Vera and Crossan, 2005; Leybourne & Sadler-Smith, 2006 state that there is assumption that highly effectiveness of improvisation depends on the skills of the improvisers.

Moreover, Vera and Crossan (2004; 2005) mentioned that improvisation is positively related towards firm performance by creation of the knowledge, the team work combination, the expert team and culture experimental. Thus, it will bring the firms to gain good performance.

### **2.11 Adoption of Information and Communication Technology (ICT)**

In line with the current era of e-commerce and globalization of the economy, information and communication technology or (ICT) is obtained to encourage the needs of business, in term of operating the business wider, is an important tools for penetrate the potential information ICT. Globalization has a profound impact on the entire world. In line with this era of modernization, an upgrade to the use of information technology is very promising. The majority of people in Malaysia now have ICT tools. It is based on the recently statistics from the Malaysian Communications and Multimedia Commission (MCMC) shows that there are more than 13 million mobile phone subscribers in the country, with penetration rate now surpassed 50%, while more than 84 million SMS were sent every day (Lloyd, 2005).

Pursuant to Ifueko Omoigui Okauru (2011) , ICT is the digital processing and utilisation of information by the use of electronic computers. It comprises the storage, retrieval, conversion and transmission of information. Moreover, Ndubisi and Kahraman (2006) mentioned that the advantages of ICT for women entrepreneurs should not be affected. Based on the past, women entrepreneurs operated their business in person with the people, but the advantages of using the technology is women entrepreneurs do not yet applied that system (Marlin & Wright, 2005).

Past research found that the use of ICT by women entrepreneur is still low (Pavic, et al, 2007. Yu, 2006). According to (Blackburn and Athayde, 2000; Cavalcanti, 2006; Ndubisi & Bull, 2003; Utomo, 2001) they have identified several barriers to the use ICT as a lack of knowledge about the potential of ICT, such as lack of financial resources and

expertise, and skills shortages. Various researches also focused on examining the factors that influence ICT adoption.

Several researchers also focus into the wider perspective of the use of ICT and determined that environmental and external elements namely support from government, public administration, competitors, suppliers, and customers plays an important role in the implementation of ICT, specifically in e-commerce (Daniel & Wilson, 2002; Dasgupta, 2000; Lai & Hsieh, 2007; Cupola, 2003). Moreover, other researchers focusing the firm factors, for examples management and organizational aid. In addition, few researchers focus on the skills among the entrepreneurs. However, there is less knowledge about the advantages of ICT among women entrepreneurs.

Several research have identify the relationship between ICT and the usage of IT skills. According Shiels et al., (2003) stressed that a strong IT capability- including ICT skills among SMEs entrepreneurship has relationship with the use of ICT. Moreover, Wainwright et al., (2005) adds to the skills management of ICT, ICT knowledge, and practices of ICT is the deciding factor IT either taken or neglected among SMEs.

In addition, Ndubisi and Bull (2003), in a study evaluating the use of the system among Malaysia SMEs organizations, found that counting skills and technical support is a major anchor perceived usefulness and also holds a direct influence on the use of the system. Moreover, Ndubisi and Kahraman (2005), in their other research have found that the adopted of system in advanced significantly associated with innovation, and suggests

that innovation is vital in examining the nature of information and communication technology adopted Malaysia women entrepreneurs’.

Adopt appropriate IT systems enable business organizations to develop and maintain efficiency, improve performance, and ensure that their competitive advantage is maintained. Therefore, Malaysia has started on a strong push to convince entrepreneurs; especially owners of SMEs to adopt IT as a new way, more efficiently to run the business. The statistic shows that in Malaysia, more than 200,000 businesses established, and 9% of these establishments were categorized as small medium enterprise. (Small and Medium Industries Development Corporation Malaysia, 2011).

Government institutions provide financing for SMEs firms to emphasize their technology systems and do the online business. Furthermore, the institutions provided an important strategic technology priority, where they are uses cloud computing to deliver the services being elected in Malaysia, with the hope that it will lead to economic progress and move forward. Furthermore, the Ministry of Finance has required the government to engage suppliers and implement an electronic procurement system.

According to Irani (2002), in an effort to keep in touch to the business world, the organization relies heavily on information technology, which helps them in their daily operations (Abbasi et al., 2010), and improve organizational effectiveness and efficiency.

A 2010 study showed that only five per cent of SMEs in Malaysia have fully implemented the information and communication technology and the operations of communication, while only thirty per cent have a form of global ICT Solutions Company (Malaysia International Report 2010). Various explanations appeared for this problem. Firstly, like many Asian countries, Malaysia has a minimum technologically advanced than the western countries, and therefore, Malaysian entrepreneurs are still not able to use the full IT system. Secondly, there is also lack of successful; locally based IT usage model for these entrepreneurs to emulate. There are many models of adoption behavior / theory developed in the IT field of research which consider as organizational factors, environmental, and technological factors as significant predictors individual use of technology (Ridzuan and Ghani, 2000).

Adoption a suitable IT system enables business organizations to develop and maintain efficiency, improve performance, and ensure that their competitive advantage is maintained. Therefore, Malaysia has embarked on a major push to convince entrepreneurs; particularly small owner and medium-sized enterprises' (SMEs) to adopt IT as a new way, run more business efficiency (Small and Medium Industry Development Corporation Malaysia, 2011).

From this, ICT provide an opportunity for women entrepreneurs to expand their markets and gain new customers through the internet (Pickernell, 2004). All these changes give advantage to women entrepreneurs to create cost effective and provide opportunities to create a better quality of life. The role of ICT in improving rural living formally recognized and supported at the World Summit on the Information Society



(WSIS) 2003-2005. In addition, Stien, et al (2007), describes these include the use of computers, internet, geographic information system, mobile phone as well as traditional media such as radio or TV.

### **2.11.1 Adoption of Information and Communication Technology (ICT) and Business Success**

Information and Communication Technology or ICT is one of the important elements nowadays that give impact to the women entrepreneurs' business growth. However, many SMEs businesses are skeptical of the high cost of using this system and therefore did not fully implement the system in their business. According to Patrick (2002), less than 20% of Malaysia SMEs firms have the access of internet access.

According to Hashim et al., (2007), although many programs to convince entrepreneurs (SMEs owner) to adopt and the use of IS as a new way to perform the task, adoption overall of IT entrepreneurs still quite low, because most entrepreneurs think IT adoption to be very difficult.

However, some SMEs determined that the ICT has directly affect business profit and compete in the global economy. A better use of the system in the firms will support the firms to less the costs and foster the profitability. For example, the use e-consultancy, internet access, local and web development (Hamilton, 2001). In addition, the adoption of this system enables to fostering SMEs women entrepreneurs to be independent and innovative, which is part of the key elements for succeeding. According to Martin and Wright, (2005) women entrepreneurs' adopted this system in order to create new ideas,

upgrading the goods and increasing the services to pursue them develop their firms, and then it will have a positive impact on firm performance and success.

## **2.12 Contingency Theory**

For the underpinning theory, the researcher used contingency theory which describes the relationship between independent variables and women entrepreneurs business success. With the perspective, this study use the concept of entrepreneurship behavior as a kind of management strategies to propose a conceptual model suitable to meet the women entrepreneurs challenges in operating of small medium enterprise business.

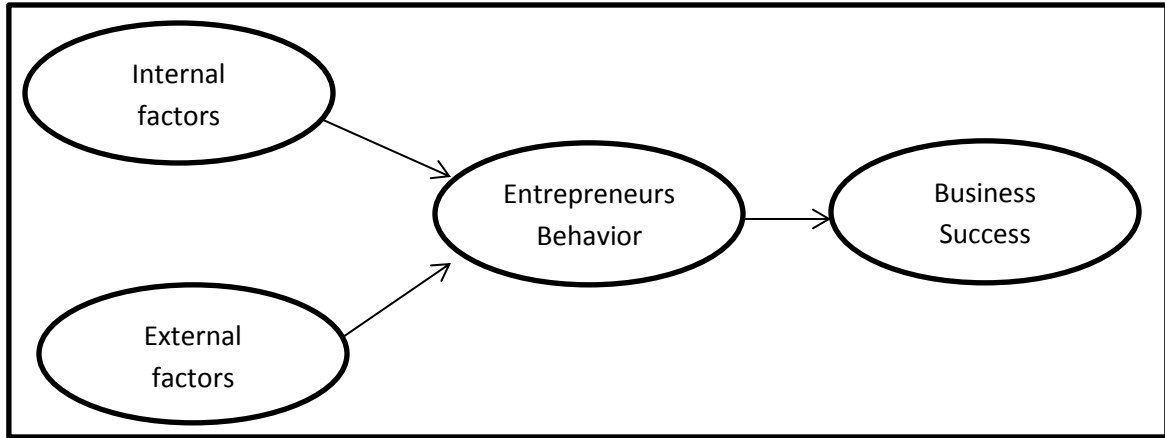
As the model to be proposed, the main element is the behavior of business managers, which exposing the manager's decision-making priorities. As Figure 2.1 below shows, the managerial behavior not only is affected by business context, a factor represented by internal and external factors, but also has great influence to the business success.

In addition, the researcher also explore the expectancy theory which formulated by Victor H. Vroom in the 1960's posits that motivation is high when entrepreneurs believe that high levels of effort lead to high performance and high performance leads to the attainment of desired outcomes. This theory focus on all three parts of the motivation equation: inputs, performance, and outcomes. Expectancy theory identifies three major factors that determine an individual's motivation: expectancy, instrumentality and valence.

Figure 2.1

*Contingency Theory*

*The Relationship Among Internal and External factors, Entrepreneurs Behavior, and Business Success*



Contingency theory comes from the organizational management discipline. According to Kuada and Sorensen (2000), they give credits writings on contingency theory from Lawrence and Lorsch (1967). Pursuant to Kuada and Sorensen (2000), Lawrence and Lorsch (1967) argue that there cannot be appear independent and / or strategic approach to the firm, because the structure of the environment and conditions that directly or indirectly shape firm strategy. As a result, firms adapt either directly or indirectly for delivery environmental trend, known as adaptation of the organization and / or strategic fit.

The Contingency Theory is an important mechanism to identify organizations from different angles. According to Sousa and Voss (2008), in previous years there has been increasing alliance in the organization area of study about the advantages of drawing insights from major theories like contingency approach (Buhman et al., 2005).

According to Donaldson (2002), there are a variety of internal and external factors that affect the organization performance. In contrast, the organization performance feeds back to guide organizations changes so that the organization is moving in accordance with the situation. Adaptive organizational changes tend to occur when the performance of the organization is low or conversely, when there is a crisis. Underperformance occurs through the misfit of organizations on the situation in combination with other reasons that push organizations performance. Variations of these reasons from time to time determine fluctuations in performance which is the motor of organizational change. The reason may strengthen the misfit so organizational performance is driven to a low value that triggers change adaptation. Instead, the cause may also cancel the effects on the performance of the misfit so no changes that occur.

According to Donaldson (2001), this theory holds that organizations adapt their structures to be maintained according to context and thus have better performance. In addition, according Khandwalla (1972), the company's performance should not be measured in terms of the nature of the organization, but as a result of the interplay between properties such as strategy, structure, management style, and others, in a given environment, which can be more or less hostile and uncertain. Thus in this research, the business performance is measured by internal and external factors that affecting the women entrepreneurs business success.

Moreover, according to Horrison, Rimmington, & Rimmington (1999) and Knopik (2006), recognition of business managers towards high achievement in business activity can provide business managers themselves with new opportunities to create value and develop operational capabilities.

At the firm-level, many studies have emphasized the importance of entrepreneurial behavior, the relationships between entrepreneurial behavior towards business performance in contingency framework (Lumpkin and Dess, 2001; Wiklund and Shepherd, 2005). Factors such as environmental variables namely government support, social networking, financial support and adoption of ICT (neck et al. 2009, Townsend 2008), internal variables namely motivation and goals and improvisation (Hitt et al. 2001) and managerial behavior (Ajzen, 2005) in existing firms, affecting how an entrepreneur will set out to achieve high performance. Then, as stated by Townsend et al. (2008) and Mair and Marti (2009), the relationship between entrepreneurship, organization and their environment and internal conditions is important.

In addition to support the contingency theory, the researcher also implemented motivation theory towards women entrepreneurs of SMEs business success. As mentioned earlier, the researcher implemented the expectancy theory. The following researchers confirm theoretical expectation that the results of entrepreneurship plays an important role in the determination and motivation to start and grow a business, show support for contingency model as an approach to understand the entrepreneurial motivation (Renko et al, 2012;. Edelman, Brush, Manolova & Greene 2010;. Manolova et

al, 2008). The more entrepreneurs think that they will be able to achieve these results by starting or expanding businesses, the stronger their motivation will be to start or intention to grow the business.

To understand the motivation of women entrepreneurs, the researcher apply effort, performance and outcome model (Gatewood, Shaver, Power, & Gartner, 2002; Renko, Broeck, & Bullough, 2011) of expectancy theory according to Vroom's work (1964). Expectancy theory (also referred to as the theory VIE) predicts that individual will act in a certain way because he believes that the act will be followed by specific results (Renko et al., 2011).

It is recommended that women entrepreneur of SMEs emerging and long in the market to start a business because they believe this action will lead to the desired outcomes for their personal and business performance.

According to (Manolova, Brush, Edelman, & Shaver, 2012) the relationship between valence, intermediate-term and help explain entrepreneurship motivation and choice behaviour (Renko et al., 2011). Valence refers to the value that an individual places on a scene, while the intermediate is interpreted as a belief that if a person meets performance expectations, results will be achieved. Finally, term subjective probability that the efforts that will lead to results (Vroom, 1964; Renko et al, 2011. Manolova et al., 2012).

In line with expectations theory, women entrepreneurs of SMEs in Malaysia will continue to exert the effort required to run their business as long as positive the relationship between valence, intermediate and long-exist in a competitive business environment and successfully.

In other words, when the value placed on the results of persistence is very high, entrepreneurs can put less emphasis on the term or the possibility of achieving results. As a result, the interaction between the expectations and the value will be negative because of the impact on motivation than low term will be reduced when the valence is high compared to when the valence is low.

Expectancy theory of motivation also suggests that anticipation of reward value plays an important role in entrepreneur's motivation (Vroom, 1964). According to Gatewood et al., (2002), describes the work contexts, people choose to invest their efforts by rewards they expect to receive. Three critical relationship between effort and achievement, performance and reward, and the results or placed on the reward does not form the basis of the theoretical expectations.

Furthermore Vroom, (1964), describes the theoretical expectations suggest entrepreneurs act on the information they have available to them at the time of making a decision which may include pre-assumptions or actual experience with previous results. Positive feedback on past work raises entrepreneurs expectations for future revenue (Gatewood et al, 2002;. Manolova et al, 2007). In the context of women entrepreneurs, expectancy theory offers a lens to understand the rewards that they value.

In the field of entrepreneurship, where there is both uncertainty and time-lag between action taken and results achieved (Patzelt and Shepherd, 2009), expecting reward continuous allow entrepreneurs in challenging activities associated with establishing and operating a business new business (Carsrud and Brännback 2011) .This indirectly motivate women entrepreneurs of SMEs to remain competitive in the economy and enhance the activities of SMEs in the field of endeavor.

In addition, Wilson et., al (2013), in his studies, especially entrepreneurs, socio-emotional pursuit of wealth would increase the probability of firm survival. Furthermore (Chrisman et al., 2013), entrepreneurs use different strategies in order depending on the rewards they seek. For example, entrepreneurs who prefer the freedom and recognition in their efforts tend to gravitate towards lower growth strategy, while entrepreneurs who strive for financial returns aspires to high business growth (Edelman et al., 2010). Hence, by this implementation of expectancy theory, the researcher describe that this motivation will contribute to the success of a business operated by women entrepreneurs as well as contingency theory point that internal and external factors lead to business performance.

### **2.13 Summary**

This chapter presents the literature on Small and Medium Enterprise and the concepts of entrepreneurship and women entrepreneurship. The review of the literature suggests that the Expectancy Theory were found to be the literature source which explains women entrepreneurship. Furthermore, research on women entrepreneurs from the previous study indicated positive relationship between the independent variables and dependent variable.



As a whole, the literature reviews seem to indicate prove of the relationship between financial capital, motivation and goal, social networking, government support, improvisation, and adoption of information and communication technology (ICT) towards women entrepreneurship business success of SMEs in Malaysia.

Hence, the following chapter presents the research methodology. Chapter 3 will describes in details the procedures and methodology that were used for data collection and analysis of the research. Theoretical framework, research hypothesis, research design, operational definition, research sample and population, instrumentation technique, measurement of the variables, data collection method, reliability test, and data analysis technique will be explained in the Chapter 3.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

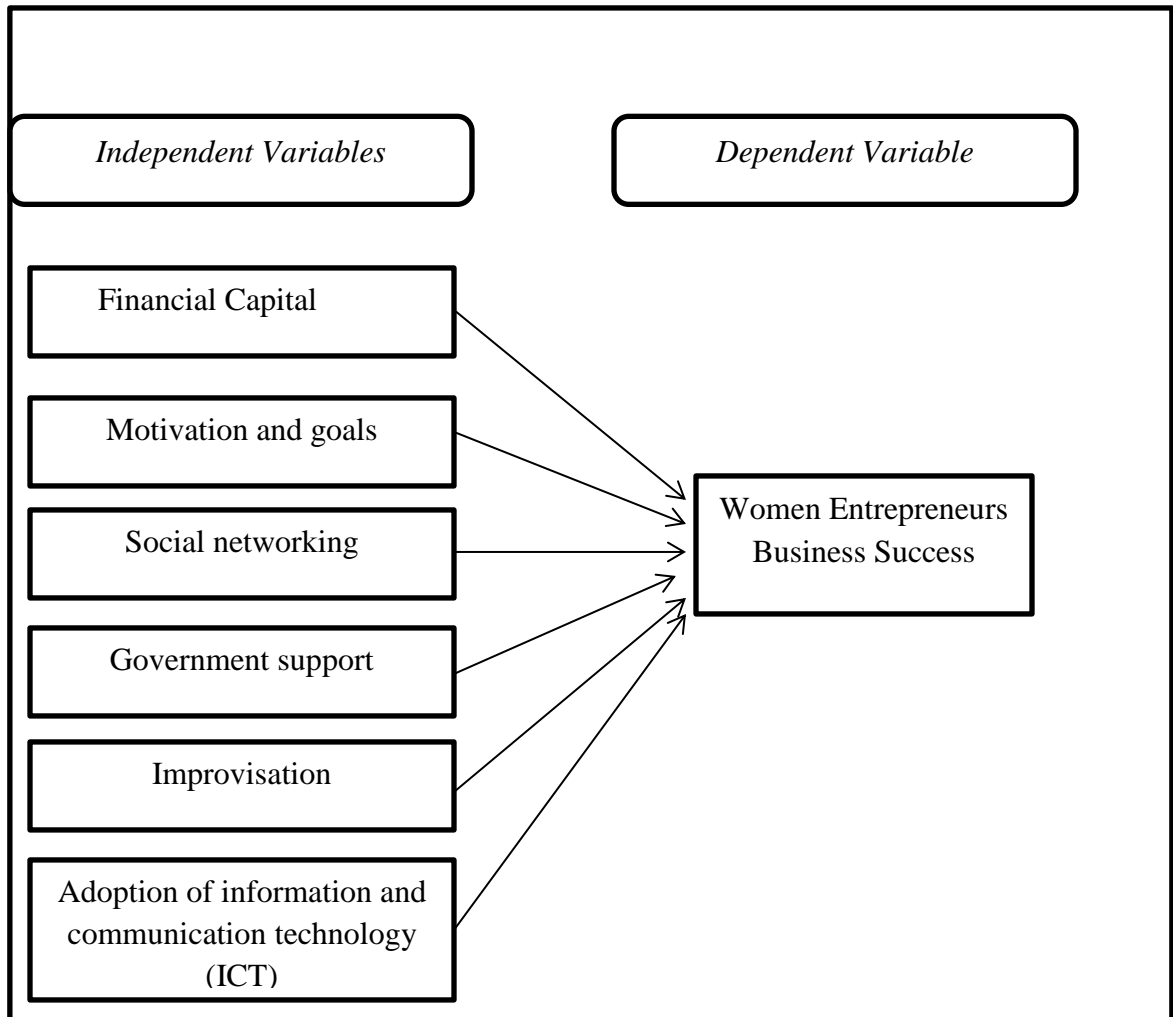
In a research study, the method or methodology is a factor essential for the validity of the results obtained with and high reliability. Therefore, the approach of sampling and data analysis methods used must be identified so that it coincides with the objectives of the study were outlined for failure to use methods of data collection or research methodology appropriate, effective and can produce inaccurate, vague and could cause information overload (Mohd Majid Tun Razak, 1997).

This chapter explains more details about the research design are implemented and the method that used in order to obtain the required data for answering the research questions by the researcher. The purpose of this chapter is to measure and analyse the variables such as financial capital, government support, motivation and goal, social networking, improvisation and adopted information and communication technology (ICT) towards women entrepreneurs' business success of SMEs in Malaysia in order to receive the research objectives which are include theoretical framework, research hypothesis, research design, operational definition, research sample and population, measurement of variables, sampling technique, data collection method and procedures, reliability test, and the data analysis techniques.

### 3.2 Theoretical Framework

This study is to determine on the factors influencing women entrepreneurs of SMEs in Malaysia which focus on financial capital, government support, motivation and goal, social networking, improvisation and adopted information and communication technology (ICT) towards business success that become as dependent variable. Thus, a theoretical framework model is formed as shown in Figure 3.1

Figure 3.1  
*Theoretical Framework*



### **3.2.1 Dependent Variable**

The dependent variable of this research is women entrepreneurs' business success of SMEs in Malaysia which measures in term of growth of revenue, staff satisfaction, profit, self-achievement, successful running the business, quality of product, reliable of supplier and cooperation among other entrepreneurs in SMEs field.

### **3.2.2 Independent Variables**

In this research, there are six independent variables have been used which consist of financial capital, motivation and goal, social networking, government support, improvisation and adoption of information and communication technology (ICT).

### **3.2.3 Research Hypothesis**

The study is intended to examine the factors that influencing women entrepreneur's business success of Small and Medium Enterprise (SMEs) in Malaysia. Hence, the hypotheses are developed as bellows:

- H1     There is the positive influence of financial capital towards women entrepreneurs' business success of SMEs in Malaysia.
- H2     There is the positive influence of motivation and goal towards women entrepreneurs' business success of SMEs in Malaysia.
- H3     There is the positive influence of social capital towards women entrepreneurs' business success of SMEs in Malaysia.
- H4     There is the positive influence of government support towards women entrepreneurs' business success of SMEs in Malaysia.

H5 There is the positive influence of improvisation towards women entrepreneurs' business success of SMEs in Malaysia.

H6 There is the positive influence of adoption of information and communication technology (ICT) towards women entrepreneurs' business success in Malaysia.

### 3.3 Operational definitions and measures of variables

**Small Medium Enterprises (SMEs) definitions:** Each country has a different definition of SMEs. The SMEs definition also different based on the type of SMEs sectors regarding many business sectors in SMEs. In Malaysia, the latest definition of SMEs is refer and approved by the National SME Development Council in 2014 and definition of SMEs are based on two criteria which are the number of employees and annual sales turnover. According to The National SME Development Council Meeting 14th October 2013 (SME Corp. Malaysia, 2014) has provided a new definition for SMEs in manufacturing is an enterprise with full-time employees not exceeding 200 or with annual sales turnover not exceeding RM50 million. Below the Table 3.1 & 3.2 presented SMEs definition which is approved by The National SME Development Council Meeting (SME Corp. Malaysia, 2014).

Table 3.1  
*SMEs definition Based on Number of Full-Time Employees*

Size	Manufacturing Firms (Including Agro-Based & MRS)
Micro	Less than 5 employees
Small	Between 5 and 75 employees
Medium	Between 75 and 200 employees

(Source: SME Corporation, 2014)

Table 3.2  
*SMEs Definition Based on Number of Annual Sales Turnover*

Size/Sectors	Manufacturing Firms (Including Agro-Based & MRS)
Micro	Less than RM300,000
Small	Between RM300,000 and RM15 million
Medium	Between RM15 million and RM50 million

(Source: SME Corporation, 2014)

Table 3.3  
*Operational definitions*

Variables	Operational Definitions	Items/measures
<b>Business Success</b>	The effectiveness in which the organization achieve their performance in the entrepreneurial activities in terms of profit, growth of revenue, income, customer satisfaction, and organization survival in the industry (Masuo et al. 2001)	<ol style="list-style-type: none"> <li>1. Growth of revenue.</li> <li>2. Staff satisfaction.</li> <li>3. Make profit.</li> <li>4. Sense of achievement.</li> <li>5. Running a successful business.</li> <li>6. Having a quality product.</li> <li>7. Reliable supplier.</li> <li>8. Cooperation with other entrepreneurs.</li> </ol>
<b>Financial Capital</b>	The sources which contribute into the business start-up often come from debt capital, equity capital, business angles, and bank loans (Harding 2002).	<ol style="list-style-type: none"> <li>9. Amount from other income.</li> <li>10. Financed with own capital.</li> <li>11. Received contribution from business partner.</li> <li>12. Wage income receives by spouse.</li> </ol>
<b>Motivation and goals</b>	Motivation: A belief that if he/she capable of doing a task assigned to him/her and if succeed then will get benefits which influenced the business	<ol style="list-style-type: none"> <li>13. To prove the company can do it.</li> <li>14. To increase the company income.</li> <li>15. For the company satisfaction and</li> </ol>

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	<p>profitability.</p> <p>Goals:</p> <p>To achieve success in terms of performance, profit, company satisfaction, employee's satisfaction.</p>	<p>growth.</p> <p>16. So the employees always have job security.</p> <p>17. To build a business to pass on.</p>
<b>Social Networking</b>	<p>A channel to gain access to information, customers, suppliers and source of finance such as associations, friends, family, business networks (Frazier and Niehm, 2004)</p>	<p>18. Social media (radio, television, facebook, instagram, blog, etc).</p> <p>19. Attended any trade fairs national or international.</p> <p>20. Discussion with any relatives, family and friends.</p> <p>21. Regular business contact with other SMEs</p> <p>22. Frequency meeting with the firms in the same field.</p>
<b>Government Support</b>	<p>The support from government to help women entrepreneurs run the business divided into two segment;</p> <p>Financial supports include property loan, working capital and grants.</p> <p>Non-financial supports include advisory, marketing management, research and development and technical support (Yusoff, 1995).</p>	<p>23. My company gets a lot of information, knowledge and technology from training and R&amp;D institutes.</p> <p>24. My company had a good education and training condition offered by training and R&amp;D institutes.</p> <p>25. The government departments/agencies offer plenty and clear policy information to my company.</p> <p>26. The tax policy for my company is preferable.</p> <p>27. The legal right and interest of investors and entrepreneurs are guaranteed.</p>

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		<p>28. My company finds access to startup capital easily.</p> <p>29. My company could get money from other non-bank financial sources.</p> <p>30. Current labor institutions are advantageous for my company to attract and retain person with ability.</p>
<b>Improvisation</b>	<p>The spontaneous action taken by entrepreneurs in order to increase the organization activities and performance such as approaches to problem in the organization on the spot, responds to problem on the spot, and take a risk by own (Vera and Crossan 2004; 2005).</p>	<p>31. My company deals with unanticipated on the spot.</p> <p>32. My company thinks on our feet when carrying out actions.</p> <p>33. My company responds in the moment to unexpected problems.</p> <p>34. My company tries new approaches to problems.</p> <p>35. My company takes risks in terms of producing new ideas in doing the job.</p> <p>36. My company demonstrates originality in work.</p> <p>37. My company identifies opportunity for new work process.</p>
<b>ICT</b>	<p>This is refers to those technologies that determine the effectiveness and efficiency with which entrepreneurs communicate and the devices that allow them handle information (Hamilton, 2001).</p>	<p>38. Market expansion.</p> <p>39. Increase in customers.</p> <p>40. Increase in quality product.</p> <p>41. Profitability.</p> <p>42. Expansion of social network.</p>

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### **3.4 Research Design**

A research design is a framework or blueprint for conducting the research project. It details the procedures necessary for obtaining the useful data and information needed to structure or solve research problems. In simple words it is the general plan of how you will go about your research. In this research project, the types of research used are quantitative research. Quantitative Research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviors, and other defined variables - and generalize results from a larger sample population. Therefore, through quantitative research, it can be determine and investigate the relationship between independent variables (Government Support, Level of Education, Family Support, Social Networking and Motivation) and dependent variables (Women Entrepreneur Business Success). Furthermore, the descriptive research approach will be applied in this research project.

Descriptive research is also called Statistical Research. The main goal of this type of research is to describe the data and characteristics about what is being studied. The idea behind this type of research is to study frequencies, averages, and other statistical calculations. According to Zikmund, Babin, and Carr (2010), descriptive research is used to describe the characteristics of a population or phenomenon. It involves the identification of a particular phenomenon's attributes based on observational basis or through the exploration of correlation between two or more phenomenon. So, the survey method evolved in this research project is questionnaire-based. The questionnaire will to

administer to a selected sample from a specific population and when collected back the questionnaires from respondents; the researcher applied the data collected for purpose of analysis.

### **3.5 Research Population and Sample**

In general, population refers to all elements, individuals, or units that meet the selection criteria for a group to be studied, and from which a representative sample is taken for detailed examination. The total of all populations is called a universe. Moreover, the population also can be defining as any the number of people who live in a place which share some common set of characteristic. The Sampling is the process used in statistical analysis in which a predetermined number of observations will be taken from a larger population.

According to Zikmund (2003), sampling is the process of using small number of items or part of a larger population to make a conclusion about the whole population. So, the samples are used in statistical testing when population sizes are too large for the test to include all possible members or observations. A sample should represent the whole population and not reflect bias toward a specific attribute. Thus, research sampling is a significant methodology in order to run the social science research.

For the purpose of this study, the population covers the SMEs firms located in Peninsular Malaysia which is mainly focused in northern area such as Perlis, Kedah and Pulau Pinang and a few firms from others located in Peninsular Malaysia. The target population of this study is the owner or entrepreneur or manager or other top management of the SMEs firms. The main reason why researcher chooses the owner or manager or other top management of the company is because this kind of person must be alert and familiar with the overall performance and activities of their company. Manager or owner is always can be defined as having a vision of where to go and ability to manage it. Hence, the top management owned a capability to view and evaluate better on their firms, and they must be aware of their organization in term of decision making, operation, performance, relation between workers, etc. (Barry 2008).

### **3.6 Sampling Method**

In this study, researcher chooses simple random sampling because the researcher has a free time to select any elements or respondents in the population of Peninsular Malaysia to be the subject.

According to Yamane (1967), he has provided a table for determining the sample size based on the population. Based on the information obtained from SME Corp (2013), in Malaysia there are 645,136 small and medium enterprises and 19.7% were owned by women which posit that around 127,000 women entrepreneurs activate in SMEs sectors. Therefore, based on Yamane's table of sample size, for example when population size,  $N=900$  and above, sample size  $(n) = 90$  is sufficient for the respondents to answer the questionnaire to get an accurate results. As the population in this study was too large, so

it become high and hard limitation towards researcher to obtained the whole samples. Thus, researcher decided to limit the sample into smaller respondent sample size. The sample size used by the researcher was 150 respondents.

Besides that, researcher also obtained the directory of women entrepreneurs of SMEs from the website of Usahanita, Peniagawati, Portal 3D KEMAS, FAMA, and Facebook. Women entrepreneurs in these websites was considered as an interesting and appropriate sample to conduct entrepreneurship studies because it provides complete necessary information such as owner of the company, phone number, e-mail and address.

### **3.7 Questionnaire Design**

Research instrument is one of the methods to gather data and information. Various methods or techniques can be used in order to gain data through interviews, questionnaires, focus group, interviews and so on. Questionnaires is the most famous and command method to collect the data due to its ability and inexpensiveness to get huge number of respondents (Zikmund, 2000). Hence, in this research, researcher chooses the questionnaire method to conduct the data collection. Pursuant to Sekaran (2003), questionnaire method is used because it has more advantages compared with other data collection techniques such as observation and interviews. According to Majid (1993), he stressed that the questionnaire also used to obtain information on facts, desires, belief, feelings, and need. The questionnaires were distributed in order to determine the influencing of women entrepreneurs business success of SMEs in Malaysia.

Section A consists of eleven items that are geared to the respondent demographic information such as gender, age, race, highest level of education, respondent's position in the company, respondent's working years in the company, years company establishment, company location, total employees in the company, types of company ownership and types of industry which are respondents represent.

Afterwards in Section B of the questionnaire consist of five items that related to the independent variables namely financial capital that considering as a start-up capital in respondents firm. The questionnaire is adopted from Van Praag (1999).

Then, Section C of the questionnaire consists of five items that related to the independent variable which is motivation and goal that adopted from Ivan Stefanovic (2010).

Section D of the questionnaire consists of five items as well which is focus on social networking as independent variable. This was adopted from Barney (1991).

Section E of the questionnaire consists of eight items which are presenting government support as independent variable. This questionnaire was adopted from Baron & Kenny (1986).

Next, Section F of the questionnaire consists seven items that related to the independent variable pointed as improvisation. This questionnaire was introduced by Vera and Crossan (2004).

Section G of the questionnaire consists five items which represented as adoption of information and communication technology (ICT) as independent variable. This questionnaire was developed by Ssewanyana and Busler (2007).

Lastly, Section H of the questionnaire consists eight items namely business success of SMEs firms as dependent variable was adopted from Reijonen & Komppula (2007) and Getz & Carlson (2000);Walker & Brown (2004).

The Appendix A shows the completed questionnaire of the survey. The summary of all items for each section in the questionnaire is shown as Table 3.3 below:

Table 3.4  
*Summary of the Questionnaire*

<b>Section A</b>		
Gender	1	Section A:1
Age	1	Section A:2
Race	1	Section A:3
Highest level of education	1	Section A:4
Position in the company	1	Section A:5
Years working in the company	1	Section A:6
Company's establishment	1	Section A:7
Company's Location	1	Section A:8
Total employees	1	Section A:9
Types of ownership	1	Section A:10
Types of industry	1	Section A:11

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<b>Section B</b>		
Financial Capital	5	Section B:1-5
<b>Section C</b>		
Motivation and Goal	5	Section C:1-5
<b>Section D</b>		
Social Networking	5	Section D:1-5
<b>Section E</b>		
Government Support	8	Section E:1-8
<b>Section F</b>		
Improvisation	7	Section F:1-7
<b>Section G</b>		
ICT	5	Section G:1-5
<b>Section H</b>		
Business Success		

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### **3.8 Measurement of Variables**

This study has used a Likert scale to obtain a statistical measurement in Section B until Section H. Pursuant to Keegan (2009), a Likert Scale is a measure of attitude that developed by Likert Rensis. Likert scale provides huge advantage because this scale is easy for researcher to construct and administer the scale, and it also facilitate respondent to understand the scale (Malhotra, 2006). This questionnaire has been developed using a five point Likert Scale method as stated below:

Table 3.5  
*Likert Scale*

No. of Scale	Scale
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

Several items have been identified from the previous researchers and adopted to measure all the variables. The table below show the item measurement in this study.

Table 3.6  
*Item measure*

Variables	Authors
<b>Business success</b>	Adopted from Reijonen & Komppula (2007) Getz & Carlson (2000); Walker & Brown (2004)
<b>Financial capital</b>	Adopted from Praag (1999)
<b>Motivation and goals</b>	Adopted from Ivan Stefanovic (2010)
<b>Social networking</b>	Adopted from Barney (1991)
<b>Government support</b>	Adopted from Baron & Kenny (1986)
<b>Improvisation</b>	Adopted from Vera & Crossan
<b>Adoption of Information and communication technology (ICT)</b>	Adopted from Ssewanyana and Busler (2007)



### **3.9 Data Collection Method and Procedure**

The questionnaire was used as a data collection method in this study. This questionnaire is based on the questions that relevant to the study conducted by the researcher which according on readings of related topics and the questionnaire about the variables was adopted from previous research regarding their own field which have been discussed above. The selection of the women entrepreneurs of SMEs in Malaysia is because women entrepreneurs' is an important key of Malaysia's development and the growth of the economy (Ninth Malaysia Plan, 2006).

Questionnaire forms are distributed to the SMEs women entrepreneurs or owner or manager in order to accomplish this research and that will help researcher to obtain the required information. The researcher distributed the questionnaire without any assistance from other parties throughout the data collection process. The researcher has started distributed 150 questionnaires on 16 October 2014 recover Perlis, Kedah and Pulau Pinang states. Because researcher wants to get a more accurate result, researcher took a week to distribute the questionnaire in all three states. As researchers sent, then it is easier to communicate with the owners of the SMEs. Researchers take another week to retrieved the questionnaire back due to due date on reply the feedback on 31<sup>st</sup> October 2014. The questionnaire is distributed by hand to northern SMEs women entrepreneurs randomly and also retrieved by hand.

As mentioned earlier, the time provides for the respondents to answer the questionnaire is very reasonable and the questionnaire forms were distributed in stages and not the same time because the time consuming and distance factor. In order to get positive feedback, the researcher brought the accompanying letter to explain the purpose of questionnaire distribution. Along the process, the researcher also responsible gives the information and guidance to respondents in how to answer and fill the questionnaire. Caused researchers to study samples in peninsular Malaysia, 50 respondents were randomly selected through the website mentioned at the beginning of the discussion. Researchers chose to send the questionnaire via email to get feedback from women entrepreneurs in SMEs peninsular Malaysia. A total of 200 questionnaires were distributed and at the end researcher only gained back a total of 130 or 65% of completed questionnaire to be used in to create the analysis in this study.

### **3.10 Data Analysis Techniques**

A quantitative method is used in this study to analyse the data. *Statistical Package for the Social Science* Version 20.0 (SPSS) was used in this research to analyse the data. Researcher chooses a data screening and descriptive statistics method to compile and interpret the raw data (Malin and Birch, 1997). For the purpose of this study, the researcher used data screening in the data analysis techniques. Data screening is the process of inspecting data for errors and correcting them prior to doing data analysis. The screening may involve checking raw data, identifying outliers, dealing with missing data and screening normality. Furthermore, statistical technique such as descriptive analysis was used to test the data collected from survey of respondent which represents analysis of

demographics and test of mean, reliability test, correlation analysis and multiple regression analysis. The statistical analysis results are shown at Appendix B.

### **3.10.1 Identifying Outliers**

Various technique of statistical is sensitive to outliers, thus it is vital to test the outliers and do conclusion towards identifying them. Pursuant to Stevens (2002), the reasons for determining outliers because we want the statistical result of analysis to affect most of the data and will not be greatly affected by only one or two data points that are not responsible.

According to Tabachnick & Fidelln (2007) reasons for outliers are to (1) incorrect data entry. (2) Failure to specify missing values in computer syntax so missing values are read as real data. (3) Outlier is not a member of population that you intended to sample. (4) Outlier is representative of population you intended to sample but population has more extreme scores than a normal distribution.

### **3.10.2 Missing Data**

Missing data existed when the respondent in a research do not give a feedback to some items, participant attrition, and data management mistakes, etc. According to Stevens (2002), probably the “best” solution is to make every attempt to minimize the problem before and during the study, rather than having to manufacture data.

Pursuant to Tabachnick and Fidell (2007), they determined (1) missing data pattern. (2) the percentage of missing data.

Furthermore, Tabachnick and Fidell (2007) determined the missing value which are (1) delete cases or variables (2) estimating missing values and (3) repeating analyses with and without missing data.

### **3.10.3 Screening Normality**

Normality test is one of the prerequisite of inferential analysis and it is developed to make sure the data obtained from the survey is almost to or normally distributed (Hait, Babin, Anderson, and Tatham, 2007). The normality assumption is important when organized intervals for variables (Royston, 1991). Histogram, *stem-and-leaf* plot, and *boxplot* are examples steps that can be done in order to test the normality in the survey. Thus, appendix 2 shows the histogram, *Normal Q-Q Plot*, *Detrended Normal Q-Q Plot*, and *boxplot* for every variable tested.

For brief explanation, histogram is used to indicate the tabulation of variables in which normal curve indicates the comparison between actual distribution and normal curve. In addition, *Normal Q-Q Plot* is used to describe normal distribution that each of sample unit is located near the straight line. Then, *boxplot* provides clear indication of the score in the distribution and using median to summarize the distribution.

### **3.11 Factor Analysis**

According to Hare et al (1998), factor analysis is the name given to a group of statistical techniques that can be used to analyse interrelationships among a large number of variables and to explain these variables in terms of their common underlying dimensions (factors). The approach involves condensing the information contained in a number of original variables into a smaller set of dimensions (factors) with a minimum loss of information. Factor analysis serves several related purposes. One of its primary functions, as just noted, is to help an investigator in determining how many latent variables underlie a set of items.

Factor analysis differs from the dependence techniques discussed in the next section (e.g. multiple regressions), in which one or more variables are explicitly considered the criterion or dependent variables and all others are the predictor or independent variables. Factor analysis is an interdependence technique in which all variables are simultaneously considered, each related to all others.

### **3.12 Reliability Test**

Reliability test was conducted by researcher at the end of November 2014 in order to test the reliability of the research instrument used by the researcher. In general, reliability test is to determine the degree to which a test is consistent and stable in measuring what it is intended to measure. This test is applied to signify the measurement of the internal consistency due to identifying either all the items in each variable in the questionnaire are highly related or reliable. According to Salkind (2006), reliability data existed when a test

to measure data was done repeatedly and produces the same results. Thus, in this research project, the reliability test is applied to test the scale items. Cronbach's Coefficient Alpha is adopted to generate the data and its value tends to increase with an increase in the number of scale items.

Pursuant to Sekaran (2003), he mentioned that the closer Alpha value to 1, it represented a high level of reliability (Cronbach's Alpha = > 0.90). If the Alpha value is less than 0.6, it may be predicted that instrument used in the study had a low reliability (Cronbach's Alpha = < 0.60). If value of Alpha is more than 0.7 (Cronbach's Alpha = 0.7 < 0.9), it indicates the instrument is good and acceptable reliability. Table 3.3 shows the range of reliability values of Cronbach's Alpha are as follows:

Table 3.7  
*Coeffisien of Cronbach's Alpha*

<b>Value</b>	<b>Level of Reliability</b>
<b>&lt; 0.6</b>	Weak
<b>0.6 to &lt; 0.7</b>	Moderate / Received
<b>0.7 to &lt; 0.8</b>	Good
<b>0.8 to &lt; 0.9</b>	Very Good
<b>&gt;0.9</b>	Strong

(Source: Hair, Money, Samouel, and Page (2009); sekaran, U. (2006))

### **3.13 Descriptive Analysis**

In this research, researcher applied descriptive analysis in order to perform frequency analysis and identify the mean test. The researcher will analyse the frequency distribution of respondents demographic at the beginning of the analysis in this study. A frequency analysis is tabular information from the set of data and information from the survey and it shows the value and percentage of data efficiency. According to Oosterbaan (1994), this analysis very important to assume in how frequent the certain values or figures of variables trend might happen and to evaluate the reliability of the forecast.

By implemented this analysis, researcher is able to structured and summarize the data systematically and effectively. Mostly, the analysis is applied to measure the data of respondent's demography. Eleven demographic information in section A which are includes gender, age, race, highest level of education, respondent's position in the company, respondent's working years at the company, years of company establishment, location of the company, total employee at the company, types of company's ownership and types of industry company represented is using frequency analysis by researcher.

Mean is the average value is taken as the value that represents a lot of value and it is measure of central tendency method (Frederick et al., 1991). In this study, the mean value is used to describe the average level of agreement of respondents to items questions.

### **3.14 Validity and Reliability Test**

Pursuant to Hair, Babin, Money and Samuel (2003), validity analysis is to measure what are claim to measure by the researcher. Validity is answered that how far the social reality can be measured through the study which is consistence with the arrangement of the study by origin researcher. The research instrument used by the researcher is the instrument that developed by the expert in the management area named Reijonen & Komppula (2007) and Getz & Carlson (2000); Walker & Brown (2004) for business success, Financial Capitals from Praag (1999), Motivation & Goal by Ivan Stefanovic (2010), Social Networks from Barney (1991), Government Support from Baron & Kenny (1986), Improvisation from Vera and Crossan (2003), and usage of Information, Communication (2007) and Technology(ICT) adopted from Ssewanyana and Busler.

On other hand, this instrument also were used by many researchers before and become the essential instruments or variables to study in the entrepreneurship. Hence, it definitely prove that this dependent and independent variables instrument possesses high level of validity and certainty can be implemented by the researcher to get outcomes from the women entrepreneurs of SMEs in Malaysia.

Notwithstanding above, the researcher still want to make a validity test for those dependent because researcher want to examine whether women entrepreneurs employer is understand with the questionnaire or not. Thus, validity test is needed to be concern by the researcher in order to indicate the quality results of the research. The researcher used



Cronbach's Alpha analysis to measure the reliability of the research instrument. The reliability test can be defined as to the stability and consistence of the test in measuring the variables of the study based on the samples. On other hand, the validity test is prerequisite of the reliability test. Thus, this can be assumed that the validity test is not valid in the study, so there is no point to discuss about reliability test. The relationship between both of test is important in order to improve the quality of the research results.

### **3.15 Pearson's Correlation Analysis**

Zikmund (2003) stated that the Pearson Correlation coefficient is a statistical measure of the strength of a linear relationship between two metric variables. So, the Correlation coefficient represents the relationship between two variables that are measured on the same interval or ratio scale. Pearson correlation coefficient ( $r$ ) is applied to determined the relationship between variables and two-tailed significant level is used to test null hypotheses. Moreover, the coefficient ( $r$ ) indicates that the direction of the relationship and also the magnitude of the linear relationship. The coefficient at ranges from +1.0 indicates perfect positive relationship to -1.0 indicates perfect negative relationship. A correlation of 0 means there is no linear relationship between the two variables (Hair et al., 2002). The researcher has indicates the scale which is outlined by Hair, Money, Samouel, and Page (2008) than can be implemented to interpret the relationship between two variables as follows:

Table 3.8

*The Coeffisyen Scale and Relationship Strength of Correaltion*

<b>Coefficient Scale</b>	<b>Relationship Strength</b>
<b>0.91 – 1.00</b>	Very strong
<b>0.71 – 0.90</b>	Strong
<b>0.41- 0.70</b>	Moderate
<b>0.21 – 0.40</b>	Weak
<b>0.01 – 0.20</b>	Very Weak

(Source: Hair, Money, Samouel, and Page (2008))

### 3.16 Multiple Regression Analysis

Multiple regressions are the statistical tool used to derive the value of a criterion from several other independent, or predictor, variables. It is the simultaneous combination of multiple factors to assess how and to what extent they affect a certain outcome. Zikmund (2003) also stated that the multiple regression analysis is an analysis of association in which the effects of two or more independent variables on a single dependent variable are investigated simultaneously. In other word, multiple regressions are used to learn about the relationship between several independent or predictor variables and a dependent variable.

Table 3.9  
*Summary of Data Analysis Technique*

<b>Hypothesis</b>	<b>Statistical Analysis</b>
<b>H1</b> There is the positive influence of financial capital towards women entrepreneurs business success of SME's in Malaysia	Multiple Regression Analysis
<b>H2</b> There is the positive influence of motivation and goal towards women entrepreneurs business success of SME's in Malaysia	Multiple Regression Analysis
<b>H3</b> There is the positive influence of social networking towards women entrepreneurs business success of SME's in Malaysia	Multiple Regression Analysis
<b>H4</b> There is the positive influence of government support towards women entrepreneurs business success of SME's in Malaysia	Multiple Regression Analysis
<b>H5</b> There is the positive influence of improvisation towards women entrepreneurs business success of SME's in Malaysia	Multiple Regression Analysis
<b>H6</b> There is the positive influence of adopted information and communication technology (ICT) towards women entrepreneurs business success of SME's in Malaysia	Multiple Regression Analysis

### **3.17 Summary**

This chapter outlined the method instruments that used to conducting this research project. It covers research design, research sample and population, instrument method, measurement of variables, data collection method and procedure, reliability test, and data analysis technique. Development stage of questionnaire also discussed and it has aligned with the aims and research objective and also the literature reviewed. The analysis of the results of this study is presented in the next chapter. It explains about the findings or results which are obtained in this research.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND FINDINGS**

#### **4.1 Introduction**

This chapter discusses the findings obtained from the data analysis. The data collected was screened, factor analysis was conducted in order to validate the instruments followed the reliability test.

#### **4.2 Data screening**

##### **4.2.1 Missing data**

A frequency test has been carried out for every variable to detect any missing responses. According to this, all the returned questionnaires were found to be no missing responses. A reviewed of the data set showed that there were complete responses in section A (Demographic variable), section B to F (factors associated with business success or the IV's) and section G (Business success or the DV) of the questionnaires.

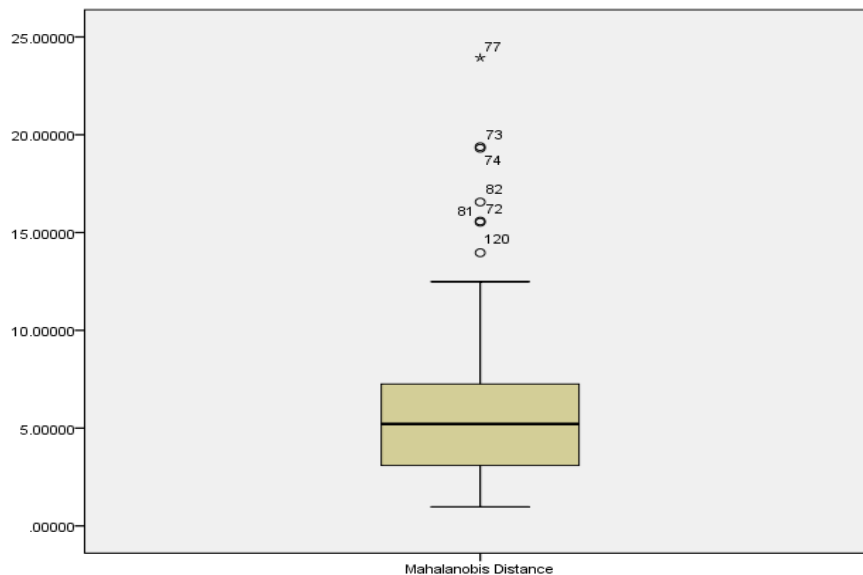
##### **4.2.2 Outlier detection**

Detecting the outlier during the data screening process is important as it will give effect on the statistical analysis result. After checking the missing data, item that belongs to outliers that have been detected is discarded in the survey. According to Pallant (2013), we can examine the outliers through mahalanobis distance by looking into the **Boxplot**. First, if it appears as little circle with a number attached (ID number of the case) which

means it extends 1.5 box length from the edge of the box. Second, extreme points indicated with an asterisk, \*) that extend more than three box-lengths from the edge of the box.

Outlier results show data sets number 72, 73, 74, 77, 81, 82 and 120. If points appear like this, researcher has to decide what to do with them subjectively (Pallant, 2013). For this study, the researcher subjectively removes seven data sets for accurate findings. Figure 4.1 shows the result for Mahalanobis distance.

Figure 4.1  
*Mahalanobis Distance*



#### **4.2.3 Response rate**

One hundred fifty (150) questionnaires were distributed to women entrepreneurs in Malaysia. Out of 150 questionnaires, 129 were returned making the response rate of 86%. After a thorough checking of the questionnaire that returned, it shows that only 122 were useable for analysis.

The questionnaires were ignore, incomplete, misinterpreted or fill in with mistakes. Hence, the useable response rate is 81.33% which is considered acceptable. Table 4.6 shows the response rate and useable questionnaire for this research, which relatively acceptable of what is proposed by Krejcie and Morgan (1970) as cited in Sekaran (2003).

#### **4.2.4 Normality Test**

There are many ways one could test the data distribution if it deviates from the normal distribution. One of these is Normal Q-Q plot is referred to distinguish the normality of the data. Data that has achieved the normal distribution on a normal probability plot (see appendix) will align the plots in a straight line (Coakes & Steed, 2003). However, the most popular ways that many researchers use in describing the data distribution is the skewness and kurtosis.

Skewness is an indicator that shows to what extent a distribution of data leans from the center (symmetry) around the mean (George & Mallery, 2006). According to Hair et al., (2006), values of skewness that are outside the range of +1 to -1 imply a substantially skewed distribution. In this study, the skewness values has been investigated and found

that all variables are within the +1 to -1 limit.

Kurtosis is a test of flatness or peakedness of data distribution. According to George and Mallery (2006), kurtosis is considered normal if it is within the range of +1 to -1. Kurtosis has been examined and found that all variables are within the +1 to -1 limit. Table 4.1 illustrates the skewness and kurtosis of each variable.

Table 4.1  
*Summary of Skewness and Kurtosis value of the variables*

Variables	Skewness		Kurtosis	
	Statistics	Std. Error	Statistics	Std. Error
Financial Capital	-.143	.219	-.781	.435
Motivation and Goal	-.616	.219	-.418	.435
Social Networking	.003	.219	-.709	.435
Government Support	.705	.219	-.151	.435
Improvisation	.202	.219	-.726	.435
ICT	-.685	.219	-.214	.435
Business success	-.128	.219	-.620	.435

### 4.3 Factor Analysis

The main purpose of implementing factor analysis is to describe the underlying structure among variables in the analysis (Hair et al., 2006). This technique allows reducing a large set of variables or items down to smaller, more comfortable, meaningful and manageable number of factors to be performed (Pallant, 2001). Factor analysis has been conducted on individual variable. The first component is the dependent variable and to be followed by the independent variables.



### 4.3.1 Factor Analysis for Business Success

Factor Analysis has been conducted for business success (dependent variable). This variable is consisting of 8 items in which 1 item has been dropped leaving 7 items for final analysis. Table 4.3 shows the factor loading for 7 items which are all greater than the recommended of 0.5; ; this shows distribution of the values is standard.

The KMO test for business success recorded .822 which is considered as good and Barlett tests with sig. value 0.000. Table 4.2 shows the KMO and Bartlett's Test for Business Success.

**Table 4.2** *KMO and Bartlett's Test Business Success*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.822
Approx. Chi-Square		370.900
Bartlett's Test of Sphericity	Df	28
	Sig.	.000

**Table 4.3:** *Component Matrix of Business Success*

Name	Items	Factor loading	Eigen-value	% Variance
Business Success	Make profit	.745	3.817	54.5333
	Sense of achievement (self-fulfilment)	.698		
	Running a successful business	.698		
	Having a quality product	.768		
	Reliable suppliers	.677		
	Cooperation with other entrepreneurs	.741		
	Growth of revenue	.781		

### 4.3.2 Factor Analysis for Financial Capital

Factor Analysis has been conducted individually for independent variables. The first component for independent variable is financial capital. This variable is consisting of 5 items in which 1 item has been dropped leaving 4 items for final analysis.

The KMO test for business success recorded .735 which is considered as good and Bartlett tests with sig. value 0.000. Table 4.4 shows the KMO and Bartlett's Test for financial capital while Table 4.5 shows the factor loading for 4 items which are all greater than the recommended of 0.5; this shows distribution of the values is standard.

**Table 4.4** *KMO and Bartlett's Test Financial capital*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.735
Approx. Chi-Square		111.474
Bartlett's Test of Sphericity	Df	6
	Sig.	.000

**Table 4.5:** *Component Matrix of Financial Capital*

Name	Items	Factor loading	Eigen-value	% Variance
Financial Capital	Amount from other income	.798	2.254	56.342
	Financed with own capital	.551		
	Received a contribution by business partner(s)	.843		
	Wage income received by spouse	.775		

### 4.3.3 Factor Analysis for motivation and goal

The second component for independent variable is motivation and goal. This variable is consisting of 5 items. The KMO test for business success recorded .820 which is considered as good and Barlett tests with sig. value 0.000. Table 4.6 shows the KMO and Bartlett's Test for motivation and goal while Table 4.7 shows the factor loading for all items which are all greater than the recommended of 0.5; this shows distribution of the values is standard.

**Table 4.6** *KMO and Bartlett's Test for motivation and goals*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.820
Approx. Chi-Square		207.089
Bartlett's Test of Sphericity	Df	10
	Sig.	.000

**Table 4.7:** *Component Matrix of Motivation and goal*

Name	Items	Factor loading	Eigen-value	% Variance
Motivation and goal	To prove that the company can do it	.829	2.945	58.903
	To increase the company income	.770		
	For the company satisfaction and growth	.789		
	So the employees always have job security	.794		
	To build a business to pass on	.641		

#### 4.3.4 Factor Analysis for social networking

The third component for independent variable is motivation and goal. This variable is consisting of 5 items in which 1 item is dropped leaving 4 items for final analysis. The KMO test for business success recorded .793 which is considered as good and Bartlett tests with sig. value 0.000. Table 4.8 shows the KMO and Bartlett's Test for social networking while Table 4.9 shows the factor loading for four (4) items which are all greater than the recommended of 0.5; this shows distribution of the values is standard.

**Table 4.8** *KMO and Bartlett's Test for social networking*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.793
Approx. Chi-Square		195.805
Bartlett's Test of Sphericity	Df	10
	Sig.	.000

**Table 4.9:** *Component Matrix of social networking*

Name	Items	Factor loading	Eigen-value	% Variance
Social Networking	Attended any trade fairs national or international	.838	2.726	54.515
	Discussion with any relatives, family and friends.	.686		
	Regular business contact with other SMEs	.842		
	Frequency meeting with the firms in the same field	.866		

### 4.3.5 Factor Analysis for government support

The fourth component for independent variable is government support. This variable is consisting of 8 an item in which 4 items has been dropped leaving a final of 4 items. The KMO test for government support recorded .746 which is considered as good and Barlett tests with sig. value 0.000. Table 4.10 shows the KMO and Bartlett's Test for government support while Table 4.11 shows the factor loading for four (4) items which are all greater than the recommended of 0.5; this shows distribution of the values is standard.

**Table 4.10** *KMO and Bartlett's Test for government support*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.746
Approx. Chi-Square		120.838
Bartlett's Test of Sphericity	Df	6
Sig.		.000

**Table 4.11:** *Component Matrix of Government support*

Name	Items	Factor loading	Eigen-value	% Variance
Government support	The government departments/agencies offer plenty and clear policy information to my company	.686	2.330	58.242
	The tax policy for my company is preferable	.844		
	The legal right and interest of investors and entrepreneurs are guaranteed	.820		
	Current labour institutions are advantageous for my company to attract and retain person with ability	.688		

#### 4.3.6 Factor Analysis for Improvisation

The fifth component for independent variable is improvisation. This variable is consisting of 7 items. The KMO test for business success recorded .858 which is considered as good and Barlett tests with sig. value 0.000. Table 4.12 shows the KMO and Bartlett's Test for improvisation while Table 4.13 shows the factor loading for all items which are all greater than the recommended of 0.5; this shows distribution of the values is standard.

**Table 4.12** *KMO and Bartlett's Test for improvisation*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.858
Approx. Chi-Square		395.832
Bartlett's Test of Sphericity	Df	21
	Sig.	.000

**Table 4.13:** *Component Matrix of improvisation*

Name	Items	Factor loading	Eigen-value	% Variance
Improvisation	My company deal with unanticipated on the spot.	.693	4.085	58.357
	My company think on our feet when carrying out actions.	.768		
	My company respond in the moment to unexpected problems.	.772		
	My company try new approaches to problems.	.715		
	My company take risks in terms of producing new ideas in doing the job	.782		
	My company demonstrate originality in work.	.800		
	My company identify opportunity for new work process.	.811		

#### 4.3.7 Factor Analysis for Information and communication technology (ICT)

The sixth component for independent variable is information and communication technology (ICT). This variable is consisting of 5 items. The KMO test for business success recorded .809 which is considered as good and Barlett tests with sig. value 0.000. Table 4.14 shows the KMO and Bartlett's Test for social networking while Table 4.15 shows the factor loading for all items which are all greater than the recommended of 0.5; this shows distribution of the values is standard.

**Table 4.14** *KMO and Bartlett's Test for ICT*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.809
Approx. Chi-Square		213.678
Bartlett's Test of Sphericity	df	10
	Sig.	.000

**Table 4.15:** *Component Matrix of ICT*

Name	Items	Factor loading	Eigen-value	% Variance
ICT	Market expansion	.832	2.922	58.447
	Increase in customers	.835		
	Increase in quality product	.621		
	Profitability	.755		
	Expansion of social network	.760		

#### 4.4 Reliability Analysis

Reliability test is used to measure the goodness of instruments to be use in the actual field. According to Sekaran and Bougie (2010), reliability is a measuring instrument that measures the consistency of an instrument. The reliability of the instrument used in this study was tested using the Cronbach's Alpha. Table 4.16 shows the reliability result of this study.

**Table 4.16**

*Summary of the reliability result of the study variables*

Variable	No. of items	Reliability Cronbachs' Alpha
Business Success	7	.848
Financial Capital	4	.741
Motivation and Goal	5	.819
Social Networking	4	.826
Government Support	4	.753
Improvisation	7	.878
ICT	5	.805

According to Hair, Anderson, Tatham and Black (1998), the lowest limit of the value of Cronbach's Alpha is 0.70. The range of 0 to 1 indicates Cronbach's Alpha coefficients of dependability of the data. Therefore, based on the above table, the value of Cronbach's Alpha ranging from 0.74 to 0.878 where the value is closer to 1. This shows that that this data has higher reliability of internal consistency (Sekaran, 2003).



## 4.5 Respondents profile

Table 4.17 *Demographic Profile of the Respondents*

Profile	Frequency	Percentage
<b>Age</b>		
Below 30	27	22.1
31-40	36	29.5
<b>41-50</b>	42	34.4
51-60	17	13.9
<b>Race</b>		
Malay	109	89.3
Chinese	10	8.2
Indian	2	1.6
Others	1	.8
<b>Level of Education</b>		
Master	6	4.9
Degree	32	26.2
Diploma	40	32.8
Secondary	38	31.1
Primary	5	4.1
Others	1	.8
<b>Position</b>		
Business owner	102	83.6
Business partner	6	4.9
General Manager	1	.8
Human Resource	1	.8
Manager	0	0
Other	12	9.8
<b>Years of working</b>		
Less than 5 years	29	23.8
5-10 years	58	47.5
11-15 years	19	15.6
16-20 years	13	10.7
More than 20 years	3	2.5
<b>Years of company establishes</b>		
Less than 5 years	30	24.6
5-10 years	51	41.8
11-15 years	19	15.6
16-20 years	8	6.6
More than 20 years	14	11.5
<b>Company Location</b>		
Perlis	59	48.4
Kedah	46	37.7
Pulau Pinang	7	5.7
Others	10	8.2
<b># of employees that company hired</b>		
Less than 5	75	61.5
4-49	36	29.5
50-140	11	9.0
<b>Type of ownership</b>		
Local company-Bumiputra	116	95.1
Local Company-Non Bumiputra	6	4.9
<b>Type of Industry</b>		
Traditional Medicine	19	15.6
Food & Beverages	40	32.8
Textiles	19	15.6
Production Furniture	2	1.6
Agriculture	2	1.6
Grocery store/Mini mart	4	3.3
Health and Beauty	8	6.6
Beauty Salon	7	5.7
Pharmaceutical	3	2.5
Packaging,Labeling & Printing	4	3.3
Chemicals & Plastic Products	3	2.5
Jewelry	7	5.7
Others	4	3.3

This part of the study shows the background of the demographic profile of the respondents who is involved in the current study, which is important and useful aspect to understand the segmentation of the data. Table 4.17 shows the details of the demographic profiles of the respondents while the full SPSS are displayed in Appendix B.

From the total of 122 respondents, 42 (34.4%) are aged 41-50, 36 (29.5%) are age 31-40, 27 (22.1%) are age below 30 and 17 (13.9%) are age 51-60. In terms of respondents race, majority of the respondents are Malays or 109 (89.3%) of the total respondents, 10 (8.2%) are Chinese, 2 (1.6%) are Indians while 1 (.8%) for other race. For the level of education, 40 (32.8%) of the respondents acquire diploma, 38 (31.1%) hold secondary. 32 (26.2%) hold degree, 6 (4.9%) master degree holder, 5 (4.1%) for primary and the other 1 (.8%) is for other. Meanwhile for the women entrepreneurs position in their company, majority or 102 (83.6%) of the respondents are business owners, 6 (4.9%) is business partner only, 1 (.8%) is general manager, 1 (.8%) is human resource while the rest (12 or 9.8%) is for other positions.

In terms of the respondents years of working in the company, 58 (47.5%) of the respondents are working 5-10 years already, 29 (23.8%) are less than 5 years, 19 (15.6%) is 11-15 years of working, 13 (10.7) is 16-20 years of service and finally 3 (2.5%) is already more than 20 years of services. Meanwhile, for the years that company has been established, 51 (41.8%) is establishe in 5-10 years already, 30 (24.6 %) is just less than 5 years, 19 (15.6%) of the respondents company is established in 11-15 years already, 8

(6.65) for 16-20 years of existence and 14 (11.5%) is more than 20 years that a company is established.

Among the 122 respondents, majority of the business which is 59 (48.4%) are located in Perlis, 46 (37.7%) located in Kedah, 7 (5.7%) is in Pulau Pinang and 10 (8.2%) is from other places. In terms of number of employees that company hired, 75 (61.5%) says that their company only hire less than 5 employees, 36 (29.5%) says that they hire 5-49 employees and 11 (9%) says that they hire 50-140 employees.

Interestingly, majority of the respondent's type of ownership is local company. From 122 respondents, 116 (95.1%) says that their company is local and own by Bumiputra's while only 6(4.9%) is by local company-Non Bumiputra. In terms of type of industry, majority of the respondents are engaged in food and beverages (40 or 32.8%), followed by both traditional medicine (15.6%) and textiles (15.6%). The rest is another type of industry in which only few or less than 10% of the respondents are engaged with.

#### **4.6 Descriptive Analysis**

Descriptive analysis was used to identify the overall range of answers for each construct in the form of mean and standard deviation. The responses received from the lecturers are analyzed through SPSS version 20.0. All the variables recorded ranging from 1.80 to 3.00 in the minimum response .In the maximum value of response received all variables have obtained 5.0 from the respondents.

Besides that, the mean values of the variables were obtained by the measure on a five Likert scale, which means the higher the number on the five-point scale, higher the goodness of the variable will be. The values that are nearer to five are provides a positive answer, while the values close to zero reflects negative thoughts from the respondent. In addition, a mean value equal or more than 4 indicates a high agreement with a particular criterion which is a mean value equal or less than 2 were considered as low, and a mean value of 3 was considered as a moderate agreement. For this study the mean value is generally moderate and high in nature, the highest mean value is at 4.4295 for motivation and goal and the lowest is at 3.4721 for financial capital construct. A descriptive analysis of all six variables is presented in the Table 4.18.

**Table 4.18: Descriptive Analysis**

*Descriptive Statistics for Variables*

N		Min	Max	Mean	Std. Deviation
122	Financial Capital	1.80	5.00	3.4721	.83362
122	Motivation and goal	3.00	5.00	4.4295	.52361
122	Social networking	2.40	5.00	3.8869	.68658
122	Government support	2.25	5.00	3.5143	.65815
122	Improvisation	3.00	5.00	3.9016	.57027
122	ICT	3.00	5.00	4.4361	.52760
122	Business Success	3.00	5.00	4.2059	.52172

## 4.7 Correlation

This analysis allows the researcher to establish the relationship between the variables used in this study. For this study the relationship between variables will be tested based on the guidelines outlined by Hair, Money, Samouel, and Page (2008). The correlation less than .20 indicated as very weak relationship, .20 to .40 as weak, .40 to .70 as moderate correlation followed by .70 to .90 as strong and more than .90 respectively as very strong correlation. Based on the guideline above, there is a correlation between the variables in this study. Correlation does not involve cause and effect but only shows how satisfactory the relationships are (Zickmund, 2003).

### 4.7.1 The Correlation of the independent variables with the business success.

**Table 4.19**

*Correlation among variables constructs*

Variables	DV	IV1	IV2	IV3	IV4	IV5	IV6
DV- Business Success	1						
IV1-Financial capital	.397**	1					
IV2-Motivation & goal	.356**	.262**	1				
IV3-Social networking	.551**	.383**	.333**	1			
IV4-Government support	.538**	.253**	.213**	.701**	1		
IV5-Improvisation	.431**	-.116**	.314**	.380**	.513**	1	
IV6-ICT	.663**	.383**	.405**	.364**	.356**	.301**	1

\*\*Correlation is significant at the level 0.01 (2-tailed)

In this study, the researcher uses the Pearson correlation to test the above objective. The table 4.19 summarizes the correlation between all the variables. The highest correlation coefficient is registered between ICT and social networking with the correlation coefficient of .663\*\*,  $p < 0.01$  and .551\*\*,  $p < 0.01$  respectively. The third highest is government support recorded a correlation coefficient of .538\*\*,  $p < 0.01$  followed by improvisation recorded correlation of .431\*\*,  $p < 0.01$ . Financial capital and motivation and goal has the lowest correlation of .395\*\*,  $p < 0.01$  and .356\*\*,  $p < 0.01$  respectively.

Based on the discussed above, four independent variables, namely ICT, Social networking, government support and improvisation have a moderate correlation with the business success and two independent variable, financial capital and motivation and goal has a weak correlation with business success.

#### **4.8 Regression**

Multiple regressions was carried out to identify the independent variables as well as the contribution of these dimensions; financial capital, motivation and goal, social networking, government support, improvisation and ICT in predicting business success as a dependent variable. The finding of the multiple regressions based on statistical assessment is show in table 4.20 below. The six (6) determinants of independent variables explained 59.7% ( $R^2 = .597$ ) of total variance in business success.

Based as shown in table 4.20, the ANOVA table indicates that the model as a whole is significant (F (28.335),  $p < 0.001$ ).

**Table 4.20**

*Table of One-way ANOVA*

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	19.646	6	3.274	28.335	.000 <sup>b</sup>
Residual	13.289	115	.116		
Total	32.935	121			

a. Dependent Variable: MEANG

b. Predictors: (Constant), MEANF, MEANE, MEANB, MEANC, MEANA, MEAND

**Table 4.21**

*Regression analysis*

Independent Variable	Beta ( $\beta$ )	t	Sig.	Std. Deviation
Financial Capital	.153**	2.083	.039	.833
Motivation and goal	-.007	-.105	.917	.523
Social networking	.175**	1.962	.052	.686
Government support	.124	1.353	.179	.658
Improvisation	.188***	2.405	.018	.570
ICT	.443***	6.178	.000	.527

\* $p < 0.1$

\*\* $p < 0.05$

\*\*\* $p < 0.01$

The variables having the significant value and explaining the business success because they have the highest beta value as follows, ICT ( $\beta=.443$ ,  $p<0.01$ ), improvisation ( $\beta=.188$ ,  $p<0.05$ ), social networking ( $\beta=.175$ ,  $p<0.05$ ), and financial capital ( $\beta=.153$ ,  $p<0.05$ ). Only two independent variables namely, motivation and goal and government support was found not to have a significant value with organizational commitment with a  $\beta$  of  $-.0.07$  and  $.124$  respectively.

#### 4.9 Hypotheses Testing

**Table 4.22**

*Summary of Hypotheses results*

	<b>Hypothesis</b>	<b>Result</b>
H1	There is the positive influence of financial capital towards women entrepreneurs business success	<b>Accepted</b>
H2	There is the negative influence of motivation and goal towards women entrepreneurs business success of SMEs in Malaysia.	<b>Rejected</b>
H3	There is the positive influence of social capital towards women entrepreneurs business success of SMEs in Malaysia.	<b>Accepted</b>
H4	There is the negative influence of government support towards women entrepreneurs business success of SMEs in Malaysia.	<b>Rejected</b>
H5	There is the positive influence of improvisation towards women entrepreneurs business success of SMEs in Malaysia.	<b>Accepted</b>
H6	There is the positive influence of adoption of information and communication technology (ICT) towards women entrepreneurs business success in Malaysia.	<b>Accepted</b>

#### 4.10 Summary

In this chapter, response rate, treatment of outliers, normality testing and description of demographic characteristics, reliability of the study variables and finally discussion of the hypothesis has been done. This chapter also presented the analysis of the collected of the collected data, which has accepted and rejected some variables as a contributor to the dependent variable. This study will further discuss the findings of the research, the



theoretical implications, suggestion for future studies, limitations of the research and conclusion of the study on the next chapter.

# **CHAPTER FIVE**

## **DISCUSSION AND CONCLUSION**

### **5.1 Introduction**

In this last chapter, the researcher summarizes the findings which obtained from the previous chapter. It is important for the researcher to conclude and provides recommendation in this study which based on the research findings. This section starts with recapitulation of the study and followed by the discussion. It also discusses the theoretical and managerial implication of the study and consequently the limitation and some suggestions for future research. This chapter ends with the conclusion of the study.

### **5.2 Recapitulation of the study**

This study attempted to determine the relationship between the independent variables (financial capital, motivation and goal, social networking, government support, improvisation, ICT), and the dependent variable which is business success. It also attempted to identify the most influencing determinant factor on business success. The data was collected from women entrepreneur in Malaysia particularly in Perlis, Kedah and Pulau Pinang. One hundred fifty (150) questionnaires were distributed and 129 were returned (86%). After a thorough check of the returned questionnaires, it appeared that only 122 (81.33%) were usable for analysis.

This research had also set up to accomplish the following particular objectives:

1. To identify the relationship between financial capital and business success
2. To examine the relationship between motivation and goal and business success
3. To investigate the relationship between social networking and business success
4. To study the relationship between government support and business success
5. To study the relationship between improvisation and business success
6. To study the relationship between ICT and business success

### **5.3 Discussion**

The main focus of this study is women entrepreneurs in SME's business success. Consequently, analyzing women entrepreneurs' business success is important so as to determine if business success is explained by financial capital, motivation and goal, social networking, government support, improvisation, and ICT. If yes, women entrepreneurs can focus on these determinants of their business success. Several researchers have studied the business success by analyzing its factor such motivation and goal, social networking, government support, improvisation, ICT. For example RanaNuseibeh (2000), Thibault et al. (2002), Rogoff et al. (2004), Kamal Naser, Wojoud Rashid Mohammed, , Johnson and Scholes (2005), Fairlie and Krashinsky (2008), Alexandra L. Anna, Gaylen N. Chandlerb, Erik P. Herod Jansenc and Neal (2008), Ashraf Qureshi (2010), Mohd Nor Hidayad bin Hambali (2011) , Abdul Manaf, Omar & Yee, 2012 and etc.

### **5.3.1 Financial capital and business success**

The first research question deals with the relationship between financial capital and business success. Accordingly, hypothesis one (H1) states, “there is a significant relationship between financial capital and business success”. The finding of this dimension had a positive and significant relationship with business success ( $\beta=.153$ ,  $p<0.05$ ). This is link with the previous researches by Fairlie and Robb (2008), which examined the relationship between initial capital and business performance directly and shows a strong positive correlation. They stated that the firms with higher level of initial capital are less likely to close, have higher profits and sales, and is more likely to hire employees. On other hand, Harding (2002) showed that financial capital has a direct impact on the ability of entrepreneurs to get financial capital for the venture. Moreover, Hellmann and Puri, 2000; Botazzi et al, ( 2007) in their study mentioned that companies that dispose of higher levels of capital to run the process professionalization of directors faster, reach the market faster and generate more work. Thus, this clearly shows that women entrepreneurs need financial resources in their business and to remain longer in the industry and increase the level of business success.

### **5.3.2 Motivation and goal towards business success**

Research question number two deals with the relationship between motivation and goal towards business success of women entrepreneurs. Hypothesis two: “there is a significant relationship between motivation and goals towards business success”. From the result obtained in the previous chapter, it appeared that motivation and goal has positive

relationship with business success but does not give significant influence ( $\beta = -.007$ ,  $p > 0.05$ ).

The results of this study, shows that the motivation and goals is not significant to women entrepreneurs' business success. This may be because women entrepreneurs do not need motivation and goals in determining the success of their business. As examples of items that represent the motivations and goals; to prove the company can perform well, to increase company income; to achieve self-satisfaction and growth, so the employees always have job security, pass on to build a business, and maintain the freedom entrepreneurs.

Based on this finding, the researcher concluded that these variables do not play a major role in determining business success of women entrepreneurs of SMEs. Moreover, the researcher assumes women entrepreneurs in the study area may lack exposure on the importance of motivation and goals in improving the performance and success of their business. Hence, a support such as women association in Malaysia is needed to give more awareness for women entrepreneurs about the importance of motivation and goals so that they can determining the right goals in their business and to become more efficient and success in future.

According to Miner (1990), when women entrepreneurs are concerned about motivation and goals, it will affect the firm's profitability. Contrary, many previous researchers determine that motivation and goal have significance relationship with

business success (Manev et al., 2005). Thus, for future researchers need to investigate this variable in depth.

### **5.3.3 Social networking and business success**

The third research question deals with the relationship between social networking and business success. Accordingly, hypothesis three (H3) states, “there is a significant relationship between social networking and business success”. The findings of social networking revealed that it has positive relationship and significantly influence business success ( $\beta=.175$ ,  $p>0.05$ ). Therefore, it supports the H3. As discussed in Chapter 2, according to Staber (2001), network plays an important role in binding and brings companies together into an innovative system that contractual relations, product development partnerships, and alliances complex inter organizational strong and effective. Women entrepreneurs need this network to strengthen their business in the industry.

In addition, Dodd, et al., 2002 in his research states that entrepreneurs usually get resources through their networks. Furthermore, Johnson and Scholes (2005) stated that, social network is to maintain the success of SMEs by dealing with their shortcomings, because empirical studies have identified that a strategic network corporative a in one of the best solution and it can be used as a strategy to provide support together for each SME owner / managers, working with large organizations and get help from local institutions such as chambers of commerce. Moreover, Lerner et al., 1997 stressed that network access or membership in the association is also an important component of affect

the profitability of the business. Therefore, it is very important for them to have any expertise in women organization. Thus, based on the previous researcher's findings, it shows that the better usage of social networking among women entrepreneurs, it will lead to high level of business success.

#### **5.3.4 Government support and business success**

The fourth research question deals with the relationship between government support and business success among women entrepreneurs. Hypothesis four (H4) states, "there is a significant relationship between government support and business success". From the result obtained in the previous chapter, it appeared that government support has positive relationship with business success but doesn't give significant influence ( $\beta=.124$ ,  $p>0.05$ ) since significant value is above 0.05.

While the government has allocated large amounts for financial aid and provide various programs for women entrepreneurs of SMEs, all these efforts are seen as useless as the impact of business activities are not significant. This condition occurs when the program assistance offered by some government or private agencies without proper observation. According to Abdullah, Latif, Fuel, and Nor (2001), the ineffectiveness of aid programs is caused by: a limited number of women entrepreneurs of SMEs receiving the full range of assistance, an inefficient allocation of resources, and programs that focus only on the development of the new company.

In addition, in a study Shieh Lee, (1990) a few women entrepreneurs of SMEs do not know how to ask for help, do not have confidence in their reserves, and think they need someone to get government assistance. Furthermore, according to Hashim, Ahmad, and Hassan, (2007) women entrepreneurs of SMEs are still unaware of their management training programs and financial assistance programs. The government should think the effective methods to get support from women entrepreneurs towards the programs planned for them. For example, their spouses involve together in the programs. By understanding the businesses of their wives, the husbands can lend their supports towards women entrepreneurs and their business.

Malaysia government interest in building and developing the growth of small and medium enterprises (SMEs) has grown for many years. However, despite the existence of various government assistance programs, women entrepreneurs of SMEs still face many problems in their operations. The government should change the regulation especially for small women entrepreneurs firm in order to start their business. For examples, in terms of financing, they should give more opportunity to receive any loans or capital to start without facing any hardship requirement such as collateral and guarantor in their application. Thus, it will lead them failure in the business.

In line with the globalizations, women entrepreneurs of SMEs in Malaysia facing increasing of challenges and competition, thus government support should upgrade their technology capabilities. They should introduce additional programs regarding using of information system in the women entrepreneurs business. For example, towards



enhancing their business success, the government should introduce the Enterprise Resource Planning System (ERP) specifically to manage resource across enterprise and integrate its manufacturing while helping to automate and manage the firm operations such as human resources, supply chain management, and etc. This will help women entrepreneurs to improve the business efficiency.

The researcher also assumes that because the women entrepreneurs company is still new, it is difficult for them to get loans from financial institutions. While the funds and facilities prepared by the government is more focused on funding research and development (R & D) than financial support. Thus, government support should be more alert in enhancing women entrepreneurs in SMEs sector by provide them more support in terms of financial, training, research and development (R&D) and business management. For new SMEs firm in the industry, they should give more chance and opportunities in order to growth well in the entrepreneur's field. This type of concern and support by government will lead women entrepreneurs' success in their business.

#### **5.3.5 Improvisation and business success**

The fifth research question deals with the relationship between improvisation and business success among women entrepreneurs. Hypothesis five (H5) states, "there is a significant relationship between improvisation and business success". The study found that improvisation is a predictor of business success and it is positively and significant with business success ( $\beta=.188$ ,  $p<.05$ ); which supported the research hypothesis five (H5).

According to Crossan (1998), improvisation is an action taken in a spontaneous and intuitive fashion. Women entrepreneurs need to improvise in their business in order to create business efficiency. Moreover, Hmieleski and Corbett (2003) in their study stressed that improvisation process occurred in two methods based on the context of entrepreneurship. First, an individual is faced with the problem and see the problem as an opportunity. Next, compare individual issues to others that he / she have faced in the past and choose indices based on past experience. Reference is a plan or strategy to respond to the environment.

In addition, Vera and Crossan (2004; 2005) states that there are several factors affect improvements in the effectiveness of the organization, such as culture experiments, real-time information and communication or memory, and some individual factors such as expertise and teamwork skills that could affect such performance at team level.

Women entrepreneurs have to improvise themselves so that they can manage well the business and ready for any changing in the industry. It will make the firms always in better position than the competitors. Thus, based on the previous researches, it shows that improvisation plays an important role. Improvisation is needed by women entrepreneurs in the process of bringing business to the next step forward.

### **5.3.6 ICT and business success**

The sixth research question deals with the relationship between ICT and business success among women entrepreneurs. Hypothesis six (H6), “there is a significant relationship between ICT and business success” was developed. The finding revealed that ICT is the most significantly predictor to business success ( $\beta=.443$ ,  $p<.01$ ), thus support the research hypothesis six (H6).

According to Martin, L.M., & Wright, LT. (2005), ICT is important and arguably unique in fostering women entrepreneurs of SMEs to strengthen their strategies in order to achieve success. This technology provides women entrepreneurs with wider access to the market, opportunities, networking, promotion capabilities and competitive advantages in their business.

Several studies have investigated the relationship between the use of IT and IT skills among entrepreneurial. For example, Shiels et al. (2003) stated that a strong IT capability include specific ICT skills of small firm owners have a great influence on the use of ICT. On other hand, Wainwright et al. (2005) added that the management of ICT practices, ICT skills, and ICT knowledge are important factor of whether IT is adopted or rejected by the SMEs.

Moreover, Ndubisi and Boar (2003), in assessing the use of information systems among SMEs firms in Malaysia, found that technical support and computing skills are a strong factors of the perception of the usefulness and also holds a direct influence on the

use of the system. In addition, study conducted by Ndubisi and Kahraman (2005), they found that the use of advanced systems is significantly connected with the innovation, and suggests that innovation is important in determining the nature of the use of ICT among women entrepreneurs in Malaysia.

The government recognizes the importance of ICT in SMEs. For example in the 9MP government has allocated a total of RM12.9 billion in the field of ICT to help entrepreneurs to venture into the field. (SME Corp, 2008). With this support, women entrepreneurs of SMEs can use to improve the performance of their business such as marketing, product innovation, business networks, and others.

Therefore having a better ICT will lead to business among women entrepreneurs. It enables business organizations to penetrate a wider market in the industry and achieve the success.

#### **5.4 Contribution of the study**

This research study might be useful to many parties due to its significance to the women entrepreneurs in SME sector. Thus, the finding provides contribution and implications that are classified in the following section.

##### **5.4.1 Theoretical Contributions**

The primary objective of this study was to determine the level business success among women entrepreneurs. The contribution of this research from theoretical perspective lies

in determining the relationship of financial capital, motivation and goal, social networking, government support, improvisation and ICT towards business success, and how it influences business success. The results prove the association of the six dimensions towards business success. However, only four of the dimensions significantly influence the business success.

This research applied motivation theory which specifically underpinned on the expectancy theory. This theory used to link with the variables that influencing women entrepreneur's business success of SMEs in Malaysia. This theory formulated by Victor H. Vroom in the 1960's pointed that motivation is high when workers believe that high levels of effort lead to high performance and high performance leads to the attainment of desired outcomes. This theory focus on all three parts of the motivation equation: inputs, performance, and outcomes that determine women entrepreneurs' motivation.

Based on the findings, only four of the dimensions positively influence the business success namely financial support, social networking, improvisation and adopted of ICT. This is link with the theory that revealed if any of the three factors above is low; motivation is likely to be low. No matter how tightly desired outcomes are linked to performance, if women entrepreneurs thinks it is practically impossible to perform at high level, motivation to perform at a high level will be exceedingly low or vice versa. Effective women entrepreneurs realize the importance of high levels of expectancy, instrumentality, and valence and take concrete steps to ensure that their employees are highly motivated. When entrepreneurs and employees are highly motivated, indirectly the

firms will highly produce the high outcome and achieve the high performance. Hence, this research shows that women entrepreneurs are highly motivated in financial capital, social networking, improvisation and ICT that bring their success in business.

#### **5.4.2 Managerial Implication**

The overall results of this study through examination and analysis of the sets of variables in the research framework on how these variables influence the business success provide significance implication to all the women entrepreneurs for the realization of the importance financial capital, social networking, improvisation and ICT on business success.

The findings of the study can be utilized by women entrepreneurs in their effort to enhance the possibility of business success by considering the determinant factors involved in this study particularly in focusing on the financial capital, social networking, improvisation and ICT to achieve business success goals.

#### **5.5 Limitation of the study**

There are some limitations that appeared in the current study to be discuss to recognized limitations and anticipated possibilities for research. First, due to time constraints (one month data collection), this study is limited only to women entrepreneurs in Perlis, Kedah and Pulau Pinang states. In order to increase the accuracy of the data based on the data sample, the researcher distributed the questionnaire based on face to face. Thus, this research was only limited to the SMEs organizations of women entrepreneurs firms

located at northern area only and unable to be generalizing to all population of women entrepreneurs of SMEs in Malaysia.

In addition, another limitation of this research is respondents cooperative. The researcher face difficulties getting the respondents survey as they are busy and some of them were irresponsible while answering the questionnaires. As mentioned earlier in this section, there are a total of 150 questionnaires were distributed to the respondents, but only 122 of total questionnaires are gained back by the researcher.

Moreover, the researcher found out the differences in business characteristic among the states has influenced the women entrepreneurs' perceptions towards factors influencing business success. For example the business characteristic based on the demographic result shows that mostly women entrepreneurs involve in food and beverages and Perlis state shows high involvement of women entrepreneurs' participant. This result might be as a gap to others type of industries and states.

Furthermore, the finding in this study shows that two independent variables namely motivation and goals and government support has negative influence towards business success because the researcher totally adopt the item measurement by previous researchers and affect the finding result. The vague questionnaires based on this two variables influence the respondents in order to fill up the answer and lead to negative result.

Last but not least, the researcher was only given 5 month period to accomplish this research and submit the study. Hence, with this time constraint limitation, the researcher needs to put more effort and spend more time efficiently in order to finish the research based on the period of time as prescribed. In spite of the limitations, the result of the research provides a platform for future assessment and analysis to improve the women entrepreneurs' business success.

## **5.6 Recommendations from the research**

This research has provided factors affect the business success of women entrepreneurs of SMEs in Malaysia through a comprehensive of literature review on entrepreneurship. This resulted in the development of a research framework which points out that financial capital, motivation and goal, social networking, government support, improvisation and adoption of information and communication technology are the elements towards determining the business success among women entrepreneurs' of small medium enterprise. The results showed that, to be successful in business ventures, women entrepreneurs should have a strong relation between internal factors and external factors. So, this part will clarify the recommendation from the researcher towards emphasizing women entrepreneurs of SMEs in Malaysia.

Firstly, women entrepreneurs' must have a well information and knowledge with the capital assistance towards them. In addition, SMEs women entrepreneurs also must realize the important of motivation and goal in order to boost their interest and patient to run the business well. If they are lack in term of this motivation and goal, there are unable



to survive longer in the industry. Moreover, women entrepreneurs' also should realize the advantages of social networking to their business success. In order to remain longer in the business, they must have the initiative to participate in any entrepreneurs programmes that are organized by women associations for them.

In Malaysia, the parties responsible, including the National Association of Women Entrepreneurs of Malaysia (NAWEM), the Federation of Women Entrepreneurs of Malaysia (FEM), the Association of Bumiputera Women Entrepreneurs of Malaysia (USAHANITA), and e-Malaysia Women Entrepreneurs Association (EWA). In addition, the women associations in Malaysia and NGOs also play as a vital mechanism in providing morals, financial assistance, and credit schemes to women entrepreneurs so that their performance can be enhanced to a higher level.

Secondly, the government support should put a continuous effort in offering better support towards SMEs women entrepreneurs' in Malaysia. In term of a financial support, women entrepreneurs' must understand the important of this resource in term of to develop their business well. Understand grants had to be provided by the government despite the increase of the provision for examples the government must pursuing more lending agencies such banks and micro institutions to offer more flexible conditions through tax incentive in order to help women entrepreneurs in creating and developing their business. Moreover, the government should engage in dialogue with the lending agencies to increase their level of financial support for small and medium women entrepreneurs.

Thirdly, enhancing the opportunities of training for women entrepreneurs should be prepared well with the involvement of successful women entrepreneurs' as a coach. For examples, the training support program should focus on the management side, operation such as marketing, participation of trade fair, product quality, business opportunities, financial resources, social network, and adoption of information and communication technology. Women associations as a platform to women entrepreneurs in Malaysia play as major role in attracting them to frequently participate in the training programs which the government support by providing subsidies or tax incentives to them.

Fourthly, importance of the infrastructure needed to develop the e-commerce to attract more women entrepreneurs of SMEs to engage in advance technology. The incentives can be given to women entrepreneurs' in creating their internal ICT system, for example relief of tax for the purchase of equipment. Moreover, the assistance program to provide knowledge in the adoption of the technology must be urging by the government towards women entrepreneurs in order to have a great understanding and opportunities to apply this system. The government must make them to realize that the advantages using the e-commerce activities will definitely encourage SMEs women entrepreneurs' in operating the business wider in the market.

Finally, the effectiveness of the related initiatives will not be succeeding without the courage from all parties' participation. Hence, women Entrepreneurs must to fulfill the policies and national programs regulated by the government. In line with that, the women entrepreneurs association of Women and NGOs can provide a better role in

supporting the government in order to attract more women entrepreneurs venture in business. In addition, to support this, the society also plays as important key to promote the women entrepreneurs development

## **5.7 Suggestions for Future Research**

As discussed in the beginning of the study, there is a lot of business success factors previously reported in the literature, among the factors affecting the success of the business being reviewed include internal factors such as skills and knowledge (Makhbul & Chapman, 2011; Chu, Benzing, & McGee, 2007; Cox & Jennings, 1995; Kozan, Moksoy & Ozsoy, 2006), attitude and behavior (Makhbul & Chapman, 2011; Benzing et al, 2009;. Coy, Shipley, & Omer Khan, 2007) and external factors such as government support (Joseph, 1995), market opportunities (Kozan et al., 2006; Lussier, 1995), the availability of financial resources (Lee & Stearns, 2012; Gundry and Welsch, 2001) and support than others (Levent, Fenney & Nijkamp, 2003; Fielden & Dawe, 2004).

Hence, it will be beneficial if the future researchers are consider in making research as recommend below,:

First, due to time constraints and conditions, the scope of this study represent only a small area if compared with the total population of Malaysia SMEs women entrepreneurs'. This research only involve women entrepreneurs participant in northern area such as Perlis, Kedah and Pulau Pinang. Therefore, when it is not in any way affect the validity of the data, the generalizability of the findings may be biased towards women entrepreneurs to open small and medium enterprises as compared with those involved in

companies that are larger. Further research needs to be directed towards confirming the results of this exploratory study.

Moreover, future researchers should focus on doing more empirical cross-cultural and / or cross-country studies in different parts of the world and investigate the similarities and characteristics that distinguish entrepreneurs from various countries. Such studies can reveal the typical characteristics of entrepreneurs and enable researchers to develop more generalizable theory of entrepreneurship. Such studies should be based on a broader set cultural value.

Furthermore, future researches should adapt the questionnaires item measurement from previous researchers because if totally adopted the items it will lead the misunderstanding and misinterpretation among the respondent. Hence, it will affect the data collection result.

Finally, based on this study, there are two variables namely motivation and goals as well as the government does not provide significant support to business success. Therefore, the researchers recommend that future research will examine these variables in greater depth and future studies should include other independent variables and intervening variables to relationships with business success.

## **5.8 Conclusion**

This study investigated the variables that could influence the business success among women entrepreneurs namely; financial capital, motivation and goal, social networking, government support, improvisation and ICT. The findings revealed that all the independent variables have a positive relationship with business success. The study results showed the strongest significant influence of ICT followed by improvisation, financial capital and social networking on business success. In contrast, motivation and goal as well as government support do not give significant influence towards business success which calls for more studies and investigation.

In enhancing the participation of women entrepreneurs of SMEs in Malaysia in line with the opportunities provided by the government for them to be more competitive in the booming world and challenging environment, the incentives of the government, such as finance, seminar and conference greatly needed to help their involvement in the knowledge of business management in order to achieve greater performance.

Moreover, support from government and all women's associations like NAWEM, USAHANITA, FEM can cooperate with women entrepreneurs who have been successful as a role model to assist women entrepreneurs who are new in this industry. According to Storey (1994), a successful entrepreneur is an individual who emulate the success of other entrepreneurs'. Conducting a workshop is an example to motivate SMEs women entrepreneurs' in order to enhance their confidence and skills.

Furthermore, women entrepreneurs of SMEs should be urged to involve themselves with the assistance provided by the government and participate in entrepreneurship programs provided by the government and associations of women entrepreneurs. Recommendations for government help and support that can be provided to them as capital support, particularly during the recession, conducting assistance program on firm operations, business administration, promotion and marketing, the use of ICT, business planning and motivations. Such support is urgently needed by women entrepreneurs of SMEs in terms of generating more efficient idea, various opportunities towards developing their business well in the SMEs sector in Malaysia.

Finally this study accomplishes its objectives in studying the determinant factors of business success among women entrepreneurs in SME's that provide significant implications in both theoretical and managerial.

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