International Journal of Engineering & Technology, 7 (3.35) (2018) 184-187

International Journal of Engineering & Technology

Website: www.sciencepubco.com/index.php/IJET

Research paper



What drives women into entrepreneurial activities? view from Malaysia and Philippines

Farrah Merlinda Muharam [1] *, Marietta C. Israel [2], Thoo Ai Chin [1], Zuraidah Sulaiman [1], Noraini Abu Talib [1], Umar Haiyat Abdul Kohar [1], Benita A. Meneses [2], Eliza O. Daval Santos [2]

[1] Faculty of Management, University Technologic Malaysia, Johor, Malaysia
[2] Institutes of Accounts, Business and Finance, Far Eastern University, Philippines
**Corresponding author E-mail:*

Abstract

Women nowadays are actively involved in entrepreneurship and contributing to economy development. In developing country such as Malaysia and Philippines, the participations are increasingly noted, yet the phenomena are still new. This study aims to understand the factors that motivate women to involve in entrepreneurship, in addition to their profiles and industry/business engagement. The study further explores the obstacles faced before/during venturing into entrepreneurial activities. Using quantitative approach, descriptive method and correlation are used to understand the phenomena. Findings from this study will provide a profiling of women entrepreneurs together with their motivational factors and to understand the challenges faced in the course. As both countries are establishing women as part of their economic development player, this study shall provide real inputs for policy building in promoting, encouraging and easing women involvement in entrepreneurial activities and the related industry.

Keywords: *Women Entrepreneurship; Motivation.*

1. Introduction

Women contribution in the economy through entrepreneurial activities is getting noticeable as they are considered as "untapped source" of economic growth (Minniti and Naudè, 2010). Unfortunately with equal numbers of participation globally, backed up with numerous support system (GEM, 2012), women entrepreneurs are still unable to contribute as much as male entrepreneurs (Vossenberg, 2013). Women entrepreneurs, especially from developing countries, have slower growth with high likeliness to fail and become entrepreneurs out of necessity (Vossenberg, 2013).

In South East Asian countries, entrepreneurship has experienced the same positive development too. Women have played important role in economic development and stabilised the economy during recessions (Ndubisi & Kahraman, 2006), partly through their entrepreneurial activities. From Malaysian consensus 2005, about 133 new start-ups belong to women entrepreneurs applied for micro credit financing (United Nations Development Programme, 2008). It implies that Malaysian women realised the opportunity to grow their income and living standard through entrepreneurship. Meanwhile, in Philippines, nearly 70% of business start-ups are attributed to women entrepreneurs in order to break from poverty and local norms. Yet by involving in entrepreneurship, women have to bear multiple responsibility as wife-mother-housekeeper-entrepreneur regardless of the geographical differences. Still, success stories of women entrepreneurs are growing.

This paper aims to provide an investigation of women motivation to become entrepreneurs in developing countries, taking insight from two South East Asian countries - Malaysia and Philippines, as both countries provides various support for women entrepreneurs to bloom.

The next section provides a brief background on women entrepreneurial activities in Malaysia Philippines followed by literature on the issue. The section is followed by an explanation of the research method employed in this study, and the analysis of the result in detail. Conclusion is presented in the last section.

2. Literature review

Looking at the current trend on the development of entrepreneurship and specifically, women entrepreneurial activities around the world, Malaysia and Philippines do not want to miss the opportunity to develop and support women entrepreneurial activities. Currently, both countries have established many platforms to support women entrepreneurship. Malaysian Government for instance, has embarked on developing capacity building initiatives through various Ministries and agencies to create, promote and nurture more women entrepreneurs, aiming to develop 4,000 women entrepreneurs by the year 2012. There are various programmes been tailored especially for women such as Women Exporters Development Programme (WEDP) by MATRADE and various support, training and development courses being organized by Women Development Department under the Ministry of Women, Family and Community Development?

Another platform called Malaysia Young Female Entrepreneur (MYFREN) is available to gather thoughts and ideas of entrepreneurs and encourage more Malaysians especially the young females to venture into entrepreneurism and businesses. MYFREN aims to create a strong and wide networking platform for young female to contribute in the economy development of Malaysia especially in making Malaysia Economy Transformation Plan and Vision 2020 a success.

Copyright © 201 Farrah Merlinda Muharam et. al. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

In Philippines, similar program like MYFREN named SPARK is also aiming on the same objectives. SPARK provides opportunities for young women to be mentored by successful businesswomen and experts and guide them in finding opportunity for growth and enhance business related skills. Despite of many support systems being established there is no solid evidence why women are attracted to involve in entrepreneurship. What motivates them?

Looking into these developments, women entrepreneurship has raised many interests in research due to the gender uniqueness, motivation and determination (Tambunan, 2009). Women who become entrepreneurs are usually driven by both push and pull factors, which are determined by necessity and choices (Franck, 2012). Small Enterprises Research and Development Foundation (2013) for example, reported that Philippine women have been able to rise above gender stereotyping and male domination. They are able to success in entrepreneurship mainly depending on natural talent of networking.

Due to this, it is important to understand the real motivation for women to involve in entrepreneurship as their thinking, strategising and negotiation approach are different from men. Is the option to be entrepreneurs intentionally? Are they really becoming entrepreneurs out of necessity?

With limited studies available referring to the nature of women entrepreneurship (Jennings & Brush, 2013) it is crucial to understand how to encourage more women to involve in entrepreneurship. Tambunan (2009) studied the constraint of women entrepreneurship in ASEAN and South Asia and found that women of these countries have different reasons for engaging in entrepreneurship. The author stated that in less-developed country like Indonesia, women involved in entrepreneurship because they are "forced" by living to earn income. In 2011, Alam, Jani & Omar found out that in Southern Malaysia, women entrepreneurship are positively related to positive family support, social ties and internal motivation. Later in 2012, Che Ismail, Shamsudin & Chowdhury identified that there are push and pull factors that contribute the women involvement in entrepreneurial activities in Kedah.

Due to lack of study in this phenomenon, Franck (2012) suggested that a thorough study is needed to close the literature gap and provide empirical support. Explanation is needed not only to strengthen the knowledge, but also to provide real measures for policy development as Malaysia and Philippines have good entrepreneurship incentives in fostering its economy. It is important to find:

1) What is the profile of the respondents?
2) What is the profile of the respondents entrepreneurial activity?
3) What are the perceptions of women entrepreneurs on the motivating factors in terms of achievement, recognition, experience, technology oriented, personal growth, quality lifestyle and job security ?
4) Are there significant differences in the perceptions of the respondents when they are grouped according to the motivating factors?

3. Methodology

The study adopts Global Entrepreneur Monitor (GEM)'s framework to guide and conceptualize the established and would-be women entrepreneurs according to their respective occurrences that contemplate the motivating factors that influence them to involve in entrepreneurship and subsequent obstacles. A structured survey questionnaire has been designed which were categorized into 2 basic requirements of women entrepreneurs - women who already operate business and women who aspired to become entrepreneur. Through purposive sampling, women entrepreneurs and entrepreneurs to be were approached and asked to response. The samples come from various part of the countries.

The data collected, descriptive analysis is produced and correlated between motivating factors and start-up obstacles based on achievement, recognition and experience. The statistical treatment will include computation of weighted mean, analysis of variance, and t-test. Then, results from both countries are compared to see the differences. Through the use of this instrument, motivating factors influencing women to involve into entrepreneurship are studied according to their respective achievement, recognition, experience, technology oriented, personal growth, and quality lifestyle and job security.

4. Results and discussion

Based on Table 1 followed, demograhically, more than 50% of women entrepreneurs or to-be-entrepreneurs from both countries are between 26-35 years old. Married women are the highest among them and having tertiary education. In the case of employment background, most entrepreneurs would be are currently working with private sector.

Table 1: Profile of the Respondents in Malaysia (MY) and Philipines (PHP)

	Established Entrepreneur		Would be Entrepreneur	
	MY n:130	PHP n:205	MY n:124	PHP n:233
Age	%	%	%	%
20 - 25 y/o	12	0	19	4
26 - 30 y/o	32	24	41	11
31 - 35 y/o	22	24	21	19
36 - 40 y/o	12	31	11	28
41 y/o & above	22	20	8	38
Civil Status				
Single	32	30	35	17
Married	40	66	52	66
Separated	21	4	6	17
Widow	7	0	7	0
Education				
High School	18	15	8	23
Vocational	3	17	2	19
U/Graduate	22	25	11	15
College Grad	46	42	68	43
P/Graduate	11	1	11	0
Employment				
Self-employed	74	43	12	17
Government employed	11	49	36	34
Privately employed	13	7	42	43
Others	2	0	10	6
No. of Dependents				
1	32	28	27	21
2-4	50	55	58	68
5- 6	11	4	11	11
More than 6	7	13	4	0
R/s of Dependents				
Parents	35	22	48	23
Spouse	18	18	7	47
Children	38	34	35	26
Relatives	1	5	5	4
Others	8	11	5	0
AverageIncome				
< RM2500	32	68	27	76
RM2501–5000	33	15	63	15
RM5001-7500	21	7	7	9
RM7501-10000	9	3	2	0
>RM10001	5	7	1	0

Looking from another aspect, women who had ventured or with intention to venture into entrepreneurship have between 2-4 dependents and their dependents are mainly children. Mainly, these women involve in entrepreurial activities due to low income level.

Table 2: Profile of the Respondents as to Entrepreneurial Activity in Malaysia (MY) and Philippines (PHP)

	Establish entrepreneur	
	MY	PHP
Entrepreneurial Occurrences	%	%
05 - 10 years	81	31

11 - 15 years	9	20
16 - 20 years	8	40
21 - 25 years	2	9
Legal Forms of Business		
Single Proprietorship	77	36
Partnership	13	58
Corporation	2	6
Others	8	0
Types of Business		
Manufacturing	26	14
Merchandising	25	61
Service	39	25
Other business activity	10	0
Number of Employees		
Below 5 employees	82	52
6 - 10 employees	10	34
11 - 15 employees	3	11
16 - 20 employees	1	3
21 employees & above	4	0
Initial Capital[1]		
< RM5000	-	28
RM5001-15000	56	60
RM15001-20000	26	4
RM20001–25000	11	2
>RM25001	2	6

Table 2 above summarizes the details on women involvement in the two countries. Both countries show a rise in women involvement in entrepreneurial activities between 5 to 10 years back. However, 77% of legal business formed in Malaysia is sole proprietorship compare to 36% in Philippines. Philippinas women established their business mostly through partnership (58%). The sectors of involvement is also different. In Phillipines, women entrepreneurial activities focused on merchandising (61%) while in Malaysia, the distribution is focused on service (39%), followed with manufacturing and merchandising, 26% and 25% respectively. Yet, their establishments are still micro with less than 10 employees for both country (Malaysia – 92%, Philippines- 86%) due to the fact that the business was also formed with low capital. In Malaysia, the initial capital for these women to start their businesses is between RM5,001 – RM15,000 (56%) and in Philippines PHP 51,001- PHP150,000 (60%).

The study aims to reveal the reason why these women involve in entrepreneurial activities. There are seven (7) motivatings factors investigated; need for achievement, need for recognition, experience, technology orientation, need for personal growth, quality of life and job security. Under these factors, respondents were supplied with several statements related to each factor and required to choose their agreement based on Likert scale between 1 (not important) to 5 (most important). Table 3 on established entrepreneurs and 4 on would be entrepreneurs, both report the highest (H) and the lowest (L) mean score of statements that belong to each factors.

Table 3 shows that it is important among women entrepreneurs in Malaysia to be technology oriented. The score for Capable to obtain information about the status and the progress of science and relevant technologies is 4.47. The lowest mean score is obtained from Prove field of expertise under achievement factor. This is different from women in Philippines. Achievement is the highest motivating factor among women entrepreneurs in Philippines with mean score of 4.30 for statement Community service to the society. Statement Invitational speakership from entrepreneurial exhibit and seminars under recognition motivating factor provided the lowest mean score.

Table 3: Frequency Distribution of Established Entrepreneurs on Motivating Factors in Malaysia (MY) and Philippines (PHP)

Established entrepreneur (MY)		Established entrepreneur (PHP)	
Items	Means	Items	Means
Achievement		Achievement	
Free and independent	4.04 (H)	Community service to the society	4.30 (H)
Prove field of expertise	3.11 (L)	Continue family business	3.55 (L)
Recognition		Recognition	
Gain appreciation by other people	4.26	Leave legacy to the family and to the society	3.86
Invitational speakership from entrepreneurial exhibit, seminars	3.23	Invitational speakership from entrepreneurial exhibit and seminars	3.26
Experience		Experience	
Knowledgeable to handle business	4.24	Analyze and interpret of win-win situation	4.18
Adapting of new business practices	3.57	Empowerment to make decision	3.58
Technology Oriented		Technology Oriented	
Capable to obtain information about the status and the progress of science and relevant technologies	4.47	One of the greatest strengths is my expertise in a technical or functional area	4.10
Able to be innovative and in the forefront of new technology	3.70	Recognized as a "technical expert" by my peers and associates	3.57
Personal Growth		Personal Growth	
Desire to make better use of my training and skills	4.29	To prove I can do it	4.28
Desire to complete with others and prove to be the best	3.13	Reached a career plateau in my last job	3.93
Quality life style		Quality life style	
Own preferred work style and lifestyle	4.27	Want to be my own boss	4.34
More free time	3.13	More free time	3.91
Job security		Job security	
Contracted out by past employer	4.38	Create my own job	4.15
Could not get a job, hence I started my own business	3.96	Contracted out by past employer	3.74

As for women who would be entrepreneurs in the future, the scenarios are different. In Malaysia, women involve in entrepreneurial activities because they are looking for job security, with 4.36 mean score. On the other hand, the least score is Able to be innovative and in the forefront of new technology under technology oriented motivating factor with 3.01. Meanwhile in Philippines, women are motivated by quality life style. They would like to be entrepreneurs because they want to maintain personal freedom with mean score of 4.13. The most least score is Efficient to meet company's objective up to par (3.19). Women in Philippines are not so motivated by experience in this case. The whole summary of findings relating to would be entrepreneur women is presented in Table 4 below.

Overall, out of seven motivating factors, it is found that there are five significant different on motivating factors between women entrepreneurs and women entrepreneurs to be in Malaysia and these include achievement, experience, technology oriented, personal growth and quality lifestyle. Meanwhile, in Philippines, with limitation of three motivating factors, achievement and recognition factor shows significant different between these two groups. However, there is no significant differences on experience factor between women entrepreneurs and women entrepreneurs to be in philippines. (Please refer to Table 5).

5. Conclusion

In order to attract new involvement, both countries entrepreneurial support system have to focus more on highlighting entrepreneurship as a platform to obtain job security among women which are able to open to more on opportunity aspects towards quality of life, personal growth or ability to be technology oriented. Training may be provided in order to match skill with activities that required minimal start-up as most chosen entreprenurial activities concentrated in service, merchandising and manufacturing.

[1] The initial capital for business formation in Philippines are PHP <50000, PHP 51000- 150000, PHP 151000-200000, PHP 20100-300000 and >PHP 301000 respectively.

Table 4: Frequency Distribution (Mean Score) of Would Be Entrepreneurs on Motivating Factors in Malaysia (MY) and Philippines (PHP)

Would be entrepreneur (MY)		Would be entrepreneur (PHP)	
Items	Means	Items	Means
Achievement		Achievement	
Provide basic necessities	4.24 (H)	Prove field of expertise	4.06 (H)
Attain desirability of profit from business	3.73 (L)	Attain desirability of profit from business	3.63 (L)
Recognition		Recognition	
Leave legacy to the family and society	4.19	Leave legacy to the family and society	3.85
Invitational speakership from entrepreneurial exhibit and seminars	3.54	Appreciation from local independent organization (NGOs)	3.28
Experience		Experience	
Productive to maximize the resources	4.19	Analyze and interpret of win-win situation	3.56
Effective leadership in the business for being charismatic	3.74	Efficient to meet company's objective up to par	3.19
Technology Oriented		Technology Oriented	
Capable to assimilate new technologies and useful innovations	4.27	One of the greatest strengths is my expertise in a technical/functional area	3.97
Able to be innovative and in the forefront of new technology	3.01	Capable to assimilate new technologies and useful innovations	3.45
Personal Growth		Personal Growth	
Utilize my keen business sense	4.26	Desire to make better use of training and skills	4.06
Achieve my own satisfaction and growth	3.14	Reached a career plateau in my last job	3.75
Quality life style		Quality life style	
Desire to have fun	4.29	maintain my personal freedom	4.13
Achieve a balance between work and family	3.48	Avoid high stress in my life	3.81
Job security		Job security	
To provide job security	4.36	Perceived threat to job security	3.95
Could not get a job, hence I started my own business	3.61	To provide job security	3.81

Table 5: Significant Differences among Would Be Entrepreneur and Establish Entrepreneur in Philippines and Malaysia

Factors	Philippines's Finding	Malaysia's Finding
Achievement	Significant	Significant
Recognition	Significant	Non-Significant
Experience	Non-Significant	Significant
Technology Oriented	n/a	Significant
Personal Growth	n/a	Significant
Quality life style	n/a	Significant
Job Security	n/a	Non-Significant

Financial support system for women should also easily available in low amount with highlight in the above mention industry. Once this is achieved, then focus may be channelled into achievement and recognition.

Acknowledgement

This research was supported by University Research Grant (Flagship) from the Ministry of Education via Universiti Teknologi Malaysia, Johor under contract no. / vot no. Q.J130000.2729.02K38.

References

[1] Alam, S.S., Jani, M.F.M. & Omar, N.A., 2011. An empirical study of success factors of women entrepreneurs in southern region in Malaysia. International Journal of Economics and Finance, 3(2): 166-174.

[2] Franck, A.K., 2012. Factors motivating women's informal micro-entrepreneurship: Experiences from Penang, Malaysia. International Journal of Gender and Entrepreneurship, 4(1): 65-78.

[3] Global Entrepreneurship Monitor (2012) GEM 2011 Global Report. Published online, http://Philippines.gemconsortium.org

[4] Ismail, H.C., Shamsudin, F.M. & Chowdhury, M.S., 2012. An exploratory study of motivational factors on women entrepreneurship venturing in Malaysia. Business and Economic Research, 2(1):1-13.

[5] Jennings, J.E. & Brush, C.G., 2013. Research on women entrepreneurs: challenges to (and from) the broader entrepreneurship literature?. Academy of Management Annals, 7(1): 663-715.

[6] Minniti, M. & Naudé, H., 2010. What do we know about the patterns and determinants of female entrepreneurship across countries?. The European Journal of Development Research, 22(3): 277-293.

[7] Ndubisi, O. N. & Kahraman, C, 2005. Malaysian women entrepreneurs: Understanding the ICT usage behaviors and drivers. Journal of Enterprise Information Management, 18(6): 721-739.

[8] Small Enterprises Research And Development Foundation (SERDF), 2013. the Feminine Edge: Do Women Make Better Entrepreneurs? Serdef.org. Retrieved 7 June 2017, from http://serdef.org/2013/02/the-feminine-edge-do-women-make-better-entrepreneurs/

[9] Tambunan, T., 2009. Women entrepreneurship in Asian developing countries: Their development and main constraints. Journal of Development and Agricultural Economics, 1(2): 027-040.

[10] United Nations Development Programme (UNDP), 2008. Malaysia Nurturing Women Entrepreneurs. United Nations Development Programme (UNDP), Malaysia, 1-46. Retreived 7 June 2017, from http://Philippines.my.undp.org/content/dam/malaysia/docs/WomenE/UNDP_Malaysia_NurturingWomenEntrepreneurs_publication.pdf

[11] Vossenberg, S., 2013. Women entrepreneurship promotion in developing countries: What explains the gender gap in entrepreneurship and how to close it? Maastricht School of Management working Paper.