

SUCCESS FACTORS AND CHALLENGES OF WOMEN ENTREPRENEURS IN MALAYSIA: A SYSTEMATIC LITERATURE REVIEW

Zuria Suzieana Zolkepli¹, Nabilla Mohd Johan², Noorliza Md Nordin³

Faculty of Business Finance and Information Technology

MAHSA University, Selangor, Malaysia

Email: ¹zuriasuzieana@mahsa.edu.my, ²nabilla.j@mahsa.edu.my, ³noorliza@mahsa.edu.my

ABSTRACT

In Malaysia's entrepreneurial sector, women have emerged as significant contributors. This study aims to close the gap by examining current Malaysian women's entrepreneurial challenges and the factors that contribute to their business success. Data were collected by conducting a systematic literature review. A sample of 14 related articles was reviewed and findings have been analyzed as a result. The findings show that the challenges faced by women entrepreneurs include financial, family obligations, market entry and opportunities. Meanwhile, family support, personal motivation, social support and networking, skills and experience and environmental factors are proven to influence women's entrepreneur success. Finally, this study discussed the implication along with some recommendations.

Keywords: Challenge, Malaysia, Success factor, Systematic review, Women entrepreneurship

Introduction

Richard Cantillon, an economist, was the first to describe entrepreneurship in the 17th century, but the phrase was primarily reserved for men. Women entrepreneurs were generally recognised beginning in the nineteenth century with the advent of feminism, and then in the twenty-first century with the availability of the internet and technology, which allowed women to become more prevalent in the commercial sector. Women entrepreneurs are claimed to have smaller business endeavours than male entrepreneurs over the world (Winn, 2005), have slower business development, and have lower growth goals and higher business discontinuation than men entrepreneurs (Brush, et al., 2006). However, Farhat and Mijid (2018) found that women entrepreneurs do not lag behind men entrepreneurs when it comes to survival and growth rates, as well as profit generation when they have the same human capital, preferences, and industrial clusters. Thus, the participation of women entrepreneurs can definitely rise on par with men entrepreneurs with appropriate measures.

According to statistics from the Companies Commission of Malaysia (SSM), the amount of registered companies and enterprises has increased every year. This indicates a rise in business and entrepreneurship activity in Malaysia especially with the economic situation now. The Malaysian government has played a key role in the entrepreneurial landscape for long-term

economic development including promoting women entrepreneurs' activities through various business plans and policies (Othman and Othman, 2012). According to the Malaysian Statistics Department, there were 920,624 registered new enterprises in 2015, with only 187,265 owned by women, which involved 853, 559 individuals in the establishment.

Many outstanding and inspiring Malaysian female entrepreneurs have smashed the glass ceiling and achieved success in their respective industries while also contributing to the nation. However, it is clear that in Malaysia, women entrepreneurs have been prevented from being successful and achieving their goals due to a variety of challenges. The research intends to explore what are the challenges faced by Malaysian women entrepreneurs in becoming successful in their business and whether these challenges motivate or demotivate them to become better entrepreneurs. This study also intends to outline the factors that contribute to entrepreneur success.

Literature Review

Entrepreneurship can be described as an independent entrepreneur that is not dependent on any established firm or a corporate entrepreneur that is dependent on an existing firm. (Khalid Ali et al, 2012). Entrepreneurship is about creating something new or exploring an innovative way of making something that already exists. (Schumpeter 1947, Stenberg & Wennekers 2005). Pickle and Abrahamson (1990), define an entrepreneur as a person who starts and runs a new business or initiative and is responsible for the risks involved in making a profit. Supported by, Henderson (2002) entrepreneurs benefit society by creating new jobs, increasing salaries, building wealth, and connecting the general population to the larger global economy. Participation in entrepreneurship has the potential to boost economic growth, create jobs, and reduce unemployment. (Iklima Husana et al., 2017).

Women have played an important role in Malaysia's economic development (Ndubisi and Kahraman, 2006). Women's participation in entrepreneurship is steadily expanding year after year. Malaysia's economy benefits from the contributions of female entrepreneurs. SME Corp, the National Entrepreneurship Institute (INSKEN), and the Women Development Department, for example, are government institutions that offer entrepreneurship programmes for women who want to start their own businesses (Norhalimah and Joyce, 2017). Various corporations and organisations in Malaysia provide services and help to women-owned businesses. Since its founding in 1987, Amanah Ikhtiar Malaysia (AIM) has assisted and funded over 200,000 women entrepreneurs in the agricultural and service sectors (Noor and Isa, 2020a). Locally, women made up 57.4% of the workforce, with the goal of reaching 59% in the future years (The New Straits Times, September 24, 2018).

Methodology

Firstly, the research question is generated through a continuous process by the authors prior to the first discussion on manuscript writing. The research objectives and questions of this review are discussed thoroughly, and all suggestions by the authors are taken into consideration. Based on the discussion, the general research questions developed for this study are:

- What is the current situation faced by women entrepreneurs in Malaysia?
- what are the factors that contribute to their success?

Next, this research question further asked on what are the challenges faced by Malaysian women entrepreneurs in becoming successful in their business. Do these challenges motivate or demotivate them to become better entrepreneurs? How do these challenges influence their role as an entrepreneur? And what are other factors that contribute to their successful business?

This study focuses on reviewing previous literature stored in the database searched that relates to women entrepreneurs in Malaysia. The research scope for this study is challenges faced by them and success factors that influence their role as Malaysian entrepreneurs. The review does not limit to any industry or nature of the business because it aims to find various literature on the topic. This review includes both empirical and observation/theoretical studies.

The primary search was conducted on Thomson Reuters' Web of Science (WoS) data sources. The primary search was conducted by using the keyword "women entrepreneur Malaysia" and we decided to limit our analysis to active journals from 2011 to 2021. The reason for choosing this period is because the authors aim to figure out the current situation in the entrepreneurship market among female entrepreneurs in Malaysia. The initial result showed 65 articles related to the keyword. This review was focused on the success factors and challenges faced by women entrepreneurs in Malaysia. Therefore, we identified 18 journal articles that match the study criteria by conducting a verification manually. The same procedure is repeated by using a similar keyword in Google Scholar. Google Scholar has the ability to generate links to additional articles that cite a specific article, connect users to similar publications, establish alerts to track publications for specific study areas of interest and keep a personalised library of papers (Zientek et. al., 2018). A total of 24,200 results were captured and it is narrowed by adding the keyword "challenges" (16,700 results) and "success factors" (17,400 results). After carefully selecting articles from the search result and reviewing the downloaded paper, this research finally chooses 14 related articles to be the sample of this research. The selected articles are shown in Table 1 and Table 2 below.

NO	AUTHORS AND PUBLICATION YEAR	TITLE
1	S. S. Alam, C. H. Zizah & M. J. Fauzi (2012)	An Exploratory Study of Women Entrepreneurs in Malaysia: Motivation and Problems
2	A.A. Loveline, O. I. Uchenna & N.P. Karubi (2014)	Women Entrepreneurship in Malaysia: An Empirical Assessment of the Challenges Faced by Micro and Small Business Owners in Kuching-Sarawak
3	A. G. A. Ilhaamie , B. Siti Arni, C. H. Rosmawani and M. Hasan Al-Banna (2014)	Challenges of Muslim Women Entrepreneurs in Malaysian SMEs

4	M. I. Filzah, Jaganathan, Ahmdon & Ibrahim (2018)	Malaysian Women Entrepreneurs: Some Emerging Issues and Challenges of Entering the Global Market
5	S. A. Aini , M. S. B. Shadiya and M. M. Akbariah (2020)	Enhancing Women Entrepreneurship Development Framework: Policy & Institution Gap and Challenges in the Case of Malaysia
6	Abdul Basit, S. Wong, H. Zubair & S. Sharmila (2020)	Entrepreneurial Success: Key Challenges Faced by Malaysian Women Entrepreneurs in the 21st Century
7	M. Yuganya & A. L. Masri (2020)	The Relationship Between Challenges Towards Opportunities For Growth of Women's Entrepreneurship in E-Commerce in Klang Valley

Table 1: Articles reviewed based on keyword “challenges”

NO	AUTHORS AND PUBLICATION YEAR	TITLE
1	S. A Alam, M. J. Mohd Fauzi & O. Nor Asiah (2011)	An Empirical Study of Success Factors of Women Entrepreneurs in Southern Region in Malaysia
2	C. I Hasni, C. Mohammed (2012)	An Exploratory Study of Motivational Factors on Women Entrepreneurship Venturing in Malaysia
3	H. Fatimah, R. Aznarahayu & M. D. Nasina (2014)	Rural Women Entrepreneurs in Malaysia: What Drives Their Success?
4	M.R. Kartini, C.N. Haslina, M. Zuraida, M. Norudin (2015)	Success Factors Among Women Entrepreneurs in Malaysia
5	H. A. R. Shamsul, H. Norashidah (2015)	Factors that Influence Women Entrepreneurial Success in Malaysia: A Conceptual Framework
6	A. Mohani, G. Krishneswary, K. Nurul Ain, M. R. Mohammad, J.U. Mohammad, S. R. Mohammad (2017)	Critical success factors and challenges of women entrepreneurs in Klang Valley, Malaysia
7	M. Nurjanah, R.M Ida & S.A.M. Mimi (2021)	Covid -19 Pandemic: Issues and Challenges Among Women Entrepreneurs in Malaysia.

Table 2: Articles reviewed based on keyword “success factors”

Results

Challenges in women's entrepreneurship

Entrepreneurs from developing countries frequently confront difficulties or limitations (Panda and Dash, 2014). Based on the review, it is identified that women entrepreneurs face the challenges in terms of:

- Financial challenges
- Market challenges
- Entrepreneurship business skills
- Lack of networking opportunities
- Work-life balance

Financial challenges

A study conducted by Ilhaamie et al. (2014) among Muslim women entrepreneurs in SMEs, it is found that the most frequent type of challenges faced by them are lack of finance (79.2%) and lack of demand (50.9%) and location problems (50.9%). Meanwhile, a study by Loveline et al. (2014) found that 14% of their respondents state credit management as one of the challenges in running their business. This refers to the resistance of customers to make timely payments for their instalments.

Market challenges

Filzah et al. (2018) found that previous studies had stated that women-owned enterprises are relatively smaller in size with less profits and the survival of the business is shorter than male-owned businesses. Aini et al., (2020) mentioned in their study that women face difficulties in accessing financial aid and a lack of information regarding the relevant market. Another study shows that competition with established competitors in the market is the biggest threat for women entrepreneurs (Loveline et al, 2014).

Entrepreneurship business skills

According to Yuganya and Masri, (2020), women entrepreneurs confront some challenges in getting skills and knowledge in order to acquire market prospects, particularly for market development. The lack of education and expertise in the industry linked with where women initiate an internet venture makes it difficult for them to sustain a business as they need to get by in a male-dominated environment. The competition becomes very tight as fewer opportunities are given for women to show their credibility.

Lack of networking opportunities

Yuganya and Masri (2020) revealed that women entrepreneurs face a challenge where a lack of expertise and entrepreneurial education is available for them. This includes the challenges of networking due to some exclusion of networking which is more dominated by men. Women entrepreneurs need to network in order to get the essential skills and training, as well as some networking tactics, to help them overcome the hurdles.

Work-life balance

Women in the Klang Valley are generally involved in emotional connections with their families and are expected to focus on them since they are unable to concentrate on their business or careers due to cultural attitudes that prevent women from fulfilling their professional commitments (Yuganya and Masri, 2020). Abdul Basit et. al (2020) study found that the social-cultural barriers faced by women entrepreneurs were work-family balance. A study by Aini et al., (2020) show a similar result where the women entrepreneur faces dual and often competing responsibilities of family and career thus restricting the mobility and participation of women in the labour market.

Success Factors in women entrepreneurship

The finding of this review outlines several factors and is classified into four main factors namely:

- Family support
- Personal motivation factors
- Social support and networking
- Skills and experience

Family support

Family support is one of the first characteristics that has been identified. Alam et al.(2011) claim that the more family support, the greater the chance of success in business for women entrepreneurs in Malaysia. This research looked at 194 female entrepreneurs in two Malaysian states in the southern region. The findings revealed that family support is critical to the success of female entrepreneurs in Malaysia. Another study conducted with 300 women entrepreneurs in the state of Kelantan has supported that family support had a moderate relationship with the success factors among women (Kartini, 2015).

Personal motivation factors

Internal motivation expressively influences the success of women entrepreneurs in business (Alam, et al. 2011). Hasni et al. (2012) study investigated the push and pull factors in influencing women's entrepreneurship success. The result revealed that the majority of Malaysian women entrepreneurs are led to entrepreneurship by pull factors such as a desire for independence, a sense of challenge, societal recognition, and the desire to try something new. A study by Fatimah et al. (2014) was conducted among 80 women entrepreneurs in the Northern Region of Peninsular Malaysia (Kedah, Perlis & Penang) to examine the entrepreneurial characteristics that influence the success of rural women entrepreneurs in business. The findings state that confidence and determination is the critical contributor to entrepreneurship success. Personal motivation was also found to be the most important determinant of success according to Kartini et al., (2015).

Skills and experience

Shamsul and Norashidah (2015) concluded entrepreneurial characteristics (need for achievement, risk-taking, self-confidence, creativity and innovation) influence women's entrepreneurial success. Meanwhile, Mohani et al. (2017) study, they suggest that skills are the most significant findings, followed by business strategy and attitude, which are the contributing success factors among entrepreneurs. This study suggested that entrepreneurs need to attain specialised skills to beat competitors.

Social support and networking

Social support and networking are proven to be two key factors that contribute to entrepreneurs' success. Alam, et al. (2011) results show that the greater the social support, the higher the success in business. However, there is limited research on this area due to the shortage of social networking available in Malaysia. Future investigations are required to fill the knowledge gap in this area.

Discussion

When starting a business, women entrepreneurs often faced challenges which include the lack of confidence from the financial institutions, stakeholders such as suppliers and customers, financial related factors such as lack of initial capital and social constraints such as family problems. Insufficient capital investment is one of the mentioned constraints for any business operation regardless of gender quoted from previous studies that there is a common perception that women lack the capability of managing the financial aspects. Access to financial resources is also a major issue and challenge for women entrepreneurs, especially in developing countries. In fact, women feel it's an ultimate challenge to raise funds and also fail to secure a loan due to required collateral. Apart from that, women entrepreneurs may be relatively less well represented among entrepreneurs but better represented in growth-oriented forms of entrepreneurship.

When juggling between career and family, women are often perceived as secondary earners who only supplement family incomes rather than as co-learners whose economic activities are crucial to the family. Consequently, income-generating programmes targeting women generally reinforce their home-maker roles, providing few opportunities for the acquisition of new and more marketable skills; the lack of appropriate management training and the consequent absence of professionalism, inadequate access to credit and a scarcity of relevant market information; and the working environment is generally not conducive to the sustained employment of wives and mothers. This limits the training opportunities available and hampers career development. The separation of home from the workplace and the fixed hours of work constitute additional drawbacks that preclude prolonged female participation in the labour market. No doubt family and social support are essential elements for women entrepreneurs. However, modern families, independent women and information communication technology (ICT) evolved in the 21st century have changed the traditional concept of family and social structure.

Conclusion

It is undeniable that the number of female entrepreneurs in Malaysia has risen over time to the point where their contribution can no longer be overlooked. Women entrepreneurs in Malaysia face a variety of challenges, including financial, entrepreneurship and business skills, market challenges, work-life balance, and a lack of networking opportunities, according to this study. Entrepreneurship skills have a significant impact on performance, and it is the challenges that must be addressed in order to effectively boost women entrepreneurs' performance and productivity. Personal motivation, in addition to skills and experience, has been identified as the most important success element for women entrepreneurs in this industry. As a result, in order to stay motivated as an entrepreneur, women entrepreneurs must understand the aspects that encourage them.

This study was beneficial in identifying desirable solutions to the problems that women entrepreneurs face. This research will help to close the gap by raising awareness of loan and finance options, mentoring programmes, and the various sorts of tools and support services available to women entrepreneurs. The expected outcomes will aid in improving the characteristics of women entrepreneurs, advancing family support, increasing the rate of the loan and financial support accessibility, and promoting mentorship, all of which will contribute to the development of women entrepreneurs' performance in Malaysia.

Acknowledgements

We thank all prior researchers for providing their helpful information and conclusions about the success factors and challenges of women entrepreneurs. We would also like to thank our colleagues who helped shape this conceptual paper. We value their aspiring guidance, constructive criticism, and counsel.

References

- Abdul, M., Gunasagaran, K., Kamarudin, N.A., Rahman, M.M., Uddin, M.J. and Rahaman, M.S., 2017. Critical success factors and challenges of women entrepreneurs in Klang Valley, Malaysia. *Journal of Advanced Research in Business and Management Studies*, 6(1), pp.12-23.
- Abd Rani, S.H. and Hashim, N., 2015. Factors that influence women entrepreneurial success in Malaysia: A conceptual framework.
- Alam, S.S., Jani, M.F.M. and 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), pp.166-175.
- Alam, S.S., Senik, Z.C. and Jani, F.M., 2012. An exploratory study of women entrepreneurs in Malaysia: Motivation and problems. *Journal of Management Research*, 4(4), pp.282-297.

- Ariffin, A.S., Baqutayan, S.M.S. and Mahdzir, A.M., 2020. Enhancing women entrepreneurship development framework: Policy & institution gap and challenges in the case of Malaysia. *Journal of Science, Technology and Innovation Policy*, 6(2), pp.22-33.
- Basit, A., Sze Wong, Z.H. and Sethumadhavan, S., 2020. Entrepreneurial success: Key challenges faced by Malaysian women entrepreneurs in 21st century. *International Journal of Business and Management*, 15(9), p.122.
- Brush, C.G., Carter, N.M., Gatewood, E.J., Greene, P.G. and Hart, M.M., 2006. Women's entrepreneurship in the United States. *Growth-Oriented Women Entrepreneurs and their Businesses: A Global Research Perspective, Cheltenham, UK and Northampton, MA, USA: Edward Elgar*, pp.184-202.
- Farhat, J. and Mijid, N., 2018. Do women lag behind men? A matched-sample analysis of the dynamics of gender gaps. *Journal of Economics and Finance*, 42(4), pp.682-709.
- Filzah, M.I., Nor Azila, M.N., and Shaista N., 2021. Leadership and Decision-making Style among Women Entrepreneurs: A Case of Malaysia. *International Review of Management and Business Research*, 10(1), pp. 68–79.
- Filzah, M.I., Jaganathan, M., Syazwan Ahmdon, M.A. and Mohamad Ibrahim, H., 2018. Malaysian women entrepreneurs: Some emerging issues and challenges of entering global market. *International Journal of Academic Research in Business and Social Sciences*, 8(12), pp.1596-1605.
- Fatimah H., Aznarahayu R., and Nasina M.D., 2014. Rural women entrepreneurs in Malaysia: what drives their success?. *International Journal of Business and Management*, 9(4), p.10.
- Hasni C.I., Faridahwati M.S., and Chowdhury, M.S., 2012. An exploratory study of motivational factors on women entrepreneurship venturing in Malaysia. *Business and Economic Research*, 2(1).
- Iklima Husan A.R., Noor Fzlinda .F. and Sung, T.P., 2017. Motivator and challenges of women entrepreneurs. *Journal of Global Business and Social Entrepreneurship (GBSE)*, 1(3), p.115.
- Ilhaamie, A.G.A., Arni, B.S., Rosmawani, C.H. and Al-Banna, M.H., 2014. Challenges of Muslim women entrepreneurs in Malaysian SMEs. *International Journal of Innovation, Management and Technology*, 5(6), p.428.
- Lasi, M.B.A., 2020. The Relationship Between Challenges towards Opportunities for Growth of Womens Entrepreneurship on E-Commerce in Klang Valley. *Asian Journal of Public Administration and Law*, 2(2), pp.12-20.
- Loveline, A.A., Uchenna, O.I. and Karubi, N.P., 2014. Women entrepreneurship in Malaysia: An empirical assessment of the challenges faced by micro and small business owners in Kuching-Sarawak. *International Journal of Humanities Social Sciences and Education*, 4(1), pp.48-58.

Mahat, N., Mahat, I. R. B. and Mustafa, M. S. A., 2021 'Covid -19 Pandemic: Issues and Challenges Among Women Entrepreneurs in Malaysia.', *International Journal of Academic Research in Business and Social Sciences*, 11(6), pp. 309–317

Ndubisi, N.O. and Kahraman, C., 2005. Malaysian women entrepreneurs: understanding the ICT usage behaviors and drivers. *Journal of Enterprise Information Management*.

New Straits Times, 2018. Gov't wants 30pct women in decision making positions by 2030: DPM. [online] Available at:
<<https://www.nst.com.my/amp/news/nation/2018/09/414388/govt-wants-30pct-women-decision-making-positions-2030-dpm>> [Accessed 14 August 2021].

Norhalimah I., and Tan, J., 2017. Review of literature on women entrepreneurs. *Journal of Global Business and Social Entrepreneurship (GBSE)*, 1(3), pp.1-11.

Othman, N., Othman, N.H. and Ismail, R., 2012. *Impact of globalization on entrepreneurship education and entrepreneurial skills in higher education institutions*.

Rashid, K.M., Ngah, H.C., Mohamed, Z. and Mansor, N., 2015. Success factors among women entrepreneur in Malaysia. *International Academic Research Journal of Business and Technology*, 1(2), pp.28-36.

Winn, J., 2005. Women entrepreneurs: can we remove the barriers?. *The International Entrepreneurship and Management Journal*, 1(3), pp.381-397.

Zientek, L.R., Werner, J.M., Campuzano, M.V. and Nimon, K., 2018. The use of Google Scholar for research and research dissemination. *New Horizons in Adult Education and Human Resource Development*, 30(1), pp.39-46.