THE ENVIRONMENTAL FACTORS THAT INFLUENCE SUCCESS OF WOMEN ENTREPRENEURS: ENTREPRENEURIAL INTENTION AS A MEDIATOR

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Abstract – Entrepreneurship typically focuses on identifying opportunities in order to create values for customers, yielding ultimate profit for the founders and investors. It also being a decisive factor which to attain the competitiveness and dynamic character of today’s economic knowledge. However, the Malaysian economic growth and personal propensity shows that women entrepreneurs recently become the most important pool of resources. Based on the Ninth Malaysia Plan it had been stated that there are about half of women in total population, with the increasing of representation at the professional, managerial and technical levels. Increasingly involvement of women entrepreneurs in other country is not only acknowledges and encourages but also influence women entrepreneurs to involve in the business and it has become another opportunity and platform for the women folks to earn an economic income outside of their home based business. Therefore, several studies had identified various factors which indicate the successful woman entrepreneurs based on their performance in business. This study also however, intends to develop a new model that focus on environmental which could influences the successful of women entrepreneurs. Moreover, it’s also highlights the potential role of entrepreneurial intention as a mediator in developing a business and the growth of performance women entrepreneurs, particularly in Malaysia environment. The model was developed by using other studies and previous literatures which do not indicate the mediator which plays an important role of successful women entrepreneurs. This research not only benefits the government and country but also appears an opportunity that can and should be grabbed taken by women entrepreneurs in developing and expanding business widely.

Keywords: Entrepreneurship, Successful Women Entrepreneurs, Environmental Factor, Entrepreneurial Intention.

1. Introduction

An entrepreneurship basically focuses on the identifying an opportunities on a way of creating a value for customers, yielding an ultimate profit for both founder and investors. It also becomes one of the decisive factors which is to attain the competitiveness and a dynamic characters of today’s economic knowledge. According to Sarri & Trihopoulou (2005), it has become as a driving force to the economic development achievement and also to the job creation and at the same time also can be a personal development contribution and effective of dealing with the numerous pathogenic social phenomena. Besides that, Thurik and Wennekers (2004) had been stated that the small business world today especially to the new one, there seen more than as a
transportation for entrepreneurs whereby not only has contribute to the employment and political stability but also to the innovative and competitive power.

However, based on the Malaysian economic growth and also to personal propensity has shown that women entrepreneurs nowadays has become as the most important pool of resources. Regarding to the Ninth Malaysia Plan (9MP), (2006) shows that there are about half of the women which in the total population which is out of 36.7% of Malaysia’s total workforce of 10.9 million and with the increasing of representation at the professional, managerial and technical level. In 2003, Malaysia small medium enterprises (SMEs) stated that about 1,122,000 million or 38% out of total employment from women participation (Normah, 2006) in SMEs. Furthermore, from the United Nation Development Programme (UNDP) Malaysia (2007), total of women entrepreneurs that had obtained from the Population Census in 2000 was indicate that 30.3% are actually from working proprietors and active business partner. In year 1980 has shown that only 7% of women employers economically that active in population of Malaysia. Based on Jamilah (1992) in Teoh and Chong (2007) study had found that only 0.6% of women entrepreneurs was classified as an employers and just 16% of them was classified as own-account workers in year 1984. However, in year 1990, Women’s Aid Organization (WAO), (2001) has showed that the percentage of increasing just only to 8.5% compared to men which still comprise in employer status.

Moreover, women are forms major composition of Malaysia Population and has contributes a significant towards the supply of labour and Malaysia development. Apart of that, women had become as an important role in the Malaysia Economy in terms of employees, consumer and as entrepreneurs which that providing and employment opportunities in Malaysia. According to Statistic Department of Malaysia on year 2010, there are about 13,453,154 women which presented about 49% of the Malaysia total population. Thus, based to Statistic Department of Malaysia year 2005, about 48% of the women folks had contributed to the employment sector in Malaysia. Significantly, the rising of women involvement in the employment sector has shown their achievements are important towards economic development of the country and has given a positive movement towards country growth. The growth not only helps the country development but also the vast opportunities that are always give a way to women involving in economic activities.

Furthermore, it is not surprisingly when the total of women entrepreneurs in Malaysia has increase in past few decades based on the emphasis on industrialization and also the increasing of interest in privatisation, self-employment and also business-oriented employment. Thus, Teoh and Chong (2007) found that, there had been facilitated of various sector growth which such as from food and manufacturing, personal and public services, education, training and consultancy and many more. Throughout Maimunah (1996a; 1996b) has stated that Malaysian Women shows an increasingly of involvement in various enterprises which had formerly dominated by men. According to the Department of Statistic of Malaysia (2005), there are more than 518,000 companies was involved in other sectors such as services, manufacturing and agriculture sectors which are 99.1% were SMEs and also more than 82,000 or 16% which that are women who owned a companies with 89.5% are from services sector, 7.5% in manufacturing sector and 3.0% is from agriculture sector.
In Malaysia, the empowering women project which was undertaken in partnership with the Ministry of Entrepreneur and Co-operative Development (MECD) and the Malay Chamber Commerce (MCCM), has aimed at empowering women by creating the greater awareness of micro-finance and a various small loans that available to low-income women, and through skills and training program (UNDP, 2008). The Malaysian government’s target to create 4,000 women entrepreneurs among the hard core poor with a household monthly income of less than RM 440 by 2012 (Jalil, 2010), had reflects an urgent demand for the growth of women entrepreneurship in the micro and small enterprises in the area. These women entrepreneurs are taking part in a large number of enterprises and make a substantial donation to national economies (United Nations, 2007); and more so for the Malaysian economy because of its increasing number of women-owned businesses in the past three decades (Teoh and Chong, 2007).

2. Literature Review

2.1 An Overview of Women Entrepreneur

Based on Page E.R. (2005), women entrepreneurs have become an important players in the entrepreneurial landscape. Even though the total number of women that involves are still small as compared to men in business, but this situation is encouraging women that was not longer to adhere with stereotype perception that as only men can be wage to support in the family. Thus, even a woman always assigned with a lot of responsibility including reproductive chores such as childcare and doing a normal house work, but in the other side women are still can find their success through their own business. Even though there are a lot of limitations, barriers and obstacles to gone thru by women, but today peoples are start to accept women’s contribution in country’s economy. Because of that, there is no longer unexpected to see women leading their own companies and become a successful at the same time. Furthermore, nowadays people mind set also has change so much about women who have their own family with careers at the same time when look among women with capable and really competent to handle their business independently. Hence, there is no more an awkward feeling or strange feeling to have a business dealing with women.

Nowadays, in Malaysia women had played an important role in the economic development and have stabilized the economy in period of recession (Ndubisi and Karahman, 2006; Tan, 1990). Because of that, the Malaysian government has continuously created and also develops the quality, resilient and successful entreprenuerships by cultivate an enterprising the culture by women. Beside on that, the number of women which enter in higher education steadily has increase in year 1970s. Based on The Star (2002), there were more female students compared to male student at the university level in year 2000. Ahmad and Aminah (1998) ; Komogawa, A(2003) said that, apart from the higher education institutions has reported that the provision of building for the women and the increasing number of technical and vocational education institutions have a greater learning achievement to women.

2.2 Success Women Entrepreneurs

Over the past few years ago many researchers that have examined the motivation and reasons of men to begin the ventures (Birley & Westhead 1994; Cooper & Dunkelberg 1989; Denison &
Alexander 1986; Dubini, 1989; Hisrich & Brush, 1987; Scheinberg & MacMillan 1988; Shane, et al., 1991; Shapero 1975). But, on that point are some subjects which show the involving women entrepreneurs such as a gene that make a woman leaves the corporate world to be entrepreneurs (Nguyen, 2005). They also face a few limitations and bounds when they decided to lay out the occupation on their own (Brown, 1997; Chandrasekara et al, 1995; Gundry et al., 2002; Helmi’s, 1997; Hamilton, 1993; Stoner et al, 1990; Winn, 2005), and also about pattern of ICT usage among women entrepreneurs nowadays (Ndubisi and Karahan, 2006). It shows a trend of women in entrepreneurship world as to become a successful women entrepreneur same as men in the business world.

Based to Nguyen (2005), most women that get off their own business have actually been to supply an additional flexibility in balancing between being a wife and caretaker of children which is their primary and traditional responsibilities in life. Beyond on that with continuous struggle and conflicts in that regard are many tales about the most success women entrepreneurs that had built it big impact in the business world. In other word, success also is defined by intrinsic criteria was included freedom and independence, controlling a person of their own future and besides being on one’s own boss, while whilst intrinsic of outcomes are, among others, increasing financial returns, personal income and also wealth (Paige & Littrell, 2002). However, other research (Masuo et al., 2001) establish that it’s normally been defined in terms of economic or financial measures which were includes of such as return on assets, rank receipts, profits, employees and survival rates also on non-pecuniary measures, likes customer satisfaction, personal maturation and also personal achievement.

2.3 Entrepreneurial Intention

Entrepreneurial Intention is defined as the commitment to perform the behaviour that is necessary to found the business venture (Krueger & Carsrud, 1993; Krueger, Reilly, & Carsrud, 1995). Having a mindset focused on an “intention to turn” is comprehended as the beginning step toward actually engaging in or performing an activity (Ajzen, 1991). The intention to pretend is a uniform and reliable predictor of actual behaviour (Krueger, Reilly, & Carsrud, 2000; Krueger, Reilly, & Carsrud, 1995; Ajzen, 1991).

Testing the “intention to become” self-employed as an initial phase of the career decision offers interesting insight in two areas: 1) the impact on one’s performance or success in the chosen career; and, 2) the role of personality and personal individuality in the entrepreneurial process (Katz, 1994; Kosine & Lewis, 2008). Necessary to the decision to begin a firm is the decision to go. Learned (1992) identifies the process with four dimensions: propensity to find, intention to find, sense making, and decision to found. Ajzen’s (1991) Theory of Planned Behaviour would posit that attitudes predict behaviour intention. Shapero’s Model of the Entrepreneurial Event (Shapero & Sokol, 1982) indicates that perceived desirability, propensity to act and perceived feasibility predict Entrepreneurial Intention. Recognizing how a venture is formed has implications in theory, practice and instruction as a framework for understanding how personal characteristics or outcomes can be tempted.

2.4 Environmental Factor

The organisation of a new firm wants more or less external resources and info. The milieu is a pool of resources, the degree of resource abundance is called environmental munificence, and it
will significantly determine the start-up process. Thither are many environmental elements in different research papers, but show only those that will be in the focus on related subject areas such as fiscal support, the government (policy and programs), education and training, business and professional infrastructure, openness and competitiveness in the domestic marketplace, access to physical infrastructure, and cultural and social norms. Financial support includes the availability of various formal, institutional and informal financial sources for novel and growing businesses like the banking governance, venture capital, informal investment, and business angels (Gartner, 1985). Small enterprises may have difficulties in obtaining financial support. Both banks and venture capitalists (they are the most common financiers for small firms) are exceedingly selective in offering support. This is why public money is frequently applied for equity gaps for small firms’ projects (Meuleman and De Maeseneire, 2012).

In their study, Lagos and Bourgault (2003) and also Zain and Kassim (2012) interpret the factors affecting firm competitiveness; furthermore, they argue that the competitiveness of a firm positively influences the firm’s operation. Cultural and social norms, i.e. Preferences or aversions in confronting entrepreneurial activity have an enormous impact on entrepreneurial activities. In societies in which the culture respects people who have successfully made a new demarcation of work, most new jobs will be created. Fields with a meeting place for entrepreneurs and potential entrepreneurs, where they can discuss opinions, problems and solutions, usually contain more firms than other areas (Antoncic et al., 2002).

3. The Three Construct Relationships: A Model for Environmental Factor, Entrepreneurial Intention and Successful Women Entrepreneurs

3.1 Environmental Factor and Success Women Entrepreneurs

According to Delmar and Wiklund, (2008); Ahmad et al., (2010) that the environment for entrepreneurship is important for new firm venture. The term of “entrepreneurial environments” is referring to a compounding of genes that play a part in the development or nurturing of entrepreneurship and entrepreneurial actions. As such of the infrastructure has evolves and as the entrepreneurial system grows, the system will expand only if the environment is conducive for the entrepreneurial activity and new venture creation (Pennings, 1980). The entrepreneurial environment may determine the continued or successful of achievement of the organization. Every work will show the outcome with a different element of entrepreneurial environment on entrepreneurship (Fogel, 1994; Brandstatter, 2011; Zapalska and Zapalska, 1999; Singh, 2000; Ahmad et al., 2010). As example, wennekers et al. (2002) argued that the technology, level of economic evolution, refinement and institutions that the entire task are demanding for entrepreneurship by making an opportunities available for beginning. However, the governments can act upon the market mechanisms, making them work efficiently by taking away the factors that create market imperfections or administrative rigidities. In other side, Beck and Demirguc-Kunt (2006) argued that for new business growing, it is important to make strength for the entrepreneurial environments.

For instance, the factors that contributing to successful of entrepreneurs in small business are become varied. Yusuf (1995) had stated that the most critical factors that contributing to the business success actually consist of good management skills, access to financing, personal
qualities and also satisfactory government support. Huck and McEwan (1991) who had studied in Jamaican business owners reported that business owner in Jamaica was considered that the marketing factor is the most critical ingredient for the success of business. Family’s emotions or moral supports are playing an important role for the success factor for women entrepreneurs. As such, Lee and Choo (2001) in their study stated that work-family conflict in Singapore had found that family members and others support can reduce the conflict of women entrepreneurs. Moreover, owning business by female without interfering by family would have a greater success in their business. Furthermore, the women careers are depend on the decision of their spouses rather than other way around (Fernandez, 1981).

P1: Environmental Factor has a significant effect towards success of women entrepreneurs.

3.2 Environmental Factor and Entrepreneurial Intention

The Environmental Factor, which access to the capital, to information and also to social network are considered to have an impact on entrepreneurial intentions. Capital access, which is quite obvious that when capital availability is the main foundation of a new venture. For a business start-up capital access is very important especially in developing countries where support from financial institution is weak (Indarti and Legenberg, 2004). Entrepreneurs, who are engrossed in a new venture activity in the early phase, usually because a small measure of equity to finance their commercial enterprise. On the other hand, it is rather hard to acquire debt or external equity (Verheul et al., 2006). Previous authors stated that the difficulties in accessing capital, a credit scheme, and the financial system are counted equally the principal obstacle for entrepreneurs’ success, especially in growing nations (i.e. Indarti and Langenberg, 2004; Marsden, 1992; Meier and Pilgrim, 1994). Withal, in developed nations where the financial base and capital access are efficient, capital access can also be regarded as obstacles for entrepreneurs due to the high grade of entry barrier towards employment ratio in many industries. In recent research has found that capital access becomes one of the entrepreneur success factors (Indarti and Langenberg, 2004; Kristiansen et al., 2003).

Information access, access to information has been reckoned as one critical element for the evolution and maturation of a venture (Duh, 2003; Kristiansen, 2002; Mead and Liedholm, 1998; Swierczek and Ha, 2003). Singh and Krishna (1994) establish that strong intention to access information is one of the principal roles of Indian entrepreneurs. Information seeking can be grounded on the frequency of individual contacts with various data sources. The effect of the information seeking activity will depend on the availability of the data itself, the individual’s effort, and the social network resources. Moreover, data access will also depend on the individual characteristics, such as educational level and infrastructure quality (Kristiansen, 2002).

Social networks, broadly speaking, entrepreneurs not only interact with others within the organisation but also with others outside the organisation. Entrepreneurs develop and use a (social) network to access resources, for example money, expertise, encouragement, information, and environmental feedback. Meshes can be functioned as tools to cut risks, transaction cost, and strengthen the access to business ideas, information, and capital (Aldrich and Zimmer, 1986). Furthermore, Kristiansen (2003) reasoned that social network consists of formal and informal relationships between actors within a band which are interconnected and provides pathways for entrepreneurs to access resources needed for installing, producing, and succeeding a venture.
3.3 **Entrepreneurial Intention and Successful Women Entrepreneurs**

Since the decision to create an entrepreneur may be likely viewed as voluntary and conscious (Krueger et al., 2000), it appears fair to analyse how that determination is contained. The entrepreneurial intention has been regarded as the key element to understand the new firm creation process. Entrepreneurial intention can also be set as the intention of an individual to lay up a new business venture sometime in the future (Thompson, 2009).

Moreover, entrepreneurial intention models are promising approaches for explaining entrepreneurial behavioural from multidisciplinary points of perspective. As noted by Krueger (1993), ‘intention models offer a coherent parsimonious and robust framework for pursuing a fuller understanding of entrepreneurial processes’. Various models of entrepreneurs’ intentions have been introduced in the entrepreneurship literature (Bird, 1988, Boyd and Vozikis, 1994 and Krueger and Brazeal, 1994). Each of these examples suggests that entrepreneur intentions result from some kind of cognitive process (a procedure that incorporates perceptions), feelings, expectations and values. These model consider intention as key determinants and mediate of other exogenous factors (demographic variables, personal characteristics, personality traits, social, cultural and environment variables) on entrepreneurial behaviour and action.

Some people enter into job with limited cognition, experience and abilities. Delmar and Davidsson (2004) believe that an accumulation of information and experience is necessary for the initial self-confidence of individuals in their knowledge and accomplishments. Knowledge, experience and skills enable entrepreneurs to obtain other resources (Cruz et al., 2012), and entrepreneurial success is more easily reached when more knowledge is present (Davidsson and Honig, 2003; Dimov and Shepherd, 2005). Education and previous employment experience as factors of entrepreneurial intention have been studied by McMullen and Shepherd (2006).

Entrepreneurs are generally not cognizant that the lack of knowledge may entail an underutilised business opportunity, and thus a missed opportunity for the company’s growth and increased productivity, and hence competitiveness. It frequently falls out that entrepreneurs need external consultants to show them how to create new added value (Ruzzier et al., 2008). At the starting time, entrepreneurs are often times only in running the troupe. They are facilitated by some consultants, but with an increasing number of employees and the change of the firm size, complexity and geographical dispersion, the managerial skills of the entrepreneur are becoming increasingly valuable (Antonick et al., 2002). General business experience includes the sciences required to exploit the commercial enterprise opportunities and involve the skills of sales, negotiation, leadership, planning, decision making, problem solving, and arrangement and communication (Shane, 2003). Entrepreneurs with more managerial and industry experience usually set up faster-developing companies (Bruderl and Preisendorfer, 1998; Lee and Tsang, 2001; Ronstadt, 1988).

The power to recognise good business opportunities in terms of the individual is also beneficial in the procedure of turning a successful entrepreneur (Shane and Venkataraman, 2000). Ace has to identify and select the right opportunity for beginning a successful business venture and having the power to do so is one the most valuable abilities of a successful entrepreneur.
(Ardichvili et al., 2003; Shane and Venkataraman, 2000). Recognising opportunity is also the most important action in the entrepreneurial process. In many cases, all of the entrepreneurial process starts from this action (Baron, 2007).

Hence, it clearly shows that entrepreneurial intention has a significant relationship in influencing each other. The research use entrepreneurial intention and success of women entrepreneurs as a predictor of the various construct. Seeing to it, this study will consider that the significant relationship influences entrepreneurial intention and success of women entrepreneurs enhance in encouraging women to get involved seriously in entrepreneurs’ area and make it successful.

P3: Entrepreneurial Intention is significantly associate to success of women entrepreneurs.

3.4 Environmental Factor, Entrepreneurial Intention and Successful Women Entrepreneurs

Entrepreneurs have different goals when taking up a business venture; many of them are nonmonetary such as the desire to be independent and one’s own boss. The entrepreneur must make a conclusion to put resources and substantial time to design, set up and manage a new speculation. As accomplishing these projects is difficult, the entrepreneur must have strong motivations for doing so. Thus, these motivations are different from one entrepreneur to another (Dunkelberg et al., 2013).

In the environmental component, family influence, particularly parental influence has been found as the antecedent of small business career interest. Family members, especially parents play a key role in demonstrating the desirability and credibility of entrepreneurial activity for people. Scherer et al. (1989) had found that the comportment of a parental entrepreneurial role model was joined up with an individual without entrepreneurial role model were perceived to be high performers and were importantly different from individuals without entrepreneurial role models, who were perceived to be low performers. The majority of successful women entrepreneurs identified one parent, every bit being more influential, that is, many successful women identify strongly with their fathers (Henning & Jardim, 1978). Female labour force participation also seems to be linked with the location of the family towards women. Aminah (1998), for instance, in a written report of selected successful career women in Malaysia, let out that changing attitudes of parents and husbands towards a more positive trend were perceived to be related to the higher education attainment of women which in number could influence women’s participation in the labour force by setting up their own business.

The decision to initiate a business occurs when an individual perceives that the introduction of a company is suitable and possible (Antonic et al., 2002), and it is grounded on both personal and subjective motives. Negative experiences and frustration with their current workplace environment or even the loss of a business can be motivation factors. Entrepreneurship is often identified as a means of life, prompting people to achieve ends, building an organisation and desiring the entrepreneurial harvest.

It is frequently stated that the grounds for the decision to become an entrepreneur is independence and not having to go for somebody else. Thus, the desire to be one’s own master is obviously what leads entrepreneurs around the globe to conduct social, psychological and
financial hazards and work many hours to start and produce successful new lines. The outcomes of the study of Townsend et al. (2010) argue that entrepreneurs with high prospects are more potential to embark on new ventures while entrepreneurs with high degrees of uncertainty regarding their power to carry out the purpose of being an entrepreneur are less likely to embark on a young venture. Although the financial aspect is frequently quoted, most studies indicate that other personal causes are far more powerful than financial reasons (Ruzzier et al., 2008).

Despite the growing importance of women entrepreneurship in creating job opportunities of millions of people and government’s efforts to grow, raise quality, resilient and successful entrepreneurship, and to cultivate an enterprising culture among women, little is known about the motivation of these Malaysian women becoming entrepreneurs. Previous research (for example Birds, 1988) has revealed that entrepreneurial intentions to begin a commercial enterprise and the decisions that occur before the start-up shape the subsequent goals, strategies, and structure of the new task. For a business will neither go up, nor succeed (Robertson et al., 2003), it has become important to improve our understanding of the motivational factors related with the new venture creation in a country like Malaysia where the government has been very concerned to promote, nurture and cultivate enterprising culture among Malaysian women. Lack of empirical research is yet evident in Malaysia. The current study attempted to fill this opening. Its purpose is to explore the motivational factors of women entrepreneurs as these factors bear substantial influence on their willingness to venture into commercial enterprise.

P4: Entrepreneurial Intention as a mediator significantly associate influences environmental factor and success of women entrepreneurs.

All the four position above were put together to form a conceptual framework of successful women entrepreneurs as shown in figure 1. This figure reflects the relationship between environmental factor and successful women entrepreneurs is mediate by entrepreneurial intention.

![Figure 1: A Conceptual Framework Of Successful Women Entrepreneurs](image)

A significant contribution of women entrepreneurs to the world economics become the major contribution because of their performance in economic development today. Many women have played up the role of entrepreneurs in the economic prosperity as many states are reaping the
fruits of this venture. Notably, women entrepreneurship has been gaining acceptance as an important activity contributing to the national economy. Regarding that, the government should give and allocate more opportunities especially about financial to give women entrepreneurs that intense to start-up a new business. The government also should expose women to the international business venture to put them more forward in business and being successful same as men in doing business. Regarding that the investor especially from other countries will feel more confident to have a business venture and Malaysia especially will create a new nature of business and economic development among women. Moreover, other women that have a higher education and also having a high intention of being entrepreneur will be more intense to grab the opportunities to become a success women entrepreneur and increase Malaysian economics.

References


