

**THE FACTOR WHICH MOTIVATE THE INVOLVEMENT AND
INCLINATION OF WOMEN TO BECOME SUCCESSFUL
ENTREPRENEURS IN TERENGGANU**

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APPROVAL

“I acknowledge that have read this thesis and in my opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technopreneurship”

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OF WOMEN TO BECOME SUCCESSFUL ENTREPRENEURS IN
TERENGGANU

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DECLARATION OF WORK

“I declare that all parts of this report are the results of my own work except for the quotations and references, the sources of which have been acknowledge in the bibliography”

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DEDICATION

To my beloved father, most beautiful mother and wonderful family in the world and to all my fellow friends that directly or indirectly help me during four years of my university life at Universiti Teknikal Malaysia Melaka (UTeM)

Alias Bin Abdul Latif

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ABSTRACT

Women entrepreneurs are defined as a woman who is confident, innovative, creative and able to achieve economic independence, self-individually or together, provides employment opportunities to others. Women's participation in entrepreneurship is increasingly important in a country. This is because it can improve their economic status and also have a positive impact on the country.

This study aims to identify the significant relationship between skill factor, education factor and work experience factor and the inclination to become a successful entrepreneur among women in Terengganu. The independent variable in this study is factors that motivate women to become entrepreneurs and successful women entrepreneurs as a dependent variable.

This research using descriptive study design as the research design and the data collected will be calculated through quantitative method. The Statistical Package for Social Science (SPSS) will be tools to be used to analyse the data.

Keyword: Women entrepreneurs, Successful Women Entrepreneurs, Skill Factor, Education Factor, Work Experience Factor

ABSTRAK

Usahawan wanita ditakrifkan sebagai seorang wanita yang yakin, inovatif, kreatif dan mampu untuk mencapai kebebasan ekonomi, secara individu atau bersama-sama, memberi peluang pekerjaan kepada orang lain. penyertaan wanita dalam bidang keusahawanan adalah semakin penting dalam sesebuah negara. Hal ini kerana, ia boleh meningkatkan taraf ekonomi mereka dan juga memberi kesan positif kepada negara.

Kajian ini bertujuan untuk mengenal pasti hubungan yang signifikan antara faktor kemahiran, faktor pendidikan dan faktor pengalaman kerja dan kecenderungan untuk menjadi usahawan yang berjaya di kalangan wanita di Terengganu. Pembolehubah yang dikaji dalam kajian ini adalah faktor-faktor yang mendorong wanita untuk menjadi usahawan dan usahawan wanita yang berjaya.

Kajian ini menggunakan reka bentuk kajian deskriptif sebagai reka bentuk kajian dan pengumpulan data akan dikira melalui kaedah kuantitatif. The Statistical Package for Social Science (SPSS) akan menjadi alat yang akan digunakan untuk menganalisis data.

Kata Kunci : Usahawan Wanita, Kejayaan Usahawan Wanita, Faktor Kemahiran, Faktor Pendidikan, Faktor Pengalaman Kerja

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

According to Kuehl and Lambing (2000), the word 'entrepreneur' comes from the French language *entreprende*, which means 'intermediary' or 'takers'. An entrepreneur is as an intermediary suppliers and customers who willing to take risks to achieve successful in business. They also have their own business whether small, medium or large scale business. Generally, small business owners plays a role as a manager, whom make use of their own capital to start their business which is limited to the local market. On the other hand, entrepreneurship is a process of entering the art of business, and also take care of their own business (Hutt, 1994). The businesses are operated by a person on their own efforts or with several internal and external factors such as attitudes, interests, skills, environments and so on. According to Low & Tan (1996) entrepreneurship is a process of creating a new product or service (creative) or a different product (innovative).

Woman entrepreneur is defined as a woman who is confident, innovative, creative and able to achieve economic independence, self-individually or together, provide employment opportunities to others, through the opening of the business along with personal, family and social life. According to Verheulet. al. (2006), women entrepreneurs are considered important to the economic development of a country. Worldwide, nearly one-third of all business are developed and owned by women McClelland *et. al.*, (2005). Women constitute the bulk of the population in Malaysia. Big contributions given by women in national development had been

recognized. Women entrepreneur have become more important than ever. Women are also the main pillars in forming Malaysia loving and progressive future. According to sources from the Department of Statistics, in 2004, 49% of a total of 12, 557, 700 people of the total population of Malaysia consist of women and about 48% of the total female population is in the labour force (Malaysia, 2005). Increment of women in the labour force shows that their involvement in the development are more prominent and increasing positively. Thus, the country's development contributes and widen the opportunities for women to improve their achievements in various fields and activities of being a successful person in the process of industrialization and modernization of the country towards the 21st century (Moha, 1997).

According to the Department of Statistics (2005), a total of 518,000 companies were involved in the services, manufacturing and agriculture sector, where 99.1 is the SME sector. More than 82,000, or 16% owned by women and 89.5% of those involved in the services sector, 7.5% in manufacturing and 3.0% in the agricultural sector. At present, the involvement of women in entrepreneurship is increasing over time in relation with increasing awareness to improve their economic status and jobless, especially for unemployed graduates. The best society is a society or people involved in entrepreneurship (Ab.Aziz, 2003). This is because entrepreneur is someone who is creative, innovative and dynamic. They are able to deal with various problems, creative problem solving skills, and to achieve success. This spirit has convinced them to seize the opportunities. Therefore, entrepreneurs need to create something new to enhance their competitiveness and thus provide more options and prosperities to the community. Therefore, the support of a particular party is very important for women entrepreneurs to enhance the growth of entrepreneurship among women which have not yet fully exploited (European Commission Vice President Antonio Tajani, Commissioner for Industry and Entrepreneurship, 2010).

The business world is not stranger to the women. For example, a women entrepreneur, Saidatina Siti Khadijah is an entrepreneur who runs her business internationally. Saidatina Siti Khadijah is one of the best example of women entrepreneurs whom interest are in venturing into entrepreneurship. Entrepreneurs are those who are recognized as an asset to change the world economy (Lambing and Kuehl, 2000). This fact has been proven and certified by Zenk (1981) that the socio-economic activities in the country will not take place without entrepreneurs. Therefore, entrepreneurs are needed by the world, because it can develop a country's economy.

The characteristics or attributes of women entrepreneurs are regarded as the pull factors in entrepreneurial activity (Hisrich, Peters & Shepherd, 2008; Kuzilwa, 2005; North, (1990). These included demography such as age and education, type of employment, type of industry, type of company, financial background and work experience Harrison & Mason, 2007; Peter,2001; Okpukpara,2009). They are regarded as the human capital or internal factors to be contributed by the entrepreneur in exploiting entrepreneurial opportunity for business performance. The ones most critical to women entrepreneurs which are discussed are education, attitude and experience. Education is one of the characteristics of women entrepreneurs that can contribute to their business performance, and literature supports that education and managerial experience may contribute to women's business growth but certainly has positive impact on entrepreneurial performance (Gatewood, Brush, Carter, Greene & Hart, 2004). Whereas according to Collin *et al.* (1964) in his study of the earliest states that entrepreneurs are individuals who have features such as comfortable with the ever-changing conditions, comfortable with the partnership business, willing to accept failure and difficult relationship with the authority. Thus, a person who wants to become a successful entrepreneur must have have these characteristics.

1.2 Problem Statement

The involvement of women in entrepreneurship is seen as something positive for the economic development of the country. The women also took the opportunity to accelerate entrepreneurship in Malaysia. Economic development of the country have caused more women to start a business whether in small or large scale. Today, many successful women entrepreneurs, even some of them are more active in terms of thought and action as compared to men (Faridah, 2000).

The problem of poverty to single women as heads of households, have become a focus mostly in the state of Kelantan, Terengganu and Kedah. The poverty rate in the three states were still high in 2002 of 12.4 percent from Kelantan and 10.7 percent for the state of Kedah. Poverty happens because of many factors, such as low income, unemployment, poor education, and old age (Haji Idris, 2008).

In the business field and entrepreneurship, whether rural or urban areas often face problems such as lack of training, lack of knowledge, and the problem of get a loan, and so on. Because of these problems, many women or single mothers outside the city are on the poverty line. Although various assistance given in the form of financial or equipment requirement, many of Bumiputera entrepreneurs, including single mothers still failed in their business (Abu Bakar *et al.*, 2004). Single mother's phenomena increased from time to time. This phenomena becomes a significant problem when some single mothers living in hardship due to no resources to obtain income after the loss of their husband. Government and Non-Governmental Organisations (NGOs) have taken various initiatives to help these people for example by giving capital to start a business. Many of the single mothers were very dependent on the financial and training by the government. However they still failed in their business because of their lack of confidence in themselves (Entrepreneur Success, July-August 2001).

Running a business is not easy as expected. According to Alstete (2002), many entrepreneurs are faced with obstacles when starting and running their businesses. Some women who wanted to be involved in entrepreneurship do not have knowledge about the business which will cause them to not know how to manage the company and make business work such as marketing, financial management and so on. In addition, those lack of experience will cause them to have less knowledge about entrepreneurship. From the aspect of involvement in business, entrepreneurship found most students do not have the experience to start a business until they leave the academic environment (Clouse 1990). In addition, they also do not have a positive attitude towards entrepreneurship, according to the study Norasmah *et al.* (2005) and Mohd Fauzi *et al.* (2007) showed that the level of entrepreneurial behaviour is still in its medium-high. Some women who want to be involved in entrepreneurship do not have encouragement from family and friends, as well as some of them do not know how to use the funds given by the government to start a business. They use the funds granted by the government for other expenses. As a result, they do not use money given by the government to open their business. In addition, some of those who run businesses do not have a good business location. So they cannot attract customers to buy their product. Thus, these problems causing them to failed in business.

Very few studies related to the factor which motivate the involvement and inclination of women to become successful entrepreneur in Terengganu. This caused difficulties to obtain the information of this study. Therefore the lack of research carried out on women entrepreneurs in Terengganu cause this study undertake. This study will examine the factors that encourage the participation of women entrepreneurs in the entrepreneurial sector and become a successful entrepreneur. The results of the questionnaire can be expected to give a true picture of the phenomenon being studied and to assist the parties with respect to design and implement follow-up actions necessary to the performance of women entrepreneurs to be upgraded to global markets.

1.3 Research Questions

The research questions in this research develop by the background of the study and the problem statement. The research questions identified are:

- 1.3.1 What is the relationship between the skill factor and the inclination to become a successful entrepreneur among women in Terengganu?
- 1.3.2 What is the relationship between the education factor and the inclination to become a successful entrepreneur among women in Terengganu?
- 1.3.3 What is the relationship between the work experience factor and the inclination to become a successful entrepreneur among women in Terengganu?

1.4 Research Objectives

- 1.4.1 To determine the relationship between the skill factor and the inclination to become a successful entrepreneur among women in Terengganu.
- 1.4.2 To determine the relationship between the education factor and the inclination to become a successful entrepreneur among women in Terengganu.
- 1.4.3 To determine the relationship between the work experience factor and the inclination to become a successful entrepreneur among women in Terengganu.

1.5 Hypothesis

Consistent with the objectives that had been constructed, there are six (6) possible hypotheses developed for testing. The hypotheses are mark as H1 represent hypotheses 1 and H2 represent hypotheses 2 and so on. The hypotheses to be testing are:

- H1: There is a positive significant relationship between skill factor and the inclination to become a successful entrepreneur among women in Terengganu.
- H2: There is a positive significant relationship between education factor and the inclination to become a successful entrepreneur among women in Terengganu.
- H3: There is a positive significant relationship between work experience factor and the inclination to become a successful entrepreneur among women in Terengganu.

1.6 Research Scope and Limitation

This study involved only women entrepreneurs in the region, particularly those who operate business at “Pasar Payang”. This study also focused on the factors that motivate them to participate in entrepreneurship and the success in this field.

There are several limitations in this study, this study had problems in getting the respondents which the study involved only women entrepreneurs in Terengganu. Number of registered businesses is a lot, but mostly defunct, and the last obstacle is most of the respondents are of the Bumiputera people while there is lack of cooperation given from other races such as Chinese and Indians.

1.7 Research Significance

There is some interest in this study, including:

- 1.7.1 Assist the ministry in designing programs and training needed by women entrepreneurs to help improve their ability to conduct business.
- 1.7.2 This study is a guide to other parties to identify the factors that have encouraged a person to become entrepreneurs.
- 1.7.3 The results of this study could also serve as a repository of knowledge and a common reference material in the field of entrepreneurship. It's a bit much to raise awareness of the public, especially women entrepreneurs to learn and improve their knowledge and skills in the field of business.

1.8 Summary

This research is about the women entrepreneurs involved in entrepreneur. There are several factor that encourage them to become entrepreneurs. Among the factors are the skill factor, education factor and work experience factor, attitude factor, and motivation factor. This study also measure the successful of women entrepreneurs in terms of company sales, company profit and company growth. Therefore, these factors are used to determine a significant correlation with the success of women entrepreneurs who are in Terengganu.

Overall, this chapter explained about the study in which it covers the research background, problem statement, research question, research objectives, research scope and the limitations and research significance. Next, Part II will explain further on related literature and the study conducted to support this study.