

**CRITICAL SUCCESS FACTORS AND CHALLENGE OF WOMEN  
ENTREPRENEURS ON BUSINESS PERFORMANCE  
IN MELAKA**

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Report submitted in fulfillment of the requirements for the Bachelor Degree of  
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## **DECLARATION**

‘ I admit that this thesis is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.’

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## **DEDICATION**

I would like to dedicate the appreciation to my family members who supported me from spiritually and financially, beloved supervisor and panel who guided me throughout the research, housemates and course mates that assisted me through the journey of research.

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## ABSTRACT

Women entrepreneurs in Malaysia are growing years by years and many of them had capture the trend of opportunity-driven entrepreneurship which lead them toward the success in entrepreneurial career. Women are now having the equal opportunity to attempt and become entrepreneurs. Hence, the focus of this research is to determine the critical success factors and challenge that influence women entrepreneurs in business performance in Melaka. By understanding the critical success factors and challenges can help more potential women entrepreneurs to success in their business in future. Data were collected by using questionnaires distribute to 357 respondents in Melaka. The respondents were women entrepreneurs who live or operate business in Melaka. There were five success factors that influenced the business performance of women entrepreneurs. The success factors were the personal attitude, business strategy, family support, business location and skill factor. Besides, relationship between the challenge of women entrepreneurs and their business performances is also examined in this research. In the research, the research methods used were Pearson's correlations and linear regressions. According to the results, there was a significant relationship between the success factors (personal attribute, skills factor and family support) and challenge to towards business performance.

Keywords: Critical success factor, challenge, women entrepreneur, business performance

## ABSTRAK

*Usahawan wanita di Malaysia semakin berkembang daripada tahun ke tahun dan ramai telah mengambil peluang trend keusahawanan yang membawa ke arah kejayaan keusahawanan . Wanita masa kini mempunyai peluang yang sama untuk mencuba dan menjadi usahawan. Oleh itu,tujuan kajian ini adalah untuk menentukan faktor kejayaan kritikal dan cabaran yang mempengaruhi usahawan wanita dalam prestasi perniagaan mereka di Melaka. Dengan memahami faktor kejayaan kritikal dan cabaran, kajian ini dapat membantu lebih banyak usahawan wanita berpotensi untuk berjaya dalam perniagaan mereka pada masa akan datang. Data dikumpul dengan menggunakan soal selidik yang diedarkan kepada 357 responden di Melaka. Responden terdiri daripada usahawan wanita yang tinggal atau menjalankan perniagaan di Melaka. Terdapat lima faktor kejayaan yang mempengaruhi prestasi perniagaan usahawan wanita. Faktor kejayaan ialah sikap peribadi, strategi perniagaan, sokongan keluarga, lokasi perniagaan dan faktor kemahiran. Selain itu, hubungan antara cabaran yang dihadapi oleh usahawan wanita dan prestasi perniagaan juga diuji dalam kajian ini. Dalam kajian ini, kaedah analisis data yang digunakan ialah korelasi Pearson dan regresi linear. Berdasarkan keputusan yang diperolehi, hasil kajian menunjukkan bahawa terdapat hubungan yang signifikan antara faktor kejayaan (sikap peribadi, sokongan keluarga dan faktor kemahiran) dan cabaran terhadap prestasi perniagaan.*

*Kata kunci : faktor kejayaan kritikal , cabaran , usahawan wanita , prestasi perniagaan*



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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of study

Recently, women entrepreneurs in Malaysia are increasing rapidly years by years and many of them had proven themselves success in the entrepreneurial career .For example, one of the most influential Malaysian women entrepreneur is Vivy Sofinas Yusof , the co-founder of the multimillion-dollar online retail Fashion Valet and The dUCk Group. With zero background in fashion industry nor in entrepreneurship, she able to become a successful Malaysian women entrepreneurs with well-manage in her different identity as a fashion icon, blogger, model, employer, mother as well as a daughter.

According to the report of SME Association of Malaysia, the number of women entrepreneurs has about 20% of registered accounts in SMEs which equivalent to estimate totals of more than 650,000 entrepreneurs registered are women (Nor, et al., 2015). Although the number is still consider little as compared to the overall number of entrepreneurs in Malaysia, where majority are still dominated by men. But ,this had shown transformation in the mindset of women in new generation where they are no longer adhere to the stereotype that only men can be financial provider in the family. This explains that women have equal position to attempt and to work, but because of the perception of society that has suppressed women should stay at home and being a housewife. In short , as modernization in sociology where men and women can cooperate



in various areas of life , an opportunity shall be given to women for proving to us that they are capable of developing nation in conformity with our ideals (Lantara, 2015) .

Most of the journals related on entrepreneur's topic are mainly focused on the men entrepreneurs than women entrepreneurs, or even the general entrepreneurship. In developed countries such as United Kingdom and United States with individualistic culture orientation, studies are widely done on women entrepreneurs' involvement in entrepreneurship regarding to why women entrepreneur choose to start their business venture as well as the obstacles that these women face and how them overcome the obstacles (Jani & Omar, 2011) in order to sustain their business performance and business survival. Since the growth of women entrepreneurs in Malaysia are sharp inclining years by years, topic of research regarding on women entrepreneurs is now appropriate. Research believe that women entrepreneurs played a vital role in stimulating the economic development and growth of the country. Hence, the focus of this research is to determine the critical success factors and challenge that influence women entrepreneurs in business performance at Melaka. By understanding the critical success factors and challenge can help more potential women entrepreneurs to success in their business in future.

## 1.2 Problem Statement

Popularity of women entrepreneur joining business venture are growing steadily as the Malaysian government concern in providing support and incentives to encourage women entrepreneurship as well as to create a more favourable economic growth. However, it is highly important to support women entrepreneurs in order to encourage growth, in that although more women are engaging in entrepreneurial activity, this has not yet reached its full potential (Meyer & Mostert, 2016).

According to Daniyan-Bagudu, Khan and Roslan (2016), lack of entrepreneurial aptitude in women entrepreneurs is one of the issue where most of the women entrepreneurs have finite capabilities and abilities in the business venture .Women entrepreneurs fail to overcome the challenges and difficulties that may happen in their entrepreneurial venture even after attending numerous training on entrepreneurship. Besides, other than the issue mention above, many other reasons have led to failure in women entrepreneur. The range are from societal perceptions of the traditional roles of women as housewives, lack of equal opportunities and support available to women ,and a barrier in achieving their full potentials as successful entrepreneurs due to market failure. There have also been claims that women entrepreneurs supposedly lack confidence and stamina, placing more importance on family and work-life balance (Nor, et al., 2015).

Nevertheless, being a successful women entrepreneur is a tough process. There are several common issues faced by women entrepreneurs especially those who enterprise small scale women-owned businesses. As a women, they constantly struggle with finding a balanced role between career and home. Women are expected to have more responsibility on being a mother and a homemaker, apart from being career or business woman (Kang, 2016). In this regard, women may have double play of being successful woman without breaking the woman's nature as a housewife in which the household is her responsibility. Burden getting bigger for woman entrepreneurs after marriage, as they are managing the roles of women as enterpriser and housewife at the same time. Other than multiple responsibility assigned to women including reproductive chores, such as

childcare and managing household, women still need to find success through their own businesses. Therefore, married women entrepreneurs have harder time in building their business venture in order to be succeed. In short, this research is searching for critical success factors and challenge of women entrepreneurs towards business performance as stated in research questions and research objectives.

### **1.3 Research Question**

1. What is the relationship between success factors of women entrepreneurs and their business performances?
2. What is relationship between the challenge of women entrepreneurs and their business performances?
3. What is the critical success factors of women entrepreneurs toward their business performances?

### **1.4 Research Objective**

1. To examine relationship between success factors of women entrepreneurs and their business performances.
2. To investigate relationship between the challenge of women entrepreneurs and their business performances.
3. To identify critical success factors of women entrepreneurs toward business performance.

### **1.5 Research Scope**

This research is carried out to examine the women entrepreneurs' involvement in entrepreneurship and the area to be focused is in state of Melaka. Specifically, it attempts to explore critical success factors that have motivated and affected the success in business performance of women entrepreneurs in Melaka. Furthermore, the research also investigate the challenge faced by women entrepreneurs toward their business performance and lastly is the relationship between both factors and challenge toward the business performance.

### **1.6 Research Limitation**

One of the major limitation of this study is the study only concentrated in state of Melaka. Future studies can explore to others states in Malaysia in order to get a wider population of women entrepreneurs in Malaysia. Moreover, critical success factors and challenge of men entrepreneurs could be explore whether there are some distinct differences that do exist between the two. Lastly, instead of quantitative method, future study can conduct in quantitative method to explore more unmentioned factors or challenges to assist future development of women entrepreneur in Malaysia.

### **1.7 Research Significance**

Even though many studies have been done to investigate women entrepreneurs in Malaysia, but there are still lack in specifying the study about women entrepreneur in how to improve their business performance and become successful, especially in state of Melaka. Hence, the focus of this study is to determine the critical success factors and challenge that influence women entrepreneurs in Melaka.

Besides, this research is expected to be one of the references to public in order to assist existing or future women entrepreneur in enhancing their business performance by

the critical success factors and challenge. It looks forward to improve the participation of women in entrepreneurship as well as the success rate of women entrepreneurs.

### **1.8 Summary**

Overall, this study is emphasizing on critical success factors and challenge of women entrepreneurs on business performances in Melaka. In chapter 1, the study includes background of study, problem statement, research questions, research objectives, scope of study, limitation of study and significant of study. The sources in this chapter will be overview and carried on to next chapter for further discussion in literature review.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 Introduction

This chapter reviews the literature review that has been carried out by the major findings from previous study. In this section, it briefly discuss about the main idea by various research from past few years .The researcher has classify them into section , which are gross Domestic Product (GDP) and entrepreneurs' contribution in economic growth ,government contribution toward women entrepreneurs ,gender equality of entrepreneurship in Malaysia ,an overview on women entrepreneur ,success factors that effecting women entrepreneurs ,challenge faced by women entrepreneurs ,an overview on business performance.

## **2.1 Gross Domestic Product (GDP) and entrepreneurs' contribution in economic growth**

Gross Domestic Product (GDP) is a measurement of national income and output for the economic performance of a country or region. In specific, GDP is define as the monetary value of all the finished goods and services produced within a country's borders in a specific time period. According to Trading Economics, GDP in Malaysia was worth 314.50 billion US dollars and GDP value of Malaysia represents 0.51 percent of the world economy in year 2017.

Based on the BERNAMA (2018), The Malaysian National News Agency, Melaka recorded a gross domestic product (GDP) growth of 8.1% in year 2017, which is the second highest rate in Malaysia after Sabah. Service sector had contribute 44.8% of GDP in state's economy and remain as the primary contributor to the state's economy said by Governor Mohd Khalil Yaakob. In fact, entrepreneurs are indispensable to the economic growth of the country as they produced goods and services to the particular economy. Without the effort of entrepreneurs, our country would be mainly dependent on the imported goods and business deals from multinational companies and yet our GDP might be adversely affected or collapse. Thus, the economy is hugely dependent on the entrepreneurs for its GDP generation. Since entrepreneurs play a vital role in development and growth of nation economy as they contribute to the economy, they also help to eliminate the nation issues. Nation issues such as low economic growth, poverty and unemployment can be improve through creating new ventures and jobs, as well as growing existing or new businesses by entrepreneurs (Meyer & Mostert, 2016).

## **2.2 Government contribution toward women entrepreneurs**

The Ministry of Entrepreneur Development in Malaysia mentioned that in next five years (2019 - 2023), they aim to build up a million small and medium enterprise (SME) entrepreneurs, especially those who categories under B40 group, with their monthly income are RM3, 900 or less. Government state that they would join forces with relevant

agencies to elevate SMEs towards the fourth industrial revolution (Industry 4.0) by preparing incentives, start-up capital funding, facilitation, guidance and facilitation to achieve this aspiration (The Star, 2018). Besides, the Malaysian Government did effort in supporting the involvement of women and youths in entrepreneurship in order to transform Malaysia into an Entrepreneurial Nation and address the unemployment issue. By providing the micro-credit facilities through TEKUN Nasional and Amanah Ikhtiar Malaysia (AIM), government combine the facilities with entrepreneurship training to build their ability in the areas of finance, business plan preparation, marketing and promotion (Mohammad, 2015).

Besides, in order to strengthen the development of women entrepreneur, government had designed a particular programs for women entrepreneurs in micro enterprises for instance skills training through the program of Women Entrepreneurship Incubator (I-KeuNITA). Within the training, skills can be improved and business assistance is provided for low-income women in the field of sewing, beauty therapy, commercial cooking, crafts, childcare, and tour services. As for financial assistance, government had prepare women entrepreneurial grants and programs such as Women of Will, Temanita Financing Scheme, Women Entrepreneur Financing Program, Cradle Investment Program, National Entrepreneurship Institute (INSKEN) and Global Accelerator Program. At the same time, single mothers in Malaysia are highly be concerned due to their misfortune. The Ministry of Women, Family and Community Development had assigned the Department of Women Development to organize the incubator Skills Training for Single Mothers (I-KIT) as to help single mothers who are interested to venture business activities, like managing nursery, craft, beauty and health and other related business. I-KIT is a six-month program but it varies among states in terms of the focus of business activities but they have the same objective as helps single mothers to earn revenues for their life and children living expenses (Mutalib, et al. ,2015).