

# THE NIEW JOURNAL

THE VOICE OF THE NAM WOMAN

VOLUME 3 / DECEMBER 2011

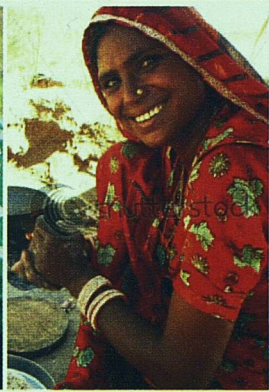
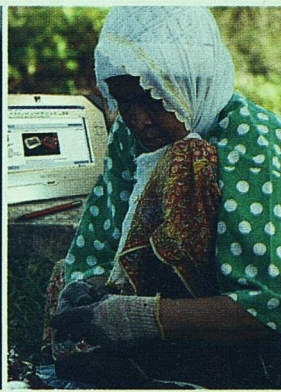
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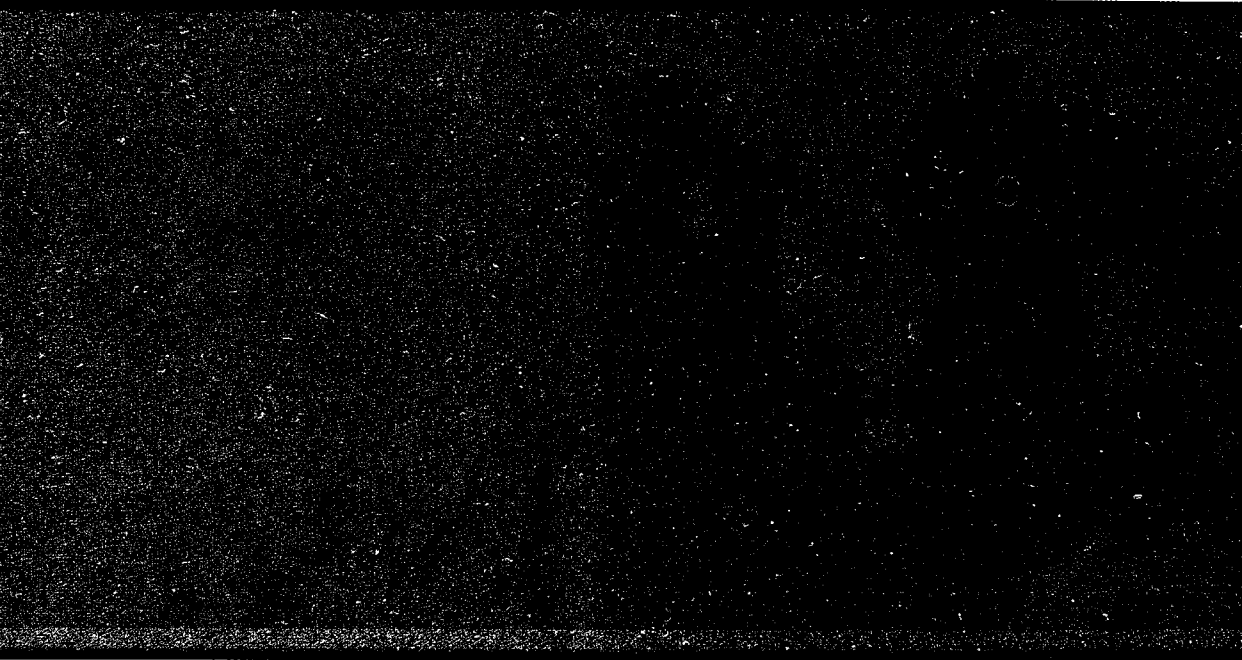


Ministry of Women,  
Family and Community Development









DR. MAHATHIR MOHAMAD

# THE NEW JOURNAL

THE VOICE OF THE NAM WOMAN



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## FOREWORD

**YB Dato' Sri Shahrizat Abdul Jalil**

*Minister of Women, Family and Community Development*

Studies have shown that the number of woman entrepreneurs in Malaysia have increased in the past three decades following our emphasis in industrialization, the growing interest in privatization, self-employment and business oriented employment. Women can be found in the once male-dominated enterprises like the banking and financing sector, food manufacturing, general trading and public service. The fact that female students exceeded the university intakes of the opposite gender has helped to shape the employment and entrepreneurship landscape of the country.

Women entrepreneurship has also recently become an important pool of resources for Malaysia's economic growth. Women account for about half of the total population of the country, with an increasing representation at the professional, managerial and technical levels. Their involvement with entrepreneurship is thus consistently increasing.

However, the gender gap in women is still wide in the Malaysian business world, as is the case even in other parts of the world. The number of Malaysian women who



make it to the international market also is still negligible. Women may make up the numbers but still are not given enough opportunity to make a notable difference.

Therefore it is important that women transform their mindset in line with the changing times in the business milieu and produce quality products and services which are capable of penetrating the global market.

The Malaysian government, mindful of the fact that the status of women is a good indicator of a dynamic and progressive nation, is taking steps to increase the participation of women at all levels in both the public and private sectors, including entrepreneurial ventures. Existing laws and related regulations are being and will be reviewed to create a more conducive environment that encourages greater women participation in entrepreneurship. The creation of my Ministry to specifically look into the issues and welfare of women is also the manifestation of this aspiration and commitment by the government. And the creation of NIEW is to give greater significance to the emancipation of women in the NAM countries so as to enable the empowerment of women.

While the government is actively playing its role and laying the foundation for bigger participation of women in entrepreneurship, the private sector should also play their parts. This is to lend credence and give better significance to our fight for the emancipation of women in society.

Thank you.





## FOREWORD

**Y. Bhg. Dato' Dr Noorul Ainur Mohd Nur**  
*Secretary-General*  
*Ministry of Women, Family and Community Development*

Malaysian woman entrepreneurs are increasingly urged to take advantage of the unprecedented rate of growth of the Small and Medium Enterprises (SMEs). There are already more woman entrepreneurs making their mark in business with some already entering the Malaysia's millionaires club and some even given the tag as 'iron lady' for their tremendous success.

Malaysian women carving their names as top economists or CEO of leading business agencies in the country and even on the world stage, is nothing new compared to say, a decade ago. We are slowly taking away the curtain of gender prejudice and accept the fact that women are equally capable as their male counterparts.

However, many more works need to be done to improve the thousands entrepreneurial performances of women who are on their way up with their products and innovations. They are facing a considerable number of obstacles and constraints. These include identifying the market for their products, source of finance, proper business advice and information sharing with their peers about market trend and needs.

Many researches have been carried out to determine the correct policies and the best approach to tackle the problems. Various research endeavours are also being undertaken to identify factors affecting or influencing the performance of woman entrepreneurs.

Based on the Census of Establishments & Enterprises 2005 by the Department of Statistics Malaysia, a total of 82,911 business establishments were owned by the woman entrepreneurs. In term of sectors, 89.5 percent involve in services sector, while manufacturing recorded 7.5 percent women participation and agriculture, three percent.

Although the statistics show that the involvement of women in the manufacturing and agriculture sectors are still very low compared with their male counterparts, this should be seen as an opportunity for them to explore businesses for additional family income and more importantly as a career choice.

The Malaysian Government has embarked on developing capacity building initiatives through various Ministries and agencies to create, promote and nurture more women entrepreneurs, in line with the Fourth Thrust of the National Key Result Area (NKRA), which is to develop 4,000 woman entrepreneurs by the year 2012. Women must jump on the bandwagon and be willing to learn and join the rank of successful woman entrepreneurs.

Thank you.



## FOREWORD

**Y. Bhg. Tan Sri Datuk (Dr) Rafiah Salim**

*Director*

*NAM Institute for the Empowerment of Women (NIEW)*

Woman entrepreneurs are fast emerging as the driving force in global economy that policy makers cannot afford to ignore. Women's entrepreneurship has been recognised during the last decade as an important untapped source of economic growth. They have created new jobs for themselves and others and by being different also provide society with different approach to management, organisation and managing business problems.

The subject of women in entrepreneurship has begun to colour public discourses more prominently these days. Their participations in the perceived less important economic development and growth in specific industries (primarily retail, education and other service industries) have changed. Women are now beginning to venture into the high-tech and manufacturing sector which used to be the "men-stream". Although I must admit that their participations are still small, the future is looking up for them as our government is giving all the support to ensure there are equal opportunities between man and woman entrepreneurs in Malaysia.



Studies have shown that woman entrepreneurs too have demonstrated the ability to build and maintain long-term relationships and networks, to communicate effectively, to organize efficiently, to be fiscally savvy and to be aware of the needs of their environment.

Most successful woman entrepreneurs are naturally endowed with the qualities of entrepreneurship. Their maternal instincts generate enormous strength and determination that drive the fear away from them to start or run a business enterprise. They may face certain challenges and obstacles that are not akin to their male counterparts. Women with children experience even more demand on their time, energy and resources. However, they have shown their ability to balance the conflicting demands on their life and have made a great success of both.

Women also need to adapt and adopt the online and digital age in doing business as this is important because digital application gives woman entrepreneurs the flexibility to balance their lives between developing their business and taking care of their families. The online and digital form of enterprise also gives them low overhead, high productivity, and minimal ownership of capital assets. With a large digital consuming market, an educated class of digital entrepreneurs and low barrier to market, there is going to be more entrepreneurial economic activities than we have ever seen before.

Thank you.



# THE INFLUENTIAL FACTORS IN DECISION-MAKING PROCESS AMONG MALAY WOMAN ENTREPRENEURS: A CASE STUDY IN TOK BALI, PASIR PUTEH, KELANTAN, MALAYSIA

Assoc. Prof. Norhaiyati Abdul Muin, Assoc. Prof. Dr Nik Maheran Nik Muhammad and Wan Zumusni Wan Mustapha  
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## ABSTRACT

Kelantanese women have been known to be independent and actively engaged in daily businesses and commercial activities. Women's involvement in business is due to their desire to continue the family tradition, for survival or to get a better life instead of contributing to the economy of the area. This paper elucidates the influential factors that shape some Malay women's entrepreneurship behaviour and its impact on the economy of their family. Using grounded theory approach of qualitative research methodology, six women have been interviewed. The analysis from the indepth interview transcriptions reveals what triggers the entrepreneurial behaviour among women in the fishing area of Tok Bali and its impact on the whole economy in fishing area of Tok Bali. The study shows that despite Kelantan women's active participation and advancement in business, they still do not play a significant role in contributing to the nation's economy. Thus, the characteristics of entrepreneurship among them do not exist. Therefore, most of the respondents cannot be categorized as having entrepreneurial behaviour as most of their businesses are just small-scale enterprises to support their family. They do bring a change to their family's economy and play a role in changing their family's economic condition but do not act as catalyst for economic change. It can be concluded that factors that lead to decision making to entrepreneurship are situational factors (survival, time); social support (family, supplier); and human factors (self motivation, market attractiveness and family tradition).

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*Keywords:* entrepreneurship behaviour, decision-making factors and process, Malay women entrepreneurs

## INTRODUCTION

Entrepreneurs have one of the most highly involving and demanding economic roles because they take initiative, carry risk, and assume autonomy in the organisation and management of resources, often with limited knowledge (Knight, 1921 and Harwood, 1982). Their attitude and social norms are two crucial processes of starting a business venture or taking concrete actions towards realising business start-ups. As a marginalized group in politics, economy and social, women make up a large form of untapped human resource that reserve their participation in the labour force (McElwee and Al-Riyami, 2003). Since women are also the human capital of a nation, it is important that they are no longer marginalized in the nation's development by equipping them with the skills and knowledge to survive in the challenging economy. Kelantanese women have been known to be very independent and actively engaged in daily businesses and commercial activities. In the local market places, their aggressive entrepreneurial behaviour surpasses that of their male counterparts, controlling and overseeing the flow of the trade even proven to be more industrious in many sectors. They are known as hard and dynamic individuals who are independent, persistent and diligent. This may be a great source of inspiration for the rest of the Kelantan people. Everyday, thousands of Kelantanese women conduct business in this state, especially in popular markets and shopping areas. Hence, there is a need to develop an understanding of the woman entrepreneurs in interpreting their patterns of decision making in venturing into entrepreneurship. This paper elucidates the influential factors that shape some Malay women's entrepreneurship behaviour and its impact on the economy of their family.

## LITERATURE REVIEW

Entrepreneurship and decision making literatures mainly discussed the underlying business activity and its fundamental importance for problem-solving, the development of business plans, and goal-directed behaviour. Decision-makers often arrive at solutions intuitively without being able to report how they attain the result (Agor, 1986 and Watson, 1992) as intuitions are like hunches that may or may not lead to correct insights or solutions (Bowers, Regehr, Balthazard and Parker, 1990). The importance of decision-making has been well recognized by researchers: "If one process in particular characterizes the manager's or entrepreneur's job it is that of making decisions or solving problems" (Mosley, O'Brien and Pietri, 1991).

Decision-making behaviour has been defined as the "learned, habitual response pattern exhibited by an individual when confronted with a decision situation" (Scott and Bruce, 1995). The behavioural decision theory literature elucidates decision-making procedures used to counter the limited human ability to process information. For example, studies have investigated heuristics, the 'rules of thumb' used to reduce mental effort and to simplify decision-making (Busenitz and Barney, 1997).

However, relying on heuristics may interfere with successful problem solving if expert knowledge is applied inappropriately. Therefore, even if decision-makers are aware of the need for creative strategies that go beyond the heuristics they normally employ, there is still the problem of knowing when applying expertise is counterproductive and creative thinking is necessary.

Most theories concerning the decision-making (Mintzberg et al., 1976, Papadakis et al., 1998 and Mador, 2000) gravitate around a model of decision-making, which comprises three components: the environment, the specific characteristics of the decision to be taken and the entrepreneur himself. These three independent variables are in constant interaction while following the path of the decision process. Likewise, Schneider and De Meyer (1991) state that the elements that are expected to influence strategic processes are the manager's individual characteristics, internal organizational context, and environmental factors. Papadakis et al. (1998) state that an in depth understanding of decision-making behaviour, an integrative model, which includes decision specific, environmental and organizational factors, is needed. Thus, there are three levels of analysis: the person (the entrepreneur), the environment, and the strategic decision process itself.

The entrepreneur influences the parameters of the strategic decision process by the approach adopted either rational, emotional or intuitive. The decision process will affect the entrepreneur by bringing profit or loss to the business and will thus (possibly) reshape the entrepreneurial knowledge and experience. The entrepreneur influences the environment by the very act of the venture creation and by the further strategic decisions he meets. In the opposite direction, the environment is constantly forwarding impulses for entrepreneurial actions (opportunities, threats and so on). These environmental stimuli act as driving forces for the entrepreneur to make strategic decisions. The strategic decision process influences the environment by introducing advanced new methods of production or innovations. Conversely, the environment, being highly turbulent, brings uncertainty and probabilities of negative outcome, which shapes the decision making process and most often reflects in satisfactory instead of optimal decisions.

Busenitz and Barney (1997) argue that entrepreneurs simply do not have the time to go through a thorough, rational decision making process. Papadakis et al. (1998) states that an in depth understanding of decision-making behaviour, an integrative model, which includes decision specific, environmental and organizational factors, is needed. Such results are in line with Thompson (1967) who suggested that in cases of high uncertainty, managers act in an 'inspirational' manner, by making obsolete any formal procedures and rules usually followed. Busenitz and Barney (1997) also claim that more extensive use of heuristics in strategic decision-making may be a great advantage during the start-up years. According to Papadakis et al. (1998), the decision specific characteristics influence the decision-making process more than any other environmental, organizational, or managerial factor.

Furthermore, Levander and Raccuia (2001) find that entrepreneurs often deal with a situation without planning in advance, which decreases the firm's performance when confronting with more complex problems. Furthermore, changeability of the environment will lead to the increased use of an opportunistic strategy and a lack of munificence in the environment will lead to an extensive use of reactive strategies. Their overall results show that the undifferentiated prejudice by advisors and banks, that top down planning is always good, has to be modified.

## METHODOLOGY

The primary data collected during the fieldwork in Tok Bali and Semerak included observations and in depth interview. Using grounded theory approach, six female entrepreneurs in Tok Bali and Semerak in Kelantan were interviewed. The indepth interview protocol took about two hours during the three-month fieldwork along the peripheral coastal fishing area among dried fish sellers, restaurants owners and keropok sellers. These six respondents are not enough to generalize the entrepreneurship and decision-making behaviour of woman entrepreneurs in Tok Bali fishing area but they can provide the pattern of decision-making among female entrepreneurs in a fishing area.

## FINDINGS AND ANALYSIS

In the present study, the number of respondent was undetermined. However researchers had the opinion that seven respondents understudied are enough to generalize the entrepreneurship and decision-making behavior of woman entrepreneurs in Tok Bali Fishing area. They are among those who have business in various categories. Table 1 below lists the name and nature of business of the respondents.

Women in the area of Tok Bali are mostly involved in six types of businesses namely selling rice at the food stall, making '*keropok*', selling *keropok*, making and selling *keropok*, making dried fish, selling dried fish, and grocery store selling various products including fruits and vegetables. Decision to venture into the business varies according the nature of business they are in. In general, woman entrepreneurs in the peripheral area studied (Tok Bali) set up their businesses mostly due to situational factors.

The average age of the respondents is 45, with the youngest 23 years old and the oldest 68 years old. They are all married and with at least 5 or more children (up to 12). Types of business in the area range from selling rice at the food stall to making and selling *keropok*. There are women who play the role to improve the family's income, at the same time empowering themselves to do so; there are single mothers and a woman whose husband is bedridden; therefore a motivating factor

Table 1: Demographic profile of the respondents

Res-pondent	Name	Age	Marital status	No of children	Nature of Business	Years in business
1	Pn. Rosnani Mat Yusof	49	Married (husband sick)	7	Food stall selling rice for breakfast and lunch	10
2	Kak Yah	48	Married	12	selling local vegetables & chicken, dried fish, noodle, fruits & local kuihs/ Small Grocery shop	4
3	Aminah (Mok Su) & Pok Su	42	Married	5	Keropok Losong, keropok lekor dan keropok kering	3
4	Masitah Mustapa	40	Married	5	Making and Selling Keropok and other fish's product.	10
5	Norzita	23	Married	-	Food stall	3 month
6	Mah binti Dollah	68	Married	8	Selling Keropok and salted fish	5

to start-up a business as they are the primary breadwinner of the family. However, it was found that these are not the main reasons that led to their decision to start their businesses.

The bigger scale business in the area is only related to 'making and selling *keropok*'. Only a number of women in the area are also involved in food making business that is having a food stall to sell rice, fried banana, fried *keropok* and etc. It is interesting to note that most businesses operated are synonymous from one another. This indicates that women in the area mostly do business due to "herd mentality" with the perception that "if other people can do it, why can't I?" as stated by one of the respondents.

To compare with the initial decision or motivation to start business, for those involved in food stall, selling rice for breakfast and lunch, the motivation to do so is usually due to poverty. The need to help feed the family urged them to open the business. However, most salted-fish business respondents started their businesses not because they are the primary breadwinners of the family but mainly because

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