Women Entrepreneurship in Malaysia: An Empirical Assessment of the Challenges Faced by Micro and Small Business Owners in Kuching-Sarawak

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Abstract: This study assessed the challenges faced by Malaysian women entrepreneurs, who own micro and small businesses, specifically in Kuching, Sarawak. It also examined the effects of these challenges on the businesses of the aforementioned women. Qualitative method was used to conduct this study. As a result, interview and observation were used to collect data from 31 respondents, and non-probability sampling method, specifically purposive sampling method, was used to select the respondents, due to inadequate information about them. This study focused on two sectors, which include the retail and service sectors. The findings showed that the respondents are facing five different challenges, which include ‘intense competition (90.3%), excess family responsibility (26%), unreliable suppliers (22.6%), credit management (13%), and the inability to employ skilful workers (6.5%).’ This study also found that one of the aforementioned challenges, which is ‘the inability to employ skilful workers’, is only faced by respondents in the service sector. It equally found that ‘intense competition’ is the major challenge faced by respondents in both the retail and service sectors. Additionally, it was found that all the challenges faced by the respondents are negatively affecting their businesses.

Keywords: Women Entrepreneurship, Micro and Small Business, Challenges, Retail Sector, and Service Sector.

1. INTRODUCTION

This study assessed the challenges faced by Malaysian women entrepreneurs, who own micro and small businesses in Kuching, Sarawak. It also examined the effects of these challenges on their businesses. Though, extant entrepreneurial literature has undoubtedly increased the understanding of entrepreneurs and the gender dynamics of entrepreneurship, a key concern is the tendency for mainstream studies to focus on entrepreneurship issues in Western developed economies to the neglect of the developing economies (Marion, 2013). The resultant effect is that people only know comparatively little about the nature of the challenges that female entrepreneurs encounter in developing countries like Malaysia.

In this respect, there has been a growing call by scholars (see Gartner, 2005 & Carter, 2008) for country-specific studies in non-Western contexts, in order to provide insight and deepen people’s knowledge of the socially constructed nature of female entrepreneurs. According to Davis (2005), in spite of the contributions made by women entrepreneurs towards the economic development of various countries through the establishment of new businesses and the employment of different people, prior researches show that most policies made by the government favor men than women entrepreneurs. This is because; as a result of inadequate data, the challenges faced by these women are not thoroughly taken into consideration when developing policies. Also, very few women are appointed in the political positions of many countries, including Malaysia. As such;
women do not have enough political power to influence the policies developed by the Malaysian government, in order to ensure that it favors female entrepreneurs as much as it favors male entrepreneurs (Ibid.).

Additionally, before starting and in the course of operating their businesses, women entrepreneurs in neighboring countries like China, Indonesia, and India face some challenges that are not experienced by their male counterparts. They face challenges such as; less access to business and financial training, difficulty in obtaining credit, and lack of collateral to obtain credit. This deprives them of the opportunity to become entrepreneurs or successful entrepreneurs (Davis, 2005). Thus, this study seeks to close this research gap by exploring the challenges faced by women entrepreneurs in Kuching, Sarawak. Specifically, this study examined the challenges faced by these women in the course of starting and while operating their businesses. It also examined the effects of these challenges on their businesses.

2. METHODOLOGY

Qualitative method was used to conduct this study. This method was chosen, because it provides researchers with the opportunity to ask more questions when necessary, thereby enabling them to gather a detailed and quality data. This is true, because the method enabled the researchers to ask the respondents more questions when they needed more information from them. This did not only help them to learn more about specific events concerning the respondents, it also helped them to gain insight into the respondents’ interior experiences, especially how they perceived and interpreted their perceptions, and how different events affected their thoughts and feelings (William, 2010). As a result of this, the researchers were able to understand the process of each event, instead of what just happened and how the respondents reacted to them.

The research instruments that were used to conduct this study are interview¹ and observation. The greatest advantage of interview and observation is that they help to gather a detailed and quality data from the respondents (Marley, 2013). This is factual as the interviews and observations conducted while carrying out this study enabled the respondents to clearly explain themselves in detail and also provide other relevant social cues. Social cues, such as voice, intonation, and body language of the respondents provided the researchers with a lot of extra information that was added to their verbal answers. This level of detailed description (both verbal and non-verbal) showed a hidden interrelatedness between the emotions of the respondents and events.

The population of this study is mainly Sarawak women entrepreneurs. However, purposive sampling method was used to select a sample in Kuching, which represents the entire population. Purposive sampling method, which is a form of non-random sampling, was used to select 31 respondents for this study. The reason behind this is that there is inadequate information on the population of this study, which is specifically Kuching women entrepreneurs, who own micro and small businesses. Another reason is that purposive sampling reduces the amount of time necessary to search for appropriate respondents that meet the selection criteria required for the sample of a study (Sadan, 2011).

Additionally, most of the micro and small businesses owned by the women that this study is focused on are informal, because they are not formally registered with the Companies Commission of Malaysia (CCM)² (Companies Commission of Malaysia, 2014). As a result, there

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¹ The interviews were conducted with the help of three local research assistants, who helped to translate the questions and responses from English Language to Bahasa Melayu and vice versa. This helped the respondents to clearly understand the questions they were asked before answering them. The research assistants were selected based on their strong command for both English Language and Bahasa Melayu, which is Malaysia’s official language.

² The Companies Commission of Malaysia (CCM) is a statutory body formed under an Act of Parliament that regulates corporate and business affairs in Malaysia. It was formed in 2002 under the Companies Commission of Malaysia Act 2001, assuming the functions of the Registrar of Companies and Registry of Business. The main purpose of CCM is to serve as an agency to incorporate companies and register businesses as well as to provide company and business information to the public (Sheriff, 2013).
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is no accurate record of the total number of these businesses (Ibid.). Specifically, this study is focused on women, who own micro and small businesses, in both the service and retail sectors. In terms of the service sector, it includes; beauty salon, spa, kindergarten, laundry, and the restaurant industries. In terms of the retail sector, it includes; stationery, grocery, boutique, minimart, and hand phone and laptop industries.

The research area of this study is specifically Kuching. Kuching is the capital and most populous city in Sarawak. The total population of the city is 325,132 (Andrew, 2013). One of the reasons for choosing Kuching is that women constitute almost half of its population and almost all the ethnic groups in the country are well represented in the city. This facilitated easy access to the respondents of this study without exposing their identity to the public. Another reason for choosing Kuching is that it is the center of Sarawak’s economic activities, and as such; there are many female entrepreneurs from diverse ethnic groups that are operating their businesses in the city. As a result of this, the researchers were able to collect a data that reflects the opinions and issues faced by women entrepreneurs from different ethnic groups in the state.

3. CHALLENGES FACED BY WOMEN ENTREPRENEURS

The theoretical approach used in this study is based on gender understanding. Studies conducted in developing countries like Uganda, China, Indonesia, and India have shown that women entrepreneurs face various challenges that are impeding the success of their businesses (see Richard, 2013; Starcher, 1996; Carter and Cannon, 1992; Veena, Venakatachal and Joshi, 2012; Leonard, 2013; Vishwanathan, 2001; Das, 2000; Mangai and Leelavathi, 1992; Nosa, 2013; Decal, 2010; Kabeer, 1992; Kumar, 2007; Salem, 2005 and Dauda, 2011). These challenges include, labor burden, access to financial resources, limited access to markets, low education and training, less access to networks, and unfavorable government policies. The discussions on these issues appear to demonstrate serious constraints on female entrepreneurs compared to their male counterparts.

3.1 The Issue of Labor Burden

According to Richard (2013), women have higher labor burden (time poor) as opposed to men. He further maintains that family and community responsibilities take a lot of women’s time that could be applied to improving their income generating efforts. Indeed, in countries like India, China, and Indonesia, women work up to 16 hours a day, juggling both productive work and their responsibilities at home. Their responsibility for child care (often caring for three or more children at a time, excluding China) limits their mobility and obliges them to generate income in less conducive environment for business. Although statistical data are not available on the share of children attending early childhood education, there is a greater shortage of affordable child care and preschool programs in these countries. Women’s responsibilities for child care are often cited as reasons for women’s low participation in skills training and literacy programs, which are crucial for building the business management skills of female enterprises (Richard, 2013).

Similarly, Starcher (1996) argued that women’s family obligations often bar them from becoming successful entrepreneurs. He further argued that having primary responsibility for children, home and older dependent family members deprive women of the opportunity to devote more time and energy to their businesses. Indeed, small and micro businesses require women to devote longer hours to them. However, given that in many developing countries domestic duties and childcare are seen as women’s responsibility, most female entrepreneurs face conflicts in their roles as wife, mother, and business owners (see Carter and Cannon, 1992). Veena, Venakatachal and Joshi (2012) noted that “it is common to find female business owners, particularly those who are mothers, displaying the feeling of guilt, because they do not fulfil the traditional female role”.

3.2 The Issue of Limited Access to Financial Resources

Unlike Richard (2013), Leonard (2013) argues that women’s lack of assets, due to the gender discriminatory property and inheritance practices in many countries limit their access and control over resources. He notes that lack of access to fund or capitals in many African countries gravely impact negatively on women entrepreneurs. For example, Leonard noted that female headed households in Uganda claimed that their inability to save-up their start-up capital prevents them...
from engaging in business activities. He observed that, even though in recent decade micro-credit institutions have gained greater prominence in filling in the financial resource gaps among the poor in general and poor women in particular, the unmet credit needs of women entrepreneurs in many countries remains big. In reality, micro credit ensures women’s economic participation, but at the same time it increases their economic woes by increasing their debts and health issues (Leonard, 2013).

Similarly, Veena, Venakatachalam and Joshi (2012) in their article, which is titled “Challenges Faced by Women Entrepreneurs Running Micro, Small and Medium Scale Fashion and Apparel Business in Coastal Karnataka”, pointed out that:

Sometimes, credit may be available for women through several schemes, but there are bottlenecks and gaps, and the multiplicity of schemes has been often not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are sometimes not made aware of the best option for their requirements (see also Vishwanathan, 2001).

By paraphrasing the study of Das (2000), Veena, Venakatachalam and Joshi (2012) showed that more than 50% of the aforementioned women used their own funds or funds borrowed from their spouse or family to set-up their businesses. Another study that was done among women entrepreneurs in Coimbatore District, Tamil Nadu by Mangai and Leelavathi (1992) established that financing the enterprise is a major problem faced by women entrepreneurs. Hence, most of the entrepreneurs rely on family finance or on their partners and friends (Ibid.).

3.3 The Issue of Limited Access to Markets

Furthermore, Nosa (2013) observed that women entrepreneurs who own micro and small businesses often complain about the lack of demand for their products, but the major problem is that they do not respond to increased markets. There are various factors that limit women’s income generating activities that could give them access to markets. As noted earlier, women disproportionately experience limited mobility, due to various factors linked to either their family responsibility or cultural practices. Those who can travel lack the market information on products and inputs; thus, becoming dependent on the middle traders who buy their products at relatively lower price compared to the market price (Ibid.).

3.4 The Issue of Low Education and Training

Unlike the earlier discussants, Decal (2010) links the challenges faced by women who own micro and small businesses to low education and lack of training. He maintains that most of these women often embark on business activities as a result of their families’ economic hardship. Hence, their economic participation is merely to support and ensure their families’ wellbeing. Essentially, their families’ status-quo compels them to own and operate micro and small businesses, but it does not encourage them to attend training programs or get educated. In fact, the poorer the families, the greater their dependence on women’s economic productivity, thereby increasing their family roles from two to three or more (Kabeer, 1992). Decal (2010) further argued that many women who own small and micro businesses in developing countries like Indonesia and India lack the education and skills relevant to starting and managing a business successfully, and thus having less potential for success.

Gaining relevant skills and knowledge can also be more difficult for these women, since they frequently have triple work burden. This triple work burden makes them less able than men to attend formal and informal trainings. In a nutshell, when a training program is available, women may not be able to attend it, because it is held at a time that they are carrying out their family responsibilities, or the content and method of the training delivery may not be appropriate for them. This has caused many women entrepreneurs in the aforementioned countries to start their businesses without adequate knowledge and skills (Decal, 2010). A study conducted by Kumar (2007) on women entrepreneurs in India supported the above argument. The study found that gaining relevant skills and knowledge is usually more difficult for women than men since they frequently have triple work burden and childcare responsibilities, thus making them less able than men to attend formal and informal training programs.
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3.5 The Issue of Less Access to Networks

On the issue of access to networks, Salem (2005) observed that women entrepreneurs in countries like India and China have fewer business contacts, less knowledge of how to deal with the government bureaucracy, and less bargaining power, all of which further limits their growth. Since most of these women operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information (see also Veena, Venakatachal, and Joshi 2012). Most existing networks are male dominated and sometimes not particularly welcoming to women. Even when a woman does venture into these networks, her task is often difficult, because most network activities take place when she is supposed to be with her family (i.e. after her paid-job regular working hours). As a result, many women tend to stop partaking in the activities of their networking organizations, due to pressures from their family responsibilities. Additionally, there are very few women-only or women-majority networks where a woman could enter, gain confidence and move further. All these deprive women of awareness and exposure to good role models that could help to grow their businesses faster (Salem, 2005).

3.6 The Issue of Unfavorable Government Policies

A study conducted in Malaysia, Indonesia, Brunei, and Singapore by Dauda (2011) found that, in spite of the contributions made by women entrepreneurs towards the economic development of these countries through the establishment of new businesses and the employment of many people, some policies made by their governments favor male than female entrepreneurs. This is because; there are inadequate data and researches on women entrepreneurs for their governments to work with, and as such; they do not thoroughly take into consideration the challenges faced by these women when developing new policies (Ibid.).

4. DATA ANALYSIS

This section contains the assessment of the demographic characteristics of the respondents. It also contains the analysis of the data gathered during the fieldwork based on the challenges faced by the respondents and how these challenges affect the growth and success of their businesses.

4.1 Demographic Characteristics

The age distribution of the respondents showed that most of them were between 36-40 years (35.5%), followed by 16% who were between the ages of 46-50. Also, about 16% of the respondents were between 41-45 years, while 13% of them were between 31-35 years. In addition, 13% of the respondents were between 26-30 years, while 6.5% of them were between 20-25 years.

The marital status distribution of the respondents showed that most of them are married; 84% of them are married, while 16% of them are single. This is similar to the findings of the study conducted by Teslim (2008), which showed that most women entrepreneurs are married, while few of them are single. This is probably because; most married women are able to get financial support from their husbands when starting their own businesses.

The findings of this study also showed that most of the respondents are Chinese. Chinese women entrepreneurs accounted for 61.3% of the respondents that took part in this study, while the Bidayuhs, Ibans, Malays, Indians, and other ethnic groups accounted for the remaining 38.7% of the respondents. This is consistent with the findings of Innocent (2012), which showed that the Chinese enjoy being independent, and as such; they tend to engage in entrepreneurship more than other ethnic groups in Malaysia.

The academic qualifications of the respondents were quite well distributed across six categories. The findings of this study showed that most of the respondents (61.3%) only have primary education, while 16% of the respondents do not have any formal education. A similar trend was observed by Timothy (2007). In a study conducted in Malaysia, Timothy found that most women entrepreneurs, who own micro and small businesses, only have little formal education. Other respondents of this study have lower secondary education (6.5%), higher secondary education (6.5%), diploma education (6.5%), and only 3.2% of the respondents have a degree.
Aside from their need to become independent, the low educational qualifications found among the respondents may be another reason why they chose to engage in entrepreneurship, rather than working for other organizations. Hafiz (2012) found that one of the major reasons why women start-up micro and small businesses is that they do not have enough educational qualification to get a good job.

4.2 Challenges Faced by the Respondents and the Effects on their Businesses

Table 1 below depicts the challenges faced by the respondents. Almost all the respondents (90.3%) stated that the biggest challenge they are facing in their businesses is intense competition from both small and large companies. These respondents said that high competition has been reducing their market shares, thereby reducing their profits. The following was gathered, in order to clearly understand how these challenges are affecting the businesses of the respondents:

Without mincing words, Ms. Dorothy, who owns a shop where she sells vegetables and fruits, poured her heart out over her unfavorable experience with high competition. Her body language during the interview clearly showed that she was really sad about her situation. When she was asked to narrate her experience with high competition, she sounded a bit angry at the beginning before realizing that she was only being interviewed and then calmed down. She apologized, after which she told her tale;

My biggest challenge is competition. As you can see, most of the sellers around here, including me, sell the same products (i.e. vegetables and fruits). As a result, customers have a stronger bargaining power over us. They can choose to buy from anyone who sells her products lower than those of others, so long as the product is of the same quality. This makes us to compete in terms of price, in order to make sales. This, in turn, causes my profit to reduce.

Another respondent, Ms. Mabel, who owns a boutique, described the negative effect of high competition on her business. According to her;

Competition from other companies is my biggest challenge. Aside from the fact that I have always had competitors around my business, a shopping mall and plaza were recently established close to the location of my business. This has caused the competition in the area to increase, because more people have opened boutiques in the shopping mall and plaza. As a result, I have lost some of my customers to these newly established boutiques, due to the fact that customers like to view and try new shops, except those that are very loyal. This, in turn, has caused my sales and profit to reduce significantly.

Ms. Roselyn, who owns a restaurant, also narrated her unpleasant experience with high competition. She said;

The biggest threat to the success of my business is competition. The reason is that between last month and this month, 4 restaurants have been established very close to the area that my restaurant is situated. As a result, some of my customers have stopped visiting my restaurant, because they have started patronizing the new ones. This has caused my revenue and profit to reduce dramatically.

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It is important to note that this is just a pseudo name. That is to say, it is not the real name of the respondent. This also applies to other names used to identify different respondents in this study. The reason for this is to protect the respondents from any form of problem that may arise if their real names were disclosed.
Mrs. Tim, who owns a mini-mart, also explained why high competition is a huge challenge to her business. She stated that;

My business is beginning to suffer from aggressive competition as a result of the opening of super markets by established companies like UNACO and Everrise. These 2 companies recently opened another branch of their super markets close to my mini-mart. As a result, some of my customers, including those that were loyal to my business, have begun to patronize these super markets, thereby reducing my market share and profit.

Another challenge mentioned by 26% of the respondents as one of the biggest challenges they are facing in their businesses is excess family responsibility. They said that it sometimes makes them to fail to achieve their business objectives, thereby demoralizing them to work harder. One of the respondents, Mrs. Margaret, who owns a grocery business, clearly expressed her concern towards the aforesaid challenge by making the following remark;

I find it difficult to balance my business and family responsibilities, because they are sometimes too much for me to handle. Before going to shop every day, I have to cook, clean, bath and prepare my children for school, and sometimes take them to school. My husband only helps me to take them to school on occasional basis, because he leaves the house very early, due to the nature of his job. After carrying out these responsibilities, I often go to shop looking very tired, and as such; I tend to come home earlier than I planned to, in order to get some sleep. This negatively affects the productivity of my business.

Also, the comment made by another respondent, Mrs. Mohan, who owns a mini-mart, shows that the aforementioned challenge is a huge threat to the success of her business. She stated that;

My business does not grow as much as it is supposed to because some of my children that are married still ask me for money. They come to my shop to ask me for money whenever they lose their jobs or do not make enough money from the micro businesses they are running. As their mother, I cannot say no to them. I always try to help them out and also encourage them to try a better business or get a better job. The issue is that they still return to me whenever things go bad for them, and this negatively affects the growth of my business.

Unreliable supplier was mentioned by 22.6% of the respondents as one of the challenges they are experiencing in their businesses. Some of them said that their suppliers are causing them to lose part of their sales to competitors, because they sometimes fail to supply them the goods they need on time. Others said that their suppliers sometimes fail to supply them the quantity of goods they need, in order to produce enough products that can satisfy their customers’ demands.

One of the respondents, Mrs. Tim, who owns a mini-mart, clearly described how the abovementioned challenge affects her business. According to her;

Some of my suppliers are unreliable and I cannot easily change them, because they supply me goods on credit and it took me time to build a good relationship with them. They sometimes postpone the supply of certain goods to my shop for days, even after informing them that I am completely out of stock. Though I have tried to reduce the impact of this issue on my business by informing the suppliers that I
need certain products immediately I notice that they are about to finish, but I am still experiencing the same issue, because the suppliers still postpone the supply of certain goods without any logical reasons. As a result of this, I am beginning to lose some of my customers to my competitors, because some customers prefer to make their purchases in one shop, rather than driving or walking from one mini-mart to another to buy their various necessities.

Another respondent, Ms. Roselyn, who owns a restaurant, also took some time to highlight, in detail, her ordeal with suppliers. She said that;

My suppliers sometimes fail to supply me enough ingredients, which I use to prepare my dishes. As a result, I sometimes fail to satisfy my customers’ demands, thereby losing some of them to my competitors.

For instance, the company that supplies me mushrooms and vegetables hardly supply the quantity that I need to prepare enough dishes that can satisfy my customers’ demands. I do not want to divert to other suppliers, because the prices that my suppliers offer me are lower than those of other suppliers.

Mushrooms and vegetables are among my major ingredients, which mean that I use lots of them to prepare my dishes. So, if I decide to ignore the price difference and change suppliers, my cost of production will increase, thereby forcing me to increase the prices of my dishes. This may have a bigger negative impact on my business as some of my customers are price sensitive and there are lots of restaurants that they can switch to within the location of my business. Therefore, I do not really have any other option than to remain loyal to my suppliers, even though they are causing me to lose some sales.

Credit management issue was stated by 13% of the respondents as one of the challenges they are experiencing in their businesses. These respondents said that the inability of some of their customers to pay-up the debt they owe them on the agreed dates sometimes make them to lack enough working capital\(^4\). Some of the respondents gave detailed reasons based on why credit management issue is a strong threat to the success of their businesses. Their reasons are discussed below:

One of the respondents that was identified as Mrs. Wong, who owns a grocery store and a farm (i.e. she is both a retailer and a wholesaler), said that;

One of the biggest challenges that am facing in my business is the inability of some of my customers to make timely payments for the groceries I supply to them on credit. For instance, I supply different vegetables to 2 different restaurants. These restaurants sometimes fail to pay me on the agreed dates and this causes me to lack enough money to pay my workers and buy inputs like fertilizers and many others, which I need, in order to grow my products effectively. This also causes me not to produce enough groceries that can satisfy my customers’ demands within a specific period of time, thereby losing some of my sales to my competitors.

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\(^4\) Working capital means the money they use in running their businesses on daily basis (Alberto, 2012).
Another respondent identified as Ms. Kim, who owns a handphone shop, also explained the negative impact of credit management issue on her business. According to her:

One of my major challenges is credit management. This is because in order for me to gain customers’ loyalty and boost my sales, I sell my phones to some of my customers on loan. That is to say, I allow them to make the payment for the phones they bought on installment. They either pay on weekly or monthly basis, depending on our agreement. The issue is that some of them sometimes fail to pay their weekly or monthly installment and this affects my business, because it deprives me of the opportunity to pay my suppliers on time, get some discounts as a result of the early payment, and quickly order for more phones.

Additionally, the inability to employ skilful workers was stated by 6.5% of the respondents as a challenge that threatens the success of their businesses. These respondents also said that it deprives them of the opportunity to attract more customers and gain huge market shares. In addition, it is important to note that this challenge was only mentioned by respondents who own service businesses. An elaborate explanation that was provided by one of the respondents as her reason for citing the aforementioned challenge as a threat to the success of her business can be found below:

Ms. Juliet, who owns a spa business, shared her experience with the problem of having unskilful workers and how important, but difficult it is for her to employ skilful ones. According to her:

My line of business requires me to employ skilful employees that can provide my customers with distinct services beyond their expectations, in order to gain their loyalty. The issue is that most skilful employees prefer to work for renowned and established spas that can afford to pay them high salaries. As a result, small spas like mine hardly get the opportunity to employ them. This leaves me with no other option, but to carry out most of the tasks that require high skills and leave the rest for my employees, thereby becoming very exhausted at the end of the day. Also, the cost of providing employees with adequate training is very high, and as such I train them myself. As a result, in the mean time, my employees are not skilful enough to carry out certain tasks.

<table>
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<tr>
<th>Challenges</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Intense competition</td>
<td>90.3%</td>
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<tr>
<td>Excess family responsibility</td>
<td>26%</td>
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<tr>
<td>Unreliable supplier</td>
<td>22.6%</td>
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<tr>
<td>Credit management</td>
<td>13%</td>
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<tr>
<td>Inability to employ skilful workers</td>
<td>6.5%</td>
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Overall, the findings above show that one of the aforementioned challenges, which is ‘the inability to employ skilful workers’, is only faced by respondents in the service sector. On the other hand, other challenges assessed above are faced by respondents in both the retail and service sectors. It was also found that almost all the respondents (90.3%) in both the retail and service sectors consider ‘intense competition from small and large companies’ as the biggest challenge they are facing in their businesses. In addition, the findings showed that these challenges are negatively affecting the sales and profits of the respondents.
5. Conclusion

This study assessed the challenges faced by Malaysian women entrepreneurs, who own micro and small businesses in Kuching, Sarawak. It also examined the effects of these challenges on their businesses. The findings of this study showed that ‘the inability to employ skilful workers’, which is one of the challenges assessed earlier is only faced by respondents in the service sector. This is because; unlike those in the retail sector, most businesses in the service sector, such as spas, beauty salons, and restaurants require employees that have certain skills that will enable them to offer unique services to customers, in order to differentiate the organizations from their competitors.

On the other hand, other challenges, such as ‘intense competition, excess family responsibility, unreliable suppliers, and credit management issue’ are faced by respondents in both the retail and service sectors. It was also found that almost all the respondents (90.3%) in both the retail and service sectors consider ‘intense competition from small and large companies’ as the biggest challenge they are facing in their businesses. Additionally, the findings showed that these challenges are negatively affecting the businesses of the respondents.

Furthermore, based on the findings of this study and the literature reviewed, the following recommendations are made to encourage and promote women entrepreneurship in Kuching, Sarawak:

In order to reduce the negative impact of intense competition on their businesses, women entrepreneurs should continue to seek for new ways to differentiate their businesses from those of their competitors. Those in the retail business can do this by constantly providing their customers with unique products that they can hardly find in other shops or stores, while those in the service business should continue to develop themselves and their employees, so that they will always be equipped with up-to-date skills, knowledge, and abilities that will enable them to offer distinct services to their customers. These would help to improve their competitive advantages over their competitors, thereby increasing their market shares and profits.

Ensuring access to micro-credits and training to women is not the only panacea to the growth of their businesses. Government projects that support women’s micro and small businesses need to take into account the various gender related challenges like ‘excess family responsibility’. More efforts should be made by the government to empower women through various leadership programs that will build their ability to progress in different businesses.

More strong informal associations should be created for women entrepreneurs, who operate in the informal sectors. There are a number of associations of women MSE organizations in the country. However, with the exception of those formal organizations of formal small and medium size enterprises, the capacity of many of the informal associations is weak. Supporting women micro and small entrepreneurs to organize themselves and strengthen the existing associations can help to enhance their capacity to express their common interests and advocate for improved policy environment and increased investment in the various subsectors, in which they operate.

Lack of statistical data on informal businesses is a major problem for researchers, policy formulation, and program development. Gender statistics on the characteristics and business practices of female and male entrepreneurs are necessary for informed decision making and researches. Government statistical offices and their partners, such as the Companies Commission of Malaysia (CCM), are key players in collecting, analyzing, and disseminating key information to the government, researchers, and the general public. Therefore, it is recommended that attention be paid to collect sufficient and detailed gender statistics on the country’s micro and small enterprises. This would help the government to develop policies that would equally favour the male and female entrepreneurs in the country. It would also help researchers to easily access lots of information about women entrepreneurs who operate in both the formal and informal sectors, thereby selecting their research samples randomly. This, in turn, would enable them to easily generalize their findings.

References

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