

Scaling up Rural Micro Enterprises: Profiles of Owners in Peninsular Malaysia

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ABSTRACT

The role of economic generating activities, through entrepreneurship development to combat poverty and increase the well being of rural areas for living, is very clear. Indeed, when the enterprises are running as a family business. Focusing on the development of the enterprise to increase the multiple impacts on the well being of the surrounding society and the family of the entrepreneur seems essential for every country. Therefore, to understand the dynamics of family business through profiling the family entrepreneurs is crucial. This paper explores the profile of Malaysian rural entrepreneurs in the Malaysian family business producing processed food, and suggests profile related issues in the development of family business from the perspective of entrepreneurs. Data were collected through interviewing entrepreneurs who were members of Women Extension Group (*KPW*) from 11 states in Peninsular Malaysia in 2008 with the assistance of the Department of Agriculture (*DOA*). Structured questionnaires were administered to 735 respondents. The findings of this paper contribute to both policy development and the understanding of the dynamics of rural family business.

Keywords: Rural development, micro enterprise, poverty, gender and entrepreneurship

INTRODUCTION

Family business revolves around the issues of ownership, management and leadership transfer or succession among

family members (Degadt, 2003). Therefore, micro enterprises (*ME*) in rural Malaysia are also considered as micro family businesses (*MFB*) because of the involvement of family members in the operation of the business, especially as free labour (Maimunah, 2001; Jariah & Laily, 1995). Micro family business helps in poverty alleviation as well as improves the economic status

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of rural families. In addition, they are able to empower women socially and economically (Baruah, 2004; Maimunah, 2001). Thus, it is not surprising that most developing countries are actively supporting the development of micro enterprises, or micro family businesses.

Efforts to promote rural economic development through micro enterprise activities in Malaysia started in 1953 through Malaysian Industrial Development Authority – MIDA (HAWA, 1995). However, after 53 years, and in 2010, there was still little information about the profiles of the entrepreneurs to properly address the issue of scaling up such business activities. In other words, little is known about the reasons behind the failure or success of rural family business, especially those run by women (Still & Timms, 2000). Malaysian rural enterprises are always micro in size (Maimunah, 2001; Jariah & Laily, 1995), with less than five workers (Maimunah, 2001). Rural areas are defined as areas with a population of less than 10,000 and are located outside the governance of the local government (Department of Agriculture, 2005).

However, little is known about the entrepreneurs who own rural micro enterprises in order to assist them prosper and to scale up that few questions persist. For example, is it true that the majority of rural enterprises are owned by women? By gender disaggregation, what are the general profiles and levels of entrepreneurship experience of rural entrepreneurs? As such, the main objective of this paper were

to identify the general profiles of the rural entrepreneurs by gender disaggregation, so as to measure the levels of their entrepreneurship experiences and also the development indicator of ME to help them scale up their businesses, especially by examining the entrepreneurs' profiles.

LITERATURE REVIEW

In addition to age, race, age of entry into enterprise, sex of entrepreneurs, and marital status, which is usually measured in many studies (Haynes, Walker, Rowe and Hong, 1999), the academic background is the key developmental indicator of an entrepreneur. Haynes *et al.* (1999) detected a positive implication in one's personal development through high academic background. Malaysia also faced with the issue of poor academic background among rural entrepreneurs, which resulted in low performance in scaling up businesses (Maimunah, 2001; Jariah & Laily, 1995). Santiago (2000), explained that ethnic culture has a greater influence on business performance because of the values of each family member towards life.

Almost all experiences associated with invention, management, failure to achieve objectives, paid-job and leadership are components of an entrepreneurship experience. Entrepreneurship experience is essential for business development (Box, White, & Barr, 1993; Brush & Hisrich, 1991). Experience in a salaried job, as well as in a previous business, assists entrepreneurs to develop an identity and prepare for a wide range of problems

that may confront their businesses in the future (Lansberg & Astrachan, 1994). However, Miskin and Rose (1990) found that previous ownership experience is not significantly related to the profitability of female entrepreneurs but is significant to male entrepreneurs. Belcourt, Burke and Lee-Gosselin, (1991) ascertained that low performance among females is due to not having worked in a related field prior to venture creation.

For rural women, some of them were venturing into enterprising by simply following the footsteps of other people without having their own need and desire to be an entrepreneur. Some did so to just socialise with other members in the society or as a hobby in their free time (Maimunah, 2001; Jariah & Laily, 1995). Women with a potential to develop their enterprises are those who possess a high level of motivation and entrepreneurial traits of a businessman (Still & Timms, 2000). Furthermore, women value family more than wealth (DeMartino & Barbato, 2003), and women are less concerned with financial rewards than male owners (Brush, 1992). In addition, Drucker (2003) concluded that business vision is a developmental indicator. For micro enterprises, the vision of a business organization is actually the vision of the entrepreneurs or their families. High potential female entrepreneurs have good vision concerning the development of their enterprises (Sandberg, 2003). It is important for an enterprise to scale-up and become a formal business because personal goals appear to have a more dominant influence than business goals (Still & Timms, 2000),

and these goals are also personal to rural entrepreneurs.

In micro enterprises, the competencies of business organizations are actually those of the entrepreneurs themselves. If there is involvement from family members or workers, their competencies add value to the enterprise competencies. Women run the enterprises by themselves; however, their low educational background, the absence of related competencies and prior working experience are seen as obstacles to succeed (Jariah & Laily, 1995; Laily & Jariah, 1996; Bowen & Hisrich, 1986). Competencies of an organization or entrepreneur can be divided into eight business management fields: management, production, marketing, financial, human resource management, industrial relations, corporate communication and risk management (Skinner & Ivancevich, 1992). For micro businesses, the initial focus could be reduced to five, namely, management, production, marketing, financial management and social network (Bradley & Sauders, 1987). Other simpler categories are production and non-production. Most micro entrepreneurs have production skills but not those of management and marketing (Dhaliwal, 2000). Chrisman, Chua and Sharma (1998) examined financial, marketing, strategic planning, technical, decision-making and interpersonal skills. In general, women perceive that they have good communication skills and facilities for interpersonal relations (Brush & Hisrich, 2000; Brush, 1992), but female entrepreneurs always underestimate their skills (Fox, 2000).

RESEARCH METHOD

The data used were parts of the primary data gathered for other research. A questionnaire comprising of three main parts – the entrepreneurs, their families and their enterprises – was developed. This paper used the data from the first part of the questionnaire. The data were collected from the population of the Women's Extension Group (popularly known as KPW in the Malay language) in Peninsular Malaysia. The KPW entrepreneurs are involved in income generating activities in agriculture-based products to improve their family well-being. The population of KPW entrepreneurs totalled at 2,093 persons (Malaysian Department of Agriculture, 2005) and are governed by the Malaysian Department of Agriculture (DOA). The DOA was selected because it is one of the agencies governing entrepreneurs in rural areas in Malaysia. In total, 2,500 questionnaires were distributed through the DOA's offices at the state level. A total of 1,154 completed ones were returned at the end of the data collection period. The data were keyed in into SPSS and after a screening process was done, a total of 735 enterprises in the processed food industry were selected for further analysis. Descriptive statistics were used as well as Chi Square, *t*-test, One-way ANOVA and Binary Logistic Regression in analysing the findings.

Two categories of variables were selected for the study. First, the general backgrounds of the entrepreneurs, which included age, age entry into the

enterprise venture, marital status, academic background and location. The second group was entrepreneurship experience, which consisted history, vision and business management skills and competencies. History in entrepreneurship experience refers to the salaried working experience of entrepreneurs, previous failure(s) in business and the reasons for venturing into the business. In order to highlight the development of the rural enterprises by gender, one variable on the type of business ownership was used.

Skills perceived by the respondents were measured using a ten-point *Likert* scale statements (Cronbach's Alpha = 0.88), in relation to the skills in production, interpersonal relation, quality control, business management, communication, human resource management, marketing, financial management, accounting and business law. These were solely based on the respondents' perception of their own business management skills and competencies in response to the listed statements.

FINDINGS AND DISCUSSION

Out of 2,500 distributed questionnaires, a total of 735 responses were deemed as usable for this study. These respondents are rural entrepreneurs involved in the processed food industry, under the supervision of the DOA. They are also members of KPW. The processed food industry was chosen for this study due to the fact that the indigenous knowledge of the rural folks such as in home cooking can be commercialised and used as a

way to eradicate poverty. All the enterprises were initially run by female entrepreneurs when the size was small (micro). Profiles of the respondents include age, marital status, academic background, location of the enterprise, the age at which they started to involve in enterprising operations and the years of experience in enterprise venture. All the respondents are Malays. The data were disaggregated by gender. Although all the enterprises were initially owned by the females, the respondents in this study comprised of 101 (14%) male and 634 (86%) female entrepreneurs. Table 1 shows that the majority of the respondents were sole proprietors and of the KPW types of business ownership. As there were more female than male respondents in this study, percentage was used to explore the distribution disaggregated by gender in all variables.

The Malaysian rural areas are populated mainly by the Malays. This dated back to the periods before independence as a result of the 'Divide and Rule' policy implemented by the British during the Colonial era (Mohamad Idris *et al.*, 1994). Unfortunately, a high percentage of the rural Malays remained in poverty even after more

than five decades of independency. In 2007, there was a 7.1% incidence of poverty in the rural areas of Malaysia and only 2.0% occurred in urban areas. Generally, low Gini Coefficient value indicates a high equality of income distribution. The Gini Coefficient value was found to be the highest among the Malays, i.e. at 0.452, as compared to about 0.446 for Chinese and 0.425 for Indians (Mid-Term Review of Ninth Malaysia Plan, 2008). Hence, within-group income inequality was worst among the Malays. As such, not only are Malays being the poorest, they also have the widest household income gap as compared to other ethnic groups in Malaysia (Mid-Term Review of Ninth Malaysia Plan, 2008).

Initially, all the enterprises were in the KPW's group, and thus, any change in the type ownership to a formal one indicated that business development had occurred. Table 1 shows that 29% of the entrepreneurs remained in the KPW business ownership and 71% had scaled up. As for the males who had taken over female enterprises, 21% remained in the KPW business ownership and 79% developed into other type of business ownership, whereas 31% of female-owned enterprises remained

TABLE 1
Types of business ownership by gender of the respondents

Types of business ownership	All		Male		Female	
	N	Percent	N	Percent	N	Percent
Company	10	1.4	5	5	5	0.8
Partnership	59	8.0	14	14	45	7.1
Sole proprietor	450	61.2	61	60	389	61.4
KPW group	216	29.4	21	21	195	30.7
Total	735	100	101	100	634	100

as KPW business ownership, and only 69% had scaled up. In short, female-owned enterprises were less developed than male-owned enterprises. Thus, the association between the type of business ownership by gender of entrepreneurs was significant ($p < 0.05$; $\chi^2_{3,0.05} = 19.013$). Although only a small percentage of the male-owned enterprises were involved in this study, the percentage that still remained in the KPW type of business ownership was smaller than that of the female-owned enterprises. This finding may mean that an important indicator of development in scaling up rural family business was when male's family members took over the female enterprises.

According to Hovorka (2005) and Curimbaba (2002), gender matters because men and women enter into agriculture-based production on unequal terms associated with socio economic status, location and interaction with the environment. The majority of respondents in this study were females and operated their enterprises as sole propriety and KPW group types of business ownership. The KPW-typed business was not treated as 'sole propriety' in this study since the nature of its operation is more towards a social group entity than as a business entity. In addition, these businesses are not registered as formal business entities. Similar trends have been found in many studies that most of the rural enterprises are women-run and are sole proprietors (Maimunah, 2001; Heck & Trent, 1999; Haynes *et al.*, 1999).

From the gender perspective, Brunii *et al.* (2004) stated that entrepreneurship

encompasses masculine activities. Therefore, women entrepreneurs need help from family members, especially men for masculine input to help them developed besides their feminine input, except if they are androgynous (Dewi *et al.*, 2009). At the early stage of micro enterprises, women are capable of running the enterprises themselves because the management and decision-making processes are much simpler (Lee, 1996). However, their capabilities are challenged when the enterprises expand or scale up. Furthermore, many activities in agriculture-based enterprises involve decision-making (Bokemeier & Gorkovich, 1987), and in the Malay society, it is the men who decide, i.e. the husband makes the decision for the wife who in turn has to oblige (Md. Nor & Loo, 2001). As such, generally, women have no control over their resources and no power to change the situation (Jaffery, 1989). Therefore, majority of rural female entrepreneurs have low potential to scale up their enterprises. In addition, as these women live in a patriarchal society, it is almost impossible for rural female entrepreneurs to mastermind the development of their enterprises on their own. Thus, some enterprises were taken over by men.

The mean age of the respondents was 48 years old (S.D=9.9), with the youngest aged 23 and the oldest aged 74 years old. Meanwhile, the mean age of the male and female respondents was 45 (S.D=10.8) and 49 (S.D=9.7) years old, respectively (Table 2). That is, the females in this study were slightly older than the males.

Apart from the husbands, the males who took over the enterprise from women were probably the respondents' sons or younger brothers. Therefore, on average, the male respondents were much younger than the female respondents, of whom the majority were the founders as well as their mothers. The *t*-test showed that the age difference was significant ($p < 0.05$; $t = -3.417$). Another possible explanation is that the men who took over women enterprises might simply be their husbands who happen to be younger than their wives who were actually the initial founders.

TABLE 2
Age, age enter and experience in enterprise by gender

Variables	Overall		Sex (%)	
	N	Male	Female	
Age:				
Mean	48	45	49	
S.D.	9.9	10.8	9.7	
n	675	98	623	
Age enter:				
Mean	35	34.7	34.9	
S.D.	9.7	10.8	9.6	
N	675	98	582	
Experience:				
Mean	13	10	13.6	
S.D.	8.7	6.6	8.9	
N	667	91	576	

Table 3 shows that most of the respondents were married (90%) and only 10% were either bachelors or divorcees/widowers. Even though there was a small number of male respondents in this study, a slightly smaller percentage of them were married than their female counterparts. This is deviated from the norms especially

in the rural Malaysia, where men are more easily to have found spouses as compared to women, in which there were supposedly more male than female respondents should be married. However, the percentage of the single males was higher (almost triple) than single females but the percentage of divorced or widowed females was more than double than the male respondents.

In the divorced and widowed group, there were only three males and 40 females. Therefore, it is clear that the majority in this group were single mothers. In fact, the mean age of the respondents within this group was the highest among all types of marital status. Thus, it can be concluded that this group consisted of old single mothers. Losing a life partner due to a divorce or death at old age may have reduced the confidence level of the females, thus, it prevented them from scaling up their enterprises. In addition, enterprises owned by elderly single mothers with no support from husbands may be an indicative of a lower potential for scaling up in the future, especially if the assistance from other family members was absent.

A high percentage of the married female respondents was for the housewives as they have scored less or equal to one for the 'history' variable (Table 4). This implies that they have had no salaried working experience and never experienced failure in enterprising. Most of the female entrepreneurs in this study indicated that they have reasons for venturing into business enterprises, but that is it.

A significant percentage was shown for single mothers in the divorced or widowed

TABLE 3
General profiles of the respondents by gender

General Profiles	N	All	Sex (Percent)	
		Percentage	Male	Female
Marital status:	730	100	14	86
Not married	28	4	8.9	3.0
Married	659	90	88.1	90.6
Divorced/widowed	43	6	3.0	6.4
Academic Background:	722	100	14	86
No schooling	102	14	5.9	15.5
Primary	139	19	10.9	20.6
Secondary	437	60	71.3	58.8
Certificate and higher	44	7	11.9	5.1
Enterprise location:	735	100	14	86
North	269	36.6	25	39
East	181	24.6	17	26
Central	129	17.6	30	15
South	156	21.2	28	20

TABLE 4
Entrepreneurship experience by gender

	Overall		Sex (%)	
	N	Percentage	Male	Female
History Score:	735	100	14	86
0	68	9.3	10	9.1
1	324	44.1	39	45.0
2	272	37.0	44	35.8
3	71	9.7	7	10.1
Vision:	735	100	14	86
Yes	499	68	14.4	85.6
No	236	32	12.3	87.7
Skill perceived	N	707	98	609
mean		27.1	27.5	27.0
S.D.		4.9	5.6	4.7

group. Thus, it could be concluded that the majority of the rural female entrepreneurs comprised of housewives and single mothers. These findings are in line with that of the findings by Maimunah (2001), Jariah and Laily (1995) and Chee (1986).

Based on the Population Census 2000, there were 650,000 divorcees or widows or separated in the rural areas (MoWFCD, 2004). However, only 40 (5%) single mothers, out of 735 respondents, participated in this study. Hence, it is expected that there

should be a lot more single mothers joining the KPW programme under the governance of the DOA, as it was especially designed to eradicate poverty in rural areas, including poor single mothers. According to Aspaas (1998), single mother households were an increasing phenomenon throughout the world, and they were marginalized from resources and capital, especially the illiterate and the poor. In addition, they had a lack of networking and skills in business management, which worsen the situation (Dewi *et al.*, 2009). Helping women in enterprises not only would assist female-headed households in generating income, but it could also directly and indirectly help all their dependents, including those who were vulnerable such as children, elderly parents, bedridden patients and disabled siblings or husbands.

Sixty percent of the respondents indicated that secondary school were their highest educational level. The remaining 40% reported to have obtained only primary school educational level, while others (including 7%) indicated that they possess certificates or higher educational level (Table 3). A high percentage (36%) of the female respondents only obtained primary school education or dropped out from schools. On the contrary, a high percentage of the male respondents had secondary school education or obtained certificate or higher level of education (Table 3). In other words, despite the small number, the male respondents were found to be more educated than the female respondents. Consequently, the males have better knowledge, exposure and

awareness about the potential of scaling up micro enterprises than their wives, sisters or mothers. Therefore, there is a tendency for the male respondents to take over businesses initiated by these women. Furthermore, the academic background has been found to be significantly associated with the gender of entrepreneurs ($p < 0.05$; $\chi^2_{3,0.05} = 18.534$). This finding indicates that enterprises owned by the respondents with higher academic background will have a greater potential to be scaled up in the future.

Only 7% of all the respondents in this study hold a certificate or have higher academic background. Meanwhile, one third of the respondents in this study were school dropouts or received only primary school education. The academic background strongly influences one's ability and involvement in decision-making (Greaves *et al.*, 1995; Peng, 1991). On the contrary, this study revealed that the academic background of Malaysian rural entrepreneurs had increased in comparison to the findings by Chamhuri and Hamid (1990), in which 57% of the rural entrepreneurs only had primary school or low-level academic background. In this study, the male entrepreneurs were found to be more educated than the females. This may account for the reason why the female respondents perceive themselves as having lower business management skills and competencies than their male counterparts. In other words, this is a reflection of low confidence in decision-making among the female entrepreneurs. Additionally, women were found to have always underestimated

their skills and competencies (Fox, 2000), which explains why they later gave away the enterprises to men.

The top four states with the highest numbers of respondents were Perak (36%), Johore (21%), Selangor (14%) and Kelantan (12.5%), which represented about 83.5% of the total respondents in this study. The remaining percentage (16.5%) consisted of the respondents from Negeri Sembilan, Terengganu, Penang and Pahang. All these states were then grouped into four regions. The Northern region was represented by Penang and Perak; the Central region was represented by Negeri Sembilan and Selangor; the Eastern region was represented by Kelantan, Terengganu and Pahang; and the Southern region was represented by Johore (Table 3). The highest percentage of the female respondents came from the Northern and Eastern regions, and the top two highest percentages of the male respondents originated from the Central and Southern regions.

The majority of the respondents were from the Northern and Eastern regions, followed by those from the Southern and Central regions. The states in the Central and Southern regions were more developed than those in the Northern and Eastern regions (UNDP, 2005). In short, the regional distributions of entrepreneurs were closely linked to gender, the type of business ownership and academic background. This finding is consistent with those of Hovorka (2005) and Curimbaba (2002), who concluded that other matters such as the location of the entrepreneurs

and geographical locations reflected the differences in the business culture. In additions, the factors that are also important attributes to business organizations are the presence of infrastructure, potential market as well as good quality workers and other business environments (Drucker, 2003). As such, entrepreneurs operating in more developed areas have a greater potential to scale up their businesses due to the conducive business environment that they are in.

Age being involved in the business during their childhood years is termed as 'age-enter'. The mean age of entering business was found to be 35 years old (S.D=9.7), with the youngest started at the age of 10 and the oldest at the age of 65. The mean age of entering businesses among the male and female respondents were almost similar at 34.9 (S.D=10.1) and 34.7 (S.D=9.7) years old, respectively (see Table 2). The respondents' experience in enterprising, later termed as "experience", was calculated by deducting the variable "age enter" from the age. On average, the respondents have been in enterprise for 13 years (S.D=9.7). The mean years of experience for the male and female respondents was 10 (S.D=6.6) and 13.6 years (S.D=8.9), respectively. Thus, it can be concluded that the females have more experience in business than the male respondents.

The variable "history" was calculated by summing three dichotomous variables: formal employment/salaried working experience (had experience=1), reasons

of entering enterprising (had reason enter into the enterprise venture=1) and experienced failure in enterprising (use to fail = 1). A minimum history score=0 (no entrepreneurship experience at all) and maximum history score=3 (used to work, had reasons to enter into enterprise and used to fail in enterprise). Ninety one percent of the respondents had a history score \geq 1 (Table 4). It can be concluded that the majority of the respondents scored more than one for history. A high percentage of the females had history score=1, and a high percentage of the males had history score=2. It seemed that the females had less history than the male respondents but the association of these two variables was not significant ($p>0.05$; $\chi^2_{1,0.05}=0.059$).

Table 4 shows that the mean for variable of “skills perceived” was 27.09 (S.D=4.9) for all the respondents. The male respondents perceived themselves as being slightly more skilful than the female respondents perceived themselves with regards to their skills ($m=27.5$, S.D=5.6), as compared to the females ($m=27.0$; S.D=4.7). However, the difference was not significant ($p>0.05$; $t=0.813$). Out of 735 respondents, 68% (499) stated their vision, and these were categorized as the ‘had vision’ group. Table 4 shows that there were a slightly higher percentage of the male respondents with a vision than without one, and a slightly lower percentage of the female respondents with a vision than without one. It seemed that the male respondents were more visionary than the female respondents but the association between ‘had vision group’ variable and

the gender of entrepreneurs was found to be not significant ($p>0.05$; $\chi^2_{1,0.05}=0.616$). In conclusion, the majority of respondents had a “history” in this study. The male respondents had slightly higher scores for history. They were more visionary as well as perceiving themselves as slightly more skilful in business management as the females did for themselves.

This was probably because the males in this study were more educated than the females. Furthermore, individual knowledge, and academic background were indicative of individual skills, receptivity to innovation and ability to solve problems (Fiegener *et al.*, 1994). As concluded by Drucker (2003), vision and skills in business management are essential for a business. A high level of knowledge could promote a high level of confidence in someone, apart from being helpful in generating many other related skills in developing a business. An entrepreneur has to continually learn and practice the knowledge in order to gain experience. All these are aids for good decisions because managing an enterprise involves taking risk through decision-making processes. Thus, knowledge, skills and experience are guides to the right path for entrepreneurs to ensure gains from taking risks.

According to Cooper, Gimeno-Gascon and Woo (1994), the value of human capital through education may reflect the extent to which entrepreneurs have the opportunity to develop relevant skills and contacts (networking) for them to expand their markets (Aspaas, 1998)

and to motivate women to venture into businesses (Maimunah, 1998). However, the female entrepreneurs in this study have low academic background and low entrepreneurship experiences, which are similar to what has been found in many earlier studies (see Maimunah, 1998; Jariah & Laily 1995).

The four types of business ownership used in this study were grouped into developed (from the social activity of KPW group or micro enterprise to formal business entity) and not developed (those remain in KPW as social group) as dichotomous dependent variable (those developed=1). Binary Logistic Regression was used to measure which independent variable of entrepreneurs profile predicted the development of micro enterprises. The Omnibus test of model coefficient yielded $p < 0.05$, indicating that the model is significant to predict the dependent variable. Hosmer and Lemeshow goodness of fit obtained $p > 0.05$, suggesting indicated the independent variables have significant liner relationship with the log odds of dependent variable.

Table 5 shows the Wald Chi Square statistics of salaried working experience, age, not schooling of academic background and business management skills and competencies perceived as being significant to predict the likelihood of one entrepreneur to scale up her/his micro enterprise. It was found that entrepreneurs with salaried working experience had 78% (odds=1.78) likelihood to scale up their micro enterprises than those without salaried

working experience. The entrepreneurs who were older had less than 4% (odds=0.96) likelihood to scale up their micro enterprises than those who were one year younger. Meanwhile, the entrepreneurs who had no experience in formal schooling had less 75% (odds=0.25) likelihood to scale up their micro enterprise than those who had formal academic background. The skills and competencies perceived in business management had increased about 8.2% (odds=1.082) likelihood of entrepreneurs to scale up their micro enterprises. The entrepreneurs who perceived themselves as skilful had more potential to scale up their micro enterprises.

The entrepreneurship experience always relates to the level of academic background. This is because in Malaysia, the type of job is always associated with the academic background. With only primary school education or no education at all, it is hard for someone to obtain a well-paid salaried job in Malaysia, especially if they are women. In addition, a higher academic background usually depicts a higher level of confidence. Thus, one perceives that he/she has better skills and competencies in business management. For rural areas, however, those with first degree qualifications also find it hard to find suitable jobs because there are fewer job opportunities in the rural areas requiring high academic qualifications (Porterfield, 2001). The solution is more complex in the rural areas, and thus, enterprising may be the best answer and capacity to scale up is imperative. This study concludes that

TABLE 5

Wald Chi Square statistics of the entrepreneurs' profiles and micro enterprise development (Developed from micro enterprise=1)

	B	S.E.	Wald	df	Sig.	Exp(B)
South			1.546	3	.672	
North	-.228	.329	.479	1	.489	.796
East	-.340	.349	.948	1	.330	.712
Central	-.423	.362	1.366	1	.242	.655
Salaried Working Experience	.577	.240	5.766	1	<u>.016</u>	<u>1.781</u>
Gender	.448	.371	1.454	1	.228	1.565
Age	-.043	.015	8.409	1	<u>.004</u>	<u>.958</u>
Business Failure Experience	.230	.249	.857	1	.355	1.259
Tertiary			5.446	3	.142	
Not Schooling	-1.370	.692	3.924	1	<u>.048</u>	<u>.254</u>
Primary	-1.214	.676	3.225	1	.073	.297
Secondary	-.812	.647	1.578	1	.209	.444
Reason enter	-.166	.409	.164	1	.686	.847
Skill perceived	.079	.024	10.556	1	<u>.001</u>	<u>1.082</u>
Vision	.309	.264	1.367	1	.242	1.362
Constant	1.686	1.235	1.865	1	.172	5.399

entrepreneurs with high quality of human capital in terms of academic background, entrepreneurship experience and younger age have more potential to scale up their micro enterprises. Consequently, this conclusion supports the findings of this study, i.e., male entrepreneurs in this study were younger, with a high percentage of them working in different entities before and were more educated than the female entrepreneurs. Therefore, male-owned enterprises have more potential to be scaled up. However, all the male entrepreneurs in this study were not the micro enterprises' founders.

CONCLUSION

The majority of the entrepreneurs in rural Malaysia family business are females. The

average age of these rural entrepreneurs is 48 years old, with the majority of them are married, possess secondary school as their highest academic qualification, and are from the Northern region of Malaysia. They became involved in enterprising at the age of 35, and have 13 years experience in this field. There are a small number of the male entrepreneurs but they are younger and more educated than their female counterparts; however, fewer are married and they have less experience in enterprising. Male entrepreneurs became involved in the enterprise at the same age of that of the female respondents. The majority of them are from the Central region of Malaysia. Gender and academic background are reflected in the location of the enterprises. High percentages of

the males with secondary school or higher academic qualification could be found in the central and southern regions. In addition to these two variables, region was found to determine the supportive infrastructure and external environment for rural enterprise development.

Even though the majority was the female entrepreneurs in this study, they were found to have low academic qualifications and limited entrepreneurship experience. Thus, they perceived themselves as not being skilful in business management in comparison to their male counterparts. These female entrepreneurs are also less visionary than their male counterparts. The male entrepreneurs in this study are the husbands or the sons of the enterprises' founders, even though initially all the enterprises were owned by the females. The enterprises that were taken over by the males were found to be more developed than those which are still handled by female entrepreneurs. Entrepreneurship revolves around masculine activities, and therefore, when the enterprises are really operating in a form of family business with masculine and feminine inputs of family members, they seem to have more capacity to scale up.

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