

## WOMEN ENTREPRENEURS' DEVELOPMENT IN MALAYSIA: A SWOT ANALYSIS

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### ABSTRACT

*Since a few decades ago, women have had an enormous paradigm shift in moving a country's economy. Women generate income for the family and lead in many successful organizations. Many women are open to achieving their goals and becoming successful in their life. The participation of women in economic activities, including entrepreneurship, is contemporary nowadays. In Malaysia, there are many business-owned by women. The women, especially the affected group facing the circumstances of getting a job in the market, see entrepreneurship as a good move in generating income. Involving in business could enhance and develop numerous soft and hard skills among the women, besides generating household income. It is crucial to discover the chances that could be grasped by the women entrepreneurs in ensuring their sustainability and success in the business. The sustainability of the business owned by women is essential in generating income for a country's thriving economy. SWOT analysis is one of the tools that could help women analyze themselves to succeed in any field. The SWOT matrix consists of strengths, weaknesses, opportunities, and threats analysis compatible with businesses and individuals. Therefore, this concept paper will explore the development of women entrepreneurs in Malaysia by implementing the SWOT analysis through the strength, weaknesses, opportunities, and threats faced by women entrepreneurs in Malaysia.*

Keywords: women entrepreneurs, woman development, entrepreneurial development, SWOT analysis

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### INTRODUCTION

According to the Department of Statistic Malaysia (DOSM, 2015), half of the occupant in Malaysia is women. The contribution of women as a student, wife, mother and employees are enormous in the development of a country. Women play roles in shaping the new generation and as economic mover. One-third of the labor force in Malaysia is among women. Before the 21st century (between 1970 to 1990s), total number of women in labor force increased from 37.2 to 46.7 percent. Women are involved in various economic sectors, from manufacturing to textile and electronics to the services sector. In Malaysia, the government is opening opportunities for women to succeed and contribute to the country's development. The government of Malaysia is concerned with ensuring that all the women can contribute to their household income and at the same time generate high-income households. In addition, the economic situation and shrinking job opportunities in the market are among factors that have compelled these women to venture into business and entrepreneurship is seen as an attractive option (Mohamad, 2018).

Consequently, women entrepreneurs have become a significant consideration for their role in the economic sector (Mahmood, Mustapa & Jamaluddin, 2010). Women are often driven to be entrepreneurs by the desire to do something good, something right, or something to help others. There have been many studies and research on women entrepreneurs since the last few decades in assisting women in keeping developing and growing in this field. However, most of the studies covered western culture, views and perspectives. Therefore, many aspects need to be looked after on the development of women entrepreneurs in Malaysia. One of the strategic tools is the strength, weakness, opportunity and threat or SWOT analysis. SWOT analyses the internal (strength and weakness) and the external (opportunity and threat) environment. Albert Humphrey developed the SWOT framework in the 1960s and early 1970s. Although the SWOT was developed in the 20th century, the implementation is still relevant in the 21st century.

## LITERATURE REVIEW

### *The development of women entrepreneurs in Malaysia*

According to The Female Entrepreneurship Index (FEI,2015), Malaysia was at the 46 global ranks out of 77 countries with a score of 39.2. Therefore, there are opportunities in businesses with technology transfer and female entrepreneurs in Malaysia are willing to start in business, especially in technology sector businesses. In Malaysia, there are a few establishment and organizations for women entrepreneurs such as Amanah Ikhtiar Malaysia (AIM), Usahawan Wanita (USAHANITA), Persatuan Wanita Bumiputera dalam Perniagaan dan Profesyen Malaysia (PERNIAGAWATI), National Association of Women Entrepreneurs of Malaysia (NAWEM), Persatuan Usahawan Wawasan Wanita Malaysia (WAWASANITA) and Dewan Perniagaan Melayu Malaysia (DPMM). All of the organizations are concern and assist by the corporate governance such as Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK), Small Medium Enterprises Corporation (SME Corp), Majlis Amanah Rakyat (MARA) and many other agency and related institutions.

Malaysia is a developing country and as in many developing countries, women are the backbone of the economy as per reported by the Global Entrepreneurship Monitor (GEM). Women entrepreneurs create jobs, wealth and innovations across the 37 GEM countries surveyed (Terjesen & Lloyd, 2014). Despite their contribution to economic development, their freedom to lead and make strategic business decisions is greatly hampered by, among other things, culture, financial status, and lack of education. Women have special and unique circumstances that can help or hinder them in becoming entrepreneurs. In 2015, DOSM stated that the total number of establishments owned by women was 187,265. It was 20.3 percent of the total establishments in Malaysian business owned by women. The added value was about 4 percent, equal to RM 39.6 billion. About 853,446 employees (9.8%) work in business-owned by women. The shrinking job opportunities in public and private sectors lead the women in Malaysia to be self-employed by managing their businesses. Since more than a decade ago, many women with a high educational background have become entrepreneurs. Women entrepreneurs nowadays are successful in academics and become an entrepreneur by choice. However, the women still lack the skills needed to manage the businesses as the background varies. Some women are occupied with business knowledge at the university, while some are not. Nowadays, women choose to actively run their own business as a source of income and economic gain, several of these women stay at home and successfully run the business while at the same time struggling with the responsibilities as a wife and mother. Being an entrepreneur is seen as an opportunity to be at homework at their own time, which is flexible and could let them make the decisions on their own.

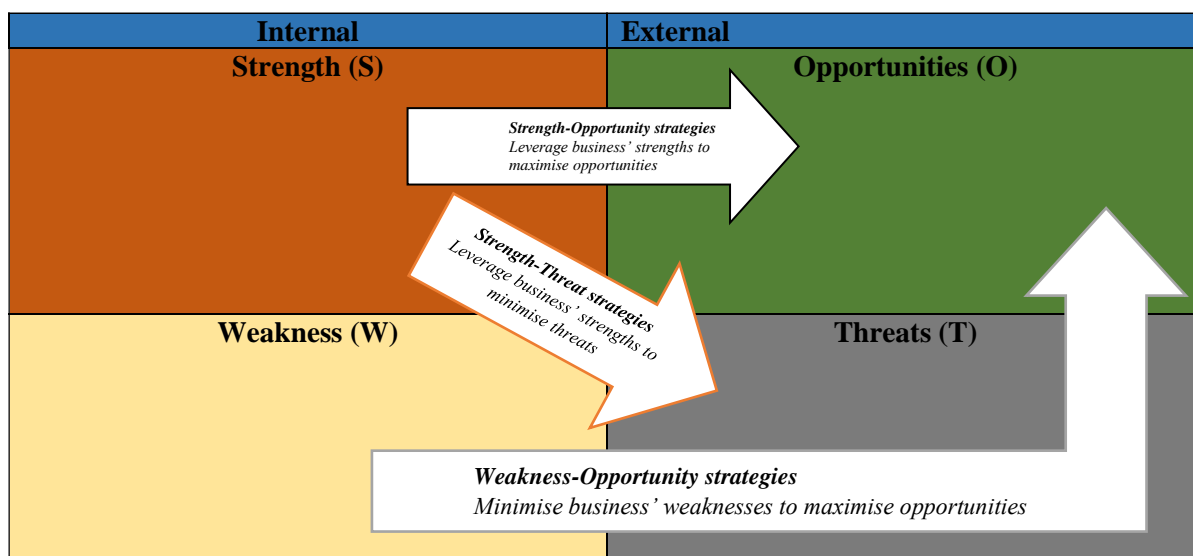
As Malaysia is now moving forward as a developed country, the Malaysian Government carried out various efforts to promote economic development for women in Malaysia. In addition, the statistic shows that many single parents among women (due to death or being abandoned by their husbands) are encouraged to find work to support their lives and children. However, the present economic situation does not provide many jobs for women, primarily mothers, due to several barriers in terms of requirements for work that require higher education and time constraints. Therefore, many women plunge into businesses. They become entrepreneurs with the support from the government and organizations that help them financially morally and provide the facilities to market their products.

### *SWOT of Women Entrepreneurs' Development in Malaysia*

SWOT (strengths, weaknesses, opportunities, and threats) analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors and current and future potential. A SWOT (strength, weakness, opportunity, and threat) analysis is a common tool in the professional world to evaluate a company's past, present, and future position. It also provides organizational leaders a new perspective on what the organization does well, where its challenges lie and which avenues to pursue. Besides SWOT analysis for industry purposes, there is also individual SWOT analysis or personal SWOT analysis. Individuals can use it in achieving their career goals and success. The individual SWOT analysis provides insights based on a person's personality strengths, weaknesses, challenges that a person sees ahead, and what opportunities are present around now and in the future.

The SWOT analysis was first invented as a business tool in the 1960s by business icons Edmund P. Learned, C. Roland Christensen, Kenneth Andrews and William D. Guth. In 1982, Heinz Wehrich took it one step further, constructing a 2 x 2 matrix to plot the answers to the four critical questions for easy comparison. Strengths and weaknesses were across the top, and opportunities and threats were in the bottom row. The idea remains the most common and effective way to conduct the analysis. While there are many formats for the SWOT analysis, the SWOT matrix is a four-quadrant table with a color-coded grid in its simplest and most accurate form, as shown in Table 1.

Table 1. Matrix of SWOT analysis



The arrow shown in Table 1 includes the TOWS analysis, giving a perspective on the strength-opportunity strategy, strength-threat strategy and weakness-opportunity strategy. The strength-opportunity strategy could leverage business strengths to maximize the opportunities. The Strength-Threat strategies leverage business strengths to minimize threats while the weakness-opportunity strategies minimize business weaknesses to maximize opportunities. Li and Ding (2015) have analyzed gender differences for women entrepreneurs by using SWOT Model. The strength of language competence, psychological traits, and ideological mode is the content of S in the SWOT analysis, while the weakness was the contrariwise of the same item in strength (Li & Ding, 2015).

**Strength.**

Strengths of language competence play an important role in promoting communication and entrepreneurial development. It has shown that women tend to have more vital expressive language skills than men. They are more adept at communicating with people as they speak fluently and clearly with a thoughtful tone and appropriate wording. According to Li and Ding (2015), women have delicate feelings, gentle temperament, and pursuit of goodness as their unique soft power, are synonymous with the terms “attentive,” “beautiful,” “goodness,” and so on. Women are more flexible than men, so they can resolve many contradictions, whereas men persist in their own opinions and never concede their positions. Men only want to succeed in business, while women try to achieve mutual benefit and reach a win-win state. Reliability, as well, is a unique attribute favoring women, as tenacity is an integral part of entrepreneurship.

Besides that, the other strength for women entrepreneurs’ development are :-

- Financial resources – funding and income sources and potential investment opportunities
- Physical resources – business locality, facilities and industry equipment
- Human resources – staff base and target demographics
- Natural resources – access to intellectual property (e.g. trade marks, patents or copyrights)
- Existing infrastructure – software, staff programmes, departmental hierarchies etc.

Women entrepreneurs enjoy the freedom to control their business online wherever they are. Besides that, online businesses and running their own business are low in risk as they manage the business all by themselves without hiring many workers. Commonly, the conventional business incurred high costs for renting the premises, renovating and maintaining the relationship with customers compared to online business.

**Weakness**

Weakness in the SWOT matrix is the vice-verse of strength. It is momentous to know the weakness in women entrepreneurs’ development. Kasim (2010) presented that even though many women entrepreneurs are successful, their achievement is not as achieving as the male entrepreneurs. The women entrepreneurs face a few problems restricting them from reaching their goals (Kasim, 2010). According to Mohamad and Bakar (2017) there are a few challenges and problems listed by Kim (1996) that faced by women entrepreneurs which including

- i. Lack of marketing knowledge
- ii. Lack in pricing knowledge
- iii. Less knowledge in management and administrative technique
- iv. Social problem which including the trust, commitment and resentful towards rivals
- v. Personal problem such as conflict with the employees and business partners

- vi. Personal problem cause by the conflict with family, stress and lack of social support 80
- vii. Problem of product quality and services
- viii. Knowledge problem

Most women entrepreneurs in Malaysia face various problems and challenges such as lack of capital and skills (particularly in marketing), lack of motivation, and low confidence level (Roddin, 2012). On the other hand, weak skills in making decisions, marketing planning, and capital gain were common factors faced by the failure of women entrepreneurs (Abu Bakar, 2007). The issue of labor burden, limited access to financial resources, limited access to markets, low education and training, less access to networks, and unfavorable government policies were among the challenges women entrepreneurs faced (Loveline, Uchenna, & Karubi, 2014). In addition, many women entrepreneurs lacked business training, less experience in management, financial skills experiences, guidance and getting advice (Hisrich & Öztürk, 1999). According to Mitchelmore and Rowley (2013) most women entrepreneurs faced problems at early stage in obtaining capital to start the business from the banks and financial institutions.

### **Opportunities**

Opportunity in SWOT analysis is related to the external environment. External is something that the entrepreneur has no control over; however, exposed to grasp it. In 2021, Malaysia's budget for women and children included RM95 million micro-credit through TEKUN, MARA, and Agrobank. Besides, BizMe wants to train more women contractors in a government contract. RM50 million ringgit was budgeting under YAPEIM through Ar Rahnun Biznita, where the women entrepreneurs can take this opportunity in gaining paid capital to run the business. Gold investment and pawn are well-known nowadays as it has high liquidity compared to a personal loan from a financial institution. Many women entrepreneurs are not mortified and take the opportunity to buy gold as an investment, whether for short or long-term. It becomes a kind of support in case of need.

In 2022, there are a few initiatives from the government and agencies from private sectors in helping women generate income. Agencies from Kementerian Pembangunan Wanita, Keluarga dan Masyarakat (KPWK), Lembaga Penduduk dan Pembangunan Keluarga Negara (LPPKN) and Yayasan Kebajikan Negara (YKN), Talentcorp and Perkeso, Amanah Ikhtiar Malaysia (AIM) are among the important role player in the development of women entrepreneurs in Malaysia. The special initiative for the women is through Program Strategik Memperkasa Rakyat dan Ekonomi (PEMERKASA) that become the life-saver to increase the economy of family in the business. One of the opportunities is that women entrepreneur could apply for lower interest rate loans as capital.

### **Threats**

Threats in SWOT analysis are from the external environment. One of the current threats since 2020 was the pandemic COVID19. In 2022, the pandemic has changed to endemic, and the world's economy is recovering from the impact. Malaysia was implementing the restriction movement order (RMO) during the 1st year of the pandemic (2020-2021). The RMO in Malaysia was thru a few phases during the time.

COVID-19 has significantly weakened the global growth prospects and caused a severe impact on the economy. The International Monetary Fund (IMF) in the World Economic Outlook (WEO) in January 2021 reported that the global economy registered negative growth of 3.5% in 2020 (2019: 2.8%). The revised figure is 0.9 percentage points higher than previously estimated in the WEO Update for October 2020, reflecting the stronger-than-expected momentum in the first half of 2020. Malaysia was expected to thrive in 2020, especially for the tourism industry, implementing the Visit Malaysia 2020 campaign. However, the COVID-19 pandemic, which grew from a health crisis to an economic crisis has affected the campaign and various initiatives have been given to promote tourism-related activities so that the global contagion can be controlled.

The spread of the virus and measures taken to curb it, including travel restrictions, enforcement of business closures and restrictions on social activities following the Movement Control Order (MCO) phased out has caused simultaneous supply and demand shocks to the domestic economy. While travel restrictions, which are cross-district and cross-state bans, have affected economic activity, growth remains supported by a continued increase in external demand. Considering the economic performance during 2020, economic activity in Malaysia contracted by 5.6%, the most significant contraction since the financial crisis. Converging on small businesses, most SMEs rely on international trade for their activities, whether for exports or imports. In 2019, the contribution of SMEs to the country's total exports increased to 17.9% with growth supported by continued expansion in the services sector, particularly in tourism-related industries and other business services. Another significant issue in women entrepreneurship is gender inequality. In terms of loans and funds accessibility, women face challenges accessing compared to a male (Md Isa, Jaganathan, Syazwan Ahmdon & Mohamad Ibrahim, 2018). Apart from that, women entrepreneurs may be relatively less well represented among entrepreneurs but better represented in growth-oriented forms of entrepreneurship. Although both men and women are similarly motivated by opportunity than necessity as a primary setup business venture, women's failure rate is higher than men's. A few challenges were identified and found that several women entrepreneurs face numerous difficulties starting the business and during the development phase of their enterprises. The previous study also reported that Malaysian women entrepreneurs faced enormous challenges from the local and international market during their business start-up, domestic operation, and international business operation (Ilhaamie, 2014; Mahmood & Hanafi, 2013). However, these challenges did not impede them from success in their business activities. Women seem to be more successful in local and international markets than their male counterparts since they premeditated and executed effective business strategies to supply their target markets.

Furthermore, due to many duties and responsibilities, women entrepreneurs have less desire to participate in many activities and keep their business small to avoid unprecedented conflicts. Both female and male entrepreneurs face relatively different business constraints throughout the region, but these constraints possibly severely impede women-owned enterprises. Furthermore, access to financial resources is also a major challenge for women entrepreneurs, especially in developing countries. Women feel it is an ultimate challenge to raise funds and fail to secure loans due to required collateral. This phenomenon is possibly related to culture and norms in particular countries which restrict women from inheriting or owning assets and social positions. Previous studies stated that female-owned enterprises are relatively smaller, have less profits, and have shorter survival than male-owned businesses (Cabrera & Mauricio, 2017; Mahmood & Hanafi, 2013)

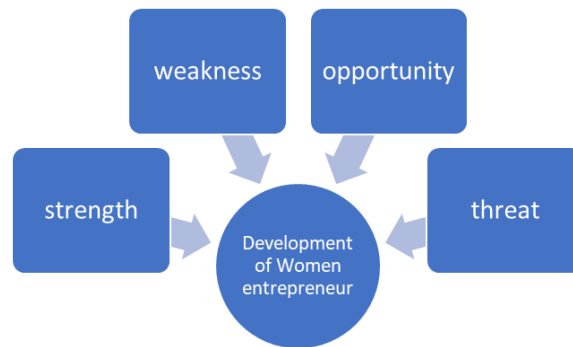


Figure 1. Proposed Framework of SWOT analysis on Women Entrepreneurs' Development

## METHODOLOGY

This study will utilize a mixed method of research design to accumulate the data on SWOT matrix among the women entrepreneurs. The researchers will conducting an interview session with a small group of women entrepreneurs (pilot study). Women entrepreneurs will be selected among the pre-start up (below 3 years) and growing business (after 3 years) to identify their strengths, weaknesses, opportunities, and threats. The unit of measurement is individual. After the pilot, a survey will be carried out to see the relationship between SWOT matrix analysis and women entrepreneurs' development. The data will be analyzed through Statistical Package for Social Science (SPSS) and Structural Equation Model-PLS (SEM-PLS 3.0)

## IMPLICATION AND RECOMMENDATION

SWOT matrix or analysis is a helpful tool in observing the actual situation in a proper and strategic organization. In developing women entrepreneurs, it is crucial to identify the strengths, weaknesses, opportunities, and threats of the entrepreneurs' internal and external surroundings, specifically in Malaysia. The researchers need to widely discuss the factors contributing to women entrepreneurs' success and failure. Research and study on women entrepreneurs must be conducted on various areas, and issues as women entrepreneurs worldwide have important roles in enhancing their family, community, and country. In addition, the involvement of women in the entrepreneurship area may contribute to 209 socio-economic in Malaysia, reducing the unemployment rate among women, which also balances and overcomes the gender issue in this area. Last but not least, this study will help determine the characteristics that women need to become successful entrepreneurs. Thus, it will help to avoid more failure among them in the future.

## CONCLUSION

Women entrepreneurs play a crucial role in fulfilling Malaysia's vision of becoming a well-developed country with a fully competitive, dynamic, and robust economy. As a developing country based on a diverse community, there is always a combination of contemporary and conservative perceptions and acceptance by women entrepreneurship. This research is presented based on a critical literature review concerning women's entrepreneurship. The fact that many women continue to persist in the face of challenges illustrates the success and sustainability of female-owned businesses. By being involved in business, women build their confidence, creativity and innovativeness. Above all, through initiating, establishing, and running an enterprise, women, entrepreneurs generate employment opportunities. They are also achieving the economy and social life in the community. Therefore, entrepreneurship activities increase women's capabilities in making decisions regarding the family and society.

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