International Conference on Social Sciences & Humanities (ICOSH-UKM2012)
Theme: Knowledge for Social Transformation & Development in the 21st Century

WOMEN ONLINE ENTREPRENEURSHIP AND SOCIAL ENVIRONMENT IN MALAYSIA: SOME PRELIMINARY FINDINGS

Kim Ling Geraldine Chan, Sivapalan Selvadurai, Bahiyah Dato' Hj. Abdul Hamid &
Gusniar Nurdin

ABSTRACT

Entrepreneurship based on information communication technology (ICT) and the internet is fast gaining popularity as a means of wealth creation and property acquisition in many parts of the world today. Known as digital entrepreneurship, e-commerce, e-entrepreneurship or on-line entrepreneurship, the entrepreneurial activities are conducted using the ICT and internet (e.g., social media) as means of business communication, promotion and product development. Women's involvement in on-line entrepreneurship is rapidly growing in Malaysia. However, interestingly, there very few academic studies conducted on the nature of women on-line entrepreneurship than the studies on women conventional entrepreneurship in Malaysia. With the intention to fill this literature gap, the authors of this paper carried out a qualitative exploratory research of women on-line entrepreneurship in various small sized enterprises in Malaysia. This paper particularly concentrates on discussing some early findings on the role of social environment, specifically social networks, in influencing the women's business inception, sustainability and growth. Women were found to have the ability to leverage on their social network environments linking the physical real world and the virtual world. The social environment is also found to have impact on the development of some entrepreneurial leadership qualities such as sharing as opposed to command, throughout the women's entrepreneurial involvement. Although the research is still on-going, the authors hope that the findings can offer a better understanding on the role of social environment in women on-line entrepreneurship.

Keywords: Entrepreneurship women on-line entrepreneurship social environment social networks entrepreneurial leadership qualities

INTRODUCTION

Entrepreneurship based on information communication technology (ICT) and the internet is fast gaining popularity as a means of wealth creation and property acquisition in many parts of the world today. Such entrepreneurship is also known by such terms as digital entrepreneurship, e-commerce, cyberpreneurship and e-entrepreneurship in the literature, and in this paper we use the term on-line entrepreneurship (see Esmaeeli 2011 on digital entrepreneurship). The entrepreneurial activities are conducted using the ICT and internet (e.g. social media) as means of business communication, promotion and product development. In a recent report by *Fortune* magazine dated October 8 2012, women are becoming increasingly active and successful in

on-line entrepreneurship, including those in Malaysia (Fortune Magazine 2012: 36). In Malaysia, this is the result of rapid development in Information and Communication Technology (ICT) and the internet in many aspects, the increase in internet usage and the increasingly high number of people possessing IT-driven talents and skills in the society over the decades. The rapid progress of male and female on-line business and entrepreneurship is a testament of the Malaysian Government's effort to carry out its Economic Transformation Programme (ETP) by transforming various small and medium sized enterprises (SME) through technological innovations and input. Nonetheless, the awareness of the importance of ICT and internet in business and entrepreneurial venture and growth is still relatively high among Malaysian women. Why is that so? What factors push them towards involvement in on-line business? Why not involvement in traditional business? How do the women sustain their businesses? What challenges and problems do they face from business inception to business growth? These questions are similarly asked of women entrepreneurship in off-line or traditional entrepreneurship. One of the reasons for business involvement and success often cited in the literature is possession of entrepreneurial qualities. These are also said to be leadership qualities (see Foo, Loh & Tan 2006, Seet, Seet & Noor Ahmad 2007 and 2008 for instance). Common qualities are risk-taking, determination, being creative, innovativeness, being visionary, being energetic, being enterprising, goal-orientedness, decisiveness, being sociable, intuitiveness, internal locus of control, self-confidence and authoritativeness. There are also motivational factors that drive the women to indulge in both forms of entrepreneurship. Common factors are the need to achieve, the need to desire for increased flexibility to oversee family responsibilities and obligations, the desire for freedom, the desire for autonomy, personal crises, social considerations and family loyalty, the need for affiliation and the need for domination (see Seet, Seet & Noor Ahmad 2007 and 2008, Hirsch et. Al. 1982, Deng et. al. 1995).

Up till today, one factor that is less commonly acknowledged than the others in most literature is the role of social context, specifically the social surroundings or environment of the women, in influencing business inception, sustainability and growth. On top of that, the idea of social context as influencing entrepreneurial leadership qualities is not commonly expressed and tested. With exception to a few studies, social relationships in the form of social networks with family members, friends, ex-colleagues, customers and suppliers and social capital are generally not always regarded as significant, especially in business venture and growth of women on-line and traditional entrepreneurs in Malaysia (see Liao & Welsch 2003, Chan et. al. 2006, Chan et.al 2009, Chan et. Al. 2011 and Sivapalan et. al. 2007 for the exceptions). Considering the lack of academic studies on women on-line entrepreneurship in Malaysia, since 2011, the authors of this paper pursued a qualitative research on women on-line entrepreneurship in Malaysia, with a part of the research objectives investigating the role of social environment in the entrepreneurship. This research is currently on-going; however, this paper will report on some preliminary findings on the social environment aspect.

The main research issues concerning the role of social environment in women on-line entrepreneurship, i.e., business inception, promotion and growth, are: 1) the influence of the social environment upon business inception, promotion and growth, and 2) the influence of the social environment on development of entrepreneurial leadership

qualities. The second issue is concerned with the relationship between social environment and entrepreneurial leadership qualities. In relation to these issues, the authors pose several research questions. They are:

1. What is the nature of the aspects of social environmental surrounding the development of the women on- line entrepreneurship?
2. Does the social environment influence entrepreneurial inception and growth?
    a. If yes, in what ways?
    b. What sort of influences are they?

3. Does the social environment develop entrepreneurial leadership qualities?

    a. If yes, in what ways?

SCOPE OF WOMEN ON-LINE ENTREPRENEURSHIP AND SOCIAL ENVIRONMENT

For the research, the term women on-line entrepreneurship specifically refers to women whose entrepreneurial efforts develop and grow in the context of ICT, particularly through internet usage. This means the women develop their businesses through the internet, i.e., in terms of business venture, business promotion and business sales. This Internet usage specifically refers to utility of websites, blogs and social media especially facebook.

The role of the internet is seen from the stage of business inception, sustainability and success. Business inception refers to the beginning stage of the business while business sustainability refers to durability of business or the withstanding of business over a particular period of time, especially after 1 year. Business success refers to the stage whereby business profits are on the increase from the first year onwards as well as growth of new business branches, e.g., new shops or boutiques.

All five women entrepreneurs selected for the research are mainly involved in clothes (i.e., scarves, *muslimah* headscarves and clothing), bags and handicraft businesses. Most of these goods are created and handmade by the women themselves, hence the appropriate term "entrepreneurs" describing the women concerned. In other words, this study regards all the women as entrepreneurs because of their creativity, innovativeness, risk taking, visionary abilities, determination and ability to demonstrate leadership qualities. These are also leadership qualities. On top of that, they also exhibit other entrepreneurial qualities such as being passionate about their business, being customer oriented, showing integrity and their willingness to share. In addition, one common quality clearly seen among all the women is possession and demonstration of IT skills or being tech savvy; they know how to design and update websites and blogspots, and use the internet and social media to market their product, find customers and maintain customer loyalty. Furthermore, their educational background in marketing, IT and accounting and finance prove helpful in ensuring advancement in their business ventures.

Creativity is seen in terms of product and blogspot designing, product promotion and advertising, payment system, customer care and service (customer relations), customer and supplier search and treatment of workers (boss- worker relationship). Innovativeness is seen in terms where the women use their creativity to add value to a product or material, for instance designing and sewing clothes using textiles and materials bought from China; adding accessories to clothes; and designing and making bags.

As for the scope of social environment, it refers to social relationships developed with family members; school or college friends; acquaintances; ex-colleagues; customers and suppliers; facebook friends; blogspot friends and fans. Therefore, the environment is both physical ("in the flesh") and cyber (virtual) in nature. The relationships constitute a typical social community as well as an e-community within which the women entrepreneurs are active social actors; as entrepreneurs, bloggers or facebookers. Entrepreneurial related leadership qualities are clearly seen, cultivated, developed and maturing through all these relationships; hence, the importance of the social environment in women on-line entrepreneurship.

Having clearly spelt out the research issue and scope, the paper will deliberate on the following aspects::

1. To find out the profile of women and the types of businesses they are involved in.
2. To determine the types of entrepreneurial leadership qualities among the women.
3. To find out the types of social environments surrounding the women.
4. To determine the forms and levels of environmental influences upon business inception, promotion and sales.
5. To ascertain the forms and levels of environmental influences upon business and entrepreneurial growth.
6. To ascertain the relationship between social environmental influences and entrepreneurial leadership qualities.

THE RESEARCH METHOD

The research adopts a qualitative research approach with in-depth interviews as the main method of data collection and directed content analysis as the method of data analysis (Zhang, 2006). The research strategy is primarily inductive in nature in that the researchers immerse themselves in the data and allow themes to emerge from the data but are still guided by some conceptual underpinning as in this research, the notion of social environment in general and social network in particular are explored in the field. This means the interviews serve to hear the voices of the women and are evidence based. The women's own everyday experiences, ideas, concepts, principles, values and practices concerning their entrepreneurial endeavors are explored during the interviews. The data is then transcribed, analysed and interpreted qualitatively. Five women from the Klang Valley region (Kuala Lumpur, Serdang, Bangi) who are involved in on-line businesses became the units of analysis and are sampled through the purposive sampling method. Specifically, they are selected because of their gender, demonstration of some entrepreneurial qualities, their clear intentions and efforts to

become entrepreneurs through internet usage, and the way their entrepreneurship and businesses develop and grow through the internet particularly through blogspots and facebook.

PRELIMINARY FINDINGS

i. Profile of women

Five women have been selected as the sample of the study. They are Ms. Hiral, Mdm. Lela, Mdm. Emma, Mdm.
Sue, and Ms. Alia. As shown in Table 1, Ms. Hiral is involved in the patch and lace business; Mdm. Emma is involved in the Muslim women's hijab clothing and wholesale on-line and off-line boutique business; Mdm. Sue is involved in the women's clothing business; Mdm. Lela is involved in the Muslim women's hijab clothing, and finally, Ms. Alia is involved in the women's bag making and clothes business. Table 1 below shows the basic profiles of these five women. All of them are relatively young with an age range between 24 to 31 years old. Except for Ms. Hiral who is an Indian Gujerati, the rest of the informants are Malays. All of them are highly educated with degrees in marketing (Ms. Alia), multimedia (Mdm. Sue), banking (Mdm. Emma), engineering (Mdm. Lela) and accounting (Ms. Hiral). Except for Ms. Alia and Ms. Hiral, all of the women are married with children. Mdm. Emma's wholesale business is based in Serdang, Selangor while the rest of the women can be located in Selangor and Kuala Lumpur. Ms. Alia is the only person who has not worked in the private sector before compared to M s. Hiral, Mdm. Sue, Mdm. Emma and Mdm. Lela. Ms. Hiral worked in the audit unit of PWC, Mdm. Sue was a former multimedia designer, Mdm. Lela worked as Head of Department in the foreign retail chain ZARA and finally, Mdm. Emma was an Islamic banker with a local bank. Ms. Alia is a fresh graduate with a penchant for business while she was studying in the university.

Table 1 Profile of women on-line entrepreneurs

No.	Name of	Ehtnicity	Age	Marital	Educational	Place	Previous business	Type of on-line business
						premis		
1	Ms. Hiral	Indian Gujerati	26	Single	Degree (Accounting)	Kuala Lumpur	Yes (audit, PWC)	Patch and lace making business
2	Mdm.	Malay	30	Married	Degree Medical Electron (UniKL)	Daman	Yes (Head of Depar shop Zara)	Muslim women's hijab clothing and boutique
3	Mdm. Emma	Malay	30	Married	Diploma & Islamic Banking (UiTM)	Serdang	Yes (Islami banker)	Muslim women's hijab clothing also on-line wholesale and boutique
4	Mdm. Sue	Malay	31	Married	Degree in	Bangi	Yes (multim	Women's clothing

| 5 | Ms. Alia | Malay | 24 | Singl | Degree Marketing (UiTM) | Kuala Lumpur | (MMU) designer) | business Women's bag making and clothing business |

ii. Entrepreneurial leadership qualities

All five women possess particular entrepreneurial qualities that are also leadership qualities in nature. As shown in Table 2 below, they possess determination, risk taking, willingness to share, creativity, and innovativeness. At the same time, they are sociable, energetic and self-confident. The women attest that these qualities helped them to spur into on-line entrepreneurship and subsequently to sustaining and advancing their businesses. However, some of the qualities have already existed prior to their business inception especially creativity, innovativeness, determination, goal oriented and decisiveness. This means that they already have the qualities while in university or during their previous working days.

Table 2 Possession of entrepreneurial leadership qualities

Names	Ms. Hiral	Mdm. Emma	Mdm. Lela	Mdm. Sue	Ms. Alia

Qualities

Determination √ √
√ √ √ Risk taking
√ √ √ √
√ Willingness to share √ √
√ √ √ Creativity
√ √ √ √
√ Innovativeness √ √
√ √ √ Sociable
√ √ √ √
√ Energetic √ √
√ √ √
Self-confidence √ √
√ √ √

iii.   Forms of Social Environment

A main form of social environment uncovered from the study is in the form social relationships, specifically social networks with family members, school and college friends, ex-colleagues, customers, suppliers, social media friends and blogger friends, agents and 'drop shippers'. According to Ms. Hiral, a 'drop shipper' is a person who assists the on-line women entrepreneurs to promote and advertise business products by taking pictures of the products from the women's websites. When he or she gets orders for that product from the promotion via facebook, websites or dealing directly with people, he or she will then place the order with the women entrepreneurs concerned. The drop shippers are like 'agents' in the view of Ms. Hiral but the difference between a drop shipper and a conventional agent is that the former need not register formally with the women entrepreneurs and have no formal business obligations with them. Besides this, the drop shippers need not have any stock or capital in hand for their promotion. In Ms. Hiral's case, many of her drop shippers are students and housewives from Malaysia. However, there are also some from Singapore and Australia.

The analysis thus far reveals that all five of the women studied admitted to having such networks with family members, school and college friends, ex-colleagues, customers, suppliers, social media friends and blogger friends, agents and 'drop shippers'. Family ties, networks with old school friends and college mates and ex-colleagues and to a certain extent for some of the women, their ties with social media friends (facebook) and blogger friends, have been developed on a long term basis. Other types of social networks with customers, suppliers, agents and 'drop shippers' are developed during the women's involvement in on-line entrepreneurial activities. To generalize from this interesting finding, it seems that the social contexts of the women's social networks are both physical

and cyber in nature. This means the women are members of traditional social groups (family, old school friends, ex-colleagues, customers and suppliers) and at the same time, they are also members of cyber communities or e- communities (facebook community, blogger community). In short, these women have the ability of leveraging on their social network environments linking the best of both worlds- the physical, real world and augmenting this with social networks in the virtual world.

iv. Levels of Influence of Social Environment upon business inception, promotion and growth

The women confirmed that their traditional social groups and e-communities play an important role from business inception to sustainability (durability of business) and finally business success (increased profits). However, the women's e-communities are found to be most important in business sustainability and growth. In general, the influences are seen in terms of the provision of social and moral support, business motivation and encouragement especially from family members (parents, father, husbands) and friends (particularly social media friends and blogger friends), and also recommendations of potential customers, suppliers and agents and including from the 'drop shippers' themselves. In addition, some social media friends and blogger friends become the customers of these women entrepreneurs who are capable of giving good advise, feedback and positive criticisms about the women's products and ways of promotion. Apart from that, the women's social networks, cyber or not, also contribute to the development of their conventional and also on-line communication skills as they have to communicate very frequently and in a prompt manner with all customers (including potential ones) through emails, comments and queries in facebook and websites concerning the products. The women learn to communicate better on-line over time as their businesses progress. They also learn to read their customers' behaviour for the improvement of their business promotion, innovation and sales.

v. Relationship between Social Environment and Entrepreneurial Leadership Qualities

In the *Handbook of Leadership*, leadership is defined as "an interaction between members of a group. Leaders are agents of change; persons whose acts affect other people more than other people's acts affect them. Leadership occurs when one group member modifies the motivation or competencies of others in the group" (in Gibson et. al. 2009: 312). This definition thus highlights the importance of social context in demonstrating leadership influence and probably particular leadership qualities. In the case of this women on-line entrepreneurship study, some entrepreneurial leadership qualities are found to be developed and matured as the women's social networks with their customers, suppliers, agents and 'drop shippers' developed over time. Two such qualities is the effort to share business information with agents, customers and 'drop shippers', and in relation to that, the effort to

guide and lead those people to build their own businesses. In other words, the women "affect" those other people through their willingness to share by encouraging them to embark on the business line. Hence, the willingness to share and guide is a leadership quality confirmed evident among the five women concerned.

Apart from that, through their networks especially with their customers and suppliers, the women learn to be more sociable (more responsive and sensitive to customers' comments, suggestions, advice and needs), to be more determined in their business quest (i.e., never give up) and to develop clearer business goal orientations (i.e., they know what they want and what to do for their businesses in the future). Interestingly, they learn to enhance their creativity and innovativeness so that their products will always attract existing and potential customers in wider markets beyond Malaysia. Therefore, their entrepreneurial leadership qualities are further developed through their social contexts or environment as their business progress year by year.

CONCLUSION

This paper has presented and discussed some preliminary findings from an on-going study of women on-line entrepreneurship in Malaysia. Some general patterns can be seen from all five women who became the sample of the study; they are in terms of possession of common particular entrepreneurial leadership qualities, common types of on-line businesses, common forms of social environment influencing the women's entrepreneurial endeavor and entrepreneurial leadership qualities. The authors will continue to pursue the study with the hope of obtaining more insights into the nature of women on-line entrepreneurship in Malaysia, particularly from the point of social environmental influences upon business inception, sustainability and success.

Acknowledgement

REFERENCES

Bulsara, Hemantkumar P., Gandhi, Shailesh & Porey, P.D. (2008), Techno-innovation to techno- entrepreneurship through Technology Business Incubation in India: An Exploratory Study, http://www4.pucsp.br/icim/portugues/downloads/pdf_proceedings_2008/05.pdf

Esmaeeli, Hadi. (2011), 'The Study of Effecting Factors on Digital Entrepreneurship (A Case Study), in *Interdisciplinary Journal of Contemporary Research in Business*, vo. 2, no.12, pp. 163-172.

Chan Kim Ling @ Geraldine, Bahiyah Dato' Hj. Abdul Hamid, Sivapalan Selvadurai, and Noor Rahamah Hj. Abu Bakar. (2006). The social networks of women entrepreneurs in unconventional business sectors: case study in Klang Valley, Malaysia. In Stanislaus Sandarupa et. al (eds). *Kemelayuan Indonesia dan Malaysia- Sejarah dan Sejarah Maritim, Sosial-Politik dan Ekonomi. Volume II. Jakarta: Departemen Kebudayaan Dan Pariswisata RI.p. 411-438.*

Sivapalan Selvadurai, Chan Kim Ling, Noor Rahamah Hj. Abu Bakar & Bahiyah Dato' Hj. Abdul Hamid.(2007). *Harmonizing Personal and Social Perspectives: An Understanding of Women Entrepreneurship in Malaysia.* Paper presented at 3rd UKM-Mahidol International Conference on Southeast Asian Studies, 29- November – 1 December 2007, Bangkok, Thailand.

Chan Kim Ling @ Geraldine, Sivapalan Selvadurai, Bahiyah Abdul Hamid. (2009). Malay youth entrepreneurship in Malaysia: An empirical update. *Geografia - Malaysian Journal of Society and Space* 5(2): 55-67.

Chan Kim Ling @ Geraldine, Sivapalan Selvadurai & Bahiyah Abdul Hamid. December (2011). Youth entrepreneurship characteristics and challenges faced by youth entrepreneurs in Malaysia. *Malaysian Journal of Youth Studies* 5: 1-38.

Foo, Check-Teck & Foo, Check-Tong. (2000), 'Socialization of technopreneurism: towards symbiosis in corporate innovation and technology strategy,' in Technovation, 20 (2000), pp. 551-562. http://dx.doi.org/10.1016/S0166-4972(99)00171-6

Foo, Check-Teck, Loh, Sow Wai & Tan, Soo Lang. (2006), 'The mind of a technopreneuress: differentiating the self-leading, entrepreneurial from custodial, managerial female,' in *Technovation*, 26 (2006), pp.175-184. http://dx.doi.org/10.1016/j.technovation.2005.01.007

Fairlie, Robert. (2006), 'The Personal Computer and Entrepreneurship', in *Management Science*, vol. 52, no.2, February, pp. 187-203. http://dx.doi.org/10.1287/mnsc.

Fortune Magazine, (2012). Where the women are: Online, in *Fortune Magazine* Double Issue Asia Pacific Edition, October 8 2012, No. 14, pp. 36.

Gibson, James L., Ivancevich, John M., Donnelly Jr, James H. & Konopaske, Robert. (2009). *Organizations: Behaviour, Structure and Processes* (13th Ed.), McGraw-Hill Education (Asia): New York.

Gibson, James L., Ivancevich, John M., Donnelly Jr, James H. & Konopaske, Robert, 'Leadership: Fundamentals', in Gibson, James L., Ivancevich, John M., Donnelly Jr, James H. & Konopaske, Robert. (2009). *Organizations: Behaviour, Structure and Processes* (13th Ed.), McGraw-Hill Education (Asia): New York.

Guillen, Mauro F. & Suarez, Sandra L. (2001), 'Developing the Internet: entrepreneurship and public policy in Ireland, Singapore, Argentina and Spain', on *Telecommunications Policy*, vol. 25, pp. 349-371. http://dx.doi.org/10.1016/S0308-5961(01)00009-X.

Liao, Jianwen & Welsch, Harold. (2003), 'Social capital and entrepreneurial growth aspiration: a comparison of technology- and non-technology-based nascent entrepreneurs,' in *The Journal of High Technology Management Research*, 14, pp. 149-170. http://dx.doi.org/10.1016/S1047-8310(03)00009-9.

Mohamed Ariff & Syarisa Yanti Abubakar… 'Strengthening entrepreneurship in Malaysia', http://www.mansfieldfdn.org/backup/programs/program_pdfs/ent_malaysia.pdf

Seet, Pi-Shen, Seet, Lip-chai & Noor Ahmad. (2007), 'Women entrepreneurs in Singapore – Are they different?', in Regional Frontiers of Entrepreneurship Research http://www.swinburne.edu.au/lib/ir/onlineconferences/agse2007/papers.htm.

Seet, Pi-Shen & Noor Hazlina Ahmad. (2008), 'Singapore's female entrepreneurs – are they different?, in Int. J. Entrepreneurship and Small Business, Vol. 5, nos. ¾, http://dx.doi.org/10.1504/IJESB.2008.017303.

Suhartanto, Eko & Setijadi, Ary. (2010). Technopreneurship: Strategi Penting dalam Bisnes Berbasis Teknologi, PT Gramedia: Jakarta.

Kim Ling Geraldine Chan, Sivapalan Selvadurai, Bahiyah Dato' Hj. Abdul Hamid & Gusniar Nurdin

School of Social, Development and Environmental Studies
Faculty of Social Sciences and Humanities
National University of Malaysia
43600 Bangi, Selangor, Malaysia
Emails: geralckl@ukm.edu.my