CONVERSATIONS WITH MALAYSIAN WOMEN ENTREPRENEURS:

"*CULTIVATING INNOVATION THROUGH FEMALE LEADERSHIP*"

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By Aida Idris
Lecturer , Faculty of Business and Accountancy
University of Malaya, Kuala Lumpur.

INTRODUCTION

❑ Research suggests that women entrepreneurs have characteristics and management styles which are significantly different from those of their male counterparts.

❑ According to Abdul Rashid (1995) women entrepreneurs are less motivated by financial reasons than the men. Lee and Choo (2001) find that women face specific challenges in the form of sex-role conflicts and family commitments. Women have also been shown to be especially good at interpersonal relationships (Licuanan, 1992) but poor at planning, organizing and controlling (Abdul Rashid, 1992).

❑ However, research on Asian women entrepreneurs is still very much at an infant stage, particularly that pertaining to their styles of leadership. Given that innovation is one of the most critical functions of entrepreneurship, this study aims to examine female leadership in the context of cultivating innovativeness in business organizations.

WOMEN ENTREPRENEURS IN MALAYSIA

❑ Malaysian women's participation in commerce may exist in any of the four categories of employment status, i.e. as an employer, an employee, an own-account worker or an unpaid family worker.

Table 1   Distribution of Malaysian Working Population by Gender and Employment Status, 2003

Gender	Total Population	Employer (%)	Employee (%)	Own-Account Worker (%)	Unpaid Family Worker (%)
Male	6,323,600	4.6	75.5	17.7	2.2
Female	3,546,100	1.2	77.5	11.7	9.6

- ❑ As indicated in Table 1, out of the total working female population in 2003, 77.5% were paid employees, 11.7% were own-account workers and 9.6% were unpaid family workers. Only 1.2% were categorized as employers.

- ❑ For men, the percentages were higher for the "employers" and "own-account workers" categories but lower for "employees" and "unpaid family workers".

- ❑ The fact that the number of unpaid female family workers is almost five times higher than the males' is particularly disturbing. One possible reason for this is that Malaysian women are being exploited and made to work for free by their own family members.

❑ The data suggest that some women become entrepreneurs to secure financial independence. But financial independence alone cannot explain women's decision to set up their own business; after all 77.5% of Malaysian working women find financial independence by being employed.

❑ Previous research (Sieh et al, 1991) indicates that the most common entrepreneurial motives for women are intrinsic (such as self-satisfaction and interest in business).

❑ However, a deeper analysis reveals that there may be social and political factors too, as discussed next.

❑ Malaysian women compose about half of the total voting population (Department of Statistics, 2003). Women also play the biggest role in house-to-house campaigns and getting right down to the grassroots.

❑ Empowering women with education and career opportunities thus ensures their political support.

❑ Since career opportunities in the government and corporate sectors are limited, women are encouraged to become business players. Training, funding, and counseling are given as incentives and business networks provided through political affiliation.

Table 2   Distribution of Malaysian Women Entrepreneurs by Ethnicity, Stratum, and Age

Distribution Variable	% out of total
Ethnicity: Malay	47.1
Chinese	39.6
Indian	5.0
Others	8.3
	100.0
Stratum: Urban	79.8
Rural	20.2
	100.0
Age Group: Below 20	0.1
20-29	16.2
30-39	34.4
40-49	31.8
50 and above	17.5
	100.0

❑ Research (Sieh et al, 1991) also shows that Malaysian women entrepreneurs are most likely to be in the service industries, have prior working experience and small i.e. with fewer than 20 full-time employees and earning less than RM100,000 per annum.

❑ Their businesses are mainly funded by personal savings, and most are either sole proprietorships or partnerships.

❑ They also tend to concentrate on local markets, with less than 10% going international.

ROLE OF LEADERSHIP IN INNOVATION

❑   Many classical theorists on innovation (Schumpeter, 1934; March and Simon, 1958; Rogers, 1962) argue that it is triggered and driven by certain individuals in the society who have the necessary characteristics to make it happen.

❑   This perspective is supported by latter thinkers such as Nam and Tatum (1997) who also believe that entrepreneurs are the ones primarily responsible for initiating changes and novelties in the society.

❑   The basis of the theory is that entrepreneurs possess certain traits such as risk-propensity and ambitiousness that induce them to strive for better and greater things. Entrepreneurs are also held responsible for educating the society on the need for new ways of life and solutions to life's problems.

❑ The notion of leaders as agents of change has received wide acceptance among management scholars (Kanter, 1984; Drucker, 1985).

❑ Research indicates that innovation thrives within certain organisational cultures - such as a learning orientation and an open attitude towards risk (Chell, 2001) - which are shaped by their leaders.

❑ Likewise, a leadership high in Power Distance has been suggested to have an adverse effect on innovativeness and vice versa (Hofstede, 1980).

❑	However, existing typologies of leadership style do not adequately describe the female perspective.

❑	For instance leaders are often categorized as either result-oriented or people-oriented but in reality, women - especially Asian women - usually get results by being people-oriented.

❑	Thus it seems that there is a need to identify a more accurate typology of leadership styles among Malaysian women entrepreneurs, particularly one which relates to innovation.

FRAMEWORK AND METHODOLOGY

❑　The objective of the study is to examine how Malaysian women entrepreneurs lead their employees and influence other stakeholders towards building an innovative organizational culture.

❑　Due to the intended depth of the analysis, a qualitative approach is considered more suitable.

❑　Ten women entrepreneurs are identified and personally interviewed based on a series of open-ended questions. Their responses are then content-analyzed to generate a typology of female leadership styles within the context of business innovation.

Table 3   Profile of Respondents in the Personal Interviews

ID No.	Age Group	Education	Type of Business	Duration of Business (yrs)	Business Location
PI1	Early 30s	Tertiary	Sauce manufacturer	2	Kota Bharu (East)
PI2	Early 50s	Higher secondary	Cookie manufacturer	4	Kuantan (East)
PI3	Late 20s	Higher secondary	Office supplies provider	2	Kuala Lumpur (Central)
PI4	Early 50s	Tertiary	Direct selling agent	1	Seremban (Central)
PI5	Late 30s	Higher secondary	Beauty centre	7	Kuala Lumpur (Central)
PI6	Mid-40s	Higher secondary	Construction material supplier	13	Bangi (Central)
PI7	Late 40s	Higher secondary	Batik manufacturer	8	Alor Setar (North)
PI8	Late 30s	Higher secondary	Canteen operator	11	Putrajaya (Central)
PI9	Early 40s	Lower secondary	Transport operator	5	Johor Bahru (South)
PI10	Late 30s	Higher secondary	Kindergarten operator	4	Malacca (South)

Discussion of Results

- Based on their qualitative responses, four distinct styles of female leadership are identified.

- These styles, referred here as the "Mother", the "Teacher", the "Boss" and the "Chameleon", are described as follows.

The Mother

❑ Reflects a family-oriented approach in innovation management. The four women who fall into this category (PI2, PI7, PI8 and PI9) view their employees and other stakeholders as their extended families. The women are extremely protective of others, and often get involved in their personal affairs.

❑ Frequently-used phrases include "*help each other out like brothers and sisters*", "*they respect me like their own mother*", and "*I scold them if they do anything wrong*".

❑ In these organizations, innovation is often treated with caution. Each time the entrepreneur decides to embark on a new project, she tries it out herself first to minimize the chances of failure.

PI8: "I will try out the new recipe several times and when I am completely satisfied,I will show my girls how to do it. Otherwise, they won't have a clue whatsoever, and end up putting too little or too much of everything."

❑ She also has very little reservation about asking for personal favors from suppliers and customers.

PI2: "My customers are my best source of ideas. I often borrow women's magazines from them and look up the creativity section to learn about the latest packaging designs."

PI7: "When I want to get information about my competitors, I will ask my supplier who also delivers material to the other stores. Like for instance, what type of cloth they use, the quantity of order and the price they pay for it. Then I will decide whether I want to follow suit or not."

The Teacher

❑ The style closely approximates that of an educationist. The women (PI1 and PI10) emphasize academic qualification, training and continuous upgrading of skill and technology.

❑ The women have a very open attitude towards the learning process, and regards mistakes as a natural part of it. Computerization and automation are integrated within the process flow to improve quality and maintain standards. They even educate their customers on the benefits of innovation.

PI10: "I tell the parents what new modules we have, and why their children should enroll in a particular module. I remember a girl who had a natural gift for music… I suggested to her parents that she should try out our piano lessons. They were reluctant at first because they wanted her to concentrate on the academic stuff but I convinced them that in this age academic excellence alone is not enough. They relented in the end, and now the girl is already in Standard 3, every time they bump into me, they can never thank me enough for introducing piano to their child."

The Boss

❑ This particular style describes the entrepreneurs' (PI5 and PI6) emphasis on the formalization of innovation. Novelties are adopted as official business targets tied to the employees' performance evaluation and remuneration packages. Instructions are given in a precise, orderly manner and changes are carried out systematically.

PI5: "I give incentives to my staff if they are willing to be flexible about their schedule. Most of the time they know exactly what's expected of them. As long as I give clear instructions, they will carry them out accordingly."

PI6: "My workers are mostly immigrants so they have special requirements, especially in terms of work permits, accommodation, and transportation. I make sure they are well looked after, and I expect them to carry out their jobs well."……………… "When I introduce a new material, I will record the manufacturing batch number. Then I will track its movement until the point of consumption. If there are any complaints from the customers, I will immediately call my supplier and cancel other orders from the same batch."

The Chameleon

❑ This style reflects the entrepreneurs' (PI3 and PI4) tendency to be situational. They believe in adopting different approaches to different individuals and circumstances. Innovation is perceived as merely a means to an end, and not something which should be actively encouraged.

❑ PI3 says she visits government and business clients with two different sets of product catalogue, because she knows that each has a different budget. PI4 carries products from four parent companies and adjusts her presentation package and style according to the customer. She does not see anything wrong with the practice because she is not legally bound to any one of them.

PI4: "Take health supplements, for instance… there are people who prefer Company A's products and there are those who like Company B's. So I carry both and promote each accordingly."

Conclusion

❑ The study demonstrates that female leadership styles do not neatly fit into existing leadership typologies. Women entrepreneurs are not simply either result-oriented or people-oriented; instead they often derive results by being people-oriented.

❑ This may be explained by the theory of social conditioning ( ) which argues that because society conditions women to be gentle and nurturing, they behave as such. Thus female leaders assume roles which are more socially acceptable such as "mother" and "teacher" so that the society will be more tolerant and accepting towards their leadership.

❑ Different cultural groups have a different tendency towards a particular style. It is also important to determine which style is more effective for women entrepreneurs. Hence future studies are recommended to ascertain the following:
   ➢ The relationship between culture and leadership style.
   ➢ The effect of leadership style on organizational innovation.