Challenges of Muslim Women Entrepreneurs in Malaysian SMEs

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Abstract—This paper tries to study the challenges faced by the Muslim women entrepreneurs in Malaysian SMEs. At present, only 15.5% of businesses are owned by women entrepreneurs. This is far way behind of what has the Government of Malaysia targeted in 2011 which is 30%. The finalized questionnaires were distributed by post to 350 Muslim women entrepreneurs in Malaysian SMEs by using simple random sampling technique. The response rate is 44% which is good. It is found out that the most frequent type of challenges faced by the respondents are lack of finance (59.2%), lack of demand (50.9%) and location problem (48.6%). Meanwhile, their proposed solutions to the challenges are a mix of observing their religion (to give tithe and alms, to do recommendation prayers and to free orphans), doing business to have good relationship with customers, businesswomen organizations, suppliers, competitors and workers, to obtain more information on business development and personal (to apply work life balance).

Index Terms—Challenges, entrepreneurs, women, Muslim, Malaysia.

I. INTRODUCTION

Islam clearly support trade and commerce including women as entrepreneurs through the Qur'an (The Holy Book).

15.5% of businesses especially in SMEs are owned by them. This is far way behind of what has the Government of Malaysia targeted in 2011 [3]. Hence, the focus of this article is to study the challenges faced by the Muslim women entrepreneurs in Malaysian SMEs that have slowed them down in doing business. Hopefully, by doing this study, some solutions can be proposed to these women in solving their problems.

II. LITERATURE REVIEW

A. SMEs in Malaysia

According to SME Corp, SMEs in Malaysian context are defined as [4]:
1. Manufacturing, manufacturing-related services and agro-based industrial enterprises with full-time employees not exceeding 150 or with annual sales turnover not exceeding RM25 million.
2. Services, primary agriculture and information and communication technology (ICT) enterprises with full-time employees not exceeding 50 or with annual sales turnover not exceeding RM5 million.

SMEs account for 97.3% businesses in Malaysia. The most recent data indicates that SMEs are now providing