

The Influence of Financial Service Factors on Entrepreneurial Competencies and Business Success Among Women Entrepreneurs: A Case Study of Sahabat Amanah Ikhtiar Malaysia.

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ABSTRACT

Malaysian government is currently pushing for and encouraging women involvement in entrepreneurship, which will ultimately stimulate the country's economy. Furthermore, concerns regarding the survival and sustainability of business and women entrepreneurs have been brought up by the leadership, despite governmental recognition. The journey towards business success among these women entrepreneurs, especially those from developing countries, may be further complicated by the lack of competencies and the need for continuous assistance. Thus, the present study is aiming to propose a model for women business success, aligning with the role of microfinance as a provider of financial service and entrepreneurial competencies. A total of 392 women entrepreneurs under the Amanah Ikhtiar Malaysia (AIM) scheme have been involved in this study. It has utilised 6 dimensions of entrepreneurial competencies, which are: strategic competencies, commitment competencies, organizing competencies, relationship competencies, commitment competencies, opportunity competencies and conceptual competencies.

Meanwhile, microfinance factors like the financial factor have been used as a moderating effect, whereby their respective dimensions are credit and saving. Structural Equation Modeling (SEM) has been employed as the main statistical technique in this study. Overall, the study has found that only four of the independent variables (i.e. elements of entrepreneurial competencies), namely relationship, opportunity, organizing and commitment competencies have significant relationships with women's business success. The remaining 2 domains, strategic competencies and conceptual competencies have revealed to be not significant. Furthermore, the financial factors fully moderated the relationship between entrepreneurial competencies and business success. The findings are likely to be useful to SMEs, as they have highlighted the necessity of focusing on training to yield increased effectiveness. In addition, the impact of microfinance factors will assist women entrepreneurs to becoming successful in

their businesses. The model from this study will also further contribute towards the development of literature review related to the favourable outcome for women entrepreneurs.

Key Words: Microfinance Factors, Entrepreneurial Competencies, Women Entrepreneurs.

1. INTRODUCTION

The importance of women entrepreneurship to a nation and its economy is undeniable, especially due to their contributions towards economic development and poverty alleviation. Therefore, the reigning leadership must create a conducive environment for the purpose of entrepreneurship development, which encompasses elements like infrastructure, socio-cultural, economic and legal policies (Carter & Wilton, 2006). Meanwhile, entrepreneurs themselves are also obligated to play their own roles in complementing the government's efforts to develop the sector. This calls for them to commit to making good business decisions, put forth effort to acquire appropriate training or education, having the right motive, business acumens, innovation, market information, social networks and more.

The Malaysian government are in recognition of potential contribution to the country's economy with the commencement of woman participation in business, despite the low rate of women's entrepreneurship (Rozita, Rozita, Nur Syakiran Akmal, & Zalinah, 2015). This can be substantiated by the different and myriad forms of support and assistance provided by the administration to nurture the sector. Encompassing various focuses, they include the materialization of national policy that spurs women's economic involvement, availability of business advice, and access to financial funding and entrepreneurial skill development (Sulaiman, Salleh, Mohamad, & Sern, 2015). These initiatives are all targeted towards reducing barriers and obstacles hindering women from becoming a successful entrepreneur. Further facilitation of the sector has called for the government to establish the Ministry of Women, Family and Community Development (MWFCD) in 2001. It is effectively set up as the body of authority responsible of promoting women ventures into businesses, which is inclusive of the processes in the setting up of sole-proprietor, micro business and small partnership from home (Rozita et al., 2015). Such efforts are driven by the country's aspiration to house the additional 4,000 women entrepreneurs under their care by 2012, which has been included in the Fourth Thrust of the National Key Result Area. Furthermore, other than provision of financial assistance, The National Women Entrepreneurs Award (NWEA) is a jointly introduced and endorsed award by MITI and MWFCD that serves to recognize women entrepreneurs' achievements from the different industries in Malaysia (Rozita et al., 2015).

2. PROBLEM STATEMENT

The Malaysian government has outlined the accelerating growth of women entrepreneurs, both in acumen and number, as their number one priority. They have also highlighted concerns for the survival and long-term sustainability of the women's businesses, especially as such active encouragement is in view of women entrepreneurship as an potent solution for accelerated economic growth (Raman, Anantharaman, & Ramanathan, 2013). The reigning leadership is fortunately aware and supportive of woman entrepreneurs' role towards reflecting Malaysia's economic dynamism and attaining its Vision 2020.

At present, women entrepreneur's involvement has increased, but their success and excellence are largely underdeveloped and can be improved further (Women Entrepreneurs Network Association (WENA), 2012). The study by Teoh & Chong (2014) has revealed low numbers of women involvement as employer or independent worker compared to their male counterparts since the 1970s. In Malaysia, there are only has 13% of businesses helmed by women in comparison with Vietnam (59%) and Indonesia (43%) (Teoh & Chong, 2014). Furthermore, the country houses only 9% of women entrepreneurial activities and participation, which is 30% less than fellow neighboring countries of Thailand and Philippines (Asia Pacific Economic Cooperation (APEC) Project, 2013). Thus, it remains a difficult and rocky challenge of increasing the number of Malaysian women's involvement in business for 8% to 35% by 2020.

According to the 2015 Female Entrepreneur Index report, its analysis on conditions fostering high potential for female entrepreneurship in 77 countries has reported "61% of the countries have scored less than 50%. This includes Malaysia, which has scored 39.2% only, with the authors suggesting for women entrepreneurs to improve their entrepreneurial competencies" (Terjesen & Lloyd, 2015). Therefore, Malaysian businesswomen are urged to do the same, so that they are well-versed with the competencies necessary in running their ventures. Such suggestion has been supported by Nor Asiah, Muhamad Azrin, & Che Aniza (2014), as their results have indicated that business competencies are the primary for low business sustainability among most of the low income women involved in micro enterprises (MEs) in Malaysia. Furthermore, Haider, Asad, & Aziz (2015) have also revealed that their case study has highlighted the lack of entrepreneurial competencies in their microfinance clients, leading to failure of running an efficient business. Some have also reported difficulties in fulfilling their financing repayments. Thus, Malaysian SMEs plagued with entrepreneur competency issues have displayed ineffective productivity, low confidence, insufficient quality output and low capability (Tehseen, Sulaiman, Ramayah, & Gadar, 2015).

Hence, this study is focusing on women entrepreneurial competencies and microfinance factor as a moderating effect, influencing women entrepreneur business success. The study will

utilize Man's (2001) 6 domains of entrepreneurial competencies, which are: strategic competencies, commitment competencies, organizing competencies, relationship competencies, commitment competencies and conceptual competencies. Meanwhile, microfinance factor as the moderating variable includes the provision of credit and saving, serving as a bridge towards business success. Despite a multitude of studies carried out in the context of women entrepreneurs in Malaysia, minimal work has been done in terms of modeling or explaining the sustainability of such business ventures and their aim for success (Teoh & Chong, 2014). Studies that can identify and substantiate barriers and factors affecting the journey to become successful women entrepreneurs will be beneficial and useful for aspiring women entrepreneurs. These learning experiences gained by these successful females should be elicited by researchers for the purpose of translating such information into a model that can be studied, emulated and followed by others. Therefore, such 'successful women entrepreneur business model' will undoubtedly pose as an advantageous point of reference for Malaysian women who are aspiring to become entrepreneurs and achieving their business success.

3. LITERATURE REVIEW

3.1 Defining the concept of Business Success

Success can be achieved in many different ways and are of importance for businesses or organizations alike. According to Gorgievski et al. (2011), it is the outcome of attaining objectives and goals in life. In the context of business, success is a crucial element in management despite not being explicitly stated, whereby success or failure can be labeled as actions or endeavor for either good or bad management. It is commonly used to describe business performance.

Measurement of entrepreneurial success by Rhodes and Butler (2004) has recommended the financial approach, using elements of income, profit, return on asset, return on investment and asset owned. Other researchers have also studied the topic further according to each elements, specifically income, profit, return on asset, asset owned, return on investment (Gadenne, 1998), and more.

However, Kutsuna (2002) has concluded that labeling success according to financial criteria as a conventional assessment. Such observation has been supplemented further by Garengo, Biazzo, and Bititci's (2005) findings highlighting difficulties of obtaining specific information regarding financial performance. Furthermore, Zinger, LeBrasseur, and Zanibbi (2001) has discussed the element further, stating that such situation may be due to improper financial record keeping, and the confidential nature of the information. As per Chandler and Hanks (1993), measuring organizational performance and success using the approach utilizes information on net profit, sales growth, return on asset, share prize and return on investment.

Such indicators can be obtained from financial market information and financial report (Richard, Devinney, Yip, & Johnson, 2009), but such data are limited in actual practice due to most being private and rarely available for research purposes. Besides, entrepreneurs often manipulate the data and avoid revealing them for tax purposes (Dijkhuizen, Gorgievski, van Veldhoven, & Schalk, 2015)

Therefore, Murphy, Trailer, and Hill (1996) have concluded for further studies proposing elements of subjective approach (i.e. non-financial approach) to measure success are required. Such suggestion has been extended by subsequent works by many researchers (Dafna, 2008). Swinney, Runyan, and Huddleston (2006) in particular have described the wider scope of non-financial approach to measure success; entrepreneurs of micro-sized businesses may be pleased of their performance despite recording less sales or profits than larger businesses. Furthermore, a “psychological approach” to firm success is also of importance towards entrepreneurs’ motivation and aspirations (Dijkhuizen et al., 2015; Gorgievski et al., 2011). It is based on the assumption that achieving valued outcomes like individual satisfaction, work-family balance, work enjoyment and autonomy are factors associated with success. Such assessment can be described using success criteria, subsequent subjective assessment and satisfaction with the realization of subjective goals (Orser & Dyke, 2009).

3.2 Defining the Concept of Entrepreneurial Competencies

Entrepreneurship is a crucial element towards economic development and growth, serving as a vessel for change and innovation, whereas competencies are essential for entrepreneurial success in business (Noor Hazlina, Ramayah, Wilson, & Kummerow, 2010). However, Mitchelmore and Rowley (2010) have noted the lacking amount of research on entrepreneurial competencies. As per Iandoli, Landström, and Raffa (2007), the terminology can be described as “entrepreneur’s ability to effectively face dire situations, by digesting environmental constraints and utilizing relational and internal specific resources”. Another definition has also referred to it as “individualistic traits, encompassing unique knowledge, social roles, features, self-images, motives and abilities, resulting in business success” (Bird, 1995). In management, “competencies” can be implemented when explaining different skill managers require in yielding better work performance. Meanwhile, the entrepreneurship context describes it as the skills, knowledge and abilities leading towards the ability to create success (Sarasvathy, 2001). Therefore, improving entrepreneurial competence can be achieved if entrepreneurs strive towards identifying and tackling new possibilities, alongside developing the ability to utilize and acquire resources necessary to achieve excellent performance (Erikson, 2002).

Man et al. (2002) have previously summarized entrepreneurial competencies as “higher-level characteristics” revealing an entrepreneur’s capability to complete a task

successfully. It encompasses inherent skills, knowledge, and good traits, which are affected by their different demographic aspects like experience, education, family background, training, and other. Furthermore, Man and Lau (2005) have also confirmed the wide academic scope of entrepreneurial competencies, describing it “components deeply rooted in a person’s background (i.e. personality, traits, social role, attitudes, and self-image) and those obtained via work or education (i.e. skills, knowledge and experience). Despite the relative difference scholars have posed, they have agreed that competence is a broad conceptualization associated to “KSA (i.e. knowledge, skills, attitudes) and motivations”. It remains as the domain adept entrepreneurs must be able to employ effectively to solve issues and tasks associated with their entrepreneurial activity (Izquierdo, Deschoolmeester, & Salazar, 2005). “Competence” can also be defined as the presence of relevant and appropriate attitudes that will result in entrepreneurs implementing good practices. Furthermore, those having positive attitudes towards new ventures and the associated knowledge and skills will be able to employ relevant competencies to challenge any tasks or issues related to starting up a business or surviving the early growth phase (Onstenk, 2003).

3.3 The dimensions of Entrepreneurial Competencies

The parameters utilized in this study are according to dimensions posed by Man et al. (2001), as follows:

3.3.1 *Strategic Competencies*

It is associated with an entrepreneur’s ability to formulate a vision for his/her venture, which will extend to the necessary strategy, planning, idea development, and setting of goals and standards. It is crucial for a clear picture or vision to be established for him/her to properly outline their goals and objectives, and formulation of appropriate strategies to achieve such goals subsequently. Furthermore, McClelland (1987) has concluded the correlation between these competencies in establishing, assessing, setting and implementing the business strategies. In addition, Thompson (1996) has also change management is also an important link to competitive success, especially if one operates in a competitive environment.

3.3.2 *Commitment Competencies*

It is associated with an entrepreneur’s commitment and drive to compete and complete a venture, yielding an outcome, and the ability to affect and dedicate to the craft. Successful entrepreneurs are often described as diligent and dedicated to their work, showing strong competency and totally committed and energetic in fulfilling their duties and completing their tasks.

3.3.3 Opportunity Competencies

It is associated with an entrepreneur's capability to distinguish and capture possibilities, and to anticipate consumer needs. Such possibilities encompass undertaking activities like actively search, identifying and enhancing them in emerging markets. According to De Koning (2003), those who are able to do will flourish in seeking, assessing and developing possibilities of endless potential throughout the market.

3.3.4 Relationship Competencies

It is associated with the possession and utilization of excellent interpersonal and communicating skills, good influencing and supportive manners. The ability of an entrepreneur to work with and alongside other individuals is crucial, be it employees, business partners, family, friends, customers and others. Such competency can be classified into either "individual-to-individual" or "individual-to-group" interactions; they require constructing trust, cooperation, connection and contact, networking abilities, and solid interpersonal skill nevertheless.

3.3.5 Conceptual Competencies

It is associated with an entrepreneur's ability to analyze the situation when subjected to complex circumstances. It indicates his/her ability to wield: (i) cognitive ability and decision-making skill, (ii) risk analysis, (iii) analytical assessment, (iv) innovativeness and creativity, (v) high reasoning, and (vi) risk reduction actions. Man et al. (2001) has outlined the need for highly cognizant activities for these competencies, as they are reflected in an entrepreneur's process of learning, solving, analysis and deciding upon an issue. Furthermore, Chandler & Jansen (1992) have also highlighted how they translate into the mental abilities of coordinating and planning business activities, whereas Michalko (2000) is of the opinion that the competencies are associated with the ability to encourage new perspectives and ideas.

3.3.6 Organizing Competencies

It is associated with an entrepreneur's ability to lead, spur, plot and schedule work, and establish a coherent program. Such capabilities are astoundingly crucial, with the added necessity for them to be able to observe progress and systematize both internal and external resources, like finance and human resources. According to McClelland's (1987) statement, "efficiency orientation", "concern for high quality of work", and "monitoring" are indispensable competencies in ensuring all areas and functionalities within a firm are intact and it is operating effectively.

3.4 Underlying Entrepreneurial Competencies and Business Success

According to Sánchez (2012), the significance of competencies towards organizational or business performance is indispensable and directly impacting in nature. In fact, Noor Hazlina, Ramayah, Wilson, and Kummerow (2010) have highlighted its status as key indicators towards business successes for SMEs, with them being strongly associated and more prominent in environments that are hostile and dynamic.

Hence, Noor Hazlina, Hasliza, and Siti Rohaida (2010) have proposed a framework for 6 domains of competencies and business success, whereby competencies encompass opportunity, strategy, organization, conceptualization, relationship, personal and technical elements. Furthermore, Brophy and Kiely (2002) have reported that the concept of competence has resulted in an approach to identify behaviors associated with business success (similar to the approach for organization's owners). Difficulties determining such element in similar circumstances have caused for some entrepreneurs to succeed while others fail, whereby Brophy and Kiely (2002) have suggested to focus on entrepreneurial competencies as an effective solution. The success of a business can be measured by assessing an entrepreneur's business management, whether effectively and using the right methods. They must be able to perceive and adapt to uncertain variables as it produces entrepreneurs that are adaptable, dynamic and "self-regulating" (Haynie & Shepherd, 2009).

Furthermore, Gerli, Gubitta, and Tognazzo (2011) have highlighted the influence of competency towards organizational performance and business success. They include planning, efficiency orientation, self-confidence, persuasiveness, organizational awareness, teamwork, directing, leadership and benchmarking, all collectively culminating in better organizational performance and success. Works focused on the correlation between entrepreneurial competence and business success are generally based on Bird's theory of entrepreneurial competencies (Bird, 1995), due to their focal attention on entrepreneurial efficiency as a mechanism to improve chances for success. This is evident in the number of recent works adopting the approach despite being of different sectors in business and industry (Man, 2001; Mitchelmore & Rowley, 2010). However, these studies have only provided the basic or fundamental conceptualization of "entrepreneurial competencies", which can be developed or used in future studies.

3.5 Understanding Microfinance Factors (Financial Factor) as a Moderation Variable between Entrepreneurial Competencies and Business Success

According to the financial factor, it can be classified into 2 main elements, which are micro loan and saving.

3.5.1 *Microloan*

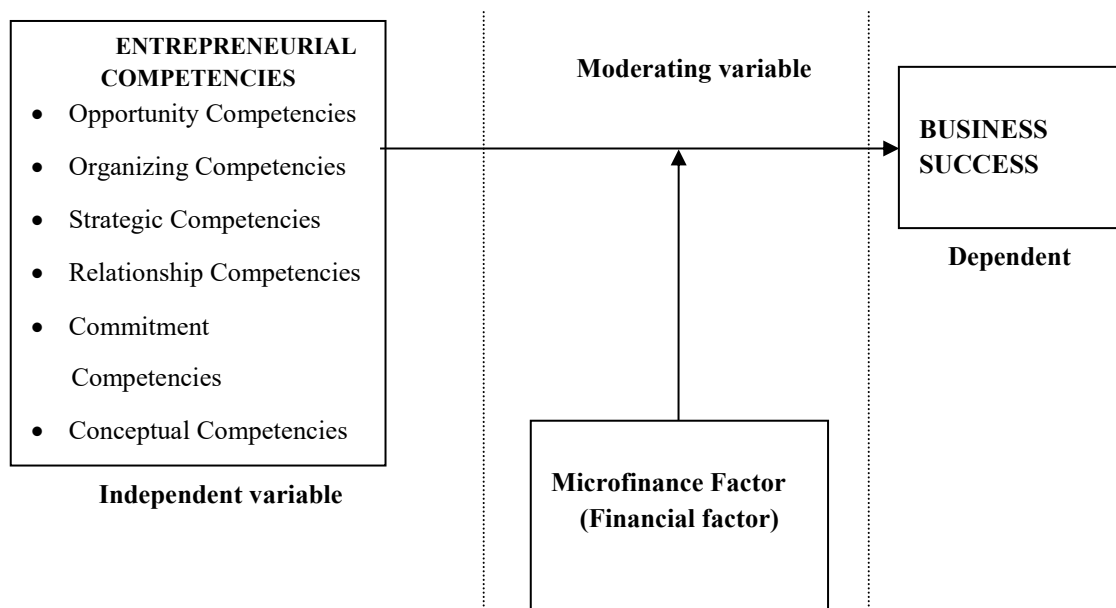
An entrepreneur may start his business using personal savings or opt to borrow either from family and friends or from microfinance institutions. It does not negate the need for more funds as working capital to finance the operations, especially when it grows or is being expanded. Such scenario usually calls for microcredit from microfinance institutions, whereby micro loan itself is a term coined in 1970 when it has been introduced in the Grameen Bank. Nowadays, micro loans are a popular option in formal and informal institutions both, which includes commercial banks, non-government organization credit and pawn shops. The microcredit will benefit the entrepreneurs and the country concomitantly. Al-Shami, Izaidin, Nurulizwa, and Mohd Syaiful Rizal (2014) have described microcredit as the primary service offered by microfinance institutions, which allows entrepreneurs some extra assistance in running their business. Similarly, Asiama and Osei (2007) have also referred to it as the provision of cash (loan) in a smaller amount compared to micro loan to small entrepreneurs, which are meant for the improvement of their business operations. Provision of microcredit has been projected to be a helpful factor for developing countries in their efforts to alleviate poverty and increase household income. Professor Mohamed Yunus in particular has stated that its main objective is regarding its goal to serve for the lower income people and reduce poverty. Furthermore, the credit (loan) granted is according to social collateral, which is an opportunity for those with low income to be involved in the economic market and expand their business.

3.5.2 *Savings*

In microfinance, savings is the money stored in a microfinance institutions or bank as a “back up” and future resources for business and family usage purposes, mostly done by those with low income (Mkpado & Arene, 2007). Al-Shami et al. (2014) has highlighted further that the savings facilities provided by microfinance institutions to relieve any uncertain risks that the group faces, increase their pay back rate and support these institutions’ financial position. To these microfinance institutions, mandatory group savings is a guaranteed group loan repayment. In contrast, entrepreneurs view them as a flexible, voluntary and easily accessible savings, which also instilled savings habits in a lower income household. It also generates interest-free funds to finance future business operations and settle familial financial issues, such as for children school fees (Ojo, 2009; Vonderlack & Schreiner, 2001). Nevertheless, there are various types of savings services provided by microfinance institutions, such as deposits, insurance, mandatory and voluntary. The main and common type is mandatory savings, which refers to the amount of savings that the entrepreneurs (clients of microfinance) are required to save as a preliminary condition to obtain future loans (Al-Shami et al., 2014). Meanwhile, mandatory group savings acts as an insurance for loan since they cannot be withdrawn until the loan is completely paid (Versluysen, 1999).

3.6 Theoretical Framework

The preliminary framework developed for this study has been depicted as follows:



4. METHODOLOGY

This study has adopted a survey method, designed to investigate the role AIM plays in allowing access to credit and mandatory saving toward business success via different elements of entrepreneurial competencies. Therefore, the main questions to be tackled are focused on elements in microfinance acting as a moderating variable, which should be adopted to ensure entrepreneurial business success. Cross-sectional surveys have generally been recommended as a method appropriate for primary data collection so as to clarify a population that is too big for direct observation (Choo, 2001). In this study, the unit of analysis is women entrepreneurs (AIM's Sahabat) in Kelantan, which are the target population due to their wide association with entrepreneurship capabilities (Mohd Rafi, 2010).

Based on AIM statistics, the highest number of members has been recorded to be from Kelantan with 49,687 members (15%), followed by Kedah with 44,241 members (13%), and Perak with 41,532 members (12%). Kelantan in particular has displayed 100% loan repayment percentage in 2011 and 2012 (Mustapha M., 2011), justifying Kelantanese women entrepreneurs as the respondents for this study. They consist of owners of micro businesses in different locations in Kelantan (i.e. Tanah Merah, Machang, Ketereh, Pasir Mas, Kuala Krai, Pengkalan Chepa, Kota Bharu and more), engaging in different types of businesses (e.g. food and beverage, manufacturing, and more).

This study is focused on two importance principles during the course of sampling technique selection: 1) it should reflect the population, and 2) it should not culminate in

increased travel costs. Therefore, stratified sampling has been recommended as most suitable method, which will also reassure the proportions of these women entrepreneurs (AIM) to be applicable to the population.

In this study, the number of respondent and the associated calculation has been according to Krejcie and Morgan (1970), and Morris (2004). Based on the population of women entrepreneurs under AIM in Kelantan, which has been recorded to be between “15,000 to 20,000” (AIM statistics), the sample size for this study has been set to 377 respondents.

The commonest type of instrument often used in researches is the questionnaire. Some items have been designed specifically for this study, such as entrepreneurial competencies, roles of microfinance and women business success, adapted from various works (Ekpe et al., 2010; Hoque, 2008; Man, 2001; Noor Hazlina, 2007; Pangaribuan, 2012). The questionnaire has been divided into five general sections, with the questions arranged as follows: (A) general respondent background; (B) business/firm information; (C) entrepreneurial competencies (interval scale); (D) role of Microfinance (interval scale); and (E) business success (interval scale). The format of the interval scale in this study has been designed to be between 1=Strongly Disagree to 10=Strongly Agree (Sekaran & Bougie, 2013; Zainudin, 2012). Coelho and Esteves (2007) are in support of the 10-point interval scale due to its ability to capture more data compared to the 5-point Likert scale. This is also justified by Zainudin A. (2012), whose opinion is for Likert scale to be employed without labels to produce continuous interval data that satisfies the data assumption for parametric analysis purpose.

After successful data collection processes, the data obtained has been analyzed using Statistical Package for Social Science (SPSS) for Windows and Structural Equation Modeling (SEM) via AMOS. The demographic variables in particular have been analyzed using SPSS, whereas AMOS has been used to analyze the independent, dependent and moderating variables.

5.0 ANALYSIS

The 392 respondents who are participated in this study are consisting of women entrepreneurs in Kelantan, Malaysia. The table below show the summary of demographic respondents:

Table 1: Demographic Background of Respondents and Business

Characteristics of Respondents		Frequency	Percentage
Age	<30	35	8.9
	30-39	94	24
	40-49	172	43.9
	50-59	73	18.6
	>60	18	4.6

Marital status	Single	30	7.7
	Married	287	73.2
	Others	75	19.1
Level of education	PMR	97	24.7
	SPM	129	32.9
	Certificate	54	13.8
	Diploma	20	5.1
	Degree	13	3.3
	Others	79	20.2
Experience	Yes	177	45.2
	No	215	54.8
Working experience (Years)	< 2	28	15.8
	3-5	90	50.8
	6-10	43	24.3
	11-20	14	7.9
	>21	2	1.1
Formal training	Yes	113	28.8
	No	279	71.2
Characteristics of Business		Frequency	Percentage
Year of business	<2	40	10.2
	3-5	198	50.5
	6-10	132	33.7
	11-20	22	5.6
	>21	-	-
Business current assets	<RM5,000	32	8.2
	RM5,000-RM19,000	187	47.7
	RM20,000-RM39,000	141	36
	>RM40,000	32	8.1
Business categories	Manufacturing	74	18.9
	Telecommunication	16	4.1
	Health and Beauty	56	14.3
	Services Accommodation	5	1.3
	Restaurant and Catering Services	96	24.5
	Education and Training Services	8	2
	Retail	72	18.4
	Others	65	16.6

5.1 Assessment of the Structural Model

SEM is conducted for the purpose of testing regression pathways present between dependent and independent variables. It has been run and the resulting fit indices have been presented in Table 2 below:

Table 2: Structural Model Fit Indices

Model Fit Indices	Value
χ^2	960.857
χ^2/df	2.189
RMSEA	0.055
CFI	0.944
TLI	0.936




The results have indicated no necessity for model re-specification as all indices have displayed the required level of significance. The ratio of χ^2/df is within the acceptable range of 1-3 ($\chi^2/df = 2.189$) (Musteen, Datta, & Butts, 2014). Furthermore, the RMSEA value (0.055) has been deemed satisfactory, as per Browne and Cudeck's (1992) and Hu and Bentler's (1999) suggested value to be equal or lower than (\leq) 0.08. Meanwhile, the incremental fit indices, Tucker-Lewis index (TLI) and comparative fit index (CFI) have both scored higher than the acceptable values of ≥ 0.90 (Bagozzi & Yi, 1988; Bentler & Bonett, 1980).

5.2 Result of Path Analysis

To examine the structural paths, z-value has been applied to the regression significance (beta coefficient). It will only be considered as statistically significant if the z-value (C.R.) is bigger than +/- 1.965 at 5% significance level, or bigger than +/- 2.587 at a 10% significance level, or bigger than +/- 3.313 at a 1% significance level (Degree of freedom=439). As this study has opted for 5% significance level, the z-value must be greater than +/- 1.965. Table 4.3 below has subsequently displayed the parameter estimates, standard errors, critical ratios and significance values for all paths present in the model.

Table 3: Parameter Estimates, Critical Ratios and Significance Value of the Model

Path Analysis			Estimate	S.E.	C.R.(z-value)	Results	Decision
SF		OP	0.277	0.076	3.639	0.001	Supported
SF		OG	0.169	0.054	3.158	0.002	Supported
SF		ST	0.010	0.044	-0.225	0.822	Not Supported

SF		RL	0.490	0.124	3.969	0.001	Supported
SF		CT	0.112	0.054	2.083	0.037	Supported
SF		CP	0.001	0.072	.018	0.986	Not Supported

SF= Success factor, OP= Opportunity, OG= Organizing, ST= Strategic, RL= Relationship, CT= Commitment, CP= Conceptual

As per Table 3 there are only four independent variables showing significance with women business success, proving the positive significant relationship between opportunity competencies and women business success, at z-value=3.639 (greater than +/- 1.965 at a 5% significance level). Furthermore, getting a critical ratio as large as 3.638 in absolute value has shown less than 0.001 probability, indicating that the regression weight for opportunity for predicting success is significantly different from zero at 0.001 (two-tailed). Next, positive significant relationship has been found between organizing competencies with women business success, at z-value=3.158 (+/- 1.965 at 5% significance level). There is .002 probability of getting a critical ratio as large as 3.166 in absolute value, which means that the regression weight for organizing for predicting success is significantly different from zero at 0.01 (two-tailed). In addition, relationship competencies have also shown a positive significant relationship with women business success, at z-value=3.969 (greater than +/- 1.965 at a 5% significance level). As the probability of getting a critical ratio as large as 3.931 in absolute value is less than 0.001, the regression weight for relationship for predicting success is significantly different from zero at 0.001 (two-tailed).

Moreover, commitment competencies have also displayed a positive relationship with women business success, at z-value= 2.083 (greater than +/- 1.965 at a 5% significance level). With 0.37 probability of getting a critical ratio as large as 2.086 in absolute value, the regression weight for commitment for predicting success is significantly different from zero at 0.05 (two-tailed). In contrast, strategic competencies have displayed no significant relationship with women business success. Its z-value is at 0.822, whereas the probability of getting a critical ratio as large as 0.225 in absolute value is .822 and indicative of its regression weight for predicting success is not significantly different from zero at 0.05 (two-tailed). Lastly, the conceptual competencies have also displayed a lack of significant relationship with women business success. The z-value is at 0.986, whereas the probability of getting a critical ratio as large as 0.018 in absolute value is .986 and indicative of its regression weight for predicting success is not significantly different from zero at 0.05 (two-tailed).

Next, the squared multiple correlations (R^2) have been reported accordingly in Table 4. The values have reflected the variance accounted for by variables in the model, up until a specific variable. The R^2 value for business success has been recorded as 0.61, indicating that 61% of the variance in business success is accountable by the tested variables in this study.

Likewise, the predictors of success have been estimated to explain 61.2% of its variance, whereas its error variance is approximately 38.8% of the variance of success itself.

Table 4: Squared Multiple Correlations of the Model

Construct	Estimate
SF	0.612

Note: SF= Success factor

5.3 Moderating Effects Analysis

The hypotheses have subsequently suggested that in case of finance factor is perceived to be high, it is associated with higher levels of business success compared to low perception of roles of microfinance. To test the moderating effect, a multiple-group analysis via AMOS 23 has been conducted (de Burca et al., 2006; Zainudin, 2010; Zweig & Webster, 2003). Assessment of the significant effect of the moderators has been done in a two-stage manner, whereby the first step requires estimation of the parameter linking entrepreneurial competencies and business success. Done simultaneously for both groups (high and low), the resulting model has been referred to as the “baseline” or “unconstrained” model as per literature, as the estimate of the direct path has allocated for differences between the two groups (Zweig & Webster, 2003).

To confirm the moderating effect of financial factor, the chi-square difference between the “unconstrained” and “constrained” models has been observed. Table 5 has consequently displayed the moderation effect for financial factor.

Table 5: The Moderation Test for Financial Factor

Moderated path	Unconstrained		Constrained		Chi-square difference Test		
	χ^2	Df	χ^2	f	$\Delta \chi^2$	Δ Df	Decision
Financial factor (high)	130.552	61	158.471	62	27.919	1	Supported
Financial factor (low)	140.664	61	141.286	62	0.622	1	Not supported

To summarize, Table 5 has indicated that financial factor (high) significantly moderates the relationship between entrepreneurial competencies and business success (chi-square difference = 27.919). However, the financial factor (low) does not moderate the relationship between entrepreneurial competencies and business success. The moderation effect is said to occur due to the difference in Chi-Square value between the constrained and unconstrained model of more than 3.84 (de Burca et al., 2006; Zainudin, 2010).

6.0 CONCLUSIONS

The model structure has discovered that only four of the independent variables (elements of entrepreneurial competencies), namely relationship, opportunity, organizing and commitment competencies to have significant relationship towards women business success respectively. Furthermore, the financial service factor has also shown significantly moderating effect on the relationship between entrepreneurial competencies and business success among women entrepreneur. Thus, AIM will no doubt be effective and helpful for women entrepreneurs to be successful in their businesses, and this model will benefit to the literature review regarding the success of women entrepreneurs.

Based on the results, it can be concluded that the model entrepreneurial competencies adopted is fit for women entrepreneurs in Kelantan. By specifically seeking to understand and identify the importance of entrepreneurial competencies (i.e. opportunity, organizing, strategic, relationship, commitment, conceptual), it is designed as per the perception of women entrepreneurs in Kelantan. Therefore, the findings are likely to be useful to SMEs, with extra focus on the need for training in order to improve effectiveness. The government and other associated agencies should also consider providing more training to increase entrepreneurial competencies for women entrepreneurs.

Meanwhile, this study may contribute to adding new knowledge to the field of entrepreneurship, especially in microfinance. Such microfinance factors have acted as a moderating element, with credit and saving being the dimension of financial factors. Therefore, this study has shown that financial factor has shown fully moderating effect on the relationship between entrepreneurial competencies and business success.

In the 10th Malaysia Plan, the government has posed their concern in helping women to become successful through need special schemes as well as other elements like financial factors (credit and saving). Such efforts will undoubtedly help women in becoming successful in their ventures.

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