An inter-ethnic study of gender differentiation and innovativeness among women entrepreneurs in Malaysia

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Researchers have generally established the connection between innovativeness and cultural values. However, in these studies men are typically the majority of respondents. There is also no effort in these studies to treat women as a distinct cultural entity although there is evidence suggesting that social conditioning, particularly in masculine societies, induces gender-differentiated behaviors. This paper addresses these issues via a quantitative study examining the effect of masculinity (Hofstede, 1980) on the innovativeness of Malay and Chinese women entrepreneurs in the Malaysian peninsula. Results strongly suggest that for women entrepreneurs, masculinity should not be treated as a single-construct dimension. Rather it should be split into two sub-constructs: ego orientation and gender differentiation. When the construct of masculinity is divided in this way, path analysis reveals that the Malay sample of women entrepreneurs is more innovative than the Chinese even though the latter has a higher index of ego orientation. This may be explained by the former’s lower index of gender differentiation.

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Introduction

In Malaysia, gender and inter-ethnic issues have become increasingly important in nation-building. The heterogeneity of the population requires the government to have a deep understanding of the differences among the various ethnic groups. At the same time, since women comprise approximately half of the population (Malaysia. Department of Statistics, 2008a) their social position also greatly affects the country’s political and economic scenario.

The study of women entrepreneurs, in particular, is gaining prominence due to the expanding role that women play in the economy. Although women make up only about 15% of the total number of employers in the country (Labour Force Survey Report, Malaysia, 2008), they are acknowledged for their contribution in reducing unemployment and poverty, and economic gaps among different levels of the society (Ariffin, 1994; Idris, 2009; Ismail & Joneed, 1999; Ong & Sieh, 2003). The government’s recognition of the importance of support for women entrepreneurs has been evident since the late 1990s with the setting up of the Women Entrepreneurs Fund, with an allocation of RM10 million (Malaysia. Economic Planning Unit, 2000). Various other mechanisms of support for women entrepreneurs have also been established, such as the Women’s Institute of Management and the National Association of Women Entrepreneurs of Malaysia, which conduct training programs as well as establish networks for these women.

As argued by De Bruin, Brush and Welter (2007), previous entrepreneurship studies have largely focused on masculine processes and behaviors, with the result that comparisons among samples of women – such as inter-ethnic comparisons – are relatively rare. However, available studies do suggest significant differences, particularly in terms of behavior. For instance, Smith-Hunter and Boyd (2004) find that minority women entrepreneurs in the west often operate in racially-segregated markets to offset disadvantages such as lack of capital. Iman (2000) suggests that the problems occur because minority women usually do not enjoy the same formal support mechanisms which white women do, including access to education and financing.

Local studies on inter-ethnic differences tend to focus on the Malay and Chinese ethnic groups because they comprise respectively around 60% and 30% of the Malaysian population (Malaysia. Department of Statistics, 2008a). Many local scholars (Abdullah, 1992; Long, 1998; Omar, 2003) contend that Malay and Chinese entrepreneurs have different values which have resulted in certain discrepancies in their behavior. However, these studies are generally observational and thus lack scientific data to support their arguments. They are also not particularly concerned with gender issues in entrepreneurship, despite evidence suggesting that social conditioning induces gender-differentiated behaviors (Ismail & Ibrahim, 2008). Given the above contention regarding inter-ethnic differences, the issue of culture and its effect on women’s entrepreneurial behavior warrants deeper investigation.