

Women Micro-Enterprises Performance, Role of Social Capital, Locus of Control and Institutional Support on Entrepreneurial Orientation Nexus. A Conceptual Perspective

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Abstract: This research proposed a framework on the interactive effect of Social Capital, Locus of Control and Institutional Support on the nexus of entrepreneurial orientation (EO) and micro-enterprises performance. As the level of empirical research is lacking on the elements identified in a single study. This study used the uni-dimension of EO encompassing the proactiveness, innovativeness, and the risk-taking proclivity of women micro-enterprises in developing novel jobs towards narrowing the economic disparities of people. The incorporated variables like Social Capital, entrepreneur's internal locus of control and Institutional Support relate to entrepreneurship as per extant literature. A quantitative research method will be utilised and with the help of the G-Power to establish the acceptable minimum sample size suitable for the study. Data will be obtained via purposive sampling technique and analysis done with the use of the Smart PLS-SEM software. The findings would provide vital value on the significance of the antecedent variables on the perceived financial and non-financial performance indicators of women micro-entrepreneurs. The study will be anchored on the model of strategic entrepreneurship, organisational learning and learning organisation theories stressing how their adoption by women micro-entrepreneurs could enhance optimal sustainable performance. The implications of this findings would be of great significance on women micro-entrepreneurs' performance, enabling them to compete well in this competitive business environment, evolve to SMEs and large business that will find their presence in the international market. Further, findings would provide direction for educators, policymakers and future research to enhance the optimal sustainable performance of women micro-entrepreneurs and in Malaysia.

Keywords: *Entrepreneurial Orientation; Locus of Control; Social Capital; Institutional Support; Women Micro-Enterprises Performance*

1.0 INTRODUCTION

Micro-enterprises' contributions in any form contribute to nations' economic development. They may operate full-time, part-time businesses from home, in small shops and in front of streets, facilitating

enterprise formation having up to five employees. Micro-enterprises can greatly support low-income households' socioeconomic development and provide a sustained economic growth. Such businesses subsequently develop into SMEs all providing significant benefit to large businesses [1-2].

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Businesses that are mostly micro-enterprises are more likely to be innovative and actively focused on developing jobs for the general public. Additionally, micro and small businesses are seen as the sector that expands business prospects, raises family incomes, and improves social wellbeing [3-4]. As a result, both advanced and emerging economies are focusing their efforts to entrepreneurship policies and initiatives that can boost the performance of micro, small, and medium-sized businesses (MSMEs). Due to the radical shifts in gender values across the globe, more and more women are starting their own businesses. However, due to their propensity for launching new goods and services onto the market, men entrepreneurs have dominated the pool of knowledge.

Governments worldwide are appreciating the need for and have encouraged women to become entrepreneurs with programs meant to promote women's entrepreneurship. The global expansion of female entrepreneurship has gained much attention in recent years. Regional balance and employment targets are projected to increase during the next decade [5-6]. Due to their low level of entrepreneurial orientation, concerns about their access to social capital and other forms of support, and their capacity to execute with a high sense of achievement in order to realise their vision, the majority of women entrepreneurs, particularly in emerging nations, operate in unofficial, unregulated, and semi-structured businesses.

Previous studies hinted that women's entrepreneurship is a growing phenomenon on a global scale that has garnered a lot of scholarly interest in recent times. Women's entrepreneurs help the country create jobs and thrive economically. They support greater entrepreneurial diversity at the family and community levels in a range of economic circumstances [7] [3]. Regardless of the significant contributions made by female entrepreneurs in Malaysia and around the world, they continue to face a number of barriers and difficulties that can hinder their entrepreneurial orientation, access to social capital, and ability to access institutional support that can help them improve their performance.

Likewise, from literature few empirical researches emerged on the performance of women microentrepreneurs in relation to social capital, locus of control, institutional support, and other factors [8-10]. The insufficient research could be attributed to a number of political and social, religious, customary, interpersonal, and other obstacles that may discourage women from pursuing entrepreneurship and providing themselves with the necessary tools for success. Additionally, a variety of supports, such as household, a low level of social capital, and a weak locus of control, might impair the performance of an enterprise [11-12] [3], and a lack of entrepreneurial knowhow has a significant impact on how well entrepreneurs thrive. The performance of women entrepreneurs is further hampered by less or no assistance, culture, and the sector in which most business people operate, particularly in Malaysia [13] [6].

The above discussion provides an important focal point for coordinated scholarly study on the interactive role of social capital and locus of control in the relationship between entrepreneurial orientation and women micro-enterprise performance. The goal of this study is to integrate social capital, locus of control, and institutional support to provide an integrative perspective on the relationship between entrepreneurial orientation and women micro-entrepreneurs performance in Malaysia. The study will incorporate the strategic model of entrepreneurship, organisational learning, and learning organisation theories which received less attention by previous scholars in relation to the performance of MSMEs particularly women-owned microenterprises—into a researchable model as presented.

2.0 THEORETICAL AND HYPOTHESES DEVELOPMENT

2.1 Women Micro-Entrepreneurs Performance

The concept of entrepreneurship is fundamental in both developed and developing economies because the role of entrepreneurs can lead to the development of firms to national development. Women who organise all the production components, take risks, and employ

others are referred to as women entrepreneurs. According to Laguía, et al., [7], at the global level, entrepreneurship has been dominated by men, while the numbers of women entrepreneurs have been increased since 2010. Prior studies have revealed few studies in developing countries on the success of women entrepreneurs [9-10]. Women entrepreneurs are considered performing well in recent times not only developed countries but in developing countries as well due to some supporting factors that increase the number of women entrepreneurs [14] [7]. Growing female entrepreneurs could lead to social and economic development, including increased income, job prospects, and role equity. Yet, women's motivations for starting a business differ from men's since women are more motivated to achieve a work-life balance. This study determined the performance of women micro-entrepreneurs based on high level of EO, mediated and moderated by social capital, locus of control and institutional support.

2.2 Social Capital (SC) on Women Micro-entrepreneurs Performance

In defining social capital theory, social capital as a web of relationships with mutual complementary actions able to harness synergistic potential of members to achieve a common goal. It refers to the quality of human relationships existing within some well-defined social group providing access to network and vital information which has impact on achieving mutual benefits [15] [12]. Social capital as an asset embedded in relationships that facilitate instrumental action among people and the sharing of knowledge and resources from one person to another. Furthermore, Social capital can therefore be considered an integral driver of entrepreneurial orientation enhanced by high level of institutional support and locus of control for sustainable women micro-entrepreneurs' performance.

In view of that, this study emphasised the three aspects of social capital of structural, relational and cognitive social capital underscoring their worth and how they explain the EO of women micro-enterprises performance in terms of inter-firm knowledge sharing of resources and innovative ideas towards their

ultimate performance. In view of that, the study posits that:

The structural social capital (SCC) includes network ties, which are associated with specific actors. Ties are fundamental aspects of social capital because the social ties network of an actor creates opportunities for social capital transactions [15-16]. The configuration of a network structure determines the pattern of linkages among network members like knowledge exchange and the extent of contact and accessibility among network members [15]. Furthermore, relational social capital (RSC) emphasises on direct ties between actors and the relationship instead of structural outcomes of interactions. Previous literature suggests that these relationships can be in the form of bonding, bridging, and linking social capital [17] [16]. Thirdly, the cognitive social capital (CSC) signifies the resources that provide shared meaning and understanding between the network members, how network members share a common understanding and approach to achieve common goal and performance. Further, high level of social capital exercised by firm owners can enable them to attract internal and external support creating more networks for their business performance [15]. In that regard, institutional support as proposed by this study will amplify the SC of Women Micro-Entrepreneurs for superb performance.

2.3 Locus of Control of Women Micro-Entrepreneurs and Performance

Rotter (1954) coined the phrase locus of control in his seminal paper. The locus of control relates to how an individual believes that they have power over whatever took place in their lives. The notion of locus of control argued that persons with an internal locus of control feel that success and failure are determined by the amount of effort invested and influence over their fate. By contrast, people with an external locus of control believe that their destiny comes by chance or luck and is not within their control [14]. According to Wang, and Huang [18], locus of control is essential in promoting entrepreneurial attitude. Research revealed that entrepreneurs tend to score higher on internal

locus of control compared to their ordinary counterparts with low level of internal locus of control [18]. Entrepreneurs with this tendency makes them more proactive in pursuing business opportunities and attain their performance targets. Moreover, Wang and Huang [18] study authenticate the positive relationship between internal locus of control and entrepreneurial mindset of entrepreneurs. Thus, making entrepreneurs take calculated risk, and endure failures or disappointments thereby boosting their overall performance.

In line with the reviewed literature and the study framework, the following hypotheses have been proposed for this study as:

- H1. EO has a positive and significant effect on Women Micro-Enterprises Performance.
- H2: Internal Locus of Control has a positive and significant moderating effect on EO and Women Micro-Enterprises Performance link.
- H3: Social Capital has a positive and significant effect on Women Micro-Enterprises Performance.
- H4: EO has a positive and significant effect on SC of Women Micro-Entrepreneurs.
- H5: A significant and positive mediating effect of SC exists between EO and Women Micro-enterprises performance link.
- H6. A significant and positive moderating effect of Institutional Support exists between SC and Women Micro-Enterprises Performance link.

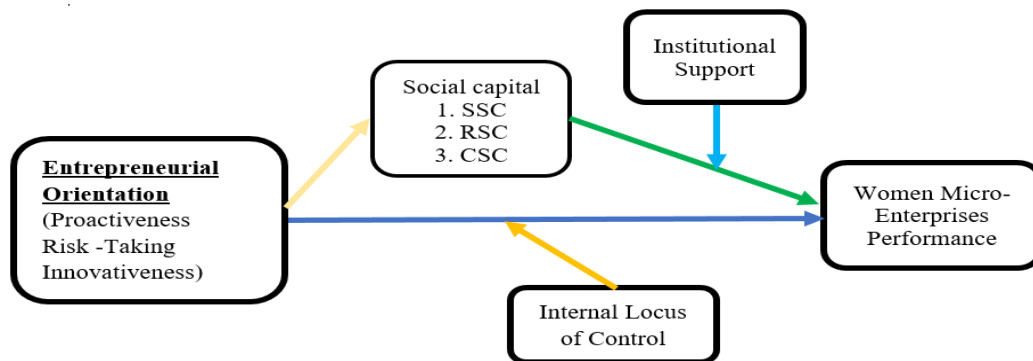


Fig. 1. Research Framework

3.0 MATERIALS AND METHODS

The study utilized a quantitative research approach with a descriptive and causal research design method. The respondents of this study would be women micro-enterprise owners within Malaysia. Based on their definition, microenterprises either in the manufacturing and services or other sectors possess a sales turnover of less than RM300,000 and employ between 1 to 5 staff [19].

The G-Power is most suitable software to determine minimum sample size of a study. Hence, the G-Power version 3.3.9 will be utilised computing for an effect size of 0.15, alpha of .05, and power of 0.80, to obtain the minimum sample size for this study to test the model with five independent and exogenous variables. Based on the minimum sample size, the study will aim at obtaining 500 responses

from women micro-entrepreneurs who constitute the study subjects so that the total outcome can be generalised in any study population.

As a quantitative research, the study's independent, exogenous and endogenous variables would be adapted from previous studies and designed using 5 point and 7-point Likert scales respectively as a way curtailing research biases from the onset. The data will be collected from microenterprise business owners through an online and offline survey ensuring that it exceeds the least sample size and analyzed using the SPSS version 26 softer after treating the data for outliers and common method variance issues. The direct and causal effects of the study variables would be analysed via the Smart PLS version 4 software to statistically test for the significance levels ensuring a minimum value of (0.05).

4. CONCLUSION

A better comprehension on the mediating and moderating impact of factors as, social capital, internal locus of control and institutional support on EO in stimulating the sustainable development and performance of micro-entrepreneur's business is of great value to present and future business owners, Other stakeholders such as, Government and Non-governmental institutions, business incubators, and potential investors considering supporting business proposals would also benefit from vibrant micro, small and medium enterprises. Educators as well as trainers could use this research model in teaching entrepreneurship and training in small-business seminars. In sum, the current study would form a good grounding for contribution to the body of knowledge in management, practically provide alternative and smart approaches and reasoning for the chosen variables with justifications for practitioners to imbibe the study theories and provide pragmatic measures for policymakers interested in promoting women entrepreneur's performance in Malaysia thereby becoming a generational developmental model for sustainable performance of micro, small and medium enterprises.

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