

## **An Exploratory Research of the Motivation and Risk-taking Components in the Women Entrepreneurs: A Case Study of Southern Thailand**

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### **ABSTRACT**

The purpose of this study is to examine the motivation and risk-taking that affect the success of women entrepreneurs in the Southern region of Thailand. The study utilized qualitative approaches that comprised of semi-structured interviews to gain a better understanding of the study context. The respondents were the Southern Thailand women entrepreneurs who were sole proprietors and had been operating their business for more than two years. This study also involved interview sessions with 21 selected women entrepreneurs from three districts namely; Hatyai, Songkhla, and Sadao, to probe for additional information. The findings discovered that the main motivation for the women entrepreneurs to start their business is the positive advice from others, i.e. family and friends, and also their own personal desire to earn incomes to support their families' expenditures. Most respondents seem to ignore the existence of risks, and in most cases they are able to resolve their business issues competently. The results of this study provide evidence and explanation of the determinants of business performance among women entrepreneurs in Southern Thailand.

Keywords: women entrepreneurs, motivation, risk-taking, Thailand

### **1. INTRODUCTION**

Women entrepreneurs make an important contribution to employment, innovation and prosperity formation in all economies (Brush, Carter, Gatewood, Greene, & Hart, 2006). As reported by Kelley, Brush, Greene, and Litovsky (2011), in 2010, more than 52% of the world's women entrepreneurs population started up new businesses in various fields, and an additional of 83 million women who had launched their business at least three and a half years. The total of 187 million women exemplifies the contribution of women in the entrepreneurship and business ownership worldwide.

Although the rising significance of women entrepreneurs in the world is gradually recognized, only few studies are discussed in this area (Brush, de Bruin, & Welter, 2009). Similarly, in depth studies on women entrepreneurs in Thailand are also lacking (Kongsinsuwan & Johnsson, 2008; Pettie, 2002), thus this situation calls for more studies to be undertaken to fully understand the current phenomenon. In relation to this issue, this research will examine the motivation and risk-taking among success women entrepreneurs in Southern Thailand.

In 2010, it has been stated that there are over 2.9 million SMEs or 99.6 percent of all enterprises in Thailand which consist of 545,098 enterprises in production sector, 983,610 enterprises in service sector, and 1,383,391 enterprises in trading sector. The SMEs can be

categorized into 2,894,780 small enterprises and 18,387 medium enterprises or 98.7 and 0.63 percent respectively of all enterprises in Thailand (OSMEP, 2011).

In spite of active involvement of women in the economic development of Thailand, a study done by Rungleardkeangkai, Sirirat, Somboonkul, Chulirachaneekorn, and Chulikpongse (2007) indicated that most of successful entrepreneurs in the Southern region of Thailand are male, age between 31-40 years, married, Buddhist, with bachelor degrees, and have been operating business since 6-10 years. They started up their business as a sole proprietorship when they aged between 20-30 years old because of wanting to be their own boss. The study also reveals that determinant factors that affect their success are nature of entrepreneurs, entrepreneur characteristics, and managerial ability. The researchers suggest that entrepreneurs have to change the legal form of business setting, sources of fund seeking, networking, using more technology, information analysis, financial planning, strategic management and planning, and systematic control in order to make them more successful. This study seems to reflect that the involvement of Thai women entrepreneurs in business in the southern Thailand is still behind the male counterpart.

The motivation and risk-taking have been highlighted by an interview from Kanlaya Trivai (personal communication, July 27, 2012), and from the discussion done by Yingluck Shinawatra ("Prime Minister emphasizing the role of women equal to men was a major factor in the sustainable economic growth ", 2012). Thus, the two factors could be considered as the critical individual factors that need to be addressed in this study.

## 2. LITERATURE REVIEW

Hatcher, Terjesen, and Planck (2007) stated that the word "entrepreneur" comes from individualistic, motivation, competitive, risk-taking business people who give up everything they have for success. In another study, it is suggested by authors that female entrepreneurs are those women who tend to utilize their skills and resources to expand and innovate their businesses. These women own more than half of their businesses and have operated their businesses for more than one year (Anwar & Rashid, 2011).

Researchers also suggested several other factors that have impact on successful entrepreneur among those are diligence, responsibility, honesty, administration ability, decisions making skill, self-confidence, communication skills, vision, leadership, creativity, basic knowledge and experience, risk taking, continuously and dynamically, ability to think and analyze, autonomy, achievement, innovativeness, motivation, work-family balance, culture, need for counteraction, response to immediate problems, labor and human resource management, and management skills(Harif *et al.*, 2011; Hoe *et al.*, 2012; Karasawai, Pooncharoen, & Jamornmarn, 2011; Kaweera, n.d.; Rose, Kumar, & Yen, 2006; Torudom, 2007).

### 2.1 Motivation

Personal factors such as self-fulfillment (Dzisi, 2008) and achievements are motivational factors of women entrepreneurs. In order to prove themselves to others particularly family members, women started their business and become active entrepreneurs (Itani, H., Sidani, Y. M., & Baalbaki, I., 2011), and consequently help to increase their family income (Jamali, 2009). Women entrepreneurs who come from the lower income group, usually first started their business because they need to meet family expenditure. While, women entrepreneurs who come from the middle income group started their business because they want to lift up

their current standard of living (Nadgrodkiewicz, 2011). Some researchers, however, mentioned that self-employed females cannot handle difficult situations when compared with those females that are employed by others or working for others (Rosti & Chelli, 2009), because they normally become self-employed due to their inability to get employed or less employment opportunities (Jamali, 2009).

Emirati women entrepreneurs for example are motivated by desire, free time and availability when they started their own business (Kargwell, 2012). For Nigerian women entrepreneurs, the main motivation for starting business is to reduce poverty and to reverse their decomposed economic conditions (Woldie & Adersua, 2004). While Chinese women entrepreneurs started their business because they are afraid of losing their jobs at middle age (Zhu & Chu, 2010). As suggested by the studies, there are many factors that affect the motivation level of an entrepreneur and the factors seem to slightly differ from one country to another. Hence, this trigger further studies to be undertaken to truly understand the motivational factors that influence Thai women entrepreneurs' current success.

## **2.2 Risk-Taking**

Risk taking is the tendency of an individual to show risk taking or risk avoidance attitude when faced with a risky situation (Gurol & Atsan, 2006). Risk taking has multi-dimensional concept and researchers should consider the different types of risks.

During business start-up process, entrepreneurs faced several types of risk that are related to uncertainty of income, risk of losing entry investment, hard work, high stress, difficulty in obtaining customer, complete responsibility, difficulty in obtaining loan and discouragement (Shah & Ali, 2010). In another study, several types of risks are found to be related to entrepreneurship; (1) role of perception risk – the feeling of losing one's face when he/she cannot maintain the expectation for the role they have, (2) commitment risk – one's risk for the loss of the ability to change for the wanted but uncertain outcomes, (3) career risk – the loss when more desirable career cannot be achieved even though a person already has a stable and satisfied career, and (4) physical and mental well-being risk – the loss of one's peace of mind and/or health if he/she is not achieving his/her goal (Kamalanabhan et al., 2000).

In most cases entrepreneurial risks are affected by three groups of factors namely; the decision situation context such as setting up a new enterprise after an economic crisis, the personality traits of an entrepreneur i.e. either a risk averse or a risk taker, and the entrepreneur's demographic or personal context i.e. gender, experience, income, etc. (Brindley, 2005). Those entrepreneurs who perceive less risk than others can probably have a chance to take risky action by mistakes (Simon, Houghton, & Aquino, 2000). Thus, risk knowledge needs to be justified so as to assist entrepreneurs and policy makers to make decisions about their business (Forlani & Mullins, 2000). In relation to this, studies showed that many businesses had collapsed during the start-up of new business (in the first year) because entrepreneurs did not have much risk management knowledge (Kargwell, 2012).

## **3. METHODS**

As this study in an exploratory research in nature, a qualitative approach was implemented. Creswell's (2012) recommended between 5 - 25 interviews for a phenomenological study and 20 - 30 for a grounded theory study. By using a convenience sampling method, seven women entrepreneurs from each study area (i.e. Songkhla Municipality district, Hat Yai district, and Sadao district) were chosen. In total, 21 women entrepreneurs were invited to participate in

this study. Three questions regarding motivation and risk-takings were asked. An interview protocol was used to get an in depth information in semi-structure interview. A combination of note-taking and audio-recording was employed to record data from the interviews. Content analysis was adopted to identify the main themes of motivation and risk-taking components.

#### **4. FINDING**

Nine of 21 women entrepreneurs in this study operate their businesses in the retail sector. Eight participants own their businesses in the service sector, three participants involve in the production sector, and one participant runs her business in both retail and wholesale sector. In other words, majority of the women entrepreneurs in this study are involved with the retailing and service businesses.

Regarding to the motivation to start up the business, nine of 21 participants (43 percent) revealed that their biggest motivation in starting business is advice from others especially the family members. For those who married, their husbands were the key persons who motivate these women entrepreneurs to initiate her businesses, while the single entrepreneurs were motivated by their fathers, sisters, relatives, and customers. While six of 21 participants (29 percent) was motivated because they inherit of their family's business, three of them (14 percent) were have experiences in this area. Few of them proposed about want to work at her home town, saw her customer's success, and like to have party.

By looking at the main reasons which these women entrepreneurs use to motivate themselves, the results displayed that the utmost reason for self-motivation was their businesses are the main income generator to their families (29 percent). If their businesses could not effectively operate, their families might confront with a financial problem. Another reason was their businesses have high potential to success as they generate lot of profit (24 percent). It was interesting that about 20 percent of respondents were motivated as they already quitted their previous job and they mentioned that being women entrepreneurs were like working in their own kingdoms.

The respondents were asked how they manage risks in their businesses. About 67 percent of the participants exhibited themselves as the risk avoidance. While 38 percent of the participants explained that they handled risks in their businesses by mainly focusing on their cash flows such as accepting only cash, reducing stocks, and making good relationship with customers for encouraging buying volume; others (29 percent) mentioned that they tended to combine many management approaches when they have to handle with the risks. Surprisingly, about one-third of the women entrepreneurs (33 percent) revealed that they did not prepare to manage their business risks. They explained that they did not have any emergency plans as their businesses never have any serious problems.

#### **5. DISCUSSION**

The discussion on this issue is divided into two parts: motivation and risk taking factor.

##### **5.1 Motivation**

The entrepreneurs' motivation can be classified into two stages: initial start-up of business and ongoing business operation. Apparently, before they involved in the business, Thai women entrepreneurs received lots of advice from another person (s) who is/are closed to them, such as their own spouse, father, sister or even their customers of the previous business. In addition to start own business, some of them inherited their family business from their spouse or parents. Even though many of them do not have prior business experience, they keep themselves motivated at all times to run the business in order to earn a modest income to support their family's expenditures. To some, to see how much they will earn based on their own efforts is very motivating, and in addition to that, the high possibility of business success makes them more persistence in the business field.

This finding is in line with the previous studies which mentioned that motivation have a significant influence on women entrepreneurs' success (Itani et al., 2011; Jamali, 2009). For example, Itani et al. (2011) stated that women entrepreneurs started their business because they want to prove themselves to their family members and others, thus they would motivate themselves to always perform well in business. In addition, they intend to support and increase their family household's income (Jamali, 2009).

The plausible reason why motivation does not have a significant relationship with business performance, such as business growth rate, annual sales revenue, and number of employees, are because these women entrepreneurs first embarked on the business activity not merely because of their desire to make high earnings or profit, but more on helping their family to survive and live happily, earning a modest personal income, keeping themselves occupied with a worthwhile career that they can personally design and later commit passionately, especially when they could see the possibility to succeed on their own pace. Implicatively, the women entrepreneurs are mostly not too ambitious to make the business big since they prefer to maintain their business small and manageable with fewer issues and challenges. More importantly, these people need to compensate and sacrifice sufficiently to avoid any family conflicts, which become their utmost concern in life.

## **5.2 Risk-taking**

Most of Thai women entrepreneurs seem not to face major business obstacles, and this has led them to ignore the existence of risks. Due to that important reason, they do not have to put much effort on managing the risks. However, for those who are encountering certain business issues, they usually take immediate actions to avoid bigger risks, such as reduce stocking products and avoid using credit business transactions with customers. The risk management that they practice in business helps them to be risk averse.

During the business start-up process, entrepreneurs usually faced several types of risk that relate to uncertainty of income, risk of losing entry investment, hard work, high stress, difficulty in obtaining customer, complete responsibility, difficulty in obtaining loan and discouragement (Shah & Ali, 2010). Therefore, to avoid business failure that could be initiated by risks, an entrepreneur needs to have knowledge to manage the risks and able to deal with the risks (Forlani & Mullins, 2000). Inherently, many businesses collapsed during

the business start-up (in the first year) because entrepreneurs do not have much risk management knowledge (Kargwell, 2012).

Implicatively, most of the women entrepreneurs in the southern region of Thailand are good with their risk-management capabilities since they seem to know what they are doing and how they are doing it. Due to this fact, it is possible for them to chart their own business success in the southern region of Thailand, which is also a well-known business area that offers various opportunities that comes together with a lucrative package of being close to the neighboring countries, i.e. Malaysia and Singapore.

## 6. CONCLUSIONS

This study aims to examine the motivation and risk-taking that affect the success of women entrepreneurs in southern Thailand context. Hence, the findings of this study revealed the importance of motivation and risk-taking to the success among women entrepreneurs in southern Thailand. Despite many problems that women entrepreneurs have to face, they are doing their best to run their business. Based on this study, more future researches can use the current results to further understand other various factors affecting women entrepreneurs' business performance in Thailand. The findings of these future studies may show the positive impact of the ongoing development and expansion of Thai women businesses which will inherently influence the overall economy of Thailand. The results of this study contribute some crucial insights to the policy-makers to further develop and improve the current policy and training programs or workshops for the Thai entrepreneurs.

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