

Examining Factors Influencing Business Success of Malaysian Home-Based Women Entrepreneurs

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Abstract: Prior research emphasised the importance of financial literacy for female business owners, particularly in a fast-paced environment. It also has shown that in order to ensure the survival of their businesses, entrepreneurs must be financially literate. Therefore, the purpose of this study is to investigate how financial literacy influences the success of women who own their own businesses from home. In the Kuala Selangor district of Selangor, Malaysia, a sample of micro- and small-scale home-based female business owners was chosen as respondents. Using survey questionnaires that were distributed online, 194 responses were gathered. According to the study, financial literacy includes three key components: financial knowledge, financial behaviour, and financial awareness. These three components may encourage women entrepreneurs to think carefully about their financial options in order to realise their business goals. Business success, however, is unaffected by financial self-efficacy and attitude. The research makes a contribution to the literature on financial literacy, especially in the effort to comprehend how women behave in relation to business survival. Findings thus assist practitioners in determining the best supports and solutions for this target group.

Keywords: Women entrepreneurs; business success; financial literacy; financial knowledge; financial behaviour.

INTRODUCTION

Women participation in businesses has been significantly contributed to the source of family income. Many of them opted to home-based businesses over employment due to family reasons but aiming to be financially independent. It has been reported that 20.6% of small and medium enterprises (SMEs) in Malaysia owned by the women. Although this figure was relatively lower than other countries in ASEAN, growing numbers of Malaysian women entrepreneurs have indicated their potential to compete in the market. The entrepreneurs had become the focal point when the government of Malaysia announced the economic stimulus package for the nation, as it has been reported that 25.88% of self-employed women have been affected by this unprecedented crisis in comparison to male by 20.9%¹. For many years, women are pursuing both social and economic goals. They are struggling in balancing the aim for financial independence and family life. This would be among the reasons why they started to run their own businesses, which in general are construed to be home-based businesses. Many studies have been conducted to investigate the availability of microfinance by government agencies for women entrepreneurs. However, financial supports alone seem inadequate to assist women entrepreneurs surviving in a competitive market. The

businesses owned by women are literally having limited resources (Ali, 2019; Kanapathipillai & Azam, 2019; Kusairi et al., 2019). Also they were indirectly forced to venture into business with limited business-related knowledge and lack of self-preparation (Nor Aishah & Lily, 2011). Women entrepreneurs were also reported as lacking in financial management skills that could put their businesses in danger (Karami et al., 2013). For those reasons, they may have difficulties in managing financial resources effectively which can be a hindrance to remain resilient during crises (Abdul Rani et al., 2019). In recent years, there has been a growing interest in financial literacy studies. Several studies have attempted to understand the significant impact of financial literacy levels have on individuals and society. Most of them examined the link between level of financial literacy and genders (Murendo & Mutsonziwa, 2017; Yu et al., 2015; Rai et al., 2019; Potrich et al., 2015). Similar patterns were revealed that men are possessing better financial knowledge and skills as compared to women. This further lead to viewing women as unable to make responsible financial decisions that may hinder the potential of business to grow (Lusardi & Mitchell, 2014; Gudjonsson et al., 2022). While many studies have empirically shown evidence about financial literacy influencing business success globally, there is only limited studies have been focusing on financial literacy among women entrepreneurs in the ASEAN region (Usama & Yusoff, 2018).

Hence, this study attempts to shed light on how financial literacy could influence the business success of home-based women entrepreneurs. By understanding the importance of

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financial literacy among women entrepreneurs in particular, it could help to further determine specific financial literacy factors that can be emphasised to make their presence remain in the market of sub-urban areas.

This paper is organised as follows. Section 2 reviews related prior literature and develops the hypotheses. The next section explains the methodology. This is followed by data analysis and discussion. The last section concludes the study.

LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESES

Women Entrepreneurs in Malaysia

Women have been taking part in Malaysian businesses for many years. It was interesting to find that their contribution was reported at 20.6% as the owner of small and medium businesses. Their great contribution can be seen from an increase in the overall household income and the Malaysia GDP as well. Hence, the allocation of RM500 million special grants in the 2020 National Budget indicated a huge potential for women to further contribute to economic stability through business expansion. During crises, women entrepreneurs are observed to be in control of their resources, where they are taking charge of deciding the direction of their business (Abdul Rani et al., 2019). Although optimistic women would battle the crises pre-emptively and bounce back as strong entrepreneurs, they were observed in lacking basic knowledge and skills such as managing basic finance and resources of the business may restrain them from growth and success (Mohammad Radzi et al., 2017; Razak et al., 2018). Women are somehow not tracking their money properly and they might be spending the capital portion luxurious for unnecessary. They tend to choose the simplest business decision as they are unable to differentiate between capital and profit; or even asset and expense (Karami et al., 2013).

Hence, focusing on the importance of acquiring basic knowledge and skills of financial management among women entrepreneurs is worthy. A timely approach is vital to be highlighted in sustaining the business and developing self-achievement. Nevertheless, any ideal approach could not be accomplished unless they are willing to be trained and coached strategically.

Managing Financial Resources towards Business Success

In a normal business landscape, entrepreneurs may have access to enough pool of financial resources for survival, even if they have limited knowledge and skills to manage such resources. Indeed, that will be troublesome for most of them during the period of crisis, when they lack the skills in managing financial resources effectively (Annisa Hakim et al., 2019; Kusairi et al., 2019; Al-Ali et al., 2023). Financial resources are much related to financial capital that helps small and medium businesses to finance their short-term and long-term (Devine et al., 2019). The main source of financial capital of small and medium businesses comes from the day-to-day cash flows of the business, which then are expensed off for their household needs. Prior studies put attention to gender differences as a factor for businesses achieving high growth. Women entrepreneurs with small business-sized

have revealed encountered various difficulties in accessing financial resources to expand their businesses as compared to males (Ali, 2019; Devine et al., 2019; Karami et al., 2013). Further, they were observed as lacking the knowledge and skills to carry on a business successfully. Studies have shown that women have initially started to own small businesses with insufficient financial resources that restrain them from offering better products or services, hence limiting daily cash inflow to the business (Akehurst et al., 2012; Riquelme & Langawi, 2017). Nevertheless, psychological studies relate biological factors of women would create different responses than men, thus having implications on how they manage financial resources leading to desired business performance. Women have tendencies to be more rational, demonstrate interpersonal interaction, and possess positive attitudes toward performance (Bose, 2019; Hakim et al., 2019). As such, a women entrepreneur with resilience characteristics such as hardiness, resourcefulness, and optimism may have the potential to succeed when he/she is able to manage business resources effectively (Abdul Rani et al., 2019).

It has been widely argued that the critical factor that contributes to financial business success much related to effective financial management. Financial management involves managing financial resources, including revenue, expenses, and investments. Effective financial management can help businesses to achieve their financial objectives, such as profitability and growth. Several studies have shown that effective financial management is positively associated with financial business success (e.g., Awad & Ghaziri, 2019; Hasan, Shabir, & Mir, 2020). A business has been characterised as successful whenever it is able to sustain operations, invest in growth, and provide returns to stakeholders (Dzisi, 2008). The link between effective financial management and financial literacy has been under investigation by numerous scholars particularly in developing countries (Al Mamun et al., 2018; Annisa Hakim et al., 2019; Kumar et al., 2018; Usama et al., 2018). According to Sucuahi (2013), financial literacy can be defined using four pillars which are financial knowledge, financial behaviour, financial attitude, and financial awareness. In a similar vein, business success has been viewed from the perspective of whether an individual believes in their ability to effectively manage their finances which is termed as financial efficacy. It is argued that financial efficacy would influence individuals' financial behaviour and therefore impacts business outcomes (Lown, 2011). Table 1 depicts factors influencing business success among women entrepreneurs in Malaysia.

Financial Literacy and Business Success

Financial literacy is the ability to understand and effectively use financial concepts and tools to manage one's personal finances. It is a crucial life skill that is essential for making informed financial decisions and achieving financial security, especially for lower-income individuals (Sucuahi, 2013). In recent years, evidence of financial literacy contributing to business success has escalated. More studies also have been conducted to understand the factors that influence financial literacy and its impact on individuals and society. Several studies have also investigated the impact of financial literacy on society. For instance, Mandell (2008) argued that finan-

cial literacy can help reduce poverty and promote economic growth by enabling individuals to make informed financial decisions. Moreover, studies have shown that financial literacy can help reduce financial fraud and improve financial stability (OECD, 2013; World Bank, 2013). For example, a study by the World Bank (2013) found that countries with higher levels of financial literacy tend to have lower levels of non-performing loans and higher levels of financial stability. Usama et al. (2018) and Roslan et al. (Roslan et al., 2018) further indicated the positive impacts of financial literacy on business success when it can help households make decisions such as budgets and initiate savings plans with necessary financial knowledge. Financial literacy facilitates debt management through structured payment bills that can improve creditworthiness and assist investors to evaluate and compare financial products to make optimal decisions as well as to achieve individual financial well-being. Abodunde et al. (2020) reaffirm the important of financial literacy in assisting women in managing their finances for business growth, this has been reflected in a significant result of the influence of financial literacy among Nigerian women has on their business success.

Financial Knowledge

To further investigate elements of financial literacy that influence business success, several studies have examined the role of financial knowledge in predicting business success. Financial knowledge can be referred to an individual's understanding of financial concepts, products, and services. Lusardi and Mitchell (2014) found that individuals with higher levels of education tend to have higher levels of financial knowledge, whereby financial knowledge can help reduce financial instability and promote economic growth by enabling individuals to make informed financial decisions. Moreover, they found that women tend to have lower levels of financial knowledge than men. Many studies have shown that businesses with higher levels of financial knowledge are more likely to identify and manage financial risks effectively (Ghasemi et al., 2014; Rasekhi et al., 2017). Growing evidence has also shown on financial knowledge helps entrepreneurs managing their finances effectively through improved budgeting, forecasting, and financial planning (Ghasemi et al., 2014; Rasekhi et al., 2017). This in turn would lead to positively associated to financial satisfaction and financial well-being, as measured by indicators such as net worth and financial security (Hastings and Tejada-Ashton, 2008; Xiao et al., 2014). Other studies have shown that businesses with higher levels of financial knowledge tend to have higher profits, revenues, and return on investment (ROI) (Abiola & Oloko, 2016; Izedonmi & Ohiokha, 2017). Hence, based on the above arguments, it is hypothesised that:

H1a: Financial knowledge among women entrepreneurs has a significant influence on their business success.

Financial Behaviour

Prior studies have examined financial behaviour as a component of financial literacy (Agyapong & Attram, 2019; Ahmad et al., 2021; Sucuahi, 2013). Financial behaviour is a critical component of financial wellbeing and has important

implications for individuals, households, and society as a whole. Several studies have investigated the relationship between financial behaviour and financial wellbeing (Ahmad et al., 2021; Andarsari & Ningtyas, 2019). For instance, studies have shown that financial behaviour facilitates decision making, whereby individuals with better financial behaviour tend to have higher levels of financial well-being, including higher levels of savings, lower levels of debt, and better financial management skills (Diéguez-Soto et al., 2022; Jappelli & Padula, 2013). Several studies have investigated the relationship between financial behaviour and business performance. Findings have shown that firms that engage in better financial behaviour, such as maintaining high levels of liquidity, managing debt levels, and investing in profitable projects, tend to have higher levels of profitability, growth, and market value (Pkriacou et al., 2012; Purwidianti et al., 2022). Based on the above arguments, the following is hypothesised:

H1b: Financial behaviour among women entrepreneurs has a significant influence on their business success.

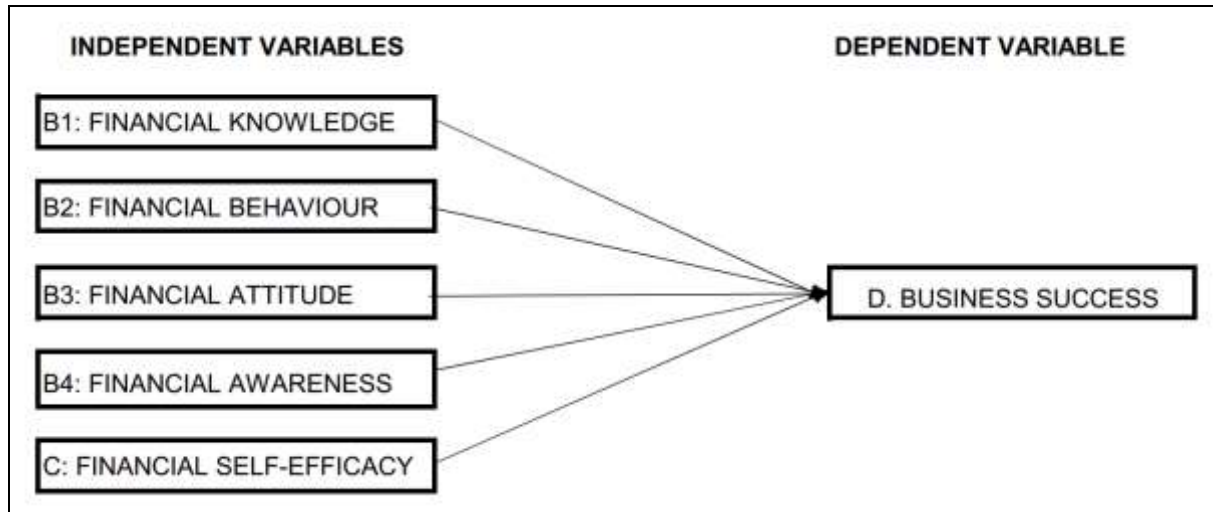
Financial Attitude

Financial attitude is an individual's mindset or approach towards managing their finances. A study conducted by Joo and Grable (2004) found that individuals with positive financial attitudes tend to have a better understanding of financial matters and are more likely to engage in financial planning, which is a crucial element of effective financial management. In a view of factors for business success, Perry, Rubenstein, and Wiginton (2014) found that a positive financial attitude of business owners does matter as it indicated that they are willing to seek financial advice and guidance for decision-making, which helps them to have better financial management and decision-making. However, women entrepreneurs have shown more reluctant to take risks as they involve in business in long-run since they are more likely to accept risks that can give them sufficient for retirement (Baig et al., 2021; Kappal & Rastogi, 2020). In contrast, a negative financial attitude may lead to a lack of financial planning and management, which can hinder the success of a business, as evidenced by Usama et al. (Usama et al., 2018) that asserted a tendency to have higher levels of debt and are more likely to experience financial difficulties, making it more difficult to achieve success. Hence, it is hypothesised that:

H1c: Financial attitude among women entrepreneurs has a significant influence on their business success.

Financial Awareness

Financial awareness is a term used to describe an individual's understanding of their financial situation and their ability to manage their finances effectively. Individuals who are financially aware understand the importance of saving for emergencies and future goals, as well as investing to build wealth over time. They also understand the different types of investment options and how to assess risk. Besides that, financial awareness also includes understanding credit management. This includes understanding how credit scores are calculated, how to manage credit cards responsibly, and how to avoid debt and financial difficulties. A study by Cole (2015) found that financial awareness is positively related to busi-

Table 1. Research Framework.

Source: Prepared by the authors (2023).

ness performance, including profitability, revenue growth, and asset growth. The study suggests that business owners who have a better understanding of financial concepts are more likely to make informed financial decisions, leading to better financial performance. Similarly, research by O'Hare and White (2013) found that financial literacy, which includes financial awareness, is positively associated with business success. The study suggests that business owners who have a better understanding of financial matters are more likely to be successful in managing their finances, leading to better business outcomes. Moreover, a study by Nizamuddin and Saeed (2019) found that financial awareness positively influences the success of small and medium-sized enterprises (SMEs). The study suggests that SMEs with a higher level of financial awareness are more likely to manage their finances more effectively and make better financial decisions, leading to better business outcomes. Therefore, the following hypothesis is developed:

H1d: Financial awareness among women entrepreneurs has a significant influence on their business success.

Financial Self-Efficacy and Business Success

Financial self-efficacy refers to an individual's belief in their ability to effectively manage their finances (Bandura, 1986; Lown, 2011). It has been shown to have a significant impact on financial behaviour and outcomes. Several studies have investigated the impacts of financial self-efficacy on small business from a perspective of entrepreneurial success (Kim, 2016), business survival (Bates, 2019) and profitability (Zhang, 2018). In a notion of the theory of planned behaviour, entrepreneurial experiences help to build self-confidence that would determine whether an individual able to manage their own self-expectation (Bandura, 1986; Jamlee et al., 2021). Ajzen (1991) describes the behaviour of an individual is much related to the intention of what an individual is going to perform. To what extent does the individual performance's success is depending on what motivates them and how well they can control the behavior. Moreover, better self-efficacy among small business entrepreneurs has

been identified as high self-confident that is believed can exert influence in fostering innovative efforts, reflecting business may operate in low risk level that can be positively connected with better performance high business growth rate especially among businesses operate in developing countries (Khalil et al., 2021). Jamlee et al. (2021) (Anastasia & Jeni Lestaritio, 2020) revealed that the ability to managing challenges properly among women entrepreneurs is much influenced by the level of self-efficacy, hence they are being pushed by high level of self-confidence which may justify their strong intention in initiated endless efforts toward business improvement (Jamlee, 2021). Based on the review of literature, the following hypothesis is formulated:

H2: Financial self-efficacy among women entrepreneurs has a significant influence on their business success.

Research Methodology

This study adopts a quantitative method employing survey questionnaires. Respondents were identified based on a participant database of Amanah Ikhtiar Malaysia (AIM)'s microcredit program, Kuala Selangor Branch. The microcredit program focuses on an individual lending program tailored to micro and small businesses of women entrepreneurs. Respondents were approached through an online platform and asked to answer the online survey upon agreement to participate. Out of 230 surveys distributed, 194 respondents were provided their responses, which representing 77.6% of response rate.

Survey Instrument and Measurement Scales

A survey questionnaire based on Sucuahi (2013), Lown (2011) and Dzisi (2008) was adapted and translated into a native language to enable appropriate feedback from the respondents. The survey questionnaire was structured into two sections: (1) demographic profile and (2) self-assessment of respondents' level of financial literacy toward business success through four parts: financial knowledge, financial behaviour, financial attitude, financial awareness and financial self-efficacy. Respondents were expected to answer the

questions in all sections with 5-Likert scale. Limited alternative answers were used to obtain a higher probability of responses from the respondents (Bokrantz *et al.*, 2016). Data is then analysed using Partial least squares (PLS) structural equation modeling to determine whether factors under investigation exert influence on business success of women entrepreneurs.

RESULTS AND DISCUSSION

Descriptive Analysis

Demographic profile

Table 2 shows the descriptive analysis of 194 women respondents who participate in this study. Respondents' age distribution is distinguished into four categories: 53.6% of them are between the ages of 30 and 45, followed by 29.9% between the ages of 46 and 55, 9.3% of them are over the age of 55, and 7.2% is the young generation of age below 30. Results also indicate that 93.3% of them are married, 1.5% are single and the rest with other statuses.

About 98.5% of the respondents are Malay and 1.5% are Indian. In terms of their educational background, the majority of them possess a certificate of higher education or SPM which is 54.6%; 24.2% are Diploma holders, 6.7% are bachelor's degree holders and 4.1% possess a master's degree. Results also indicate that 54.65% of respondents operate their business between one and five years, while 24.2% have operated for six and ten years. Only 4.6% of them have operated their businesses for less than a year, and about 16.5% of them have been in operation for over ten years.

Table 2. Demographic Profile of Respondents.

Age	N	Percentage
Less than 30	14	7.2
30 – 45	104	53.6
46 – 55	58	29.9
56 and above	18	9.3
Marital Status		
Single	3	1.5
Married	191	93.3
Others	10	5.2
Race		
Malay	191	98.5
Chinese	0	0
Indian	3	1.5
Others	0	0
Level of Education		

Master's	8	4.2
Degree	13	6.7
Diploma	47	24.2
Certificate of High School	106	54.6
Others	20	10.3
Length of Years Business Operation		
Less than 1 year	9	4.7
1 to 5 years	106	54.6
6 to 10 years	47	24.2
More than 10 years	32	16.5

Data Normality and Multicollinearity

Partial least squares (PLS) structural equation modelling was performed using the SmartPLS software version 3.3.3 (Ringle *et al.*, 2005). This statistical tool permits to analyze the proposed measurement and structural model, since survey research is normally not normally distributed and has the advantage of allowing for small sample sizes without relying on the assumption of data normality (Chin *et al.*, 2003). Multivariate normality was tested by following Webpower website as recommended by Cain *et al.* (2017). The results showed that multivariate skewness was 738.3685 ($p < 0.01$), while multivariate kurtosis was 2363.8355 ($p < 0.01$), suggesting that the data was not normal. As such we ran the bootstrapping procedure to generate the standard errors when testing the structural model. As recommended by Kock and Lynn (2012), we first examined the potential for Common Method Bias by assessing full collinearity. This approach involves regressing each variable against a common variable and if the variance inflation factor (VIF) is less than or equals 3.3, then, there is no bias resulting from the single data source. As shown in Table 3, the analysis produced a VIF less than 3.3 and, thus, common method bias is not a serious issue in our study.

Table 3. Full Collinearity Analysis.

	Financial knowledge	Financial behavior	Financial attitude	Financial awareness	Financial self-efficacy
VIF	1.173	2.110	2.203	1.203	1.199

Measurement Model Assessment

In the assessment of reflective measurement model (Stage 1), there are specific measures that include indicator reliability, internal consistency, convergent validity and discriminant validity. Reliability was assessed by first checking the indicator reliability based on outer loadings of at least 0.708 or higher however loadings higher than 0.5 is adequate if other items have the highest scores of loadings to complement AVE and CR. For AVE, it is suggested that AVE should be higher than 0.5 and CR should be higher than 0.70-0.90 (definitely 0.95) to be considered as satisfactory as shown in Table 4 (Hair, Sarstedt & Ringle, 2019).

Table 4. Measurement Model.

	Loadings	CR	AVE
Financial knowledge			
I understand basic financial concepts	0.697	0.920	0.697
I prepare monthly company financial statements (income statement and balance sheet).	0.841		
I review monthly financial statements.	0.904		
I perform financial analysis on monthly financial statements.	0.887		
I understand the company's gross profit ratio and its contribution to the overall profit.	0.829		
Financial behavior			
I always budget my money before spending it.	0.849	0.933	0.735
Before I buy something, I carefully consider whether I can afford it.	0.854		
I pay my bills on time.	0.782		
I keep a close personal watch on my financial affairs.	0.919		
I set long term financial goals and strive to achieve them.	0.877		
Financial attitude			
Money is there to be spent.	0.587	0.778	0.545
I am prepared to risk some of my own money when saving or making investments.	0.747		
I have a tendency to initiate and act proactively.	0.855		
Financial awareness			
I am capable of understanding and handling various financial mix strategies.	0.770	0.904	0.654
I am aware of different external service providers.	0.855		
I am aware of the various financial product offering by financial institutions.	0.794		
I understand and familiar with the comprehension of the financial products.	0.808		
I maintain these financial products with the financial institutions to reduce their likelihood of financial problems.	0.814		
Financial self-efficacy			
I am confident that I could deal efficiently with unexpected events.	0.652	0.847	0.660
I can solve most problems if I invest the necessary effort.	0.909		
I can remain calm when facing difficulties because I can rely on my coping abilities.	0.840		
Business success			
Independence is closely related to my level of satisfaction with my business.	0.638	0.947	0.566
Control over life is closely related to my level of satisfaction with my business.	0.761		
Positive characteristic is closely related to my level of satisfaction with my business.	0.803		
Freedom and self-respect are closely related to my level of satisfaction with my business.	0.790		
Self-esteem is closely related to my level of satisfaction with my business.	0.866		
Developing greater self confidence is closely related to my level of satisfaction with my business.	0.850		
Satisfaction with spouse and children is closely related to my level of satisfaction with my business.	0.820		
Satisfaction with personal development is closely related to my level of satisfaction with my business.	0.762		

Satisfaction with business development is closely related to my level of satisfaction with my business.	0.845		
Potential for higher income is closely related to my level of satisfaction with my business.	0.853		
I believe my business will creates employment for the local community.	0.623		
I believe my business will support the economy of the local community	0.726		
I believe my business will provide work experience for young people.	0.531		
I believe my business will provide donations or sponsorships for community organizations.	0.554		

Table 5. Discriminant validity (HTMT).

	1	2	3	4	5	6
1. Financial knowledge						
2. Financial behavior	0.783					
3. Financial attitude	0.466	0.534				
4. Financial awareness	0.647	0.686	0.646			
5. Financial self-efficacy	0.269	0.310	0.205	0.416		
6. Business success	0.603	0.694	0.415	0.551	0.280	

In this study, ten items were removed due to low factor loading (< 0.5). Consequently, the AVE for all constructs has met the satisfactory level of AVE result of 0.5. Furthermore, all constructs have also achieved the composite reliability acceptable values of 0.7. Table 5 indicates the discriminant validity using the new suggested method by Henseler et al. (2015) through the Heterotrait-Monotrait ratio of correlations (HTMT) values are lower than 0.90.

RESULTS AND DISCUSSION

Path coefficients, standard errors, t-values, and p-values for the structural model using a 5,000-sample resample bootstrapping approach were presented in accordance with Hair et al. (2019) and Ramayah et al. (2018). Table 6 shows the summary of the criteria used for hypotheses testing. Based on the analyses, hypotheses H1a, H1b, and H1d were supported, while H1c and H2 were not supported. According to Hair et al. (2019), R2 values of 0.458 reveals that 45.8% of total variation in business success is explained by all variables in the model. The Q2 value for business success is larger than 0, indicating that the model has sufficient predictive relevance. After examining the structural model, three hypotheses were supported in this study. The results show that financial knowledge, financial behavior, and financial awareness significantly affect business success, while financial attitude and financial self-efficacy were not significant towards business success.

Result of financial knowledge indicates a significant positive influence on business success ($\beta = 0.141$, $p < 0.05$), while, providing support to hypothesis H1a. This result demonstrates that for every unit increase in financial knowledge will contribute 0.141 significantly towards business success. This implies that possessing adequate knowledge in finance among women would enable entrepreneurs to make informed decisions pertaining to budgeting, forecasting, and financial

planning, which can prudently diminish potential risk occurrences and lead to improve financial decisions (Lusardi & Mitchell, 2014; Ghasemi et al., 2014; Rasekhi et al., 2017).

In addition, a significant positive influence of financial behaviour on business success is reported ($\beta = 0.447$, $p < 0.01$), indicating every unit increase in financial behaviour will contribute 0.447 significantly towards business success. Thus, H1b is supported. This contributing factor of financial behaviour demonstrates the importance of positive intentions that translated into actions lead to facilitating decision making of women entrepreneurs. As women has seen as inclined toward deciding on less risky and meticulous matters, they prefer to engage in behaviours that could prevent them with undesired outcomes to ensure financial matters of their business can be properly managed. They tend to ensure their business at the higher levels of profitability, growth, and market value (Pkriacou et al., 2012; Purwidiarti et al., 2022).

Financial attitude, on the other hand, shows an insignificant effect on business success ($\beta = 0.042$, $p > 0.10$), suggesting that H1c was not supported. This result contradicts with studies conducted in developed countries that found financial planning is much related to an enhanced understanding of financial matters demonstrating positive financial attitudes (Joo & Grable, 2004; Perry et al., 2014). Due to the fact that the majority of respondents are from the younger generation, this contradictory result may imply the same result as Bado et al. (2023), who discovered that the younger generation is unaware of how they should manage their finances, such as saving money and other financial planning. While Fisher (2010) also evidenced that women from developing countries are low-risk tolerance and live for life, where they are less likely to save their money to ensure they can live in current life.

Next, financial awareness has a significant positive effect on business success ($\beta = 0.105$, $p < 0.10$), while, providing sup-

Table 6. Hypotheses Testing.

	Std beta	t-value	p-value	LL	UL	f ²	Decision
B1 -> D	0.141	2.263	0.024**	0.029	0.233	0.017	Supported
B2 -> D	0.447	5.119	0.000***	0.300	0.586	0.154	Supported
B3 -> D	0.042	0.861	0.390	-0.042	0.117	0.002	Not Supported
B4 -> D	0.105	1.840	0.066*	0.012	0.199	0.010	Supported
C -> D	0.083	1.317	0.188	-0.035	0.175	0.011	Not Supported

Note: Significant at *10%, **5%, ***1% level.

B1= Financial knowledge, B2= Financial behavior, B3= Financial attitude, B4= Financial awareness, C=Financial self-efficacy, D= Business success

port to hypothesis H1d. The finding suggests that for every unit increase in financial awareness will increase 0.105 in business success. Consistent with a study by O'Hare and White (2013) that suggests business owners who have a better understanding of financial matters are more likely to be successful in managing their finances, leading to better business outcomes. Guiso and Jappelli have also discussed financial knowledge in the context of financial awareness (2005). When financial awareness is lacking, knowledge about financial products and services may be insufficient, which could have an impact on investment choices.

Finally, financial self-efficacy demonstrates an insignificant result on business success ($\beta = 0.083$, $p > 0.10$), thus hypothesis H2 is not supported. Although better self-efficacy among small business entrepreneurs has been identified as high self-confidence, the result did not consistent with prior findings as women from developing countries are characterised as less confident and more reserved when facing challenges, thus may hinder the potential achievement of business performance (Tyszka et al., 2011; Amatucci & Crowley, 2011; Zubair & Khan, 2021).

CONCLUSION

The main objective of this study was to ascertain the influence of financial literacy on business success among women home-based business owners in Selangor, Malaysia. According to this study, financial literacy factors, specifically financial knowledge, behaviour, attitude, awareness, and self-efficacy, positively affect the business success of women who work from home as entrepreneurs. Age, marital status, race, educational attainment, and length of business operation are assessed as demographic characteristics that may be taken into account when drawing conclusions from the study's findings. A random sampling technique was used to choose the respondents, and 194 respondents, or 77.6 percent, provided the final responses. The majority of respondents fall into the 30 to 45 age range, which is considered to be moderate, and their businesses have not been in operation for more than five years.

Previous research showed that, compared to men, women are more likely to run small businesses that may experience financial difficulties and have trouble obtaining financing. However, Women psychologically have strong social skills that drive them to be persistent and upbeat in the pursuit of

their business objectives. Overall, the study's findings show that three aspects of financial literacy, namely knowledge, behaviour, and awareness, have a positive and significant impact on the business success of women entrepreneurs. Although the business success of female entrepreneurs is not significantly influenced by financial attitude or financial self-efficacy as this could be due to the responses that skewed more to younger generation. This implies that when making financial decisions, women of the younger generation are more likely to consider multiple financial options and assess the risks associated with them by applying financial knowledge gained through both formal and informal education. As such, women's levels of financial awareness may have an impact on how they view the value of having adequate financial knowledge. Financial awareness was found to have a positive and significant impact on business success, indicating both factors may have complementary effects. Additionally, having sufficient knowledge and awareness of financial matters can help people develop good financial habits and make more informed business decisions. This has been demonstrated through the achievement of business profits, growth, and favourable business valuation.

This study has some limitations. This study's main emphasis is on entrepreneurs of home-based businesses. In addition, this study uses a convenience random sample due to time and resource constraints, so its conclusions might not generalise to all women entrepreneurs. The frequency distribution is skewed towards the Malay race due to the study's targeted sample, despite the respondents' rate being acceptable. Future studies can draw conclusions about additional important factors to provide sound analysis and conclusions.

This study adds to the body of knowledge on financial literacy in the context of women entrepreneurs. The study's findings may offer practitioners new perspectives on how to better comprehend the importance of financial literacy among women, particularly those who run micro and small businesses, so that this target audience can receive timely, appropriate support and solutions.

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