

THE MODERATING EFFECT OF A SUPPORTIVE ENVIRONMENT TOWARD THE RELATIONSHIP OF ENTREPRENEURIAL COMPETENCIES AND THE PERFORMANCE OF INFORMAL WOMEN ENTREPRENEURS IN KELANTAN, MALAYSIA

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ABSTRACT

The objective of this study is to determine the moderating effect of a supportive environment toward the relationship of entrepreneurial competencies and the performance of informal enterprises owned and managed by women micro-entrepreneurs in Kelantan, Malaysia. This study adopted a cross-sectional design and a purposive random sampling method using quantitative data from 384 informal women micro-entrepreneurs in Kelantan, Malaysia. Findings of this study revealed that opportunity recognition competencies, relationship competencies, and commitment competencies have a positive and significant effect on the performance of informal microenterprises owned and managed by women entrepreneurs in Kelantan, Malaysia. Findings also reported a significant moderating effect of a supportive environment on the commitment competency and the performance of informal microenterprises. To improve the socio-economic condition of the low-income informal women micro-entrepreneurs and their households, development programs and policies should therefore focus on improving informal entrepreneurs' capacity to recognize and take advantage of new income generating opportunities. As for the informal women micro-entrepreneurs, it is crucial to recognize their significant positive role, and therefore accumulate relational and commitment competencies to improve the performance of their informal microenterprises.

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INTRODUCTION

It is recognized in a developing world that the informal sector is a considerable part of the economic action, which is also well known to be unregistered with non-official recorded activities by law (Maiti & Marjit, 2008) and the size of the informal sector also seems the largest in developing countries (Mapp & Moore, 2015). Mapp and Moore (2015) state that the activities of individuals operating in the informal sector are certainly not illegal just because they have decided not to formalize their activities. Known for its unregistered characteristic, there is no accurate data for the informal sector to be recorded (Habibullah & Eng, 2006). Yet, it is still important to be concerned because the informal sector provides job opportunities and enhances the economy especially in developing countries (Leach, 1996).

In Malaysia, women dominate many sectors particularly those related to small business sectors (Ahmad et al., 2011). It is crucial to realize that participation of women entrepreneurs through the informal economy can support the development of their family (Pradeep, 2013). The Ministry of Women, Family, and Community Development (2014) in the largest developing countries such as Brazil, India, and Malaysia report that participation of women in the informal sector is higher compared to the men. The Department of Statistics, Malaysia (2013) reports that 213,600 women participated in the informal sector in 2013 and the number had increased from the previous year. Many studies highlight several key issues faced by women micro-entrepreneurs including the lack of education, access to finance, accessibility to suppliers, training related to the business, access to market, availability of incubators, lack of a conducive environment, and accessibility to labor (Bhardwaj, 2014; Shane, 2003). Besides, the obstacles faced by women entrepreneurs in the informal economy are still unclear (Pradeep, 2013). However, issues such as the ability to combine work, family and personal life and others are still challenges for women especially Malaysian informal women entrepreneurs (Ministry of Women, Family, and Community Development, 2014).

The development of women entrepreneurship is crucial for creating a vibrant and dynamic economy in Malaysia. The Malaysian government has been actively promoting women entrepreneurship towards realizing Malaysia's Vision 2020 (Siong-Choy, 2007). To improve the socio-economic condition of the low-income informal women micro-entrepreneurs, it is crucial to improve the level of competencies leading to enterprise performance. Mitchelmore and Rowley (2013) agree that entrepreneurial competencies have been identified as a specific group of competencies relevant to the result of effective entrepreneurship. Competencies have a further comprehensive coverage that consists of skill, motive, nature, self-image, social role, and knowledge (Ismail, 2014). Researchers have defined competencies in many ways but scholars agree that entrepreneurial competencies can be defined as ability or credibility (Baum, 1994; Boyatzis & Boyatzis, 2008) and the output of the competencies in a person can be measured through their performance (Mitchelmore & Rowley, 2010). According to Laitinen (2002) as cited by Komppula (2007), performance is "the ability of an object to produce results in a dimension determined a priori, in relation to a target". To succeed in the business environment, it is important to monitor and manage one's performance along a number of dimensions (Perera & Baker, 2007). In addition, performances can be influenced by many factors but some scholars agree that performance should be measured based on success or growth, profitability, and the relative performances (Chandler & Jansen, 1992; Man, Lau, & Chan, 2002). This study focuses on examining how selected key entrepreneurial competencies affect the performance of microenterprises owned and managed by women micro-entrepreneurs in Kelantan, Malaysia. This study also intends to examine the moderating effect of a supportive environment on key entrepreneurial competencies that affect the performance of microenterprises owned and managed by women micro-entrepreneurs in Kelantan, Malaysia.

LITERATURE REVIEW

Entrepreneurial competencies are sets of proven ability to select, combine, and use appropriate knowledge, skills, and other acquisitions (values and attitudes) in order to successfully solve a particular category of work or learning situation for professional or personal development in terms of effectiveness and efficiency (Chiru et al., 2012). Knowledge and skills represent a part of the hard competency, namely the competence that tends to be more visible and is easily seen in someone, and is relatively easier to be developed as stated by Ismail (2014). On the contrary, self-concept, traits, and motives belong to the soft competency, which is the competence with deeper and hidden natures that make up the core personality of someone, and is relatively more difficult to be valued and developed. According to Man and Lau (2000), there are six well-known key areas of entrepreneurial competencies, which are recognized as opportunity competencies, relationship competencies, conceptual competencies, organizing competencies, strategic competencies, and commitment competencies.

Opportunity Recognition Competency

Opportunity recognition competency refers to entrepreneurs' abilities associated with identifying and selecting the right opportunities for new businesses and has been rated amongst the most important abilities of a successful entrepreneur (Man & Lau, 2000). Opportunity is important to the entrepreneur's inner world (Hunter, 2011). Man et al. (2002) state that an entrepreneur must be alert or keep an eye on any opportunity and the resources available, and should have the ability to integrate the opportunity or resources that they get. According to Theriou and Chatzoudes (2015), entrepreneurs are aware of ways to improve their business by seeking these opportunities. Evaluation and exploitation of the opportunity is also important for good decision making (David Jawahar & Nigama, 2011). Opportunity encompasses two forms of knowledge and ability, namely low bias scanning and recognition corridor principles (Baum, 1994). Baum (1994) defines low bias scanning as the searching activity that is well informed and not dominated by heuristic inaccuracies, and the corridor principle as the notion that to find something, you have to start to look. Related to this study, informal entrepreneurs are seeking an opportunity to operate in a sector and use the opportunity that they have gained to survive. For example, when there are no job offerings from the formal sector, people start to analyze potential opportunities that can ensure their survival and one of these opportunities is in the informal sector. Accordingly, Leach's (1996) study found that the informal sector provides the only opportunity for work, especially if individuals have few skills to offer. Most recently, a study conducted on women micro-entrepreneurs in Malaysia highlighted that the opportunity recognition competency is the most vital competency affecting enterprise performance (Al Mamun & Ekpe, 2016).

Relationship Competency

Relationship competencies relate to person-to-person or individual-to-group-based interactions, for example, building a context of co-operation and trust using contracts, connections, persuasive ability, communication, and

interpersonal skills (Man & Lau, 2000). According to Man and Lau (2000), when entrepreneurs recognize opportunities for them to operate, they create contacts and connections for business opportunities through relationship competencies. In relationship competencies by Man and Lau (2000), there are a few ways of defining how the relations of competencies can be described. The first one is to build and keep any network for a common period of time. The relationships include existing and potential networks and customers, business links, business partners, and employees. When the entrepreneur can maintain and emphasize the importance of relationships with others, it will show that they have the ability to handle their relationships. When having a positive link or network with others, entrepreneurs can have the opportunity to acquire and strengthen their business by necessary resources and skills from the strong relations built with others (Man & Lau, 2000). For example, when informal entrepreneurs have strong and good relations with their suppliers, they can gain benefits from the suppliers such as credit or an affordable price for raw materials. The trust gained from others such as customers or suppliers are also a part of relationship competencies (Man & Lau, 2000).

Conceptual Competency

Conceptual competencies refer to the different conceptual abilities that are reflected in the behavior of entrepreneurs; for example, decision skills or absorbing and understanding complex information (Man & Lau, 2000). Entrepreneurs have conceptual competencies if they observe, analyze, evaluate, and make decisions automatically and quickly about market opportunities, development of problems, employees' needs, and needs of enterprise improvement, without going through the rational steps (Man & Lau, 2000). Conceptual competencies are found when entrepreneurs can view a market environment or operations of a business from a different angle from others and find an alternative way to get to the solution of a problem (Man & Lau, 2000). Moreover, assessing the risks associated with staying in the market even if it is unfavorable is one of the concepts of conceptual competencies. Assessing risk conditions by entering a new market is done by using different ways of sourcing and building new capabilities (Man & Lau, 2000).

Organizing Competency

Organizing competencies are competencies related to the organization of different internal and external human, physical, financial, and technological resources, including team-building, managing employees, training, and controlling (Man & Lau, 2000). Moreover, the importance of the emphasis on general management also builds successful entrepreneurs and their abilities including highly developed interpersonal, organizational, and technical skills that are critical for their success (Baum, 1994). In this study, informal entrepreneurs are not an organization but individuals. It is the practice of planning, organizing, leading, motivating, delegating and the ability to control. An entrepreneur needs to plan the operations and allocations of different resources and set targets for employees (Man & Lau, 2000).

Strategic Competency

Strategic competencies relate to setting, evaluating, and implementing the strategies of an enterprise (Man & Lau, 2000). Man and Lau (2000) describe strategic competencies as having a vision, setting and evaluating goals, using scope and abilities, making strategic change, using tactic, and so on. Strategic competencies aid in developing vision for the long-term direction of a business. In addition, it includes having capabilities in estimating the finances needed to implement a strategy in business (Man & Lau, 2000).

Commitment Competency

Commitment competencies drive the entrepreneurs to move ahead in their businesses (Man & Lau, 2000). It includes an entrepreneur who can sustain his/her commitment to the business in the early stages of operating. He/she persists towards development although faced with crises in tough competitive conditions. The entrepreneur is also able to commit to long-term business goals rather than short-term gains (Man & Lau, 2000), which shows the commitment level of the entrepreneur. Hence, the task of forming a competitive scope, as a subjective construct perceived by the entrepreneur, is likely to be affected by the entrepreneur's ability to interpret the environmental condition through opportunity competencies to create contacts and connections for business opportunities through relationship competencies, and to uncover hidden opportunities with stronger conceptual competencies. On the other hand, the task of creating organizational capabilities requires organizing competencies and relationship competencies to gather and organize internal and external resources. Conceptual competencies are also needed in analyzing and uncovering organizational problems and issues. Moreover, strategic competencies are the primary competency areas required for the task of setting the direction for an enterprise, and taking actions towards the direction. He or she also needs to possess strong commitment competencies to sustain and enhance the performance in the long-term (Man & Lau, 2000).

Performance of Informal Enterprises

The identification and understanding of determinants that influence the performance of entrepreneurs is important and necessary for the creation of appropriate economic policies (Gomezelj & Kus'ce, 2013). Man et al. (2002) state that performance is the final valuable result of competitiveness. On the other hand, Simpson, Padmore, and Newman (2012) state that the concept of performance is highly related to the success of the entrepreneur and it is one of the elements of performance. Additionally, performance is the evaluated result of action, the outcome of behavior in context as stated by Baum (1994). However, the evaluation appears in different forms for different purposes and for different researchers. Normally, ignoring the multi-dimensional nature of performance, a single, convenient and often one-dimensional measure such as growth (e.g. in employee numbers), profit, turnover, profitability, return on capital employed (ROCE), or return on investment (ROI) are used to measure performance (Baum, 1994; Simpson et al., 2012). Thus, in this study, the informal microenterprises' performance will be measured based on their financial and non-financial performance.

Supportive Environment

Supportive environment is defined as 'conditions that either provide security and support to the new endeavor, or that reduce discomfort from a previous endeavor' (Bull & Willard, 1993). Gnyawali and Fogel (1994) sub-divide supportive environment into five dimensions, i.e., government policies and procedures, socioeconomic conditions, entrepreneurial and business skills, financial support to businesses, and non-financial support to businesses. Tuyon, Bujang, and Jidwin's (2012) study examines ways to strengthen micro-entrepreneurs and the informal micro-enterprise by improving access to enterprise support services. The support services can be divided into two categories, namely government financial assistance (GFA) and government business development services (GBDS). Tuyon et al. (2012) add that these supports are offered through various government and semi-government agencies and in collaboration with state agencies and universities.

METHODOLOGY

This study adopted a cross-sectional research design and collected quantitative data through structured interviews from informal women entrepreneurs in Kelantan, Malaysia. The sampling frame was based on an informal sector's workforce survey report, Malaysia-2013. Based on the report, the total number of population of informal women micro-entrepreneurs in Kelantan is 534 000. Hence, according to Krejcie and Morgan (1970), the sample size for collecting data will be 384. The informal women entrepreneurs were drawn from six districts in Kelantan, Malaysia, which are Kota Bharu, Tanah Merah, Pasir Puteh, Tumpat, Machang, and Ketereh. This research adopted the purposive random sampling method in order to identify informal women entrepreneurs from the local market in the different districts, which is expected to represent the informal women entrepreneurs in Kelantan, Malaysia. This sampling method ensures that all sections of the population are taken into consideration.

Research Instrument

A questionnaire was designed using simple and unbiased wordings so that the respondents could easily understand the questions and provide answers based on their own perception. Questions were adapted from earlier studies. The details of each section, what it measures, and from whose study the questions were adapted are presented below. A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used and a scale ranging from 1 (low) to 5 (very good) was used for measuring the performance of the informal women's enterprise. This study used a combination of questions from Man et al. (2008) to measure the entrepreneurial competencies. In addition, the questions to measure performance of the informal women's enterprise were adapted from Shafizah (2012) and finally, questions to measure a supportive environment were adapted from Franke & Luthje (2012).

SUMMARY OF FINDINGS

In terms of age, we divided the respondents into five categories. There are 99 people in the first category of 20 to 30 years old at 25.8%. This is followed by the second category of 31-40 years old where there are 107 people at 27.9%. The third is 41 to 50 years old category with 108 people, making it the largest age group of the

respondents with 28.1%. For the fourth category of 51 to 60 years old, 62 people are in the category at 16.3% and for the fifth category of 61 years old and above, there are 7 people with a percentage of 1.8%.

Informal women entrepreneurs in Kelantan are mostly from the Malay ethnicity. 377 out of 384 of the sampled respondents are from the Malay ethnicity with 98.2%, followed by 6 people from the Chinese ethnicity with a percentage of 1.6%, and the third category only has one Indian person at 0.3 %. In the marital status category, 45 of the informal women entrepreneurs are still single and the percentage is 11.7%. The largest number of 296 informal women entrepreneurs is married at 77.1% and lastly, 11.3% of them or 43 informal women entrepreneurs are single mothers.

There are five categories for monthly income. The first category of the informal entrepreneurs' monthly income is at below RM1000. There are 36 people with 9.4% in this category. Second is the RM1001-RM2000 category with 183 people at 47.7% and represents the highest frequency. The amount of RM2001-RM3000 shows 127 people at 33.1%. This is followed by RM3001-RM4000 category with 25 people at 6.5%. Moreover, the last category is 13 people at 3.4%. Mostly, the informal sector is more developed and it is a familiar environment in Malaysia. It is important to maintain the performance to remain in any sector. In this study, the informal women entrepreneurs' number of years in the business was also assessed to find out how long they have joined the sector. The number of years in business has been divided into 6 categories. First category is for those who have just opened their business from 1 to 5 years. 125 people representing 32.6% were found in the first group. This is followed by 126 informal women entrepreneurs maintaining their business for 6 to 10 years at 32.8%. Then, 19.8% with 76 informal women entrepreneurs have been in this sector for 11 to 15 years. The fourth category is 16 to 20 years with 36 informal women entrepreneurs that represents 9.4%. 16 of the women entrepreneurs who were analyzed were in the 21 to 25 years sector with 4.2%. The last category, which is 26 years and above, had 5 people at 1.3 %.

TABLE 1. PROFILE OF THE RESPONDENT

	n	%		n	%
<i>Age</i>			<i>Ethnicity</i>		
20-30 years old	99	25.8	Malay	377	98.2
31-40 years old	107	27.9	Chinese	6	1.6
41-50 years old	108	28.1	Indian	1	0.3
51-60 years old	62	16.5	Others	0	0
61 years old and above	7	1.8	Total	384	100.0
Total	384	100.0			
<i>Years in Business</i>			<i>Marital Status</i>		
1-5 years	125	32.6	Single	45	11.7
6-10 years	126	32.8	Married	296	77.1
11-15 years	76	19.8	Single mother	43	11.2
16-20 years	36	9.4			
21-25 years	16	4.2	<i>Monthly Income</i>		
26 years and above	5	1.3	Below RM1000	36	9.4
Total	384	100.0	RM1001-RM2000	283	47.7
			RM2001-RM3000	127	33.1
			RM3001-RM4000	25	6.5
			RM4001 and above	13	3.4
			Total	384	100.0

Reliability and Validity

In order to achieve a robust research, having a reliable and valid item is required. The first criterion to be evaluated is typically the internal consistency reliability. Cronbach's alpha assumes that all indicators are equally reliable (Hair et al., 2014). For this study, the reliability of the data is shown in Table 2 below, based on the Cronbach's alpha, composite reliability, and the Average Variance Extracted (AVE). The Cronbach's alpha for recognizing opportunity competencies, relationship competencies, conceptual competencies, organizing competencies and the strategic competencies, supportive environment, and the performance of informal enterprise reveals a result of more than 0.7, and the commitment competencies show Cronbach's alpha values of 0.631; thus, the items used are reliable. According to Hair et al. (2014), the reliability value of an item specifically, composite reliability values of 0.60 to 0.7 are acceptable. As for the Average Variance Extracted (AVE), (Hair et al., 2011), the value should be higher than 0.50 because if the AVE is less than 0.50 on average,

more error remains in the items than the variance that is explained by the construct (Hair et al., 2014). In Table 2, the AVE values for the variables are higher than 0.50, which indicates acceptable convergent validity.

TABLE 2. RELIABILITY AND VALIDITY

Variables	No. Items	Mean	Standard Deviation	Cronbach's Alpha	Composite Reliability	AVE
Opportunity Recognition Competency	4	4.1159	.59637	0.811	0.875	0.637
Relationship Competency	5	4.1932	.55793	0.824	0.873	0.581
Conceptual Competency	4	3.7891	.67627	0.848	0.896	0.682
Organizing Competency	5	4.1531	.51412	0.811	0.864	0.561
Strategic Competency	5	3.9708	.54899	0.844	0.888	0.613
Commitment Competency	3	4.1476	.54736	0.630	0.788	0.555
Supportive Environment	5	3.7089	.75287	0.822	0.874	0.582
Enterprise Performance	5	4.0760	.54543	0.834	0.882	0.599

TABLE 3. OUTER MODEL LOADINGS AND CROSS-LOADINGS

	OPP	REL	CON	ORG	STR	COM	SUP	ENT
Opportunity Recognition Competency (OPP)								
Item 1	0.796	0.421	0.285	0.312	0.421	0.265	0.136	0.235
Item 2	0.815	0.411	0.405	0.299	0.411	0.244	0.133	0.249
Item 3	0.838	0.431	0.244	0.278	0.431	0.344	0.096	0.291
Item 4	0.741	0.437	0.347	0.289	0.437	0.281	0.013	0.174
Relationship Competency (REL)								
Item 1	0.583	0.761	0.279	0.398	0.246	0.438	0.24	0.332
Item 2	0.419	0.867	0.271	0.332	0.201	0.386	0.142	0.287
Item 3	0.324	0.794	0.268	0.319	0.193	0.395	0.067	0.275
Item 5	0.307	0.688	0.3	0.181	0.214	0.292	0.066	0.209
Item 6	0.289	0.684	0.337	0.273	0.262	0.331	0.061	0.15
Conceptual Competency (CON)								
Item 1	0.376	0.327	0.802	0.272	0.365	0.15	0.106	0.179
Item 2	0.366	0.288	0.87	0.242	0.367	0.179	0.103	0.221
Item 3	0.254	0.253	0.798	0.215	0.309	0.141	0.034	0.101
Item 4	0.278	0.336	0.832	0.307	0.422	0.245	0.096	0.213
Organizing Competency (ORG)								
Item 1	0.312	0.294	0.252	0.779	0.361	0.348	0.204	0.196
Item 2	0.299	0.302	0.216	0.733	0.322	0.357	0.14	0.193
Item 3	0.278	0.234	0.215	0.638	0.321	0.323	0.1	0.065
Item 4	0.289	0.329	0.253	0.786	0.309	0.363	0.051	0.166
Item 5	0.338	0.346	0.26	0.798	0.294	0.447	0.065	0.203
Strategic Competency (STR)								
Item 1	0.242	0.151	0.367	0.295	0.747	0.314	0.022	0.151
Item 2	0.291	0.186	0.341	0.285	0.825	0.289	0.064	0.156
Item 3	0.308	0.2	0.363	0.295	0.764	0.265	0.039	0.081
Item 4	0.32	0.306	0.37	0.381	0.804	0.356	0.064	0.163
Item 5	0.277	0.267	0.331	0.385	0.772	0.327	0.078	0.141
Commitment Competency (COM)								
Item 1	0.303	0.378	0.166	0.441	0.353	0.81	0.217	0.336
Item 3	0.251	0.284	0.169	0.225	0.291	0.649	0.015	0.157
Item 4	0.239	0.432	0.177	0.381	0.245	0.767	0.041	0.228
Supportive Environment (SUP)								
Item 1	0.155	0.204	0.059	0.184	0.075	0.22	0.759	0.302
Item 2	0.06	0.111	-0.024	0.212	0.049	0.118	0.773	0.263
Item 3	0.102	0.134	0.185	0.048	0.01	0.099	0.799	0.28
Item 4	0.039	0.037	0.006	0.033	0.035	-0.032	0.7	0.177
Item 5	0.094	0.114	0.174	0.069	0.095	0.124	0.78	0.252
Enterprise Performance (ENT)								
Item 1	0.306	0.334	0.222	0.274	0.207	0.308	0.326	0.802

Item 2	0.238	0.252	0.175	0.179	0.14	0.28	0.297	0.834
Item 3	0.165	0.186	0.161	0.044	0.115	0.204	0.235	0.755
Item 5	0.19	0.241	0.138	0.133	0.118	0.23	0.139	0.697
Item 6	0.244	0.297	0.177	0.228	0.115	0.29	0.279	0.775
Fornell-Larcker Criterion								
OPP	0.798							
REL	0.528	0.762						
CON	0.393	0.37	0.826					
ORG	0.404	0.408	0.318	0.749				
STR	0.365	0.286	0.451	0.365	0.783			
COM	0.357	0.492	0.224	0.492	0.402	0.745		
SUP	0.125	0.167	0.11	0.152	0.07	0.154	0.763	
ENT	0.304	0.346	0.23	0.237	0.184	0.345	0.342	0.774

One method for assessing discriminant validity is by examining the cross loadings of the indicators (Hair et al., 2014). For the discriminant validity, a component is considered reliable when the value is higher than 0.7 and the construct loading must be higher than its cross loading. Table 3 above shows that all the indicator loadings are higher than 0.7, except for Relationship Competencies (Item 5), Organizing Competencies (Item 3), Commitment Competencies (Item 3), and Performance Informal Enterprise (Item 5), which show a value lower than 0.7 but still higher than 0.5; thus, it is assumed reliable. This is because a component loading with a value of 0.5 can be acceptable if the AVE value is higher than 0.5, which is the critical value (Hair et al., 2014). Looking at the cross-loadings, all the indicators' loadings are higher than the entire cross-loadings, confirming discriminant validity. For discriminant validity based on the Fornell–Larcker criterion, the AVE for each indicator should be higher than the construct's highest squared correlation with another construct. Based on 3, all the constructs meet the criteria.

Structural Model

Path coefficients are estimated path relationships in the structural model (i.e., between the constructs in the model) (Hair et al., 2014). Table 4 below shows that the path coefficients between opportunity recognition competency, relationship competency, and commitment competency have a positive and statistically significant (at the chosen 5% level of significance) effect on the performance of microenterprises owned and managed by women micro-entrepreneurs in Kelantan, Malaysia. The conceptual competency is positive but not statistically significant. Finally, organizing competency and strategic competency are unexpectedly negative and not significant at the chosen 5% level of significance. The effect size (f^2) enables the analysis of the relevance of constructs in explaining selected endogenous latent constructs (Hair et al., 2014). The effect sizes (f^2) of all variables seem to have small effects on performance of informal enterprise and for the conceptual competencies, organizing competencies, and strategic competencies, the effect size is not significant.

TABLE 4. PATH COEFFICIENTS

	Coefficient	t-value	p-value	f^2
Opportunity Recognition Competency → Enterprise Performance	0.122	2.141	0.033	0.012
Relationship Competency → Enterprise Performance	0.148	2.065	0.009	0.016
Conceptual Competency → Enterprise Performance	0.091	1.259	0.209	0.007
Organizing Competency → Enterprise Performance	0.005	0.091	0.928	0
Strategic Competency → Enterprise Performance	-0.035	0.516	0.606	0.001
Commitment Competency → Enterprise Performance	0.221	3.161	0.002	0.037

Table 5 shows the r^2 and Q^2 values for the dependent variable in this study, which is the performance of the informal enterprise. Hair et al. (2014) generally state that r^2 values of 0.75, 0.50, or 0.25 for the endogenous constructs can be described as substantial, moderate, and weak, respectively. For this study, the value that explains variance in the dependent variables is considered moderate and is acceptable.

TABLE 5. RESULTS OF r^2 AND Q^2 VALUES

	r^2 Value	Q^2 Value
Enterprise Performance	0.181	0.095

A Q^2 value assesses the relative predictive relevance of a predictor construct on an endogenous construct value and the larger than zero indicates that the path model's accuracy is acceptable (Hair et al., 2014). Based on Table 5, Q^2 values are still more than zero for the performance of informal enterprise.

Moderation

According to Hair et al. (2014), moderation occurs when the effect of an independent (exogenous) variable on the dependent (endogenous) variable depends on the values of another variable, which moderates the relationship. Table 6 shows the obtained path coefficients of the moderating effects of a supportive environment on the relationship between opportunity recognition competency, relationship competency, and commitment competency with the performance of informal microenterprises. Findings show an unexpected negative and insignificant moderating effect of a supportive environment on the relationship between opportunity recognition competency and relationship competency with the performance of informal microenterprises. However, there is a moderating effect by a supportive environment on the relationship between commitment competency with the performance of informal microenterprises owned and managed by women micro-entrepreneurs in Kelantan Malaysia.

TABLE 6. MODERATING EFFECT OF A SUPPORTIVE ENVIRONMENT

	δ	t-value	p-value	F^2	r^2
Opportunity Recognition and Enterprise Performance	-0.137	0.879	0.380	-	-
Relationship Competency and Enterprise Performance	-0.086	1.279	0.202	-	-
Commitment Competency and Enterprise Performance	0.111	2.138	0.033	0.088	0.247

CONCLUSION

Based on the outcome of this study, it is noted that a supportive environment had a significant level of effect on the relationship between commitment competencies and the performance of the informal enterprise. This study also confirmed that from the six major entrepreneurial competencies by Man and Lau (2000), three of them (i.e., opportunity recognition competency, relationship competency, and the commitment competency) have a positive and statistically significant effect on the performance of microenterprises owned and managed by women micro-entrepreneurs in Kelantan, Malaysia. As for the moderating effects, findings indicated a significant moderating effect of a supportive environment on the commitment competency and the performance of microenterprises owned and managed by women micro-entrepreneurs in Kelantan, Malaysia. Therefore, in order to improve the socio-economic condition of the low-income informal women micro-entrepreneurs and their households, the government of Malaysia and other development organizations, together with their programs and policies, should focus on improving the informal entrepreneurs' capacity to identify and take advantage of new income generating opportunities. It is crucial to recognize the informal women micro-entrepreneurs' significant positive role and to accumulate the relational and commitment competencies to improve the performance of their informal microenterprises.

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