

THE ANTECEDENTS OF INNOVATION IN SMEs OWNED BY MYANMAR WOMEN ENTREPRENEURS

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Abstract

Despite the importance of entrepreneurship is changing the economic landscape of many countries, identification of entrepreneurial opportunity is still in its early stages. Women entrepreneurship is identified as women entrepreneurs being catalytic in job creation and innovation. The transformation of educational status of women and varied aspirations for better living necessitated a change in the life style of Myanmar women. This research paper is intended for the development of the Myanmar Women entrepreneur's opportunities identification and innovation based upon their personal and business characteristics. Data are compiled from a sample of 40 women entrepreneurs in Myanmar and analyzed using regression to determine relationship between the independent and dependent variables. It was found that creativity, flexibility and market orientation have strong relationship to the product innovation and creativity. Flexibility and market orientation have strongly relationship with process innovations. SMEs are recognized as the significant contribution to economic growth and development, employment and the social progress of economic. Exploring women entrepreneurs' success will lead to the recognition of the economic and social contribution and they are making to their country, as well as their economic and abilities and worth. Thus, this study will be a strong point for improving support for SMEs in general, and, in particular, for women-operated SMEs to improve their operations and enhance productivity.

Keywords: Entrepreneurship, Innovation and Women Entrepreneurs

Introduction

Innovation is one of the most important concerns of each business organization and its role in the development and coordination of the market is not alienable. Innovation usually refers to renewing, shifting or creating processes that are more efficient, productive ways of doing things, for businesses, it means generating and implementing new ideas, creating dynamic products or improving enterprises providing better services. It can be atomically for the growth and success of any business and it help to adapt and grow in the marketplace. Being innovative does not mean changing business model and adopting to change only it means changing business model and adopting to change only according to the environment to deliver better products or services in the market place, which gives a competitive advantage to the firm.

A new firm creation is recognized as a major driver of economic growth and smaller firms are increasingly being recognized as making significant contribution to innovation. Small and Medium Enterprises is the key part of any country's economic development, especially developing countries like Myanmar that needs sustainable development for the country.

SMEs are finding ever increasing opportunities to enhance their business activities in various sectors. There are a number of advantages for SMEs development in the country because they are less capital intensive and high labor absorption in nature.

Currently, Myanmar economy is growing rapidly domestically and internationally. At the same time, economic industry is making extraordinary progress in different industry like

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manufacturing, agriculture, services etc. According to D.H Hold (2015) pointed out innovation is the transformation of creative idea into useful application but creativity is pre-requisite to innovation. Van De Ven (1986) states that managing innovation process involves idea, people, transaction and context executed over a period of time. The focus on innovation and women's entrepreneurship effects the nation's economic development and has impact on development of Myanmar SMEs.

Nowadays, the rise of women entrepreneurs throughout the world has gain the attention from both spheres of business and academic. The participation of women entrepreneurs in the entrepreneurship is important in transforming and empowering the society through female participation in the labor market. This involvement is accepted to be one of the efforts to alleviate poverty and unemployment problems in most of the developing or emerging countries (Apergis & Pekka-Economou, 2010; Bhardwaj, 2014).

There has been a sea of change in the way women's entrepreneurship is perceived around the world over the past 20 years, and a rising tide of interest in and keep up for women's enterprise development on the part of national economic policy- makers, international development institutions, and in civil society. Women entrepreneurship has been recognized as a remarkable source of economic process, although they still represent a minority of all entrepreneurs. Women entrepreneurs usually face many barriers to begin and grow their businesses as in like marital status, laws, lack of access to formal finance mechanisms; restricted mobility and access to information and networks, etc. Women's entrepreneurship can produce a really strong contribution to the economic well-being of the family and communities, home country, poverty reduction and women empowerment.

Thus, the current study aims to add to the general understanding of women entrepreneurs in Myanmar, particularly in relation to innovation.

Objectives of the Study

The main objectives of the study are:

1. To investigate the influencing factors of product innovation on SMEs owned by Myanmar Women
2. To identify influencing factors of process innovation on SMEs owned by Myanmar Women

Literature Review

The effect of market and technological change on the economic structure is creating huge transformation in the way every business and nations organize production, trade goods, invest capital and develop new products and processes. So that innovation makes the ability to treat efficiently the information a crucial factor for business continuation. Thus, the innovations in the market come out a challenge for enterprises. Bruno, Fonseca Netto and Bruno (2011) mentioned that innovation is the process that transforms new ideas into new products or new procedures that lead to productivity gains. Additions, Garcia and Calantone (2002) referenced that innovation is the development and production of new products and services to get commercial success.

In contempt of, various studies have also concluded that innovation will assist firms to emerge from an economic downturn in a much stronger position than their competitors who choose to cut costs or improve internal efficiencies through innovative production, process and marketing (Trott, 1998; Gilbert, 1990; Ghemawar, 1993; as cited in Chaston and Scott, 2013). University of Cambridge (1992) pointed that small firms are often better placed than larger firms to react quickly and efficiently to changing patterns of market demand and to take advantage more easily of the opportunities opened by the innovative developments in production and operational process.

Creativity is in regard to the capacity of individuals or groups to create, invent, imagine new something (Tremblay, 2011). Bruno-Faria (2003) described that creating is Generating ideas of products, services of process that produce some valuable contributions to organization and/or for the welfare of people that work that context and that have essential elements for implementation.

Creativity is seen in their article as a differential that promotes the expansion of a sense creator resulting in innovation. A researcher of (Roff, 1999) study innovation in connection with creativity. His perception of researched source a company aims to become creative and innovative because of global forces that influence it as well as the benefits derived from aspects of its business and prospects. As to the relationship between creativity and innovation, this author considers that idea generation is a critical part in the innovative process and creativity is the thought process that assists in this view, considering that improvements in these skills that will lead to a greater likelihood of emergence of new alternatives, approaches and solutions to problems. Souza and Soars, (2007) comment about creativity appreciation in the commerce competitiveness of the times, in seeking fast and innovative solutions to organization's problems.

Defining entrepreneurship as risk-taking neglects other major elements of what we usually think of as entrepreneurship, such as a well-developed ability to recognize unexploited market opportunities (Gupta 2017). While there is still much that is not known about innovation and women's entrepreneurship, there is an increasing amount of information about innovation and women – both about the positive effect that innovation can have on the lives of women, and about an underrepresentation of women in fields that frequently produce innovation.

Verma (2010), in her study Challenges faced by women entrepreneurs in a developing economy. She found that women entrepreneurs faced constraints in aspect of financial, marketing production, work place facility and with problems. Financial problems faced were non-availability of long term finance, regular need of working capital. In marketing problems they face location and lack of transport facility. In production problem was non availability of raw material.

Amador (2003) suggested that if the marginal innovation is done under pressure from outside, a better venture capital increases the innovation rate. If the marginal innovation would have been implemented without outside pressure, a better venture capital, by decreasing the rents of being the incumbent firm, decreases the rate of Innovation.

Table 1 Research Hypothesis

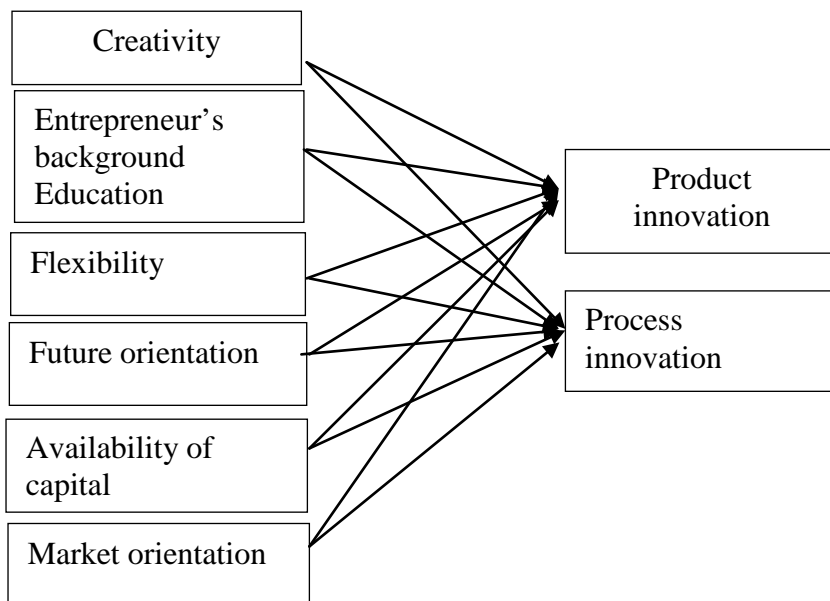
Hypothesis	Description
1	Creativity has a significant effect on product innovation.
2	Entrepreneur’s background has a significant effect on product innovation
3	Flexibility has a significant effect on product innovation.
4	Future orientation has a significant effect on product innovation
5	Availability of capital has a significant effect on product innovation.
6	Market orientation has significant effect on product innovation.
7	Creativity has a significant effect on process innovation.
8	Entrepreneur’s background has a significant effect on process innovation
9	Flexibility has a significant effect on process innovation.
10	Future orientation has a significant effect on process innovation
11	Availability of capital has a significant effect on process innovation.
12	Market orientation has significant effect on process innovation.

Research Method

A survey instrument in the form of closed-ended questionnaire was developed for the purpose of collecting the main data for the study. The population used in this study was 393 SMEs owned by Myanmar women in Yangon. Data were collected from 40 SMEs using simple random sampling method. All the variables were adopted from previous researches and a five-point Likert scale point was used. This instrument used in this study is composed of 3 parts. The first part deals with antecedents of innovation. Part 2 includes two groups of innovation and part 3 includes of number of demographic questions.

Various statistical methods have been employed to compare the data collected from 40 respondents. These methods include description analysis and regression analysis. Each method is used to analyse the relationship of different variables.

The Analytical Framework of the study



Source: Developed for this study

Hypothesis Testing

To test twelve hypotheses the data were analyzed using multiple linear regression analysis following the guidelines established by Hair et al. (1998). The purpose of regression analysis is to relate a dependent variable to set of independent variables (Mendenhal & Sincich, 1993).

Table 2 Results of Hypothesis

1	Creativity has a significant effect on product innovation.	Supported
2	Entrepreneur's background has a significant effect on product innovation	Not supported
3	Flexibility has a significant effect on product innovation.	Supported
4	Future orientation has a significant effect on product innovation	Not supported
5	Availability of capital has a significant effect on product innovation.	Not supported
6	Market orientation has significant effect on product innovation.	Supported
7	Creativity has a significant effect on process innovation.	Supported
8	Entrepreneur's background has a significant effect on process innovation	Not supported
9	Flexibility has a significant effect on process innovation.	Supported
10	Future orientation has a significant effect on process innovation	Not supported
11	Availability of capital has a significant effect on process innovation.	Not supported
12	Market orientation has significant effect on process innovation.	Supported

Analysis and Discussion of Findings

The internal reliability of item was verified by computing the Cronbach's alpha (Nunnally, 1978). Nunnally (d1978) suggested that a minimum alpha of 0.6 sufficed for early stage of research. The Cronbach's alpha estimated for creativity was 0.870, Flexibility scale was 0.882, and future orientation scale was 0.698 and market orientation scale was 0.747. (Entrepreneur's background and availability of capital), as the Cronbach's alpha in this study were all much higher than 0.60, the constructs were therefore seemed to have adequate reliability.

These results are presented in a structural force according to the sequence of the questionnaire survey and the interviews, reflecting the dimensions of Myanmar Women Entrepreneurs based on the research questions (Smile Dzisi, 2008). The independent variables are creativity, education background of entrepreneurs, flexibility, availability of capital and market orientations on effect of the dependable variables are product innovation and process innovation. The linear regression analysis is employed to find out influencing factors of innovation Myanmar women entrepreneurs. From the result that the R- square is 0.77 (77%) and adjusted R- square is 0.739 (73%) which is strongly in terms of statistics. The regression analysis results indicate that flexibility, creativity, and market orientation are significant level of 1% significant level on

product innovation. Next, the result of survey R-square is 0.622 (62%) and adjusted R-square is 0.553 (55%) which is great in terms of statistics. The regression analysis results represent market orientation; flexibility and creativity are 5% and 1% significant level on process innovation. Overall evaluation state that the consideration produced anticipated signs and significant coefficient. Thus, it can be concluded that increasing level of creativity, flexibility and market orientation have strong positive effect on product innovation and process innovation.

Above all, entrepreneurial success of the SMEs owned by Myanmar women entrepreneurs has played an important role in shaping the community's perception of women. Business Women are no longer dependent on men and only good enough for household duties and looking after a child. The entrepreneurs try with degrees of self-worth, success and struggle for their business success. Society and government are recognized them more because they notice that women are serious about their business.

Implications and Suggestions

This study could reference that, in SMEs owned by Myanmar women entrepreneurs, the optimum way for gaining creativity is significantly product innovation and process innovation market. From result survey, it could be concluded that trying to innovate totally new product and process would not be effective to increase market share. Nevertheless, customers are interesting to welcome the new products and process they have never seen in the market, they will not be ready to adopt them which are functionally and technologically complex to use in Myanmar. Thus, Myanmar women entrepreneurs are thoughtfully trying to attract customers with new products and processes.

Myanmar women entrepreneurs of SMEs-owners would attempt to get customer acceptance and market share by introducing new products and new processes custom-built with improved processes at the start-up stages of their firms. Consequently, they would also try to decrease unit cost of production. Therefore, at the early stage of maturity of their products and processes in markets, they would try for profitability. At this maturity stage, their business would be able to highlight more on process innovation because they already gained market share with introduction of new products. The result of this study, found that women entrepreneurs' work hard to attract loyal customers with processes and products which are not new but which increase existing products and processes would not reach target sales as well as profit for Myanmar women business owners. In addition, it would not be helpful to lower production cost per unit and also not be supportive to protect surroundings, and safety and health of workers.

Additionally, business owners also need to consider the availability of capital. At the introduction stage, their initial capital would not be large enough to pioneer introducing new product and process innovation into business. If women entrepreneurs were not have good background education and future orientation that particular two influencing factors would not lead to product innovation and process innovation. Women entrepreneurs cannot start new process or product unless they have creative thinking. At that, women owners of SMEs would not think about innovation if they are not aware of changes of markets in the future and needs of customers. Women entrepreneurs should be considered to be flexible to the new process and products.

Since, Myanmar has been using the open market system and trying to economically concentrate its economy with international and regional markets, the role of women-owned

SMEs and their participation have become very important. The percentage of women labor force in Myanmar is important in the world. Currently, women are transforming entrepreneurs in manufacturing, services, and etc. and healthcare.

Some women entrepreneurs have other pressing priorities, such as extra-household duties, and balancing household while other express a strong desire to build into full-fledged powerful business and eventually formally registered firms. Social and political instability, consist of unremitting difficulty in certain regions, means that sustainable growth of entrepreneurs businesses is not yet a realistic option for many women owners of SMEs. There is considerably more room sustain for women to transformations from informal business activity into the formal sector.¹

In Myanmar, there are some business associations which are established for the development of SMEs owned by women. Myanmar Women Entrepreneurs Association (MWEA) was established in 1995, the MWEA is a strategic alliance of more than 1,600 businesswomen and women in academia that aims “to unite and bring into focus and world attention the role and capabilities of Myanmar women entrepreneurs.” Cited the MWEA

MWEA engages foreign donors and possible investors and is experienced at managing grants for training and building capacity among its members. MWEA supports microfinance loans for women and also supporting women business-owners by connecting their firms to market.

Moreover, to connect women-entrepreneurs to markets, the MWEA emphasizes entrepreneurial capacity-building. Beginning in 2012, MWEA channeled significant donor support into training and coaching its members, specifically focused on communication, finance, management, and reporting. A series of thematic conferences took place in Yangon in 2013, bringing together more than 550 entrepreneurs, leaders, and government officials. In addition, the MWEA aired at least ten radio programs to share knowledge with women entrepreneurs all over Myanmar.

ASEAN Women Entrepreneurs Network (AWEN) was established in 2014 and provides a venue for business women from throughout ASEAN to expand their networks and build new business contacts. MWEA also engages outreach to ASEAN and to national governments on women’s economic empowerment issues. Myanmar is represented in AWEN by a leading member of Myanmar Women Entrepreneurs Association (MWEA).

As mentioned above, the business associations have been implementing many projects for implement of businesses owned by Myanmar women entrepreneurs, there is an inadequacy of evidence to prove the success of their businesses. Number of successful Myanmar women business owner still need to know grow. In this study, sales of their firms can be expanded by launching products innovation and processes innovation into the market. Form processes innovation and product innovation which will lead to increase in availability of capital and sales are necessary. Therefore, Myanmar women entrepreneurs of SMEs should plan to grow.

¹ The Ecosystem for Women’s Entrepreneurship in Myanmar: Networks, Associations, Organizations and Other Services that Support Women Entrepreneurs, March 2016. This publication was produced by Nathan Associates Inc. under Contract AID-486-C-13- 00004 for review by the United States Agency for International Development.

Government and business associations should consider the future orientation to support finance to launch new process and product into market. Women business owners should use such finance mainly for new product and process launch, and they can apply also for upgrading the process to manufacture goods or to deliver services. To provide finance, the SMEs owners' creative ideas need to be standard instead of emphasizing on only collateral. An association should be arranged with innovative Myanmar women entrepreneurs and they can distribute information about Myanmar innovative products and processes to international market. This new form of association would rise for giving ideas, technology support and financial support to SMEs- women owners if they have creative ideas. Thus, at the first stage, particularly for start-up SMEs owned by Myanmar women entrepreneurs, government or non-government associations should consider the exemption of costs to them to participate in exhibitions and trade shows to show their products (MWEA, 2016).

The finding suggests that the upgrade education that the business women have obtained, irrespective of the level and areas of specialization, has been a very useful factor in the successful setting up and operations and ventures. Benefits derived from formal education included literacy, ability to identify an opportunity and market tendency and ability to attract investors, stake holders and banker for their need of capital and to prepare basic financial statements, make financial projections and profit.

Conclusion

Myanmar SMEs sector plays crucial roles in economy development through income generating, employment for Myanmar Women entrepreneurs. But compare with rest of the world Myanmar SMEs sector shows less development due to internal factors and external factors each factor are interrelated on each other's. Internal factors of low level of motivation and to less innovation.

This study of success can be investigated from respondents in two main areas. At first are economic contributions, which involve business creation and innovation, employment and job creation. Next one is social contribution to society and communities at large by the business women's contribution in society, voluntary work and sponsorships and donations to various organization, institutions and individuals.

In addition, through business owner of SMEs making job creation have resulted in the reduction of unemployment in their nation. Women entrepreneurs risk to invest in new business and those who did not start new business changed the business that they took over and still reflect their own innovations. Since the government is only able to provide a few job opportunities and proudly forms part of the SMEs business owner's success.

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