



Motivating Factors of Couple Involvement in Copreneurship Businesses in Malaysia

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ABSTRACT

Copreneurship is a term used to describe the business pattern of operations run by married couples who share commitment, goals, and responsibilities in handling a business. Research conducted overseas showed that copreneurship business activities grew quickly and played a role in elevating families' and nations' socio-economic standards. In Malaysia, copreneurship has long been cultivated by spouses. Thus, this study aimed to explore the factors that motivate married partners to start a copreneurship business, and who is the dominant partner in the management of this business. The study participants are four entrepreneurial couples who are SME business operators selected through purposive sampling. In-depth interviews and direct observation were used as methods of measurement for triangulation of qualitative data in this study. The findings of the interviews were administered using NVivo 8.0 software. The result shows that freedom is a key factor that drives entrepreneurs to set up copreneurship businesses, and that the husband dominates the management aspects of the business. The study gives an overview of the parties involved in entrepreneurship to provide understanding of the copreneurship concept as it is practiced. This study provides academic value by creating understanding of the importance of a harmonious family institution specifically for forming entrepreneurs in the familial environment in Malaysia.

Keywords: Copreneurs, Copreneurship, Business management, Enterprise.

1. Introduction

The term *copreneurship*, used to describe entrepreneurial couples, is a combination of two words: *couple* and *entrepreneurship*. It was initially introduced by Barnett and Barnett in 1988. Practically, copreneurship is a spousal activity in which commitment, goals, and responsibilities are shared in operating an enterprise (de Bruin and Lewis, 2004). During the 1980s, the copreneurship business was much debated in the United States and Canada. In the 1990s, this form of business was estimated to represent 1.5 million than other businesses in the United States (Tompson and Tompson, 2000). Similarly, in Australia, there were an estimated one million businesses run by married couples, and that number was growing (Smith, 2000). Studies performed abroad showed that copreneurship businesses grew faster than other businesses (Scarborough et al., 2009; Smith, 2000). Copreneurship was gaining attention from many married couples who wanted to manage businesses together. Smith (2000) reported that, according to research carried out on entrepreneurial pairs in Australia, the main factor that motivated them to open a business was to be able to manage their lives better. Male partners (husbands) said that opening their own business allowed them to earn more income, while the female partners (wives) had

more flexibility to carry out the responsibilities of work and family more effectively. Entrepreneurial couples in this study said that copreneurship allowed them to coordinate career and family responsibilities better.

For this reason, a copreneurship career of great interest among married couples. In addition to earning a good income, family responsibilities can also be fulfilled. Previous studies, both abroad, like Smith's (2000) research in Australia, and within the country (Raiha and Faizah, 2009), have found that entrepreneurial couples are better able to manage their careers (business activities) and family affairs.

1.1. Benefits and Challenges of Entrepreneurial Couplehood/Copreneurship

It is generally known that copreneurship businesses are initiated for a number of reasons. According to Muske et al. (2002), the growth in copreneurship is attributable to couples' desire to be together and their shared vision, goals, and ideas. The desire to start a business together is driven by values like time for family, obtaining control over their lives, or the ability to be independent. In addition, other benefits that can be obtained through copreneurship are:

1. Business and family relationships can coexist (Cole and Johnson, 2007; de Bruin and Lewis, 2004; Muske et al., 2002; Raiha and Faizah, 2009).
2. Entrepreneurial couples can incorporate the dimension of work (business) with the dimension of the family. Therefore, the marriages and businesses of entrepreneurial couples are expected to be stronger than those of non-entrepreneurial couples (Fitzgerald and Muske, 2006). Cole and Johnson (2007) categorize copreneurship as a family business because its function as a conduit of capital, work, and business results indirectly contributes to the socio-economic status of families.
3. Couples gain time flexibility. According to Smith (2000), many married couples cooperate in developing their own businesses to achieve time flexibility to handle business and family responsibilities.

In conclusion, ideally, copreneurship allows a married couple to share commitment, roles, and responsibilities that connect the boundaries between work and family. Entrepreneurial couples are seen as "utopians" because they create unity between work (business) and family. They are considered to have strong marriage bonds and businesses because they share this form of relationship. Marriage and business relationships are cemented by the same vision and goals as well as the team effort shared between husband and wife. Entrepreneurial couples can also be described as having a unique opportunity to achieve control and satisfaction in the domains of work (business) and family (Fitzgerald and Muske, 2002). Many couples favor business copreneurship because it is considered a flexible economic activity that allows parents to care for their children together (Pratt, 2009).

However, these entrepreneurs also have to confront several challenges. Among the challenges they need to face are:

1. Copreneurship businesses are often less financially successful than other businesses, as entrepreneurial couples consider their businesses to be a way of life rather than a joint venture that produces income. This is based on research in which Muske et al. (2002), examining entrepreneurial couples in different industries (30 percent of them in agricultural businesses), found that entrepreneurial couples generally had lower gross incomes than other businesses, except for wholesalers.
2. Distribution of responsibilities/roles in the business is unbalanced. Pratt (2009) mentioned that earlier studies regarding copreneurship showed that married couples do not manage their businesses fairly because of the differences in how they allocate their time. According to Marshack (1994), entrepreneurial couples use traditional gender role orientation to distinguish the boundaries between work and family life. The husband is considered the head decision maker, working for the longer term, while the duties and responsibilities of marriage and the family are passed to the wife (Millman and Martin, 2007). This aligns with the set-up of the traditional nuclear family, in which women took care of housework and childcare, while men were responsible for the work and providing for the family (Blenkinsopp and Owens, 2010). In this case, women (wives) take precedence in managing the household, while man (husbands) manage the business.

Marshack (1994) reported that surveyed entrepreneurial couples stated that they divided tasks based not on time spent but on the satisfaction the couples derived from their share of responsibilities. On average, the male partner worked 60 hours per week managing the business, while the female partner worked only 49 hours per week. Entrepreneurial couples focus more on

family welfare than on the growth and development of their companies. This is among the reasons that copreneurship businesses are considered less successful than other businesses (Muske et al., 2002). Research by Wallace (2010) on the factors that determine the success of a family business stated that the success of a business is dependent on management by either the male or female manager, the business carried on at home, problems in the business, and cash flow problems. Businesses run by male managers are more successful in the long term, can handle more business problems, and have fewer cash flow problems than do businesses run by female managers. Businesses carried out at home are also found to be less successful, earn small profits, be smaller in size, have fewer problems and less liability, have business managers who are less qualified, and have high levels of poor business health.

Nevertheless, studies by Millman and Martin (2007) on five companies in the UK food industry run by entrepreneurial couples proved there is a new vision of copreneurship. Women were found to have taken leading roles in business management from the start-up phase to the expansion phase of the business. Female partners were found to have the same requirements in terms of performance as the male partners. In addition, it was found that female partners have a high level of confidence, think that there are no barriers for women's participation in business, take strategic roles in their companies, earn the same salaries as those attained by their male counterparts, and are able to manage life at work and at home. This is supported by Scarborough et al. (2009) who state that, unlike traditional entrepreneurial couples (husband as employer and wife as employee), modern entrepreneurial couples divide tasks based on skills, experience, and talents rather than on gender. Moreover, studies by Millman and Martin (2007) also noted that flexibility is a factor in business operations and working procedures and that the advantages of sharing roles can help meet the needs of the household, family, and children. However, despite sharing roles, a couple of women (wives) were found to take responsibility for the process, while the male partners (husbands) provided support but did not take leading roles.

Based on this rationale, a study should be undertaken for the purpose of determining whether the findings of previous studies hold true in Malaysia. Thus, this study will identify: (1) the motivating factors for married couples to start a copreneurship business, and (2) among married couples, which is the most dominant gender in the management of the business.

2. Methodology

This study used a qualitative approach with multiple case studies (the multi-case study approach). The data were collected through interviews and observations. The respondents involved are entrepreneurial couples selected through purposive sampling based on data provided by the Small Medium Enterprise (SME) Corporation of the state of Kelantan in 2011. The data derived from the interviews were sent to two experts for confirmation and were subsequently tested for reliability with the Cohen Kappa Index, which showed an average value of 0.96. This means that the coding has high reliability and can be used.

3. Findings and Discussion

Table 1 displays information on the profiles of the four entrepreneurial couples that participated in this study. Three of them have sole proprietorship businesses operated by the owner. One pair owns a sole proprietorship and is a family-inherited business. Detailed information about the businesses of the entrepreneurial couples in the study can be found in Table 1.

Insert Table 1

3.1. Factors Motivating Entrepreneurial Couples to Start Copreneurship Businesses

Based on interviews and observation data with all four entrepreneurial pairs, the researchers identified six factors motivating the spouses to start copreneurship businesses (as shown in Table 2). The six motivating factors identified are: (i) freedom, (ii) evasion, (iii) achievement, (iv) wealth, (v) opportunities, and (vi) adaptability.

Overall, freedom and opportunity are the two major factors that motivate entrepreneurial couples to start businesses with their spouses. These are followed by wealth, achievement, evasion, and, lastly, adaptability.

The same elements are shown in the results of the study by Kamaruddin (2007) on factors motivating Bumiputera entrepreneurs to start businesses; that study also shows the additional factor of

lifestyle. However, this study has the differences from the findings of Kamaruddin (2007) in terms of the arrangement. The study by Kamaruddin (2007) shows that wealth is the factor with the highest mean score, followed by freedom, lifestyle, respect/adaptability, achievement, opportunities, and evasion.

According to Scarborough and Zimmerer (1996), entrepreneurs want the freedom to choose where to live, the amount of working time, and the tasks performed. Entrepreneurs who set up their own businesses do not want to work with others. The results showed that the majority of entrepreneurial couples list freedom of self-employment as the key factor that drives them to do business with their spouses. This finding is consistent with the findings of a study conducted by Smith (2000) in Australia

Many studies also report that couples favor copreneurship businesses because they provide a flexible form of economic activity for the parents, allowing them care for their children together (Smith, 2000). Both the husbands and the wives in this study also stated that doing business with their partners, who understand the needs of their families, allows them to integrate the family and work domains together to a greater extent than if they worked in outside companies. In fact, it allows them to bring their children to work when the need arises without causing any problems.

This was also acknowledged by wives in the study by Smith (2000) as the main factor that prompted them to start copreneurship businesses with their spouses. The findings of this study support the findings of Smith (2000), in that the wives participating in this study also chose freedom to determine their working time (working hours flexibility) as their motivation to start businesses with their husbands.

This finding is further supported by the study of Millman and Martin (2007), which states that flexibility is an important factor in copreneurship business operations, in addition to flexible work procedures and the advantages of sharing roles to meet the needs of the household, family, and children. William (2008) also noted that among the factors driving establishment of a copreneurship business is the desire for quality family time at home.

Insert Table 2

3.2. Dominant Partner in Business Management

Based on the findings from the interviews, as described in Table 3, it is clear that husbands are dominant in management roles. They handle more management tasks than do their wives. Moreover, if viewed in terms of tasks, the husband is found to take on important and complicated tasks that require much time outside and to deal with others for marketing, product development, purchasing, equipment maintenance, business plans, bookkeeping, and accounting, as well as contract negotiations or agreements with clients or suppliers. In contrast, the wife takes on simpler, “light” roles at the office, such as secretarial duties, payroll, and billing and receipts of payment. This shows that the entrepreneurial couples in this study divide tasks, duties, and responsibilities based on traditional gender roles.

Pratt’s (2009) study examining which is the dominant partner in managing copreneurship businesses in the United States found that the husband is dominant. His research showed that almost three-quarters, or 88.9 per cent, of the businesses were managed by the husband. Similar findings in the study of Muske et al. (2002), which compared copreneurship businesses with other businesses, showed that 75.4 percent of the businesses were managed by the husband, whereas 70.3 percent of other businesses were run by the men. The findings of the literature review are similar to the findings of this study, which show the husband taking on more roles in business management than the wife. The results show that the division of roles in business management among entrepreneurial couples is in line with traditional gender roles. Husbands in this study consider themselves the “leaders” or employers, whereas the wives are described as “helping” their husbands in the business. Furthermore, the findings also show that wives see their husbands as the leaders and believe that they are just helping their husbands to manage the business.

The results also show the entrepreneurial couples in this study had clearly segregates the business management tasks so that the wives did the majority of the tasks within business premises, described as more “feminine” and easier. Thus, the role of the wife in business management leans towards roles requiring presence at an office or business premises, such as secretarial duties, payroll, and the payment of bills and receipts. The husband is seen to be more responsible for major roles in business management, “complicated” tasks, and tasks that require going out and meeting other people, like purchasing, marketing, business plans, equipment maintenance, and operation contract negotiations or agreements with clients or suppliers.

In general, the results show that wives prefer family affairs to business. In other words, husbands were more concerned with the job domain, whereas wives prefer the family domain. This is in line with

the findings of Carikci (2002), Fairlie and Rob (2009), and Sandhu and Mehta (2006) that women are more concerned with the needs of the family than the business.

4. Conclusion

In summary, copreneurship businesses were found to have been practiced in Malaysia, and were preferred by couples who see this type of business as a lifestyle that gives them the freedom to manage the business and carry out family responsibilities according to their ability and preferences. It is also seen as a solution to the problem of child rearing while both partners are at work. The different commitments for husband and wife entrepreneurs shown in this study make it possible to establish a harmonious relationship as partners in business and in household life. The husband is found to have greater commitment to the business, whereas the wife gives more attention to the marriage and the children. This explains why the husbands in this study are more dominant in business management than the wives, who reduce their involvement in business management for the well-being of their families.

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Table-1. Profiles of Entrepreneurial Couples

Participants	Type of Business	Ownership History	Business Location	Products	Business Age (Years)	Number of Employees	Initial Capital	Capital Source
PKA1 & PKA2	Sole	Own	Suburban	Sauces, Soy and Sauces, Soy and Juices	22	26	5K	Savings
PKB1 & PKB2	Sole	Own	Rural	Instant “Kueh,” Cakes and Pastries	5	4	120K	Bank Loans
PKC1 & PKC2	Private Limited	Hereditary	Rural	Clothes and Apparel	14	>100	60K	Diligence (Tekun) Loans
PKD1 & PKD2	Sole	Own	Suburban	“Batik” and Clothes	20	15	1.5K	Savings

Table-2. Motivating Factors for Becoming an Entrepreneurial Couple/Starting a Copreneurship Business

Num.	Motivating Factors (Theme)	PKA1	PKA2	PKB1	PKB2	PKC1	PKC2	PKD1	PKD2	Total
1.	Freedom	/	/	/	/	/	-	/	/	7/8
2.	Opportunity	/	-	/	/	/	/	/	/	7/8
3.	Wealth	-	-	/	/	-	-	/	/	4/8
4.	Achievement	-	-	-	-	/	/	-	/	3/8
5.	Evasion	-	-	-	-	/	/	/	/	3/8
6.	Adaptability	-	-	-	-	-	-	/	/	2/8

Table-3. Dominant Partner in Entrepreneurial Couples' Business Management

Roles	PKA1	PKA2	PKB1	PKB2	PKC1	PKC2	PKD1	PKD2
Business, Budget	/	/	/	-	/	/	/	-
Marketing	/	-	/	-	/	-	/	/
Payroll	-	/	-	/	/	/	/	/
Human Resources	/	-	-	/	/	/	/	-
Equipment Maintenance	/	-	/	-	/	/	/	-
Product Development	/	-	/	/	/	/	/	-
Business Plans	/	-	/	/	*/	-	/	-
Contract Negotiations	/	-	/	-	/	/	/	-
Accounting	-	*/	/	-	/	-	-	/
Secretarial	-	/	-	/	-	/	-	/
Purchasing	/	-	/	-	/	-	/	-
Payments	-	/	-	/	-	/	/	-
Stock Inventory	-	*/	*/	-	/	/	/	/
Total	8/13	6/13	9/13	5/13	11/13	9/13	11/13	5/13

* means this task is done by an employee and supervised by the couple as marked