

*Full Length Research Paper*

# Doing business with impudence: A focus on women entrepreneurship in Saudi Arabia

Muhammad Asad Sadi and Basheer Mohammad Al-Ghazali

<sup>1</sup>King Fahd University of Petroleum and Minerals, Dhahran, Saudi Arabia.

<sup>2</sup>Naizak Naizak Global Engineering Systems, Al-khobar, Saudi Arabia.

Accepted 17 July, 2010

This study attempts to investigate the courage it takes for women to do business in Saudi Arabia. A total number of 350 participants were allowed as a sample. Drop-off, pick-up and On-line survey methods were used to receive maximum response rate. The descriptive statistics, the T-test and the ANOVA test were utilized to examine the business motivational factors. The results reveal that self-achievement is the most motivational factor for business women in Saudi Arabia. The barriers include lack of market studies, lack of governmental support, lack of coordination among government departments, lack of support from the community, society restrictions and oligopolistic attitude of the investors. This research contributes to the literature on gender barriers related to business by systematically assessing the traditional restrictions towards women in Saudi Arabian society.

**Key words:** Motivational aspects, barriers towards business, gender related restrictions, business women.

## INTRODUCTION

It is estimated that women own and manage up to one third of all businesses in developed countries (Nelton, 1998). The global outlook for female entrepreneurs however, has never been encouraging (Riebe, 2003). In addition, it is evident that the entrepreneurial activity of the female entrepreneurs is making a distinct difference in their communities and economies, in both the developed and developing countries (Hisrich et al., 1997). Starr and Yudkin (1996) claim that little information exists about women entrepreneurs' business practices, survival and growth strategies and their perceptions of entrepreneurial careers. (Henry, 2002) stated that female entrepreneurship is an under-researched area with tremendous economic potential and one that requires special attention. (Carter et al., 2002) add further and state that despite the extent of women entrepreneurs' involvement in new business formation, the economic impact of women led businesses has been down-played. There are about 23,000 businesswomen in Saudi Arabia (Alshemari, 2005) and according to (Ghafour, 2004), Saudi women have around SR 62 billion in bank accounts and untapped resources.

Forbes magazine reports in its women section that des-

pite the barriers Muslim women face in business world, 10 Muslim women business executives from Middle East have made Most Powerful out of 100 in the World ranking in year 2008. Some of the most significant contributions to the Jeddah Economic Forum in 2004 came from women. For the first time at the forum a Saudi business lady Lubna Olayan was given the opportunity to be the key note speaker. She is chief executive of the multinational Olayan Financing Group. There was also a consensus among women at the forum that social attitudes of men were changing gradually towards women in Saudi Arabia. It was also agreed at the forum that women have better business related education and entrepreneurial skill than ever before. The delegates perceived that women will hold leadership positions in years to come.

Besides recent efforts such as the 2004 Jeddah Economic Forum, women are recognized to be under-represented at the business scene, especially amongst the owners, operators, managers and thus were peripheral to the process of the Saudization policy. The Saudization policy gives women assurance of business participation and success. From cultural scene, much like many other societies, Saudi Arabian males do not like taking orders or instructions from female operators, managers, indicative of women's place in society and the gender imbalance in business as well as employment. Furthermore,

there is awareness now that some reforms would be necessary in the future. Saudi Arabia's entry into the WTO in 1995 means that streamlining of the industry was highly recommended. It is advised that marketing policies be adapted to correspond to the objectives of Saudization to make women active participant in business world (Sadi and Henderson, 2005).

These observations suggest that Saudization alone is unlikely to be the answer to the social, economic and commercial challenges which confront Saudi Arabia linked to unemployment. It is essential to upgrade and enlarge the indigenous skills base, especially regarding service sector if businesses are to thrive. The Kingdom needs specialized training and education provision to prepare Saudis for work in the industry, with appropriate courses and formal certification schemes on offer. Such specialized institutions and professional certification programs need to be established without delay and the prominent universities; community colleges and vocational training institutes should introduce service related programs into the curriculum. These measures will help to close the current wide skills gap and should be accompanied by the identification of attractive career development paths. The HRDF can contribute significantly by continuing to subsidize or reimburse business training costs and salaries paid to trainees. Highly educated employees must also be recruited, but taught to have realistic expectations.

The purpose of this study is to focus on the reasons why Saudi women choose to start their own business as well as examining some of the barriers they face in Saudi Arabia. A European survey "Women in Business and in Decision-Making" was carried out in Europe 2004 and was the main motivating factor to study women entrepreneurs in Saudi Arabia. The main aim of the European survey was to find out what problems hinder women entrepreneurs from taking part in economic decision making processes in the European countries ([www.eurochambres.be/women/index.htm](http://www.eurochambres.be/women/index.htm)). In the case of Saudi Arabia and the Arab World, limited number of studies and text books have been published that have explored business start-up motivations among women and the obstacles they face in running business of their own in Saudi Arabia.

The report starts with a review of the literature from both empirical and theoretical perspectives. Three research hypotheses are formulated and tested on a sample from women and men entrepreneurs in Saudi Arabia. The methodology and results of the study are followed by recommendations and limitations.

## RESEARCH OBJECTIVE

The objective of this study is to focus on the reasons why Saudi women choose to start their own business and what type of barriers they face as entrepreneurs. Their motivation and barriers are compared and contrasted

with their men counterparts.

## LITERATURE REVIEW

Many women are entrepreneurs worldwide. However the global impact of female entrepreneurs is just beginning to gain intensity. The number of female business owners continues to increase steadily worldwide, today women in advanced market economies own more than 25% of all businesses (NFWBO, 1998). And women-owned businesses in Africa, Asia, Eastern Europe and Latin America are growing rapidly (OECD, 1998). For example, women produce more than 80% of food for sub-Saharan Africa, 50 - 60% for Asia, 26% for the Caribbean, 34% for North Africa and the Middle East and more than 30% for Latin America. In the USA one out of every four company worker is employed by a woman owned firm. In Canada and the USA the growth of women-owned firms out-space overall business growth by around 2:1 (Kitching and Jackson, 2002). Similar findings are reported from Australia and parts of Asia, with more women setting up new small businesses than men and with lower failure rates. In some regions of the world, transformation to a market economy threatens to sharpen gender inequality. Some of these changes are simply the legacy of a gender imbalance that exists prior to political and economic reforms. Other changes reflect a return to traditional norms and values that relegated women to a secondary position. As countries become more democratic, gender inequalities lessen, thus, offering a more productive atmosphere for both sexes.

Women confront a variety of challenges in developing and running a business (McKay, 2001) and many argue that significant barriers still remain for women establishing and growing businesses (Carter, 1997). Nevertheless, the literature does discuss a number of obstacles faced by many female entrepreneurs, which prevent or hinder the development and growth of the firm (O'Gorman, 2001; Orser et al., 1999). These challenges include acquiring appropriate training (Walker and Joyner, 1999) obtaining capital (Buttner and Moore, 1997; Carter, 2000a, b) and gender discrimination (Kleiman, 1998). There is also evidence to suggest that it is often resistance from family that proves the greatest barrier for female entrepreneurs (Babaeva and Chirikova, 1997) as well as the problems of overcoming cultural conditioning as cited in McKay (2001). This is often the case in developing countries where a woman's primary role is as a wife and mother and traditional practices still restrict women to their maternal role and other family-bound tasks (McElwee and Al-Riyami, 2003). Gender stereotypes are also seen as a significant growth obstacle facing female entrepreneurs (Still and Timms, 2000a, b) especially for women in male-dominated sectors of business.

However, it is not only gender issues that can hinder the start-up and growth phases of the small firm, the cur-

rent literature emphasizes the: financial aspects of venture start-up and management are without a doubt the biggest obstacles for women (Brush, 1992). Furthermore, it is maintained that: "the most serious self-described barrier to growth among women-owned businesses, next to overall economic conditions, is the availability of capital" (Walker and Joyner, 1999). Still and Walker (2006) hold that the most difficult aspects for businesswomen in Australia were gaining the necessary confidence and selling to people. Also, they have difficulty in obtaining the necessary finance to commence the business, locating advice and information on the start up and developing a business plan. They also have fewer role models available to them. Businesses headed by women tend to be smaller and they grow less quickly than those headed by men, suggesting, again, that women face greater obstacles to obtaining success as entrepreneurs (Cooper et al., 1994). Also, entrepreneurs are perceived by the public as possessing stereotypically "masculine" traits, another factor working against women's credibility as business owners (Baron et al., 2001).

A number of studies have documented barriers to women's advancement in corporate America including: stereotyping and misperceptions about women's abilities and long-term commitment to business careers; exclusion from informal networks and channels of communication; lack of access to mentors; managers' lack of willingness to "risk" putting women in key developmental assignments, especially line positions; salary inequities and sexual harassment (Acker, 1991; Catalyst, 2000). Any one of these risk factors might provide a reason for women to seek alternative employment options.

Roggenkamp and White (1998), in a study of nurses that started their own business found that the desire for greater flexibility was a strong motivation to leave a traditional nursing setting and undertake an entrepreneurial venture. Mcatavey (2002) found that aligning with values, regaining excitement, being in charge, advancing oneself and fulfilling a lifelong goal contributed to women's decisions to start their own businesses.

Dhaliwal (1998) have stated that Asian entrepreneur women tend to be risk averse relying firstly on personal savings and then family money followed by community support and then bank finance. They are also more easily frustrated with bureaucracy preferring informal relationships and a minimum of paperwork. A common problem faced by Asian women in starting up is that many business ideas and plans tend to be too ambitious or not clearly developed.

Dhaliwal and Kangis (2006) found that some of women's businesses were hobby related, for example, two respondents were beauticians bringing Eastern techniques and materials to the West; another ran a catering company serving Asian meals for weddings and parties. These findings support Dhaliwal (1998) in that many women chose roles as an extension of a role associated with being Asian women or wives. In terms of the choice

of business Brindley and Ritchie (1999) found that it is based on women's previous work experience, which may indeed help to minimize the risk of venturing into completely uncharted territory with a new business. Furthermore, during the women entrepreneurs' start-up phase the main source of support and assistance came from family and friends that were trusted sources of help that the women had previously experienced. It would therefore appear that by choosing a familiar business activity and by relying on a network of family and friends perhaps women are sub-consciously minimizing the risk of the new business venture.

Ljunggren and Kolvereid (1996) found that women stressed autonomy reasons for starting a business more than men. They did not find gender differences with regard to challenge, risk or profitability. It could be suggested that as the study viewed risk as a financial construct there may have been different risks for the women, e.g. social risks that are ameliorated during the screening process.

There are a variety of constraints on women and the ability of women to upgrade their production continuously. These include poor access to market information, technology and finance, poor linkages with support services and an unfavorable policy and regulatory environment. These constraints are further compounded by the need to compete in an aggressive business environment with rapid technological changes and the globalization of production, trade and financial flows (UNIDO, 2001). Although many of the constraints are shared by both female and male entrepreneurs, women entrepreneurs face additional obstacles; this is due to deeply rooted discriminatory socio-cultural values and traditions, embedded particularly in the policy and legal environment and in institutional support mechanisms. In many instances women are unable to benefit from services and must struggle to overcome or circumvent discriminations in business circles (UNIDO, 2001).

## **HYPOTHESES DEVELOPMENT**

### **H1**

There is a significant difference between the views of business women and business men for the main motivation factor.

This hypotheses is in line with the study carried out by Carter (2000a, b) and Timmons and Spinelli (2003) addressing the entrepreneur's personal motivations of business women and business women for initiating start-up activities. The literature often reveals various "push" and "pull" factors as motivators for business start-up (Alstete, 2003) or alternatively negative and positive factors as discussed by Deakins and Whittam (2000) between business women and business men. The "push" or negative factors are associated with the necessity factors that force woman into pursuing their business ideas.

These can be redundancy, unemployment, frustration with previous employment, the need to earn a reasonable living and a flexible work schedule, reflective of the family caring role that is still expected from women (Alstete, 2003; Orhan and Scott, 2001). Similarly, Welsh (1988) and Carter and Cannon (1988) found evidence of a "glass ceiling effect" that impede executive women as compared to men from reaching more senior executive positions and thus pushes them from management positions into their own business. Consequently, Catley and Hamilton (1998) state that self-employment was in fact a last resort for some women involved in their study. Similarly, Deakins and Whittam (2000) emphasized that in this situation becoming an entrepreneur is not a first choice, but nevertheless argue that such negative, motivational factors are more important with entrepreneurs drawn from certain groups in society that may face discrimination, such as ethnic minority groups, younger age groups and women. Some researchers have used the term "pull" and "push" factors when stating the business women motivation.

The "pull" or positive factors are those associated with factors of choice (Orhan and Scott, 2001) and the desire for entrepreneurial aspirations (Deakins and Whittam, 2000). These relate to independence, self-fulfilment, autonomy and self-achievement, being one's own boss, using creative skills, doing enjoyable work, entrepreneurial drive and desire for wealth, social status and power (Alstete, 2003; Orhan and Scott, 2001). The need for independence and the challenge of business ownership are the most frequently quoted 'pull' motivators for women entrepreneurs (Carter and Cannon, 1992). Furthermore, it has been suggested in the literature that women are motivated by the social contribution their business can make to society (Orhan and Scott, 2001). According to Still and Timms (2000a, b) women start their own businesses, with the objective of "making a difference," which means being more client-focused than men (Brush, 1992), ethical in operations and making a social contribution in addition to pursuing economic motives. Rosa et al. (1996) further add that women do not enter business for financial gain, but to pursue intrinsic goals such as independence and flexibility to interface family and work commitments. Brush (1992) has advanced the "integrated perspective," the main premise of which was that many women business owners conceive of their businesses as a cooperative network of relationships rather than primarily as a separate profit-making entity.

The push factors include unemployment, underemployment, job dissatisfaction, blocked opportunities or no opportunities at all. The status argument is strong for men and family businesses (Srinivasan, 1995), where entrepreneurs are seen as successful role-models within their community (Dhaliwal and Amin, 1995). The status argument appears to be stronger for women who (Dhaliwal, 1998, 2000) despite their relatively low visible power-base within the enterprise, actually value the pre-

stige of being part of an entrepreneurial family.

White, Cox and Cooper (1992) have found that need for achievement may not be as satisfactory in predicting women's career success as it has proved to be in predicting the career success of men. Successful women and women middle managers were, however, shown to have significantly higher need for achievement than a group of secretaries. On the basis of this finding, it was inferred that women in careers may have higher need for achievement than women in jobs.

## H2

There is a significant impact of age when starting the business on the motivation factors for women.

This hypothesis is consistent with Cromie (1987) comparative study of business start-up motivations among males and females. He suggests that men and women do differ in terms of their emphasis they attach to particular motives. Women in his sample were more dissatisfied with previous work experiences and saw self-employment as a means of catering for conflicting personal and work demands, hence they started their business venture in later age as compared to their men counter part. Indeed, Fielden et al. (2003) emphasize that an overriding factor stated by the women with domestic responsibilities was the belief that business ownership appeared the only way that they could make a sustainable living around other family commitments and this happened later after their young age.

One of the main reasons given in writings on the subject is that many members of ethnic minorities go into self-employment as a response to "blocked upward mobility" when they advance in their age (Ram and Jones, 1998). This is more pertinent to women who, at times, may perceive that they are facing the disadvantage of race, gender and age. Motives for entry were the desire to avoid being confined at home and also to circumvent discrimination and the ensuing confinement to low status jobs.

Dhaliwal and Kangis (2006) stated that there were different reasons of women and men for entry into business. The husband played an important role in supporting and encouraging the business and in some cases the woman's business evolved from her husband. A few started their own business to escape from unsuitable employment. Woldie and Adersua (2004) have mentioned many reasons why women choose to start businesses in Nigeria: increase self confidence; earn more money; self satisfaction; desire for independence; desire for autonomy; support family; discrimination in the workplace; career block; freedom and more challenging.

## METHODS

### Sample

Two methods were adopted to collect the data. The first one was

**Table 1.** Summary of Respondents

	Businesswomen	Businessmen	Total
Drop-off and pick-up method	39	38	77
Online survey method	36	37	73
Total	75	75	150

**Table 2.** Reliability Statistics (Cronbach's Alpha)

Cronbach's alpha	No. of Items
0.848	41

**Table 3.** Reliabilities of Sections

	Cronbach's alpha businessmen	Cronbach's alpha businesswomen	Cronbach's alpha both
Section 1	0.668	0.677	0.675
Section 2	0.812	0.658	0.750
Section 3	0.749	0.695	0.718
Sections 1-to-3	0.870	0.827	0.848

administering the online survey: The received responses were sent directly to KFUPM's server. An e-mail was sent to about 100 business women and men requesting them to participate in the survey. The mailing list was provided by a business woman an active participant of the Eastern Region Chamber of Commerce Center at Dammam. The second one was the drop-off and pick-up method: two sets of the questionnaire were handed to both business women center and businessmen center in the Eastern Region of the Chamber of Commerce in Dammam, requesting 100 business women and 100 business men to participate. About 50 business men, through their business shops, were requested to participate as well.

The survey on women entrepreneurs from the project "Women in Business and in Decision-Making" in Europe (2004) as mentioned in the first part of the paper was greatly helpful in preparing the survey questionnaire for this study. The survey used a five point Likert scale to record the respondents' agreement or disagreement with the statements that were listed. Each participant was asked to choose one of the options for each statement/question. Each survey was followed by demographical questions to help in the analysis.

The total number of respondents of this survey was 150 out of 350 (a response rate of 43%). The following Table summarizes and categorizes the respondents. (Table 1)

Before reaching the 75 - 75 sample size balance between business women and men, the sample size was 71 - 33 women-men. To achieve the 75 - 75 sample size balance, another data collection round was conducted via the above two mentioned data collection methods so as to achieve the comparability hypothesized earlier.

### Measures

After the data was uploaded in SPSS software, the reliability of the data was tested and it was 0.848 as seen from the following SPSS table: (Table 2)

This is a very good number that indicated that if the survey was conducted 100 times, 84% of the time the researcher would end up

with the same results. Table 3 shows the reliabilities for the main three sections of the questionnaire.

Normality test was applied on all items showing high degree of normal distributions.

## RESULTS AND DISCUSSION

### Validity and reliability

A thorough reliability and validity analysis of measurement instruments are a prerequisite for an empirical study for many reasons. First, the researcher can state with full confidence that the findings accurately reflected the proposed constructs. Second, the empirically scale validating the study has been used in other studies in the field for different populations (Flynn et al., 1994; Mostafa, 2005). The Mean computation and comparison (descriptive statistics) were used to determine the business start-up motivations among Saudi females. They were also used to identify the main barriers facing women entrepreneurs in Saudi Arabia. T-test was used to measure the significance of the deference in means for the main motivation factor for Saudi females between the business women and men. In addition, to examine the significant difference of some demographical data in motivation factors for women, ANOVA test was applied. The following Tables were developed from the output of the Independent Sample T-test which used to examine if there was significant difference in the means for the main motivation factors and main obstacles for Saudi females between the business women and men.

Table 4 shows the motives for Saudi women ranked by

**Table 4.** Difference in the Means for the Main Motivation Factors (According to Businessmen)

Motive	Mean businessmen N=75	Ranking
She has a profit motive.	1.95	4
She likes to work independently.	2.05	5
She wants control and freedom for decisions making.	2.07	6
She looks for social status.	2.17	7
There is a lack of jobs in the public sector.	1.92	3
There is a lack of jobs in the private sector.	2.23	9
She looks for self – achievement.	1.77	1
She has self - confidence.	1.81	2
She has a good network.	2.17	7

**Table 5.** Difference in the Means for the Main Motivation Factors (According to Businesswomen)

Motive	Mean businesswomen N = 75	Ranking
She has a profit motive.	1.73	4
She likes to work independently.	1.63	2
She wants control and freedom for decisions making.	2.29	9
She looks for social status.	1.93	5
There is a lack of jobs in the public sector.	1.96	6
There is a lack of jobs in the private sector.	2.09	8
She looks for self - achievement.	1.45	1
She has self - confidence.	1.71	3
She has a good network.	2.08	7

the mean values from businessmen point of view. Whereas motives from businesswomen point of view are shown in Table 5. For most motives, there is no statistically significant difference between means for business men and women ( $P$ -values  $> 0.05$ ) as shown in the SPSS output Table 6. However, both self-achievement and independency motives have statistically significant differences between means for business men and women ( $P$ -values  $< 0.05$ ). As a result, the null hypothesis is rejected and the following hypothesis is accepted.

### H1

There is a significant difference between the views of business women and businessmen for the main motivation factor which is self-achievement ( $t = 2.255$ ,  $p = 0.026 < 0.05$ ).

Table 7 shows the main business start-up barriers for Saudi female entrepreneurs ranked by the mean values from business men point of view. Whereas the barriers from business women point of view are shown in Table 8.

Table 9 shows the main business operating barriers for Saudi female entrepreneurs ranked by the mean values from business men point of view. Whereas the barriers from business women point of view are shown in Table 10.

Table 9 shows the main business operating barriers for Saudi female entrepreneurs ranked by the mean values from businessmen point of view. Whereas the barriers from businesswomen point of view are shown in Table 10.

To examine the significant difference of some demographical data, the age when starting the business in this study, in motivation factors for women, One-Way ANOVA test was applied.

From Table 11, an SPSS output for ANOVA test, it is clear that  $P$ -values are greater 0.05. Therefore, the null hypothesis is accepted and the following hypothesis is rejected.

### H2

There is a significant impact of age when starting the business on the motivation factors for women.

### Implications

#### *Research implications*

The study is useful in identifying factors that motivate Saudi women to start up their own businesses. Moreover,

**Table 6.** Statistical Differences between Mean Value of Businesswomen and Business Men (Independent Samples Test)

		Levene's test for equality of variances		t-test for Equality of means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	95% Confidence interval of the difference		
		Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	
She has a profit motive.	Equal variances assumed	4.636	.033	1.512	148	.133	.213	.141	-.065	.492	
	Equal variances not assumed			1.512	126.835	.133	.213	.141	-.066	.492	
She likes to work independently.	Equal variances assumed	1.778	.184	3.255	148	.001	.427	.131	.168	.686	
	Equal variances not assumed			3.255	147.770	.001	.427	.131	.168	.686	
She wants control and freedom for decisions making.	Equal variances assumed	12.705	.000	-1.279	148	.203	-.227	.177	-.577	.123	
	Equal variances not assumed			-1.279	135.515	.203	-.227	.177	-.577	.124	
She looks for social status.	Equal variances assumed	.041	.840	1.473	148	.143	.240	.163	-.082	.562	
	Equal variances not assumed			1.473	145.845	.143	.240	.163	-.082	.562	
There is a lack of jobs in the public sector.	Equal variances assumed	4.217	.042	-.251	148	.802	-.040	.159	-.354	.274	
	Equal variances not assumed			-.251	140.091	.802	-.040	.159	-.354	.274	
There is a lack of jobs in the private sector.	Equal variances assumed	.108	.743	.733	148	.465	.133	.182	-.226	.493	
	Equal variances not assumed			.733	147.043	.465	.133	.182	-.226	.493	
She looks for self - achievement.	Equal variances assumed	.857	.356	2.255	148	.026	.320	.142	.040	.600	
	Equal variances not assumed			2.255	145.529	.026	.320	.142	.040	.600	
She has self - confidence.	Equal variances assumed	7.067	.009	.807	148	.421	.107	.132	-.154	.368	
	Equal variances not assumed			.807	131.650	.421	.107	.132	-.155	.368	
She has a good network.	Equal variances assumed	1.699	.194	.591	148	.555	.093	.158	-.219	.405	
	Equal variances not assumed			.591	141.857	.555	.093	.158	-.219	.405	

barriers which face Saudi women entrepreneurs are researched empirically. The main motivation factors for business start-up from Saudi businesswomen's point of view are: 1. self – achievement, 2. independency, 3. self – confidence and 4. profit motives. Both business men and women have agreement that self – achievement is the most important factor that motivates Saudi females for business start-up.

The main barriers faced by women at business start-up are: 1. traditional restrictions, 2. lack of market studies, 3. Lack of support of government, 4. market domination by few investors.

Business women indicated that traditional restrictions are the most important barriers. While business men indicated that lack of market studies is the most important barrier facing Saudi women.

Finally, the main operating barriers to know are: 1. lack of coordination between the various government departments, 2. lack of laws protecting her investment and customers, 3. lack of support of community and 4. socio-culture restrictions. Both business men and women have agreement that lack of coordination between the various government departments is the most important operating barrier facing businesswomen.

**Table 7.** Main Business Start-up Barriers for Saudi Female Entrepreneurs (According to Businessmen)

Start-up Barrier	Mean Businessmen N = 75	Ranking
There is a lack of information or advice on how to start an enterprise.	2.05	3
There is a lack of support of government.	2.07	4
There is a lack of market studies.	1.97	1
Market is dominated by few investors.	2.13	5
She faces traditional restrictions.	1.99	2
She faces social restrictions.	2.21	7
There is a lack of support of community.	2.19	6

**Table 8.** Main business start-up barriers for Saudi female entrepreneurs (According to businesswomen)

Start-up barrier	Mean businesswomen N = 75	Ranking
There is a lack of information or advice on how to start an enterprise.	2.08	5
There is a lack of support of government.	2.01	3
There is a lack of market studies.	1.99	2
Market is dominated by few investors.	2.05	4
She faces traditional restrictions.	1.93	1
She faces social restrictions.	2.11	6
There is a lack of support of community.	1.99	2

**Table 9.** Main Business Operating Barriers for Saudi Female Entrepreneurs (According to Businessmen)

Operating Barrier	Mean businessmen N = 75	Ranking
There is a lack of coordination between the various government departments.	1.68	1
There is a lack of market studies.	1.99	6
She faces a high competition from business men.	2.11	7
She faces traditional restrictions.	1.69	2
She faces social restrictions.	1.88	4
She faces difficult situations.	1.91	5
There is a lack of support of government.	1.84	3
There is a lack of support of community.	2.12	8
There is a lack of laws protecting her investment and customers.	2.16	9

These results can be used to conduct future studies in this topic.

### Policy implications

The Saudi government and Chamber of Commerce can find these results helpful in developing appropriate regulations to enhance the participation of Saudi female entrepreneurs and women in general in the Saudi

economy.

Globally, the results are helpful to compare and contrast the advancement of Saudi female entrepreneurs with the rest of the Arab world and the world at large. Such a study provides significance impetus to Saudi business women to stand on their feet in business world and contribute to their well being as well as to their country's economy. The policy makers will also realize that preconceived gender stereotyping is detrimental to the talent of women in the society. To grow and prosper,

**Table 10.** Main Business Operating Barriers for Saudi Female Entrepreneurs (According to Businesswomen)

<b>Operating barrier</b>	<b>Mean businesswomen N = 75</b>	<b>Ranking</b>
There is a lack of coordination between the various government departments.	1.73	1
There is a lack of market studies.	1.88	6
She faces a high competition from business men.	1.95	7
She faces traditional restrictions.	1.87	5
She faces social restrictions.	1.85	4
She faces difficult situations.	2.08	9
There is a lack of support of government.	1.97	8
There is a lack of support of community.	1.84	3
There is a lack of laws protecting her investment and customers.	1.81	2

**Table 11.** Output of one way ANOVA test (ANOVA)

		<b>Sum of squares</b>	<b>df</b>	<b>Mean square</b>	<b>F</b>	<b>Sig.</b>
She has a profit motive.	Between groups	.475	4	.119	.258	.904
	Within groups	32.192	70	.460		
	Total	32.667	74			
She likes to work independently.	Between groups	3.359	4	.840	1.273	.289
	Within groups	46.188	70	.660		
	Total	49.547	74			
She wants control and freedom for decisions making.	Between groups	4.420	4	1.105	.709	.589
	Within groups	109.127	70	1.559		
	Total	113.547	74			
She looks for social status.	Between groups	5.436	4	1.359	1.232	.305
	Within groups	77.231	70	1.103		
	Total	82.667	74			
There is a lack of jobs in the public sector.	Between groups	1.197	4	.299	.244	.912
	Within groups	85.683	70	1.224		
	Total	86.880	74			
There is a lack of jobs in the private sector.	Between groups	1.213	4	.303	.255	.906
	Within groups	83.134	70	1.188		
	Total	84.347	74			
She looks for self - achievement.	Between groups	1.320	4	.330	.489	.744
	Within groups	47.267	70	.675		
	Total	48.587	74			
She has self - confidence.	Between groups	3.899	4	.975	1.107	.360
	Within groups	61.648	70	.881		
	Total	65.547	74			
She has a good network.	Between groups	5.358	4	1.340	1.200	.319
	Within groups	78.162	70	1.117		
	Total	83.520	74			

the Saudi organizations need to encourage and support their female entrepreneurs' high involvement in the revenue generation process of the economy.

### Limitations and future research

One of the main obstacles that researchers faced was the difficulty to conduct interviews with Saudi businesswomen and businessmen. It was extremely difficult for the researchers to hand in the copies of the questionnaire to businesswomen. The researchers had to be persistent mainly through the business men and women centers in the Chamber of Commerce and via e-mail. The lower number of the respondents was the testimony of this fact. Consequently, the results of the study were limited to the sample population and not fairly generalized to all Saudi population in particular, that the 72.7% of the sample population was from the Eastern Province. Moreover, the study time and the financial resources were limited to expand the study to prove further results.

It is recommended that future research studies emphasize the importance of family support for Saudi female entrepreneurs. It is also recommended that further studies track the progress of government support and coordination between its various departments in developing proper environment for businesswomen investments.

### Summary and conclusion

The main objective of this study was to focus on the reasons why Saudi women choose to start their own business and what type of barriers they face in their struggle to develop as entrepreneurs. Their motivation and barriers were compared and contrasted with their men counterparts. Through this study the self – achievement was the most important factor that was found to motivate Saudi females towards business start-up. However, they faced traditional restrictions, lack of market studies, lack of support of government and market domination by few investors.

The study also revealed that the Saudi businesswomen had faced a number of operating barriers such as lack of coordination between various government departments, lack of laws protecting their investment and customers, lack of support of community and socio-cultural restrictions.

The researchers recommend that both the government and the Chambers of Commerce must facilitate the operating needs of Saudi businesswomen through establishing women-only sections in major government ministries, establishing women-related business training programmes in the Chamber of Commerce, instructing government lending institutions to handle female loan applicants on equal basis, setting up special sections in the Chamber of Commerce to provide market information

and allowing businesswomen associations to facilitate networking groups on national, regional and international levels.

### ACKNOWLEDGEMENT

The author acknowledges the support and encouragement received by King Fahd University of Petroleum and Minerals, Dhahran (Saudi Arabia) for using its facilities in the preparation of this manuscript.

### REFERENCES

- Abdul GPK (2004). "Women to take up Business Issues". Arab News. 4 June.
- Acker J (1991). "Hierarchies, jobs, bodies: a theory of gendered organizations", in Lorber, J. and Farrell, S.A. (Eds), *Soc. Construction Gender* pp. 162-179, (originally published in *Gender Soc.* 4: 139-158, 1990), Sage Publications, Newbury Park, CA.
- Alshemari N (2005). "23,000 Businesswomen, 213,000 Educational Women Jobs and 2.3 Million Female Students in Saudi Arabia". *Aleqtisadiyah Newspaper*, 9 August.
- Alstete JW (2003). "On becoming an entrepreneur: an evolving typology", *Int. J. Entrepreneurial Behav. Res.* 8(4): 222-34.
- Babaeva L, Chirikova A (1997). "Women in business", *Russian Soc. Sci. Rev.* 38(3): 81-92.
- Baron RA, Markman GD, Hirska A (2001). "Perceptions of women and men as entrepreneurs: evidence for differential effects of attributional augmenting", *J. Appl. Psychol.* 86(5): 923-929.
- Brindley C, Ritchie B (1999). "Female entrepreneurship: risk perceptiveness, opportunities and challenges", 22nd ISBA National Small Firms Policy & Research Conference, Leeds, November.
- Brindley C, Ritchie B (1999). "Female entrepreneurship: risk perceptiveness, opportunities and challenges", 22nd ISBA National Small Firms Policy & Research Conference, Leeds, November.
- Brush CG (1992). "Research on women business owners: past trends, a new perspective and future directions", *Entrepreneurship Theory & Practice*, Summer: pp.5-30.
- Buttner H, Moore D (1997). "Women's organizational exodus to entrepreneurship: self-reported motivations and correlates with success", *J. Small Bus. Manage.* 35(1): 34-47.
- Carter N (1997). "Entrepreneurial processes and outcomes: the influence of gender", in Reynolds, P. and White, S. (Eds), *Economic Growth, Men, Women and Minorities*, Quorum Books, Westport, CT.
- Carter N, Brush C, Gatewood E, Greene P, Hart M (2002). "Does enhancing women's financial sophistication promote entrepreneurial success?", paper presented at Promoting Female Entrepreneurship: Implications for Education, Training and Policy Conference, Dundalk Institute of Technology, Dundalk, 19 November.
- Carter S (2000a). "Improving the numbers and performance of women-owned businesses: some implications for training and advisory services", *Educ. Train.* 42(4/5): 326-34.
- Carter S (2000b). "Gender and enterprise", in Carter, S. and Jones-Evans, D. (Eds), *Enterprise and Small Business: Principles, Practice and Policy*, Financial Times Prentice-Hall, London.
- Carter S, Cannon T (1992). *Women as Entrepreneurs*, Academic Press, London.
- Carter S, Cannon T (1988). "Female entrepreneurs: a study of female business owners, their motivations, experiences and strategies for success", Research Paper, No. 65, Department of Employment, London.
- Catley S, Hamilton RT (1998). "Small business development and gender of owner", *J. Manage. Dev.* 17 (1): 75-82.
- Catalyst (2000). *Cracking the Glass Ceiling*, Catalyst, New York, NY.
- Cooper A, Gimeno-Gascon FJ, Woo C (1994). "Initial human and financial capital as predictors of new venture performance", *J. Bus. Venturing* 9: 371-95.
- Cromie S (1987). "Motivations of aspiring male and female entrepre-

- neurs", *J. Occupat. Behav.* 8 (2): 251-61.
- Deakins D, Whittam G (2000). "Business start-up: theory, practice and policy", in Carter, S. and Jones-Evans, D. (Eds), *Enterprise and Small Business: Principles, Practice and Policy*, Financial Times Prentice-Hall, London.
- Dhaliwal S (2000). "Asian female entrepreneurs and women in business – an exploratory study", *Enterp. Innov. Manage. Stud.* 1(2): 207-16.
- Dhaliwal S (1998). "Silent contributors – Asian female entrepreneurs and women in business", *Women's Stud. Int. Forum* 21(5): 463-74.
- Dhaliwal S, Amin V (1995). *Profiles of Five Asian Entrepreneurs*, Roehampton Institute, London.
- Dhaliwal S, Kangis P (2006). "Asians in the UK: gender, generations and enterprise", *Equal Oppor.* Int. 25(2): 92-108.
- Fielden SL, Davidson MJ, Dawe AJ, Makin PJ (2003). "Factors inhibiting the economic growth of female-owned small businesses in North West England", *J. Small Bus. Enterp. Dev.* 10(2): 152-66.
- Flynn B, Schroeder R, Sakakibara S (1994). "A framework for quality management research and associated instrument", *J. Oper. Manage.* 11: 339-66.
- Henry C (2002). Closing remarks at Research Forum: Promoting Female Entrepreneurship - Implications for Education, Training and Policy. Centre for Entrepreneurship Research, Dundalk Institute of Technology, Dundalk, 19 November.
- Hisrich R, Brush C, Good D, De Souza G (1997). "Performance in entrepreneurial ventures: does gender matter?", *Frontiers of Entrepreneurship Research: Conference Proceedings*, Babson College, Babson Park, MA, pp. 238-239.
- Kitching BM, Jackson PA (2002). "Businesswomen in China", *Int. J. Entrepreneurship and Innovation*.
- Kleiman C (1998). "Women entrepreneurs are a big loss to corporations", *St Louis Post, Dispatch*, C5.
- Ljunggren E, Kolvereid L (1996). "New business formation: does gender make a difference?", *Women Manage Rev.* 1(4): 3-12.
- Mcatavey JM (2002). "Women entrepreneurs: factors that contribute to women launching their own business and factors that satisfy women entrepreneurs", doctoral dissertation.
- McElwee G, Al-Riyami R (2003). "Women entrepreneurs in Oman; some barriers to success", *Career Dev. Int.* 8(7): 339-46.
- McKay R (2001). "Women entrepreneurs: moving beyond family and flexibility", *Int. J. Entrepreneurial Behav. Res.* 7(4) :148-65.
- Mostafa M, Mohammed M (2005). "Attitude Towards Women Managers in the United Arab Emirates: The Effects of Patriarchy, Age, and Sex Difference", *J. Manage Psychol.* 20(6): 522-540.
- National Foundation of Women Business Owners (1998). *Women Entrepreneurs Are a Growing Trend*, National Foundation of Women Business Owners, Washington, DC.
- Nelton S (1998). "Women's firms thrive", *Nation's Business*, August, pp. 38-40.
- OECD (1998). "Women entrepreneurs in small and medium enterprises", *OECD Proceedings*, Paris
- O'Gorman, C (2001). "The sustainability of growth in small and medium-sized enterprises", *Int. J. Entrepreneurial Behav. Res.* 7 (2): 60-75.
- Orhan M, Scott D (2001). "Why women enter into entrepreneurship: an explorative model", *Women Manage Rev.* 16(5): 232-47.
- Orser B, Fischer E, Reuber R, Hooper S, Riding A (1999). *Beyond Borders: Canadian Business Women in International Trade*, Royal Bank of Canada, Ottawa.
- Ram M, Jones T (1998). *Ethnic Minorities in Business*, Small Business Research Trust Report.
- Riebe M (2003). "Growth-orientated women entrepreneurs: making it their way", *International Council for Small Business Proceedings; Advancing Entrepreneurship and Small Business*, 48th World Conference, Belfast, 15-18 June.
- Roggenkamp SD, White KR (1998). "Four nurse entrepreneurs: what motivated them to start their own businesses", *Health Care Manage. Rev.* 23(3): 67-75.
- Rosa P, Carter S, Hamilton D (1996). "Gender as a determinant of small business performance: insights from a British study", *Small Bus. Econ.* 8: 463-78.
- Sadi MA, Henderson JC (2005). "Local Versus Foreign Workers in the Hospitality Industry: A Saudi Arabian Perspective", *Cornell Hotel and Administration Quarterly, USA*
- Srinivasan S (1995). *The Asian Petty Bourgeoisie in Britain*, Avebury, Aldershot.
- Starr J, Yudkin M (1996). *Women Entrepreneurs: A Review of Current Research*, Wellesley College Centre for Research on Women, Wellesley, MA.
- Still LV, Timms W (2000a). *Making a Difference: The Values, Motivations and Satisfaction, Measures of Success, Operating Principles and Contributions of Women Small Business Owners*, discussion paper series, Centre for Women and Business, The University of Western Australia, Perth, pp. 3-18.
- Still LV, Timms W (2000b). "Women's business: the flexible alternative work style for women", *Women Manage. Rev.* 15 (5/6): 272-83.
- Still L, Walker E (2006). "The self-employed woman owner and her business: An Australian profile", *Women Manage. Rev.* 21(4): 294-310.
- Timmons JA, Spinelli S (2003). *New Venture Creation: Entrepreneurship for the 21<sup>st</sup> Century*, 6th ed., McGraw-Hill, Singapore.
- UNIDO (2001). "Women entrepreneurship development in selected African countries – working paper No. 7", UNIDO, Vienna.
- Walker D, Joyner BE (1999). "Female entrepreneurship and the market process: gender-based public policy considerations", *J. Dev. Entrepreneursh.* 4(2): 95.
- Welsh M (1988). *The Corporate Enigma: Women Business Owners in New Zealand*, GP Books, Wellington.
- White B, Cox C, Cooper CL (1992). *Women's Career Development: A Study of High Flyers*, Blackwell Business, Oxford.
- Woldie A, Adersua A (2004). "Female entrepreneurs in a transitional economy Businesswomen in Nigeria", *Int. J. Soc. Econ.* 31 (1/2): 78-93.