

Women Entrepreneurs: Challenges and Opportunities in the Arab World, UAE Case

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Abstract

Despite numerous international agreements affirming the rights of women, a large proportion of women in the Arab are still more likely to be poor and illiterate compared to men. They usually have less access to elite positions, credit, promotion opportunities, training and development than men, are far less likely to be active in politics. This situation has can be attributed to society's failure to acknowledge that the roles played by men and women in the society are not biologically determined but socially constructed, changeable and changing.

In most cases, women play non-economic or less economical roles in the society leading to a state of backwardness. Ironically, women are vested with the responsibility of household issues, nutrition and childcare. They are also more active in environmental management.

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1 Introduction

According to the UN Department of Public Information (1997), there is a need for an integrated approach to development since social, economic, environmental and economic issues are closely interlinked. Such an approach will ensure the empowerment, development and promotion of people instead of marginalizing them, especially women.

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2 Primary Organizational Benefits in Developing and Promoting Women

The three major benefits of developing and promoting women are enhanced productivity, the attainment of a competitive advantage and enhanced financial performance. One of the best ways of promoting and developing women is increasing their access to credit, property ownership and education, especially higher education. With education, these women are more likely to access quality employment and earn good salaries for taking care of their homes. They will also have something extra that will be used as capital for initiating enterprises for earning an extra income.

The lack of capita has always pushed women to initiate small enterprises that are less profitable and competitive. However, employment increases their access to credit from the various financial institutions. This can be a source of huge capital for establishing big enterprises. The result is an increased economic advantage. Featuring at the United Arab Emirates (UAE) as an example, majority of the women entrepreneurs are young and well educated and two-thirds are holders of either a Bachelor's or a Master's degree.

Some of them have even acquired special training in business either as vocational training or special business courses. In addition, most of them are running businesses as a part-time activity. Many were employed before starting their businesses and more than 50% have not quit their previous jobs after starting businesses. These have increased the financial performance of women (Haan, 2004). Evidently, education and access to credit has enabled women to shift their focus from traditional businesses into more profiting, up-to-date businesses and businesses that utilize advanced information and technologies.

Women are generally active and this is evidenced by their representation in all sectors. This indicates that they make significant contributions in economic production. However, their level of production is lower than expected due to the various cultural, economic, political, and social barriers they face. This means that if the various government institutions and the society would promote and develop women, it will increase their economic production.

3 Challenges

Women face a lot of challenges in their efforts to develop and which make it trickier for them to start up businesses. The first challenge is male prejudice, stereotyping and preconceptions. Although the roles of women have dramatically changed in the society, women are still perceived less suitable for some types of jobs like managerial positions and establishing businesses. Some of the stereotypes, prejudices and preconceptions applied to female managers apply to women entrepreneurs or aspiring entrepreneurs.

Some of these claims assert that women are less confident, analytical, emotionally stable, aggressive, and consistent and have poorer leadership abilities compared to their male counterparts. Women are also believed to work to supplement family income and thus they are less motivated to drive a business to success (Owen and Todor, 1993). Generally, these negative stereotypical misconceptions and prejudices form the basis of not motivating women to venture into business or giving them the support to establish businesses.

Hagan et al (1990) point out that a significant percentage of women entrepreneurs engage in business as a traditional activity and not as a serious money-making venture. Because

of this, they lack the motivation to introduce new practices and gather new information meant to boost the performance of their businesses. Entrepreneurial women have also been found to suffer from home-work conflict. Women are believed to be fit for rearing children and managing homes and, are normally burdened with family responsibilities and household chores (Richardson, 2011). Entrepreneurial women, therefore, have to strike a balance between shouldering the heavy family-related duties and driving their businesses to success.

Hanifa et al (2011) have observed that some entrepreneurial women are satisfied with being in business and do not experience conflicts between their social, family and leisure lives. However, they face barriers when starting their own business ventures. These barriers mainly come from society and traditions, family and personal reasons, and lack of support. Women for example, have a small leisure gap making it difficult for them to create time for business necessities and measures. They also do little or no feasibility studies and the effect of these is the fear to step out and establish their own businesses.

Women entrepreneurs are excluded from business networks both formal and informal networks. A small percentage of women entrepreneurs in UAE are actively involved in formal networking and many among these own large enterprises. The greater percentage spend a relatively a small amount of time discussing their business venture mainly with family and friends (Haan, 2004). Because of this, they miss opportunities for training on various important business skills, making joint presentations and, accessing new and larger markets.

Women are faced with organizational barriers for example inflexible working rules. Some of the work structures do not encourage the retention of women in case they go for maternity leave. Neither do they encourage the recruitment of female employees. Once they lose their jobs, these women lose their chances to acquire entrepreneurial knowledge and the capital they need to start their own businesses. The competitive nature of business environment calls for higher standards of performance and effort in businesses. However, the family and social challenges faced by women and their limited knowledge on business make it difficult for women to deliver this level of performance. This makes their businesses to be generally low-profiting and less competitive (Kyro, 2001).

The corporate culture of the UAE is not hospitable to women entrepreneurs and this is worsened by the promotional strategies used. Bruni et al. (2005) explain that most of the businesses are managed and by owned men who have formed strong supportive networks and alliances. The promotion decisions used are gender-based. These have limited the progress of women to the top management of companies and thus the experience they need to run large personal enterprises. It also makes the business environment too hostile for women which make its hard for women entrepreneurs to find market niches that are relatively stable.

Haan (2004) explains that in these firms, women are generally ignored by male CEOs and male peers who are the silent majority. They are not adequately recognized and receive not adequate professional support. Thus, they work under excessive difficulties. This situation offers little motivation and self-confidence for women to start their own enterprises. The family members and spouses of some of the UAE women are against women venturing into business. They believe it is a men's field and women are less likely to succeed in it. Because of this, women do not receive adequate emotional and interpersonal support to establish businesses. Inman (2000) suggests that practical and financial spousal support affects the decision for women to begin their own businesses.

Interpersonal barriers arise where family members discourage and block the efforts that women make to establish their own enterprises. Even when they manage to begin, they might not have a smooth time managing it due to this opposition. This is reinforced by the excessive humility and poor self-promotion portrayed by women in the family and society which them yield easily to the understatements of husbands, fathers and brothers who are not in favor of women establishing their own businesses.

The issue of personal barriers cannot be excluded. Some women cannot stabilize in their businesses they take some time off to have children and rear them. Such breaks can disrupt a smooth progression of their businesses as they have to leave them under the management of other people. Such disruptions could also arise from the need to attend to some serious family situations like taking care of a sick child or husband. Unlike men, women are less likely to find white male mentors to give them advice on various aspects of business and the suitable type of business. Because of this, women end up establishing businesses they have little knowledge about and do not know how to run them.

4 Opportunities

Despite the above challenges, there are opportunities for women in the Arab to venture into and succeed in business. The first opportunity is change in organizational culture. Barsh and Yee (2011) explain that the gender gap is closing, more women are working in various organizations and they are receiving more appreciation and recognition. This is a chance for more women to find their way to the top management of organizations. At the same time, many organizations have realized the value in talented women leading a lot of retention of talented women. This is an indication of a general progress in the economic status of women which shows that women are not only being empowered to establish their own businesses, but also to acquire the skills to manage large-scale enterprises. These women can act as good mentors for entrepreneurial women.

Generally, there is the development of effective leaders in many organizations. This type of leadership encourages the progression of women in the organization, is supportive to them and gives them a chance to express their talents. Because of this, more women are experiencing increased job satisfaction and are able to learn more about business management before they can venture into their own. This type of leadership also increases the participation of women leading to their higher economic empowerment. This enable them to get house helps so that they can have a chance to research on, establish and manage their own businesses.

Some of the barriers towards the advancement of women are being broken. One of the contributions of this is the change and/or relaxation of social and cultural structures. Many men for example, have realized the economic contributions made by women to the family and that women can equally succeed in business if given the necessary support. Because of this, many of them have become supportive to their wives, daughters or sisters setting up their own businesses and they provide them with the necessary financial, physical and emotional support. Some of the men can now accept to take care of the children as their wives run businesses (Erogul and McCrohan, 2008).

In addition, more women have gained some formal education, employment and access to credit. This means they are more empowered to establish and manage their own businesses. Most important, knowledge on information and technology and, business management can provide a powerful way of empowering women to venture into modern

types of businesses. Knowledge ability in information and technology is important in building confidence and encouraging aggressiveness among women. Currently, women can make business deals over the internet compared to a few years ago. There are many stories from the UAE concerning women's participation in business. The stories are two-faceted in that they give examples that UAE women can celebrate as models to the women's success business and failure. They give hints on possible practices that can help women to succeed in business and warn on those that can result to failure.

5 Conclusion

There are a number of organizational benefits of developing and promoting women. In summary, it enhances their productivity, financial performance and competitive advantage. Women actively seek for economic advancement especially through the establishment of their own businesses. However, they face a lot of challenges that hinder their advancement. These barriers include inhospitable organizational culture, organizational barriers, biased promotion decisions, work-home conflicts, personal and family barriers and, lack of recognition and support by male CEOs, male mentors and emotional and interpersonal support. Even with these challenges, women in the UAE have some opportunities for advancement. These challenges include change in organizational culture, development of effective leaders, retention of talented women, removal of barriers to women's and empowerment through knowledge and technology.

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