

## Women Entrepreneurs in Bahrain: Motivations and Barriers

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### Abstract

The purpose of this paper is to examine the motivations underlying decisions by women in Bahrain to set up a business and the challenges confronted. The analysis is based on a survey of 40 male and 40 female respondents. Descriptive statistics and T and ANOVA tests were applied to assess the relative importance of motivational factors, differences in perspective by gender and the impact of age. The results reveal that profit achievement is the most powerful motivational factor for business women in Bahrain. Barriers include lack of belief in their abilities, absence of support from the government, insufficient market information, and an economy dominated by a few large companies. Due to resource constraints and problems of contacting women in Bahrain, the sample size was restricted to 170 participant organizations. Nevertheless, this was deemed sufficient to carry out the research study and the results provide a rare insight into the entrepreneurial spirit amongst Bahraini women. Bahrain is particularly interesting because it is regarded a moderate Arab country with a mix of Arab and European business practices. To the authors' knowledge, no other study has explicitly focused on the motivations of Bahrain business women.

*Keywords:* Bahrain; business women; entrepreneurial spirit; motivational factors

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### 1.0 INTRODUCTION

The global outlook for female entrepreneurs has never been more encouraging (Riebe, 2003). Globally, one in ten women is self-employed and it is estimated that women own and manage up to one third of all businesses in developed countries. Commentators regard the growth of female entrepreneurship in the twentieth century as one of the most significant trends of the era (Hisrich, Brush, Good and De Souza, 1997; Nelton, 1998). It is evident that the activities of female entrepreneurs continue to have consequences for their communities and economies in both developed and developing countries. However, Starr and Yudkin (1996) state that little is known about such women's business practices, survival and growth strategies, and careers. In addition, the economic impact of women-led businesses has sometimes been down-played (Carter, Brush, Gatewood, Greene and Hart, 2002). Henry (2002) maintains that female entrepreneurship is an under-researched area meriting special attention. The topic has been especially neglected in the case of most Middle Eastern countries, including Bahrain, where there have been very few accounts devoted to female experiences of starting and running a business. This study attempts to help fill the gap in knowledge and understanding. It reports on a survey of both men and women, comprising questions about female motivations and perceived barriers to starting up and operating their own businesses. The paper starts with a review of the literature, followed by an outline of the methodology and

research hypotheses are presented. Findings are then analyzed before a concluding section which highlights key points and proposes recommendations.

### 2.0 LITERATURE REVIEW

#### 2.1 Women in Business

Many women are entrepreneurs worldwide, but recognition of their global impact is a fairly recent phenomenon. In the USA, one out of every four company workers is employed by a female-owned firm and the expansion rate of such businesses was twice that of growth of overall growth prior to recession (Kitching and Jackson, 2002). Similar patterns are observed in Australia and parts of Asia, with more women setting up new small businesses than men and enjoying greater success. In some regions of the world, transformation to a market economy has had positive outcomes for gender equality, correcting the imbalance that existed prior to political and economic reforms when traditional norms and values relegated women to a secondary position. As countries become more prosperous, a more productive atmosphere is created for both sexes.

However, women have to deal with a variety of difficulties in launching and running a business (Carter, 1997; McKay, 2001; O'Gorman, 2001). Challenges include acquiring appropriate training (Walker and Joyner, 1999) and obtaining

capital (Buttner and Moore, 1997; Carter, 2000a, b) Gender stereotypes and discrimination are seen as a significant obstacle facing female entrepreneurs (Kleiman, 1998; Still and Timms, 2000a and b), especially for those in male-dominated sectors of business. Women describe a lack of confidence and problems in locating advice and information on starting up and preparing a business plan (Still and Walker, 2006). American women believe their corporate advancement is further frustrated by exclusion from informal networks and channels of communication; lack of access to mentors; managers' reluctance to give them responsibilities for key developmental assignments; salary inequities; and sexual harassment (Acker, 1991; Catalyst, 2000). There are additional pressures on women in developing countries where their primary role is still perceived as a wife and mother restricted to family-bound tasks (McElwee and Al-Riyami, 2003). Resistance from family members often proves the greatest barrier for female entrepreneurs in these societies (Babaeva and Chirikova, 1997) who have to overcome cultural conditioning (McKay, 2001); for example, research into female leadership and decision making amongst micro enterprises and SMEs in Kenya (Ndemo and Maina, 2007) reveals their struggles to surmount socio-cultural, educational and financial hurdles.

## 2.2 Motivations for Start-up

Personal motivations for initiating start-up activities has received considerable attention in the entrepreneurial literature (Carter, 2000a,b) and is judged one of the key components of success (Timmons and Spinelli, 2003). Factors are frequently classed as push and pull or negative and positive (Deakins and Whittam, 2000) act as motivators for business start-up (Alstete, 2003). Push or negative forces are associated with the imperatives that force females into pursuing their business ideas. These can be redundancy, unemployment, dissatisfaction with existing employment, the need to earn more money and the desire for a flexible work schedule to allow performance of the family caring role (Alstete, 2003; Orhan and Scott, 2001). Carter and Cannon (1988) write of a glass ceiling that prevents women executives from reaching more senior positions and thus pushes them into their own business which may be a last resort (Catley and Hamilton, 1988). Becoming an entrepreneur may not be a preferred option and even a last resort, especially for women from certain groups in society that may suffer discrimination such as ethnic minorities (Deakins and Whittam, 2000).

Pull or positive factors are those linked to preference (Orhan and Scott, 2001) and the drive to fulfil entrepreneurial aspirations (Deakins and Whittam, 2000). These include the pursuit of independence, self-fulfillment, autonomy, and self-achievement. Other motivations are the desire to be one's own boss, use creative skills, do enjoyable work, exercise entrepreneurial drive and acquire wealth, social status and power (Alstete, 2003; Orhan and Scott, 2001). The need for independence and the satisfaction of business ownership are regularly quoted by women entrepreneurs as reasons for their decisions (Carter and Cannon, 1992). Psychological needs of achievement, affiliation, autonomy and dominance may influence a women's choice to become an entrepreneur. One study (Lee, 1997) found that female entrepreneurs had greater achievement and dominance needs than women employees, partly determined by education levels.

Women are additionally motivated by the potential contribution their business can make to society (Orhan and Scott, 2001) which means being more client-focused than men, ethical in operations and contributing socially while pursuing

economic motives (Still and Timms, 2000a and b). It seems that some women are not looking only for financial gain, but seek to realize intrinsic goals such as independence and an appropriate work-life balance. According to the integrated perspective, women business owners conceive of their businesses as a cooperative network of relationships rather than primarily as a discrete profit-making entity (Rosa, Carter and Hamilton, 1996).

Results of research completed outside the Middle East are echoed by studies within the region. McElwee and Riyami (2003) found that women entrepreneurs in Oman are primarily looking for enjoyment, finance and job satisfaction. The authors claim that women tend to define success differently than men and motivations also diverge. Women appear to be satisfied by micro-level entrepreneurial activities, aiming for stability rather than growth, and generally have less access to external funding than men. Female businesses therefore are concentrated in the service sectors that usually require small initial capital outlays and less technical knowledge. In the United Arab Emirates, financial support from the government, especially in the start-up stage; knowledge; skills; experience and spouse relationship are regarded as important factors in the development of women entrepreneurship (Naser, Mohammed and Nuseibeh, R., 2009).

## 2.3 Women in Business in Bahrain

Bahraini women have benefited from the higher education opportunities made available to them by the government and account for a significant part of the country's graduates. In 2001, the first woman was elected to the Bahrain Chamber of Commerce and Industry (BCCI). BCCI women members reached 1,785 in 2003, representing 15% of the total. However, Seikaly (1994) comments that women are convinced that the general employment policy of the public sector in Bahrain is to promote men over women, even when the latter are better qualified, more thoroughly trained and have greater experience. Bahraini women in top management positions have complained of overt discrimination at work, cultural taboos, negative attitudes and lack of confidence and trust in women managers (Wilkinson, 1996). At the same time, more females are becoming entrepreneurs, although they commonly run services businesses which are relatively small, employing between two and 60 (Dechant and Al-Lamky, 2005).

## 3.0 RESEARCH OBJECTIVES AND METHODOLOGY

As previously stated, the purpose of the research is to illuminate the motivations underlying decisions by Bahraini women to set up their own business and the obstacles encountered. It was decided to explore contrasts between male and female perspectives on this issue and also to look at the effect of age. The following hypotheses were thus devised for testing.

H1: There is a significant difference between the views of businesswomen and businessmen about the main factors motivating female entrepreneurs.

H2: Age when starting the business has a significant impact on the main motivation factors for female entrepreneurs.

The questionnaire employed in the survey was based on that devised by researchers investigating characteristics of European business women. A series of statements was listed and respondents were required to indicate their level of agreement using a five point Likert scale. Additional questions were asked about an individual's circumstances in order to establish a profile of respondents. The sample was identified with the help

of the Bahrain Women Society and 80 out of 170 representatives of female-run businesses agreed to take part. Most of the surveys (58) were completed online, but 22 were delivered and collected in person by the researchers. Respondents were equally divided between female entrepreneurs and male employees in senior positions.

The data was analyzed using SPSS software. Frequency counts measured the number of responses to each question, helping to determine the empirical distribution of the variables and to organize data into classes of values. T-tests were applied to calculate the significance of differences in means between men and women while ANOVA was utilized to examine the effects of age amongst the women. The reliability test produced a Cronbach' Alpha of .858, indicating that the same results would occur 86% of the time if 100 surveys were completed.

#### 4.0 ANALYSIS AND RESULTS

A profile of respondents can be found in Table 1.

**Table 1** Respondent profile

Age when starting the business	Male	Female
20-25 years	45.0%	42.5%
26-30 years	32.5%	42.5%
31-35 years	15.0%	5.0%
36-40 years	5.0%	7.5%
Over 41 years	2.5%	2.5%
Size of the enterprise	Male	Female
Micro (1-9 employees)	42.5%	52.5%
Small (10-49 employees)	27.5%	42.5%
Medium (50-249 employees)	25.0%	2.5%
Large (250+ employees)	5.0%	2.5%
Main business activity	Male	Female
Real Estate	7.5%	5.0%
Fashion and Beauty	7.5%	37.5%
Education	5.0%	2.5%
Retailing/Wholesaling	7.5%	2.5%
Banking and Finance	5.0%	5.0%
Manufacturing	10.0%	5.0%
Consulting	2.5%	5.0%
Clothing	5.0%	10.0%
Agriculture	2.5%	2.5%
Health Care	2.5%	2.5%
Others	45.0%	22.5%
Education level	Male	Female
High School	22.5%	2.5%
Diploma	20%	10.0%
University Degree	40.0%	57.5%
Post-Graduate	17.5%	30.0%

The main motivation factors for business start-up from the businesswomen's point of view are the pursuit of profit (m=1.40); working independently (m=1.60); control and freedom of decision making (m=1.65); and social status (m=1.70). From a male perspective, the primary considerations are self-confidence (m=1.58); self-achievement (m=1.80); profit motive (m=1.83); and control and freedom of decision making (m=1.90).

Principal barriers when starting up according to female respondents are insufficient belief in own abilities (m=1.75); absence of government support (m=2.20); lack of market studies (m=2.30); and domination of markets by a few companies (m=2.43). Businessmen believed barriers to be insufficient belief in own abilities (m=2.32); corporate dominance (m=2.33); lack of market studies (m=2.45); and absence of government support (m=2.55).

The main operating barriers from businesswomen's point of view are competition from businessmen (m=2.18); family commitments (m=2.32); mixing with men in the work place (m=2.48); and absence of government support (m=2.53). Businessmen identified barriers as inadequate coordination between government departments (m=2.20); lack of market studies (m=2.27); competition from businessmen (m=2.30); and stereotyping (m=2.48).

The t-test was used to measure the significance of the difference in means between male and female respondents over opinions about main motivational factors and the results are summarized in Table 2.

**Table 2** Independent sample test

		t-test for equality of means		
		t	Sig. (2-tailed)	Mean difference
Profit motive.	Equal variances assumed	2.342	.022	.425
	Equal variances not assumed	2.342	.023	.425
Work independently.	Equal variances assumed	.000	1.000	.000
	Equal variances not assumed	.000	1.000	.000
Control and freedom in decisions making.	Equal variances assumed	1.233	.221	.225
	Equal variances not assumed	1.233	.221	.225
Social status.	Equal variances assumed	.226	.822	.050
	Equal variances not assumed	.226	.822	.050
Self-achievement.	Equal variances assumed	1.056	.294	.200
	Equal variances not assumed	1.056	.295	.200
Self-confidence.	Equal variances assumed	.551	.583	.075
	Equal variances not assumed	.551	.583	.075

The table shows a statistical difference between men and women regarding the importance of the profit motive (P-values < 0.05) while the other motives have no such relationship (P-values > 0.05). We therefore reject the null hypotheses and accept the first hypothesis that there is a significant difference between the views of businesswomen and businessmen about the main factor motivating female start-ups.

In order to examine the effect of age when starting the business upon motivations, a One-Way ANOVA test was applied and the results are presented in Table 3.

Table 3 ANOVA test

		Sum of squares	df	Mean square	F	Sig.
Profit motive.	Between groups	3.012	4	.753	3.068	.029
	Within groups	8.588	35	.245		
	Total	11.600	39			
Work independtly.	Between groups	.710	4	.178	.436	.782
	Within groups	14.265	35	.408		
	Total	14.975	39			
Control and freedom in decision making.	Between groups	3.708	4	.927	1.315	.283
	Within groups	24.667	35	.705		
	Total	28.375	39			
Social status.	Between groups	4.197	4	1.049	1.004	.419
	Within groups	36.578	35	1.045		
	Total	40.775	39			
Lack of jobs in the public sector.	Between groups	4.675	4	1.169	1.475	.231
	Within groups	27.725	35	.792		
	Total	32.400	39			
Lack of jobs in the private sector.	Between groups	9.333	4	2.333	2.356	.073
	Within groups	34.667	35	.990		
	Total	44.000	39			
Self-achievement.	Between groups	3.953	4	.988	2.970	.033
	Within groups	11.647	35	.333		
	Total	15.600	39			
Self-confidence.	Between groups	1.933	4	.483	1.845	.142
	Within groups	9.167	35	.262		
	Total	11.100	39			
Good network.	Between groups	.880	4	.220	.395	.811
	Within groups	19.520	35	.558		
	Total	20.400	39			

From Table 3, it is clear that P-values are greater than 0.05. Therefore, the null hypothesis is rejected and the second hypothesis that age on starting the business has a significant impact on motivation is accepted.

## 5.0 DISCUSSION AND CONCLUSION

The study has revealed that the pursuit of profit and personal achievement are the most important factors underlying business start-ups by Bahraini women. A paucity of market studies which might offer guidance, lack of support from the government and poor coordination amongst official departments, pressures from family commitments, and market domination by a few companies are obstacles to Bahraini businesswomen. Based on these findings, the following recommendations might be helpful to the private sector, government ministries and the Chamber of Commerce in their efforts to facilitate entrepreneurship among women.

1. Create and empower women-only sections in major governmental ministries. Devise implementation strategies for women's transition into international trade.
2. Provide governmental and societal encouragement for female participation in economic, nation building, innovation, and productivity activities.
3. Enrich and expand training programs offered by the Chamber of Commerce focused on female businesses.
4. Ensure government lending institutions handle loan applications from businesswomen promptly and fairly.
5. Encourage involvement of women in entrepreneurial ventures through regulatory reform.
6. Finance market research for women entrepreneurship by institutions such as the Chamber of Commerce and Women's Societies.

Encourage and facilitate business networking of both genders. Empowerment of businesswomen is only possible when the cooperation of industry, government, and professional organizations is achieved. Given the fact that gender mixing is a highly contentious issue in the Arab world, the government should enact legislation to promote equality and equity for women in the work place. Efforts should be made by all parties to minimize the chances of sexual harassment at work as this will deter women from investing in lucrative ventures. Finally, businesswomen are advised to engage in short and long term planning and not to fear business failure.

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