WOMEN ENTREPRENEURS IN UNITED ARAB EMIRATES: ENABLERS AND CHALLENGES

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ABSTRACT

Business development is a growing area of emphasis in the United Arab Emirates (UAE), however, developing and launching a new business is often a complex task for the aspiring women entrepreneurs. Most of the key skills needed to run an independent business such as the finance, marketing, operational logistics and family support can present challenging barriers to long-term success. The purpose of this article is to investigate the enablers and barriers toward the success of women in entrepreneurial activities in UAE. A qualitative research using one-on-one interviews and focus group were led among thirty successful women entrepreneurs from different fields operating in the UAE. The outcome of this research highlights the fact that UAE Government plays an important role in supporting women entrepreneurs, but the cultural barriers are seen as major obstacles.

Keywords: Entrepreneurship, Women entrepreneurs, Enablers, Challenges, United Arab Emirates.

1. Introduction

Women entrepreneurship is rapidly gaining prominence worldwide because of its positive effects that create wealth and the generation of job opportunities. The worldwide concern of the women entrepreneurship progress and the investigation of the supportive strategies has developed in the modern year (Ramanujan and Vidya, 2015). Nevertheless, most of the researches on women entrepreneurs have been conducted in the developed countries, while the developing ones are still facing a poor literature comparing to the growing number of initiatives aimed at promoting women (Tripathi and Singh, 2018; Shmiln 2017).
Thus, this study is an attempt to answers this call by investigating the success factors of women entrepreneurs in UAE. As in the United Arab Emirates, women are also seen as important contributors to the UAE’s economic growth and development (UAE Yearbook, 2013). However, the reality is reflecting that women are still hesitating to access the entrepreneurial activities (GEM, 2016; Khalifa Fund 2017).

The UAE has paid increasing attention to entrepreneurship contribution to economic growth. The sector of small and medium enterprises has significant contribution to economic growth in terms of earnings and employment. In fact, the UAE has designed a comprehensive and consistent approach of council of Ministers and entity governments to entrepreneurship and SMEs in the form of government support strategy to entrepreneurship and SMEs as a priority (Majumdar and Varadarajan, 2013).

Despite all the support that women receive in the UAE, the level of female entrepreneurial activity is low, compared to other countries with similar levels of GDP per capita (Mastercard, 2018; Erogul and McCrohan, 2008).

Moreover, the share of UAE women entrepreneurs, is still low when comparing their participation rate to Emirati men’s (Kargwell, 2012; Zeidan and Bahrami, 2018).

Most of the research on entrepreneurship in UAE are mainly conducted without consideration of gender differences (Minhas, 2018). On the other hand, there are some studies highlighting the participation of women in entrepreneurial activities and are more statistical and comparative than institutional (Al Mazrouei and Krotov, 2016). Thus, the aim of this article is to explore the challenges faced by UAE women entrepreneurs and factors that facilitate these women to achieve success in their business.

2. Literature Review

The research in entrepreneurship is rich and publication found are from many languages. Also, the term entrepreneurship is recently touching more fields, such as, Female entrepreneurship, Social entrepreneurship (Schatz, 2018), Green Entrepreneurship (Jones, 2017), Entrepreneurial finance (Raff and Scranton, 2017), Indigenous entrepreneurship (Kawharu et al, 2017), and many other. However, in this research, the focus is on the gender and women entrepreneurship.

Although female entrepreneurship is an economic magnitude clearly identified only in a small part of the scientific products analysed, the lack of a unique definition seems to constitute a fundamental element of this field of studies (Serafini, 2018). Moreover, other researchers suggest that entrepreneurs are essential to growth, either through their ability to exploit innovation or
through activities that, though imitative in nature, make use of resources that are previously under-utilized (Minniti & Levesque 2008).

There are more entrepreneurial traits that the researcher has to consider in order to bring a clear insight of the topic, and then to clarify better the path of research.

In this perspective, women entrepreneurs can be defined as those who use their knowledge and resources to develop or create new business opportunities, who are actively involved in managing their businesses, and own at least fifty per cent of the business and have been in operation for longer than a year (Moore and Buttner 1997; Anwar and Rashid 2012).

a) Women entrepreneurs: enablers

From the literature, some researchers have investigated about the enablers leading to the success of women entrepreneurs. In fact, Kabeer (1999) argued that the empowerment of women comprises bestowing the ability to make choices and then to be entrepreneurs.

Yunis et al (2019) found in their research that a Self-Actualization, Financial Independence, Women status recognition/empowerment, and Social Entrepreneurship as emancipatory, were the key enablers for women in Pakistan to opt for entrepreneurship.

Mastercard Index of Women Entrepreneurs (MIWE) (2017) indicates four enablers that support women entrepreneurs’ activity: ease of doing business, cultural perceptions of women entrepreneurs, quality of governance, and entrepreneurial supporting factors.

Tanusia et al. (2016) found in their research that the key enablers for women entrepreneurs in Malaysia are personality, self-confidence, Government support and emotional support and family.

b) Women entrepreneurs: Challenges

Yunis et al (2019) stated that the main challenges for women entrepreneurs are financial resources, religion, lack of family support, and bureaucracy.

Moreover, many studies (Mastercards 2018, UN 2017, GEM, 2016) maintain that women face big difficulties in becoming entrepreneurs. These challenges are the higher levels of domestic responsibility, the lower levels of education (particularly in developing countries), the fewer business-orientated networks in their communities, the lack of capital and assets and the lack of female role models in the business sector.
Simon et al. (2017) found in their study of the literature that customs, beliefs, culture and religion have been at the forefront of the bias against female entrepreneurs in a number of developed and developing economies over the past decades.

The research led by Tanusia et al (2016) the results show that the factors that posed as barriers to women are lack of knowledge and skills, too many legalities, regulations and procedures in accessing loans and licenses and lack of business support and network.

Although some authors and rigorous studies claim there is no significant difference between the behaviors of men or women managers. (Turban et al., 2017) for example, found that found almost no perceptible differences in the behavior of men and women. In fact, the amount of direct interaction with management was identical between genders and that women were just as central as men in the workplace’s social network. According to these works, both would adopt the same behaviors and prioritize the same issues. However, we cannot adopt this behavioral approach on the gender entrepreneurs, as they are different from managers.

The gender gap has been considered by an increasing number of researchers, including in the entrepreneurship field (Minniti 2009), and is usually summarized as the differential in men’s and women’s participation in a particular sphere. Due to the lack of prior theorizing on the role on gender-specific enablers and barriers to the entrepreneurial activity in the UAE context, this study adopts a qualitative approach.

3. Research Methodology

Any research design must be coherent, logical and attainable and it needs the capacity to correctly address the research problem while avoiding leading to any degree of misunderstanding or ambiguity.

In this research, the use of qualitative research is used because it is especially effective in obtaining culturally specific information about the values, opinions, behaviors, and social contexts of particular populations (Mack et al. 2005).

When conducting a study on the factors leading to the success of women entrepreneurs in UAE, interviews are anticipated to be helpful in shedding light on the thoughts of individuals in depth, and these thoughts can be used to provide context which can in tum be used in the interpretation of data obtained from the questionnaire.

The researchers in this research are adopting the in-depth interviews, which are usually conducted face-to-face and involve one interviewer and one participant.
The in-depth interview is a technique designed to elicit a vivid picture of the participant’s perspective on the research topic. During in-depth interviews, the person being interviewed is considered the expert and the interviewer is considered the learner. The researchers’ interviewing techniques are motivated by the desire to learn everything the participant can share about the research topic.

Recruiting participants (Emirati women entrepreneurs) is often a challenge, for a variety of reasons, including the often delicate nature of working with vulnerable populations; possible stigmatization of participants resulting from affiliation with the study; the high mobility of some populations; participants’ concerns about confidentiality; and misinformation, lack of information, fear, or rumors about the study.

Thirty respondents were recruited from Khalifa Fund for Enterprise Development (KF) database or several reasons. The first one, KF is the only organization in the UAE that funds the Emirati people who will to launch a small and medium enterprises. The second reason, KF has a full financial and logistical support from the government. The third reason, KF has conducted many studies to enhance the contribution of SMEs in the GDP. The fourth reason, KF funded the third of the projects established by Emirati women entrepreneurs during the last decade.

In order to analyze our interview, the thematic analysis is adopted in this research. Thematic analysis is a commonly used data analysis strategy, and considered as an approach across all qualitative designs (Castleberry and Nolen, 2018). Vaismoradi et al. (2013) described thematic analysis as a descriptive method that reduces the data in a flexible way that dovetails with other data analysis methods.

4. Research findings

Based on the interviews analysis, we found that the women entrepreneurs interviewed belong to different sectors, such as, service, food and beverage, while the sectors like agriculture, tourism, retail and ICT are represented by six women entrepreneurs. Most of the women respondents started their businesses more than three years.

The findings show that majority of UAE women entrepreneurs chosen have high certificates (Diploma and Bachelor), some have high school diploma, and only few with no certificate –but not illiterate–, which can help the researchers to make a pre-assumption that education have a positive impact on the entrepreneurial activities for Emirati women.

Most of the women entrepreneurs have confirmed that they were not satisfied at their previous work. Fatema (37years), as instance said – as most of the respondents – that she was dissatisfied because the work did not fit with her ambitions and she did not find the good environment, as
well as the challenges of time and work pressure. While Haifa (28 years) expressed her satisfaction at her previous work. Few did not have job before because of the education circumstance or family conditions.

More than half of women entrepreneurs state that they tried to build up partnerships with other companies, but they were not successful due to the non-credibility and the non-trust of the big organizations. While few of them feel pessimistic and afraid to go for this step.

Regarding the financial aspect, most of women entrepreneurs claim that they didn’t face any issue, as the Government helped them a lot through the financial institutions.

However, when it comes to the business creation and management, almost all of them said that they faced real challenges due to the lack of real training and support toward the entrepreneurial activities, and most of times, the trainings are based on Dubai or Abu Dhabi only, which makes it very difficult for women living in other regions.

Finally, our findings show that the cultural barriers represent a big challenge for women especially in the pre-establishment phase.

5. Conclusion

Unlike most of the researches on entrepreneurship, and mainly women entrepreneurs, which found that the man challenge is the financial aspects, and that most of women failed to be entrepreneurs due to the lack of capital. The case in United Arab Emirates is different, as the availability of financial resources can be considered as an enabler. The other enabler that this research found is that the good education system in the country allows more and more women to have the intention to be entrepreneurs.

However, still many challenges are facing women entrepreneurs, mainly the cultural barriers that represent, based on this research, the biggest obstacle, and that’s because the society is still having negative attitudes regarding females who hold their own careers and job, with this factor naturally arising in some regions more than others in the UAE. This is due to the cultural and conventional context, including the responsibility of the husband for supporting and providing for the family.

From this research, it is clear that the Government is playing an important role in the financial, educational and logistic aspects. However, it is highly recommended to invest more in trainings. Regarding the cultural challenge, it is recommended to adopt a very constructive marketing communications plan to make the society accepting more and more women holding businesses and companies.
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