



Dynamics of Women Entrepreneurs in Sultanate of Oman: Opportunities and Obstacles

Kavita Chavali*

Department of Accounting and Finance, College of Commerce and Business Administration Dhofar University, Sultanate of Oman.

*Email: kchavali@du.edu.om

ABSTRACT

The study is a questionnaire based purposive sampling of 100 respondents in Oman. The Arab world is a patriarchal society with unwritten rules and the objective of the study is to uncover the opportunities available to Omani women and the obstacles which they face as an entrepreneur as well as in the process of becoming an entrepreneur. The study also looks into the basic differences in the perception of women who are entrepreneurs and women who would like to become entrepreneurs in the future. Analysis of variance is used for hypothesis testing. Factor analysis is used to explore the motivational factors, obstacles faced and success factors of women entrepreneurs and future entrepreneurs in Oman.

Keywords: Entrepreneurship, Motivation, Obstacles, Success factors, Sultanate of Oman

JEL Classification: L26

1. INTRODUCTION

Sultanate of Oman is located in the Middle East and stands fourth among the oil producing countries in the world. The contribution of oil in Oman is 45% of its GDP \$76.460 billion as of 2012 (CIA World Fact Book). The recent downtrend in the oil prices affected all the oil producing GCC countries of which Oman is one. There is a need felt by the Sultanate to reduce the reliance on oil, privatize and liberalize the economy and achieve self-sustenance. Omani Government plans to reduce the dependence on non-renewable oil resources to 5% of gross domestic product (GDP) by 2020. It is giving a lot of impetus to the local community especially women by providing conducive scenario to start business of their own. Studies have shown that female entrepreneurship is of growing importance in terms of their significant contributions to world economies (Brush and Cooper, 2012). The Sultanate is providing training to women, free education for career progression and giving interest free capital for starting new ventures and many more. The Arab world being a patriarchal society has numerous unwritten rules restricting and limiting the economic and social participation of women to become part of the revenue generating entrepreneurial activity and the job force. In this backdrop the

researcher felt the need to uncover the opportunities available for Omani women and obstacles which they face in the Arab world to start a business of their own. The study also looks into the basic differences in the perception of women who are already entrepreneurs and women who would like to become entrepreneurs in the future.

The term “entrepreneur” is derived from the French verb “entreprenedre.” It means “to undertake.” An entrepreneur is a person who undertakes and operates a new enterprise or venture and assumes some accountability for the inherent risks. A female entrepreneur is sometimes referred to as “entrepreneuse.” The motivation for starting a business can be a necessity or an opportunity. This depends on whether an economy is developed or developing. Those with necessity are being pushed to become entrepreneurs because they have no other options while entrepreneurs with opportunity motive chose to pursue an opportunity and are being pulled into entrepreneurship by the prospects of opportunities. Necessity-driven entrepreneurship can help an economy benefit from self-employment initiatives and job creation for others. The GEM 2010 report reveals that women are much more likely to be driven by necessity than men when starting a business.

2. REVIEW OF LITERATURE

There is abundance of literature available on women as entrepreneurs, challenges faced by them and the opportunities they possess. But very limited literature is present related to women entrepreneurs in the Arab world. Gundry et al., (2002) defines entrepreneurship as being in control of one's own life and activities. The researcher discusses women being empowered in the society as an important element of entrepreneurship. Helms (1997) in his study points out that the reason why majority of women remain untapped is because they are not being empowered. He identifies women not being empowered as the main obstacle for women to start business.

Pallavi, (2013) in her study identified patriarchal society, absence of entrepreneurial aptitude among woman, support from bankers, balance between work and home resulting in family conflicts and knowledge of technological changes as some of the constraints for women to start business. As per the study there is a strong relationship between age of the entrepreneur and the purpose for which one has taken entrepreneurship. Kaur and Singh (2013) identified some more obstacles for women to become entrepreneurs. They are startup capital and financing, mobility of woman, family responsibilities, lack of required education and qualification, low self-confidence and support from the family. The researcher suggested "pull and push mechanism" to encourage woman. This is supported by Gelin (2005) and in his study argued that "pull and push factors" include survival, desire to achieve personal goals, to feed one's family, to be respected, quest for pride of ownership, peer pressure, desire for social recognition, desire to deal with the issue of gender discrimination in the labour market and loss of job.

Dhaliwal and Kangis (2006) researched on the motivations and observed that some women start their business as a hobby and continue to look at it as an extension of their role associated with running a family. The majority of the women who are in business have their family member doing business. With their support they use their own or family funds to start their business.

McElwee and Riyami (2003) investigated the motivations and barriers of women entrepreneurs in Oman. The main factors that motivated women is the process of entrepreneurship itself, financial independence and job satisfaction. The study also explored into the perceptual difference between men and woman in defining success. Women are more into micro management of businesses. The main obstacles explored by the author is their accessibility to funds or financing to start business. Women entrepreneurs tend to concentrate in service sectors that usually require a small initial capital outlay and less technical knowledge in order to be successful.

Naser et al., (2009) identified that start-up capital provided by government, self-fulfillment, knowledge, skill, experience and relationship with spouse as the most important factors that motivate women in the United Arab Emirates to become entrepreneurs. The expectations from the family in terms of family responsibility is very high in the Arab world which is one of the major obstacle

for women. Simonin (2006) postulates that many women start a business because of the autonomy and flexibility they enjoy that are essential to the fulfillment of their family obligations. This is also supported by Noble (1986) who argues that women entrepreneurs perceive entrepreneurship as an integrating and balancing tool between family and career needs.

Schumpeter (2000) in his research explored into the motivational factors influencing woman. The researcher has classified entrepreneurs into two categories. The first who have become entrepreneurs by choice and the other by necessity.

The reasons why women become entrepreneurs by choice is to materialize their dream into reality, empowerment and freedom for themselves, to prove themselves among family members, to have their own rules for work, bad job experience, a desire to start and own a company as working for others does not appeal them. Women become entrepreneurs by necessity to improve the quality of their life and family, to share economic burden of their family voluntarily or by compulsion and to manage the household.

3. METHODOLOGY

The study is a questionnaire based study, purposive sampling is adopted with a sample of 100 respondents in Salalah, Sultanate of Oman out of which 50 are entrepreneurs and 50 are future entrepreneurs. The responses are collected from 200 respondents but 100 were rejected because of incomplete responses. The respondents are taken from diverse nature of business ventures. Factor Analysis was conducted to explore the motivational factors, obstacles faced and success factors of entrepreneurs and future entrepreneurs. The responses were collected using a 5 point Likert scale. The flowing hypotheses are formulated. Analysis of variance (ANOVA) was used for hypothesis testing.

The word "entrepreneurs" used in the hypothesis are the respondents who are owners and manage their business in Salalah. The word "future entrepreneurs" used in hypothesis are respondents who are in their bachelors and masters and would like to become entrepreneurs in the future and are equipping themselves for the future.

Hypothesis 1: H₀ - There is no difference in the perception of entrepreneurs and future entrepreneurs regarding relevance of work experience before starting business in Oman.

Hypothesis 2: H₀ - There is no difference in the perception of entrepreneurs and future entrepreneurs regarding preferred source of capital for business.

Hypothesis 3: H₀ - There is no difference between entrepreneurs and future entrepreneurs related to their empowerment in decision making at home.

Hypothesis 4: H₀ - There is no difference between entrepreneurs and future entrepreneurs related to their empowerment of their role in family decision making.

Hypothesis 5: H0 - There is no difference between entrepreneurs and future entrepreneurs related to their empowerment in freedom of mobility.

Hypothesis 6:H0 -There is no difference between entrepreneurs and future entrepreneurs related to their empowerment in the power of making financial decisions.

Hypothesis 7: H0 - There is no difference between entrepreneurs and future entrepreneurs related to their empowerment on their rights to set up business of their own.

Hypothesis 8: H0 - There is no difference in the awareness level of entrepreneurs and future entrepreneurs.

4. DATA ANALYSIS AND FINDINGS

Table 1 shows the demographic age distribution of the sample respondents. 50% of the entrepreneurs are in the age group of 21-30 years, 40% in the age group of 31-40 years and 10% are more than 40 years of age. The respondents who are entrepreneurs are owners and manage their business in Salalah. 98% of the future entrepreneurs are in the age group of 21-30 years, and 2% are in the age group of 31-40 years.

Table 2 represents the education of the sample respondents. 62.5% of the entrepreneurs have completed higher education or under graduation, 27% of them are graduates and 10% of them are masters. Entrepreneurs are able to study higher education because courses are being offered online giving these women a chance to complete their education online by managing their work and education together because education is an important part of life. 62% of the future entrepreneurs have completed higher education or under graduates, 36% of them are graduates and 2% of them are masters.

Education gives confidence to try something new and innovative. Women in Oman have started giving importance to education and as a step forward government and private universities of Oman are providing scholarships to students who wish to continue their

Table 1: Age of respondents - entrepreneurs and future entrepreneurs

Age	Entrepreneurs (%)	Future entrepreneurs (%)
21-30	50	98
31-40	40	2
More than 40	10	0
Total	100	100

Table 2: Education of respondents - entrepreneurs and future entrepreneurs

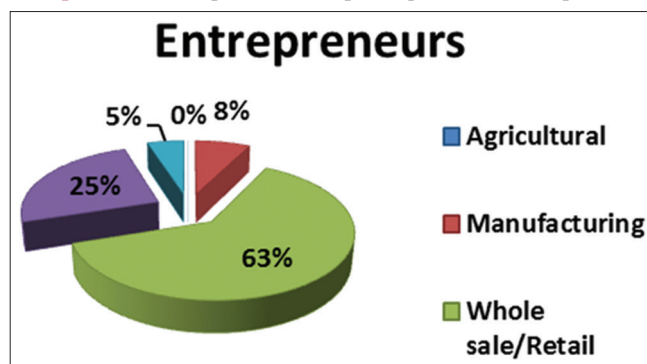
Level of education	Entrepreneurs (%)	Future entrepreneurs (%)
Higher education	62.5	62
Graduate	27.5	36
Masters	10	2
Total	100	100

studies after higher education to promote education and skill in women.

Graphs 1 and 2 shows that there three most common sectors where women entrepreneurs have business are wholesale and retail, secondly service sector and last but not the least is manufacturing sector. In wholesale or retail sector mostly women are making products like frankincense at home and selling as it is widely available in Oman. Majority of women who wants to be an entrepreneur in the future are interested to start their business venture in service sector like boutique, salon etc. this means the coming generation of entrepreneurs are willing to step out of their houses and explore the world. Women’s business is mostly operated from home and is concentrated in service sector and that which require small initial capital and low technical knowledge (Boden and Nucci, 2000). Many of them are restricted to choose businesses that do not require high skill because they are intrinsically motivated into entrepreneurial venture (Finnegan and Danielsen, 1997). Majority of women who are already entrepreneurs preferred to work from home but the future entrepreneurs are independent and are ready to face challenges.

Table 3 represents hypotheses testing using ANOVA to test statistical significance. The hypotheses is tested at 0.05 level of significance. As per the results, all the hypotheses are accepted. This signifies that there is no difference between entrepreneurs and future entrepreneurs on various aspects like relevance of work experience before starting business where both strongly agree

Graph 1: Business profile of sample respondents - entrepreneurs



Graph 2: Business profile of sample respondents - future entrepreneurs

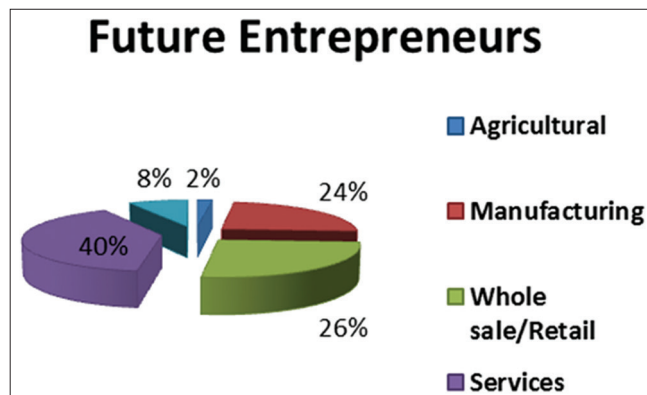


Table 3: Hypotheses testing using ANOVA

Hypothesis testing	P value	Accept/reject
There is no difference in the perception of entrepreneurs and future entrepreneurs regarding relevance of work experience before starting business in Oman	0.83	Accept hypothesis 1
There is no difference in the perception of entrepreneurs and future entrepreneurs regarding preferred source of capital for business	0.67	Accept hypothesis 2
There is no difference between entrepreneurs and future entrepreneurs related to their empowerment in decision making at home	0.70	Accept hypothesis 3
There is no difference between entrepreneurs and future entrepreneurs related to their empowerment of their role in family decision making	0.71	Accept hypothesis 4
There is no difference between entrepreneurs and future entrepreneurs related to their empowerment in freedom of mobility	0.70	Accept hypothesis 5
There is no difference between entrepreneurs and future entrepreneurs related to their empowerment in the power of making financial decisions	0.71	Accept hypothesis 6
There is no difference between entrepreneurs and future entrepreneurs related to their empowerment on their rights to set up business of their own	0.73	Accept hypothesis 7
There is no difference in the awareness level of entrepreneurs and future entrepreneurs	0.07	Accept hypothesis 8

* $\alpha=0.05$, ANOVA: Analysis of variance

to it, regarding preferred source of capital in business, various aspects of empowerment like decision making regarding finances, mobility aspect and their awareness levels of the support provided by the Sultanate.

Table 4 represents factor analysis conducted to understand the motivating factors of entrepreneurs to start business. Eight factors were selected based on the literature review. Rotated Component matrix has extracted three most predominant factors. Zellner (1994) reported that flexibility to manage dual responsibilities and to live a more balanced life is the motivations for women to leave a paid job to start their own businesses. The motivating factors of women entrepreneurs in Oman to start business is being independent, the second most important factor is freedom to make their own decisions and finally better social status in the society. This is in line with the research findings of Schumpeter (2000).

Table 5 shows factor analysis was conducted and out of the eight factors three factors are extracted. The predominant reason why respondents wanted to start a business in the future is better social status in the society followed by being independent and being role model for others in the society where others could emulate. This shows that empowerment is the primary reason to become a successful entrepreneur. This is in line with the research findings of Gundry et al., (2002).

Table 6 shows the 13 factors are identified as obstacles in starting a business venture by woman entrepreneurs. Factor analysis was conducted and four values are extracted. The most predominant obstacles entrepreneurs faced is lack of leadership skills. The second most hindering factor is lack of risk taking ability followed by awareness or access to business support as they are the first generation entrepreneurs in their family followed by their self-confidence. This generation of entrepreneurs believed that entrepreneurs are made and lack of leadership skills and risk taking abilities are perceived as major obstacles woman face to start business in Oman.

Table 4: Factor analysis - motivational factors of entrepreneurs rotated component matrix

Motivational factors for entrepreneurs	Component		
	1	2	3
Being independent	0.806	0.195	0.120
Freedom to make own decisions	0.806	0.189	0.097
Social status	0.595	-0.177	-0.233
Threat of losing my job	0.416	0.386	0.090
Employment generation	-0.001	0.818	0.076
Role model for others	0.141	0.799	0.019
Type of flexibility in time and work	-0.049	0.175	0.885
For making money	0.500	-0.395	0.543

Table 5: Factor analysis - motivational factors of future entrepreneurs rotated component matrix

Motivational factors for future entrepreneurs	Component		
	1	2	3
Social status	0.819	-0.033	0.091
Being independent	0.734	0.229	0.082
Role model for others	0.578	0.118	0.287
Employment generation	-0.124	0.811	0.168
Threat of losing my job	0.278	0.721	0.133
For making money	0.577	0.623	-0.190
Type of flexibility in time and work	0.097	0.171	0.898
Freedom to make own decisions	0.626	0.024	0.638

Table 7 shows factor analysis and five factors are extracted in a total of 13 factors. The obstacles the future entrepreneurs foresee are a little different from the women who are already entrepreneurs. This new generation of future entrepreneurs believes that entrepreneurs can be made with the help of professional education, training, government support and family support. Lack of these things is perceived to be obstacles for the new generation entrepreneurs. Lack of language skills which are required is also perceived as a hindering factor. Lots of emphasis is given in schools and colleges on English language along with Arabic which is the local language in Oman.

Table 8 shows the factors which contribute to the success of entrepreneurs. There are eight factors identified from past studies.

Table 6: Factor analysis - obstacles faced by entrepreneurs rotated component matrix

Obstacles faced by entrepreneurs	Component			
	1	2	3	4
Lack of leadership skills	0.814	0.122	-0.101	0.136
Risk taking ability	0.753	-0.125	0.128	0.134
Awareness/access to business support	0.673	0.062	0.442	-0.265
Self-confidence (believing in one's abilities)	0.575	-0.003	0.440	-0.013
Lack of professional education	0.082	0.811	0.023	0.063
Lack of family support	0.333	0.782	-0.200	-0.131
Lack of support from government	-0.360	0.666	0.082	-0.038
Being a woman/gender discrimination	-0.176	0.556	0.506	0.241
Finding the right contacts for your business venture	0.123	0.038	0.847	0.084
Balancing family and work life	0.208	-0.074	0.574	0.477
Access to start up finance	-0.103	-0.065	0.128	0.770
Lack of language skills	0.491	0.048	-0.086	0.687
Lack of training	0.046	0.515	0.280	0.615

Table 7: Factor analysis - obstacles perceived to be faced by future entrepreneurs rotated component matrix

Obstacles faced by entrepreneurs	Component			
	1	2	3	4
Lack of professional education	0.777	0.165	-0.055	-0.046
Lack of training	0.758	0.125	0.234	0.345
Lack of support from government	0.732	-0.179	0.033	0.214
Lack of language skills	0.589	0.414	0.193	-0.108
Lack of family support	0.503	0.322	0.412	0.139
Lack of leadership skills	0.068	0.826	0.226	-0.016
Risk taking ability	0.119	0.745	-0.155	0.368
Awareness/access to business support	0.088	0.585	0.191	0.103
Finding the right contacts for your business venture	0.055	0.190	0.855	-0.068
Access to start up finance	0.199	0.057	0.828	0.223
Self-confidence (believing in one's abilities)	-0.129	0.363	0.023	0.749
Being a woman/gender discrimination	0.427	-0.180	0.193	0.656
Balancing family and work life	0.422	0.227	0.076	0.544

Three factors are extracted using factor Analysis. The most important factor is alertness to opportunities, communication skills and networking and willingness and risk taking ability. Stranger (2004) networking is useful in dealing with the isolation that some women feel because of gender discrimination.

Table 9 represents the factors required for an entrepreneur to be successful. Future entrepreneurs perceive sincerity and honesty, pleasant behavior, communication and networking, hard work and entrepreneurial training are the factors extracted as per factor analysis.

Table 10 represents the most known organizations to promote women entrepreneurs in the Sultanate. The fund for development of youth provides financial and management assistance to young people who wants to start a business. The objective of this fund is to provide financial and technical support. SANAD scheme promotes new business ventures by giving loans to recent graduates to those projects which are feasible and innovative. The SANAD incubators programme helps young entrepreneurs from technical colleges start their own enterprises through monetary and technical support. SANAD programme help young entrepreneurs to realize their dream to start something on their own by setting up incubators. "Intilaaqah" program helps the young entrepreneurs by providing training, counseling and consultancy services to help youth starting their own business. The awareness regarding the support provided by the government and other agencies is as low as 52.5% in

Table 8: Factor analysis - contributing success factors of entrepreneurs rotated component matrix

Success factors of entrepreneurs	Component		
	1	2	3
Alertness to opportunities	0.786	0.364	0.187
Communication skills and networking	0.760	0.133	0.083
Willingness and risk taking ability	0.721	0.010	0.380
Pleasant behavior	0.135	0.904	-0.045
Sincerity and honesty	0.254	0.785	-0.077
Hard work	-0.542	0.586	0.318
Entrepreneurial training	0.061	-0.073	0.909
Level of education	0.446	0.048	0.741

Table 9: Factor analysis - perceived contributing success factors for future entrepreneurs rotated component matrix

Perceived success factors of future entrepreneurs	Component	
	1	2
Sincerity and honesty	0.926	0.047
Pleasant behavior	0.852	0.187
Communication skills and networking	0.784	0.118
Hard work	0.700	0.133
Entrepreneurial training	0.634	0.443
Level of education	-0.021	0.865
Willingness and risk taking ability	0.178	0.812
Alertness to opportunities	0.476	0.611

entrepreneurs and 52% in future entrepreneurs. The most popular among the respondents is SANAD scheme in creating awareness

Table 10: The most known assistance and organizations available to women entrepreneurs

Organizations	Entrepreneurs (%)	Future entrepreneur (%)
Fund for development of youth projects	11.6	22.4
SANAD program	39.5	38.8
Raft funds	18.6	8.5
Intilaaqah	11.6	2.7
Creation of Oman development Bank	9.3	13.8
Women in focus	9.4	13.8
Total	100	100

and the help rendered by them. There is a need to create awareness among people especially woman who are the future of Oman. This can be done by organizing different entrepreneurship educational seminars and workshops. Educational institutions should create awareness among women about funding organizations which can help them to do business. Banks and other financial institutions also need to create awareness about the various funding schemes available to people to set up business venture.

5. DISCUSSION AND CONCLUSION

Women entrepreneurs are still in a nascent stage in Oman. The study aims to explore the obstacles and opportunities of women entrepreneurs with the help of a questionnaire. An effort is made to explore whether there is any difference in the perception of entrepreneurs with future entrepreneurs. Entrepreneurship in Oman seems to be a feasible option. The situation of women entrepreneurs in Oman needs to be improved and women should be empowered to make their own decisions for their professional life. Women need to be more alert to the opportunities and should gain work experience before starting their venture. Women should be encouraged to be creative and independent. Majority of woman are restricted to retail or service sector where no major technical skills are required. More women should be encouraged to enter into manufacturing sector with large capital and create employment generation. There should be a continuous support from the government and a conducive environment to inspire and encourage the talent in women. There should be awareness created to enhance their business, technical and leadership skills. Customized entrepreneurial educational programs have to be developed and incubation centers have to be set up at educational institutions which give confidence to woman to take up entrepreneurship.

REFERENCES

- Available from: <http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Documents/GEM%202010%20Womens%20Report.pdf>.
- Available from: http://www.unevoc.unesco.org/fileadmin/user_upload/pubs/Entrepreneurship%20education%20-%20Oman.pdf.
- Boden, R.J.Jr., Nucci, A.R. (2000), On the survival prospects of men's and woman's new business ventures. *Journal of Business Venturing*, 15(4), 347-362.
- Brush, C., Cooper, S. (2012), Female entrepreneurship and economic development: An international perspective. *Entrepreneurship & Regional Development*, 24(1-2), 1-6.
- Dhaliwal, S., Kangis, P. (2006), Asians in the UK: Gender, generations and enterprise. *Equal Opportunities International*, 25(2), 92-108.
- Finnegan, S., Danilsen, E. (1997), Promoting the Development of Women Entrepreneurs Means and Ends in Women Entrepreneurship Development, Paper Presented at the First Inter-Cultural Micro Enterprise Development (MED) Summit, Colombo, Sri Lanka, on 28 August 1997, ILO-SAAT, New Delhi.
- GDP Per Capita Obtained from CIA World Factbook. Available from: <https://www.cia.gov/library/publications/the-worldfactbook/index.html>, Oil & Gas figures from BP Statistical Review of World Energy June 2012.
- Gelin, M. (2005), The importance of gender in starting and managing a small business. *Houston Psychiatric Society*. p42-53.
- Gundry, L.K., Ben Yoseph, M., Posig, M. (2002), Contemporary perspectives on women entrepreneurship: A review & strategic recommendation. *Journal of Enterprising Culture*, 10(1), 67-86.
- Helms, M. (1997), Women and entrepreneurship: The appealing alternative business perspectives. *Gale Group - Information Integrity*, 10(II), 16-19.
- Kaur, G., Singh, S. (2013), Women entrepreneurs in India. *Third Front Journal of Humanities and Social Sciences*, 1(1), 64-73.
- McElwee, G., Al-Riyami, R. (2003), Women entrepreneurs in Oman: Some barriers to success. *Career Development International*, 8(7), 339-346.
- Naser, K., Mohammed, W.R., Nuseibeh, R. (2009), Factors that affect women entrepreneurs: Evidence from emerging economy. *International Journal of Organizational Analysis*, 17(3), 247.
- Noble, B. (1986), A sense of self. *Venture*, 7, 34-36.
- Pallavi, M. (2013), Women entrepreneurship: Purpose, problems and prospects. *Pacific Business Review International*, 5(11), 8-16.
- Schumpeter, J.A. (2000), *Entrepreneurship: The Social Science View*. Oxford, England: Oxford University Press, Scott.
- Simonin, M. (2006), *Women Entrepreneurship. Business Strategy and International Business*, Helsinki University of Technology. p91-167.
- Stranger, A.M.J. (2004), Gender Comparative use of small business training and assistance: A literature review. *Education and Training*, 46, 464-475.
- Zellner, W. (1994), Women entrepreneurs. *Business Week*, 3367, 104-110.