

## EMPOWERING SAUDI WOMEN: TRIUMPHING OVER HURDLES TO ACHIEVE SUCCESS AS ENTREPRENEURS

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### **Abstract**

According to reports from the Ministry of Communications and Information Technology in the Kingdom of Saudi Arabia, the country issued an impressive 139,754 new commercial licenses to women in 2021. This statistic reflects one of the most significant growth rates worldwide, highlighting the nation's commitment to encouraging women to embark on new entrepreneurial endeavors. This article delves into the pivotal role women play in the business world, shedding light on the challenges they face and the opportunities that await them on their entrepreneurial journey. The systematic growth of women entrepreneurs in Saudi Arabia has yielded a favorable impact on the nation's economic progress. This study was undertaken with a sample of 100 women entrepreneurs in KSA region. The major findings of the study proved that Saudi women entrepreneurs unlike other regions face financial hurdles and they sustain in business due to high family support. Some also face gender discrimination which demotivates them in business operations. It also shows that irrespective of any age category, experience, nature of business etc. only 20% women entrepreneurs enjoy profit in business.

**Keywords;** Entrepreneurship, Female Entrepreneurs, Emerging Economies, Male counterparts, Saudi Women Entrepreneurs, Business operations and activities.

### **1. Introduction**

It's a well-known fact that Saudi Arabia has swiftly established itself as one of the most rapidly evolving start-up and entrepreneurial ecosystems within the MENA region (Middle East and North Africa) in recent years. What's particularly noteworthy is the driving force behind this transformative growth. With two-thirds of its population being under the age of 35, the Kingdom possesses the demographic advantage necessary to maximize the potential of its Vision 2030 program, aimed at diversifying the economy away from oil dependence by the end of the decade. Saudi Arabia is strategically pursuing a turnaround strategy, with a strong emphasis on bolstering its positions in the fields of tourism and technology.

It's essential to highlight that women entrepreneurs in the Kingdom have played a pivotal role in driving this economic transition, constituting nearly half of all SME (Small and Medium-sized Enterprises) owners in Saudi Arabia. While contributing significantly to the remarkable growth of the private sector, Saudi women are also making their mark in emerging sectors that have

flourished as part of Saudi Arabia's socio-economic transformation, including e-commerce, retail, food & beverage, and fintech.

The Women's Report for 2021-2022 from the Kingdom of Saudi Arabia, conducted by the Global Entrepreneurship Monitor (GEM), underscores the enthusiasm and opportunities among Saudi women in entrepreneurship. The report reveals that 95% of Saudi women consider entrepreneurship a favorable career choice, 93% have observed promising opportunities for new businesses, and 90% of women entrepreneurs find it relatively easy to initiate a new business venture.

## 2. Literature Review

Recognizing the pivotal role women can play in bolstering the nation's economy, the Saudi government has made a concerted effort to promote the growth of Saudi female entrepreneurs (Fallatah, 2012). In this context, Chandran and Aleidi (2019) conducted a comprehensive study focusing on women entrepreneurs in the IT sector. The research puts forward a theoretical framework that explores the factors influencing women's engagement in entrepreneurial activities within the IT industry. Their data collection spanned female universities in Saudi Arabia, technical incubators, and entrepreneurship programs. Employing the Partial Least Square approach for analysis, the study revealed that several factors significantly influence the intention of women in IT to partake in entrepreneurial endeavors. These influential factors encompass perceived opportunities, role models, institutional features, computer self-efficacy, and individual innovativeness in IT.

The surge in female participation in trade ownership and self-employment can be attributed to economic, political, and technological transformations, which have created newfound economic prospects for women looking to establish and manage their own businesses. This trend bears a resemblance to the increasing numbers of Saudi women venturing into entrepreneurship at remarkable rates (Basaffar et al., 2018). However, it is evident that the contribution of women in this domain still lags behind that of men. There is a notable deficiency in research that delves into the expansion of female entrepreneurship in business development (Manzoor, 2017). Nonetheless, it is imperative to underscore the pressing need for substantial attention to the field of women entrepreneurship in Saudi Arabia. This focus holds the potential to significantly bolster the country's economic growth while concurrently creating fresh opportunities for women to maximize their income. From a comparable standpoint, the present study aims to carry out a systematic review focusing on the obstacles and hurdles encountered by Saudi women in the realm of entrepreneurship.

## 3. Research Methodology

**3.1 Aims of the Study:** This research is directed toward comprehending the challenges that impede women from participating in entrepreneurial endeavors. While Saudi women exhibit a strong desire for business engagement, they encounter certain constraints when entering the

entrepreneurial landscape. Therefore, the primary focus of this study is on identifying the specific factors that restrict their ability to thrive as successful women entrepreneurs.

**3.2 Study Objective:** The objective of this research is to explore the diverse challenges experienced by Saudi women in the business sphere and gain insights into their broader business perspectives.

**3.3 Hypotheses:** The hypotheses address the primary research issue, which is to gain insights into the financial aspects of women entrepreneurs. They are as follows:

H01: There is a significant difference among women entrepreneurs with respect to age, the nature of their business, their business experience, and the challenges they face in their business.

H02: There is a significant difference among women entrepreneurs with regard to age and the level of support they receive from their families.

H03: There is a significant difference among women entrepreneurs concerning their age, the nature of their business, and their experiences of gender discrimination.

H04: There is a significant difference between the level of investment and the financial obstacles encountered by women entrepreneurs in their businesses.

**3.4 Sample Unit:** The study's sample unit consists of Saudi women in general. Data collection was conducted through online forms, making the sample representative of Saudi women without regard to specific regions.

**3.5 Sample Size:** A sample of 100 female entrepreneurs engaged in varied business sectors were chosen for the study.

**3.6 Statistical tools used for the Study:** Chi-Square tests and Cross-Tabulations were used for the analysis.

#### 4. Data Analysis and Interpretations

**Table 4.1a: Problems faced by women entrepreneurs based on their Age**

		Main problem in your business?						TOTAL	
		Labour shortage		Money		Material Shortage	Technology etc.,	No.	%
		No.	%	No.	%				
Age	20-25 years			18	100.0	0	0	18	100.0
	26-30 years	5	31.3	11	68.8	0	0	16	100.0
	31-35 years	10	15.2	56	84.8	0	0	66	100.0

	35 years and above	0	0	0	0	0	0	0	0
<b>TOTAL</b>		<b>15</b>	<b>15.0</b>	<b>85</b>	<b>85.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100.0</b>

**Table 4.1b: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	6.491	2	0.039	0.05

Critical value: 9.210

**Null Hypothesis:** There is no significant relation between Age and business problems like money, labor shortage, material shortage, technical know-how (technology) etc.

**Alternate Hypothesis:** There is significant relation between Age and business problems like money, labor shortage, material shortage, technical know-how (technology) etc.

**Inference:**

Table 4.1b shows that the calculated value (6.491) is greater than the table value 5.991 at 5% level of significance. Hence the Null hypothesis, “there is no relationship or association between the variables Age and Business Problems” is not accepted

**Table 4.2a: Problems faced by women entrepreneurs based on their nature of business**

		Main problem in your business?						TOTAL	
		Labor shortage		Money		Material Shortage	Technology	No.	%
		No.	%	No.	%	No.	No.		
Nature of business?	Boutique			22	100.0	0	0	22	100.0
	Clothes (Abaya)	8	17.8	37	82.2	0	0	45	100.0
	Coffee shop	7	46.7	8	53.3	0	0	15	100.0
	Perfumes			18	100.0	0	0	18	100.0
<b>TOTAL</b>		<b>15</b>	<b>15.0</b>	<b>85</b>	<b>85.0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100.0</b>

**Table 4.2b: Chi-Square Test**

	Value	df.	Prob.	Sig.
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Chi-Square	19.129	3	0.000	0.01
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Critical value: 11.345

**Null Hypothesis:** There is no significant relation between Nature of business and business problems like money, labor shortage, material shortage, technical know-how (technology) etc.

**Alternate Hypothesis:** There is significant relation between Nature of business and business problems like money, labor shortage, material shortage, technical know-how (technology) etc.

**Inference:**

Table 4.2b shows that the calculated value (19.129) is greater than the table value 11.345 at 1% level of significance. Hence the Null hypothesis, “there is no association between the variables Nature of business (type of business) and Business Problems” is rejected.

The result shows that problems vary according to type business.

**Table 4.3a: Problems faced by women entrepreneurs based on their experience in business**

		Main problem in your business?						TOTAL	
		Labor shortage		Money		Material Shortage	Technology	No.	%
		No.	%	No.	%	No.	No.		
Years of experience in business?	less than 1 year	7	24.1	22	75.9	0	0	29	100.0
	1-5 years	8	11.3	63	88.7	0	0	71	100.0
	5-10 years	0	0	0	0	0	0	0	0
	Above 10 years	0	0	0	0	0	0	0	0
<b>TOTAL</b>		<b>15</b>	<b>15.0</b>	<b>85</b>	<b>85.0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>100.0</b>

**Table 4.3b: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	2.675	1	0.102	No Significance

Critical value: 3.841

**Null Hypothesis:** There is no significant relation between business experience and business problems like money, labor shortage, material shortage, technical know-how (technology) etc.

**Alternate Hypothesis:** There is significant relation between business experience and business problems like money, labor shortage, material shortage, technical know-how (technology) etc.

**Inference:**

Table 4.3b shows that the calculated value (2.675) is less than the table value 3.841 5% level of significance. Hence the Null hypothesis, “there is no significant association between the Business experience” is accepted.

**Table 4.4: Women Entrepreneurs receiving Family Support with respect to Age**

		Do you get any means of family support for your business?		TOTAL	
		Yes		No.	%
		No.	%		
Age	20-25 years	18	100.0	18	100.0
	26-30 years	16	100.0	16	100.0
	31-35 years	66	100.0	66	100.0
	35 years and above	0	0	0	0
<b>TOTAL</b>		<b>100</b>	<b>100.0</b>	<b>100</b>	<b>100.0</b>

**Inference:**

Table 4.4a clearly infers that women entrepreneurs in Saudi Arabia highly rely on their family for undertaking the business operations. From the sample respondents it is clearly understood that Saudi Women entrepreneurs get maximum family support for their business activities.

**Table 4.5a: Saudi Women Entrepreneurs and Gender Discrimination**

		Do you face any gender discrimination in your business as an Women Entrepreneur?						TOTAL	
		Yes		No		May be		No.	%
		No.	%	No.	%	No.	%		
Age	20-25 years	18	100.0					18	100.0
	26-30 years	7	43.8			9	56.3	16	100.0
	31-35 years	39	59.1	26	39.4	1	1.5	66	100.0
<b>TOTAL</b>		<b>64</b>	<b>64.0</b>	<b>26</b>	<b>26.0</b>	<b>10</b>	<b>10.0</b>	<b>100</b>	<b>100.0</b>

**Table 4.5b: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	59.089	4	0.000	0.01

Critical value: 13.277

**Null Hypothesis:** There is no significant relation between Age and Gender discrimination among the Saudi Women in doing business.

**Alternate Hypothesis:** There is significant relation between Age and Gender discrimination among the Saudi Women in doing business.

**Inference:**

Table 4.5b shows that the calculated value (59.089) is greater than the table value 13.277 with 1% level of significance. Hence the Null hypothesis saying that there is no significant association between the variables Age and Gender discrimination is rejected. From the Table 4.5a it clearly shows that 100% of women belonging to the age category of 20-25 years face gender discrimination problems in business. 43.8% of women under age category 26-30 years face the same issue and 59.1% of women under age group 31-35 years say they undergo the same problem of male counterpart's discrimination.

**Table 4.6a: Investment in business made and women facing financial hurdles**

		Do you face any financial problems (money related) in your business?				TOTAL	
		Yes.		No		No.	%
		No.	%	No.	%		
Initial investment	Below 50000	0	0	0	0	0	0
	50000-100000 SAR	18	100.0			18	100.0
	100000-200000 SAR	18	100.0			18	100.0
	Above 200000 SAR	49	76.6	15	23.4	64	100.0
<b>TOTAL</b>		<b>85</b>	<b>85.0</b>	<b>15</b>	<b>15.0</b>	<b>100</b>	<b>100.0</b>

**Table 4.6b: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	9.926	2	.007	0.01

Critical value: 9.210

**Null Hypothesis:** There is no significant relation between Investment and financial hurdles among the Saudi Women in doing business.

**Alternate Hypothesis:** There is significant relation between Investment and financial hurdles among the Saudi Women in doing business

**Inference:**

Table 4.6b shows that the calculated value (9.926) is greater than the table value 9.210 with 1% level of significance. Hence the Null hypothesis that, “there is no significant association between the variables Financial hurdles and Investment made by Saudi Women entrepreneurs” is rejected. From the Table 4.6a it is clearly understood that 23.4% of women entrepreneurs who has invested above 200000SAR has no financial hurdles in business and the balance all face business problems.

**Table 4.7: % of women under Profit/Loss**

	No.	Percent (%)
<b>Loss</b>	40	40.0
<b>No profit/No loss</b>	40	40.0
<b>Profit</b>	20	20.0
<b>Total</b>	100	100.0

**Inference:**

From the Table 4.7 it is clearly infers that only 20% of Saudi women respondents earn profit in business. 40% are undergoing loss and the remaining 40% of Saudi women respondents doing business get neither profit nor loss. Their capital is kept floating in the business

## 5. Findings of the study

The major findings from the study are as follows:

Entrepreneurs in Saudi Arabia, regardless of their age category, encounter various challenges in their business endeavours. This suggests that the entrepreneurial spirit and motivation are present among Saudi women of all ages.

A significant finding of the study is that the majority of the problems faced by women in business are related to financial issues. While they may secure funding to start their businesses, they struggle with managing their working capital effectively. This indicates that Saudi women entrepreneurs often grapple with financial burdens as they operate their businesses.

These findings highlight the presence of a strong desire for entrepreneurship among Saudi women, but also underscore the importance of addressing financial challenges to support the sustainability and success of their businesses. Additional details and insights from the study would be useful to better understand the specific issues faced by these women entrepreneurs and to develop targeted solutions to address their needs.

**Gender-Neutral Business Problems:** The study suggests that business problems are not limited to a specific gender. Both men and women entrepreneurs face challenges in their business operations.



This finding highlights that entrepreneurial challenges are widespread and not exclusive to one gender.

**Financial Challenges for Women Entrepreneurs:** Women with 1-5 years of business experience are more likely to encounter monetary problems. These financial challenges may include issues related to working capital, funding, cash flow management, and more. It indicates that early-stage women entrepreneurs may require additional support in managing their financial aspects.

**Family Support for Women Entrepreneurs:** The study indicates that women entrepreneurs in Saudi Arabia receive significant support from their families for their business activities. Family support can be instrumental in overcoming various challenges and enhancing the success of women-owned businesses.

**Gender Discrimination by Age:** The study presents data on gender discrimination faced by women entrepreneurs in different age groups. It appears that younger women, particularly those aged 20-25, face a higher prevalence of gender discrimination in their business activities. As age increases, the percentage of women experiencing gender discrimination decreases, but it remains a notable concern in the 26-30 and 31-35 age groups. This finding underscores the importance of addressing gender discrimination issues to create a more inclusive and supportive business environment for women of all ages.

These findings provide valuable insights into the specific challenges faced by women entrepreneurs in Saudi Arabia, emphasizing the need for targeted support, especially in the early stages of business development and in addressing gender discrimination issues.

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Table 4.6a infers that only 23.4% of women entrepreneurs who has invested above 200000SAR said that they have no financial hurdles in business. The other major portion of women irrespective of any investment made face financial hurdles in business.

The study also found that only 20% of Saudi women respondents earn profit in business. 40% are undergoing loss and the remaining 40% of Saudi women respondents doing business get neither profit nor loss. Their cash is balanced with working capital requirements in business.

## 6. Suggestions

The study highlighted a critical issue regarding the development of entrepreneurship among women in Saudi Arabia, and we propose a range of strategies to address this issue. Here's a breakdown of the suggested points:

**Cultural and Religious Factors:** Recognizing that cultural and religious factors play a significant role in shaping opportunities for women in business and entrepreneurship is crucial. Understanding and respecting these factors is essential when designing initiatives to support women entrepreneurs.

**Government Initiatives:** The government can play a pivotal role in promoting women's participation in business and entrepreneurship. This may involve implementing policies, providing financial support, and creating a conducive regulatory environment. Government intervention is crucial in addressing systemic challenges.

**Empowerment Projects:** Additionally, there are projects that women entrepreneurs can readily adopt to promote their businesses without heavy governmental intervention. These include:

**Conferences and Courses:** Organizing conferences and training courses tailored to the needs of women entrepreneurs can help build their skills and knowledge.

**Professional Associations:** Establishing or participating in professional associations can provide women entrepreneurs with a support network and access to valuable resources.

**Mentoring Programs:** Mentoring is a powerful way to facilitate knowledge transfer and guidance for women entrepreneurs. Creating mentoring programs can be highly beneficial.

**Online Resources:** Developing a website with relevant information, links to government laws and initiatives, and resources can serve as a valuable reference for women entrepreneurs.

**Research:** Conducting research focused on women's entrepreneurship can lead to a better understanding of their unique challenges and needs, which, in turn, can inform policies and support programs.

These initiatives can help address the multifaceted challenges faced by women entrepreneurs in Saudi Arabia and foster a more inclusive and supportive environment for their businesses. Collaboration between the government, private sector, and civil society can be instrumental in driving positive change and empowering women in the entrepreneurial landscape.

## 7. Conclusion

The major finding that entrepreneurship exists among women in Saudi Arabia and that they face many of the same challenges encountered by entrepreneurs worldwide is an important insight. However, there seems to be hesitancy among many women to compete with their male counterparts in the business arena.

The government regulations in Saudi Arabia have been designed to promote economic growth and development, with a focus on creating opportunities for women in business. This positive regulatory environment has the potential to encourage women to explore their entrepreneurial talents and contribute to the overall economic development of the Kingdom of Saudi Arabia.

In conclusion, the study suggests that when women are actively involved in business and entrepreneurship, they can play a significant role in advancing the economic growth and development of Saudi Arabia as a whole. It underscores the importance of creating a supportive ecosystem that allows women to overcome their hesitations and participate more fully in the business world, benefiting both individuals and the broader economy.

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