

Female Entrepreneurs in Developing Countries: A Comparative with Developed Countries as Explorative Study

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Abstract

The purpose of this research is to examine and compare the motivations and obstacles that female entrepreneurs face developed and developing countries around the world this document will compare and contrast the similarities and differences between the two countries. Female entrepreneurs may have the same motivations in developed and developing countries as well as they have same obstacles they face. The research review will also attempt to support developing countries and overcome through the obstacles they face.

Keywords: Female entrepreneurship; Developed and developing countries; Motivations; Obstacles

Female Entrepreneurship

Female entrepreneurs contribute significantly to the economic growth and creation of jobs in developed and developing nations [1].

Another description of the female entrepreneur is offered by Buttner and Moore [2] "a woman who has initiated a business, is actively involved in managing it, owns at least fifty percent and has been in operation for a year or longer". Research also suggests that female entrepreneurs do not come from one homogeneous group but they come from different background, have different ideas about growth and have all sizes of enterprises [3].

Sexton [4] in the research found that female entrepreneurs had traits such as having a great deal of energy, being self-motivated, being hard workers and having good communication skills.

Research on female entrepreneurs suggests that women use their knowledge and the resources available to them to start a new business. They are usually managing the business and have ownership of 50% or more. Most have been in business for more than one year [2]. Women become more empowered and can make contributions to their countries development [5]. They also create diversity in the economic process [1]. They come from all backgrounds and have different ideas about growth [3].

Women in the US reported increasing frustration with the inflexibility and demands of corporate America. Research found that women's personal situations were not considered and that working in the corporate environment did not satisfy women's goals [6]. Women in the US found that owning their own business was more suited to a women's role than corporate America. White found that some career women have role conflicts that create an identity crisis and missed opportunities in the corporate world. This makes entrepreneurship more attractive.

Research on female entrepreneurs suggests that they are less likely to be married than their male counterparts. They also are deemed to be tougher than other females and still have female characteristics like being good relaters and being caring.

In order to start up a new enterprise an entrepreneur must have access to keys resources like capital and assets. An Australian study conducted on female entrepreneurs in 1994 suggested that the average required capital expenditure was \$52,980. The individual amounts vary depending on the enterprise and can range from hundreds of dollars

to millions of dollars. Most of the women used their personal savings and the second source banks. Women are more likely to use their own money and borrow from friends and family. More than half surveyed in Australia did get loans to start up their businesses from banks.

In Singapore women entrepreneurs are starting businesses at twice the rate of their male counterparts [2]. Female entrepreneurs in Singapore tend to be more educated and have at least secondary education. 35% of them have post graduate degrees. Singaporean women are also up to date with the latest technology and how to use it in their business. They value networking and feel that it is one of their key success factors. The importance of networking is also important to American women.

Research has shown that female entrepreneurs also have differing management styles. They tend to manage by what is called the relational theory [7]. They become successful by adapting to a style of management that is more suited to their needs rather than follow traditional male role models. These women have different types of relationships with their employees and clients. Women tend to combine the public and private area of their lives. Their self-worth is gained by their ability to develop and build relationships [7]. In their decision making process they use influence to get people motivated. Communication becomes an essential part of their organisations success [4]. This change in the way business is being conducted helps women to be competitive more competitive in the business arena.

In my opinion female entrepreneurship is a vital part of any economy. They have certain characteristics that help to make them successful including their ability to network, willingness to share power, having a great deal of energy and being hard workers. Many women start their own businesses because they are unhappy about their current work situation. Women also have some unique management skills that help them to become successful.

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Terminology Definition

In this area the researcher will explain the definition of the obstacles and motivations of this context:

Definition of obstacles

As is the case with the term “Obstacles”, there is no adequate definition of the term obstacle in the context of the area of the research. However for the purposes of this work an obstacle can be considered to be an external factor that prevents or hinders a female entrepreneur from reaching her goals, i.e., from setting up and successfully running a business. In the case of female entrepreneurship obstacles can also be linked to gender-related elements, for example attitudes about the role of women in society.

Definition of motivations

It was not possible to find a satisfactory definition of motivations in the academic literature in the field of female entrepreneurship. However, in the context of this research these can be defined as any factors that encourage a woman to set up a business. These factors can be internal or external and result in intrinsic or extrinsic motivation.

Obstacles and Barriers

As is the case with the term “motivation”, there is no adequate definition of the term obstacle in the context of the area of the research. However, for the purposes of this work an obstacle can be considered to be an external factor that prevents or hinders a female entrepreneur from reaching her goals, i.e., from setting up and successfully running a business. In the case of female entrepreneurship obstacles can also be linked to gender-related elements, for example attitudes about the role of women in society.

Women are not limited by their abilities and drive when it comes to being entrepreneurs. They do not, however, see as many opportunities available to them as male entrepreneurs do [8]. There is also a feeling that they are not as familiar with the business world and this can be a barrier to them starting their own business [8]. Men reinforce this notion by believing that women are less qualified, less powerful and less able to be business owners [9]. Women are also limited in the amount of training they receive and how their performance was viewed in previous positions [10]. Female entrepreneurs often have more problems and issues than men in business [11]. Women often do not have the training they need to become business owners. Their networks are not as strong as they should be. It may be difficult for them to find someone to mentor them [11].

Access to sufficient capital can be a huge obstacle for the female entrepreneur. Many women start their businesses with limited capital and working capital is one of the biggest issues for start-up businesses [7]. Banks, suppliers and clients all may have less confidence in female business owners than in their male counterparts. By having limited capital women do not have as high of survival rate in business than men [7]. The lack of proper funding can also inhibit business growth. Lack of working capital is a big problem for new entrepreneurs and can affect growth and survival rates [7].

There may be constraints on the types of businesses they create and own [12]. Their businesses usually are smaller size, have growth and profitability limitations. Finding capital can also be a challenge for female entrepreneurs [12]. According to Marlow and Watson, “female owned enterprises are more likely to be undercapitalised in a variety of

forms from the outset, locate in crowded sectors and so underperform over time”.

Women may lack some of the experience necessary to grow a business. Their socialization may include different values and thought process may influence their propensity for growth. An example of this comes from Goffee and Scase [13] who contend that women feel growth can deter them from achieving their goal of having a relationship with their employees based on trust and mutual respect. Women are slower to grow their businesses and this may be a result of their attitudes about risk.

Another barrier for female entrepreneurs is the ability to manage the work life balance. Work home conflicts can cause tension for female entrepreneurs.

Stanger [14] found that the pressures of owning a business may affect their personal lives because the demands of their business made it difficult to relax. Some women reported that the time required to run a business and the stress associated with it put a strain on their marriage. Goffee and Scase [13] found that businesswomen had to run both the business and the home. The husbands usually helped with either. They also determined that for men work compliments the home life, for women the two create conflict. Many female entrepreneurs do believe that their business has a positive effect on their children even though it causes disruptions in the family.

Women in Australia believe the lack of available time for their families is an obstacle to being a successful entrepreneur. In some cultures this is even more prominent, like Southern Europe where women are expected to play a more traditional role. This can limit the amount of time women spend on their business. They may also face discrimination by stakeholders that feel they are less qualified. The female entrepreneur may also not receive much moral or financial support from their families. Most female entrepreneurs have more responsibility for their families than their male counterparts. This helps understand why some women owned businesses are less profitable.

Many women do not have the experience of training to successfully launch a business. They may not have actual business experience in the business sector in which they starting up their enterprise. The lack of skills and lack of knowledge can make it very difficult for the female entrepreneur to succeed [15].

The challenges women face as entrepreneurs are even more daunting if they are from a certain ethnic groups based on what country they are in. Women as a whole tend to have access to a broader range of necessary resource. In a study conducted by Smallbone and Welter [16] the major difficulties faced by ethnic minorities in business include lack of access to capital, cultural beliefs, language problems, lack of necessary self-esteem, discrimination, understanding the bureaucracy, and starting businesses in declining markets. These women may also have limited access to the networks that will help them. There is also a resistance to ask for help from organisations that may support their efforts.

Women in business also have to struggle with well-established male networks including customers, suppliers and creditors. They also face discrimination that can hinder their ability to succeed [17].

The traditional views of what women’s roles in society are can be obstacles to them becoming entrepreneurs. In many countries women’s first priority is to be at home with the family. Women also have to follow their husbands work and may leave their communities. Home and family come first. This is particularly true in India.

In Bangladesh women are at even more of a disadvantage. Women are perceived to be unorganized and are best suited for housekeeping. These social perceptions of women in Bangladesh make it very difficult for women to manage their own business [18].

Women in Nepal have other cultural norms and values that prevent them from becoming entrepreneurs. Nepali women are expected to be modest and not be very articulate. Not being able to speak can be misunderstood as being inept and not professional. They are taught to listen and obey the males in the family [18].

This makes it hard for them to speak up and be treated as equals [18]. They are not viewed as competent and are not supported in business ventures.

In Pakistan, a patriarchal society female entrepreneurs face harassment from government employers and private dealers. These women only like to conduct business with relatives and friends. They stay in their comfort zone and this can inhibit growth.

There are other challenges that women face in owning their own business In United Arab Emirate the main problem to start business difficult to find professional employees, Lack of experience, Cultural, Lack of capital and government precede rues.

There is study shows by Shmailan, the most commonly cited obstacles in Saudi Arabia lack of experience specifically lack of business knowledge, education, and training. On the above there is fear of change and government procedures (Table 1).

Table 1 compares the barriers female entrepreneurs face in a number of countries around the world. In the US women have trouble delegating tasks that might reduce the stress in their lives. They tend to take on too much by themselves. In Australia women find that owning a business reduces their time with their family and puts additional pressure on them. Canadian women also found that the business could affect their families in a negative way. Indian women also have a more traditional role that demands more time with their families. In New Zealand and Canada women found access to capital difficult. Other countries found cultural norms as barriers to their entrepreneurship. For example in Nepal women are not viewed as articulate and have trouble speaking up. Women from Bangladesh are viewed as being much more suited for house work and staying at home. In Pakistan it is a more patriarchal society and female entrepreneurs can be harassed by the government or the private sector. In the United Arab Emirates female entrepreneurs find it difficult to meet and get clients. They also have difficulty recruiting workers and securing enough capital to start their own business. In Saudi Arabia female entrepreneur's face numbers of factors inhibit them to own their business such as: lack of experience and training, Fear of change and government procedures.

For them getting a trade license can also be a challenge. In summary women face cultural barriers, time barriers, and financial barriers. All of these factors can inhibit their ability to be successful.

Motivation for Female Entrepreneurs

Motivations for female entrepreneurs seem to be very similar across countries. They typically start their businesses to become more independent. Female entrepreneurs also find that motivation is provide by the support they receive when starting the new venture. In a study conducted in Norway the women believed that they had superior entrepreneurial skills than men [19]. Women in Pakistan in contrast began their businesses for more personal freedom, a sense of security and achieving their goals. Shabbir and D'Gregorio [20] conducted a study of entrepreneurs in the book publishing industry. They categorized the motivations of entrepreneurs as follows: refugee's trade-offs missionaries and converts. Refugees are those who have no option but to become an entrepreneur. The trade-off entrepreneurs are people who want to combine work with some other responsibility. For women this is particularly true because they want to balance home and work. Missionaries are individuals who leave regular employment by choice to start a new business. Women also fit into this category because their choice to leave work may be based on the conditions there. The converts group consists of people who entered self-employment for a short term and found that they would rather be self-employed than work for someone. Both men and women fit into this category [20]. Some of the women I have conducted initial research with in the GCC have different motivations to start their business. These include additional income, as a hobby, and freedom. Another key motivator is the challenge of taking and idea and turning it into a successful business.

A study was conducted in Australia on what motivates female entrepreneurs. The study found that financial gain was first, personal fulfilment was number two, the need for independence was number three, the chance to be recognized was number four, number five was being unhappy with current employment and number six was getting help from their husbands [14]. I have interviewed a few female entrepreneurs in the GCC and like Australian women their first motive for starting a business is financial gain. They also are motivated by the need to be more independent. My field work will further assess the motivations of female entrepreneurs in the GCC.

The right motivation is key in making a decision to start up a new enterprise [21]. There are "push" and "pull" factors that influence an entrepreneur's decision to start a new business. Push factors can be deemed as the negative forces that influence a women's decision to be an entrepreneur. Examples of push factors include losing a job, unemployment, and not being able to achieve what they want to in the working world [22]. Women may also want to have flexibility in their

Countries	Authors	Types of obstacles
US	Hewlett 2002	Difficulty, delegating authority, stress
Canada	Moore and Buttner 1997	Limited business experience and training, access to capital, having enough cash flow, hard to get the latest technology,
Australia	Breen, Calver and Oliver 1995	Lack of family time
India	Charumathi 1998	Traditional, home and family priorities
Bangladesh	Matiur-Rahman et al. 1998	View of women being unorganized and are best suited for housekeeping
Nepal	Anwar 1992	Cultural norms and values, be modest and not articulate, difficult for them the speak up
Pakistan	Gillani 2004	Patriarchal society, harassment from government and private sector.
UAE	Shmailan 2012	Difficult to find professional employees, Lack of experience, Cultural, Lack of capital and government procedures
Saudi Arabia	Shmailan 2012	lack of experience and training, Fear of change and government procedures

Table 1: Obstacles faced by female entrepreneurs by countries.

work schedule and the ability to spend more time with their families. "Pull" factors are positive forces that influence women to become entrepreneurs [23]. These include the desire for independence, being the boss, achieving personal dreams, using their creative skills, being more fulfilled, and the desire for wealth and power. Many women also want to make a contribution to society and make a difference in the world.

Extensive research conducted by Buttner and Moore [2] suggests the women start their own businesses for three personal reasons: to have freedom in the workplace, for more security and more satisfaction with work. Women who are looking to find more freedom may do so because they have been discriminated in the workplace and have not been paid equally to their counterparts. Owning a business can provide a woman as certain sense of security after having experienced redundancy, divorce or their significant other has died or is no longer working. They also like the economic security that owning a business can provide. Those women looking for satisfaction from business ownership want the challenge of improving themselves and being more productive. They may have little experience and skills but want to prove to others they can do it [2]. My initial observations and interviews for business women in GCC. I think some of them start business to freedom and satisfaction with work, but it is not the main reason to start the business. The main reason that motivates women to start business to make money and increase her income. Further field work should confirm this.

In the UK a study was conducted to compare the differences between Asian and white women owning businesses in Manchester. The Asian women expressed a need to earn more money as the impetus for becoming entrepreneurs. Conversely the white female business owners were motivated by the independence owning a business gives them. When it came to starting their own business 59.1% decided on their own to start their business, 24.1% got the idea from their families and 16.8% of the women's husbands suggested it [24].

Independence and achievement are common motivators for men and women. Women also have other different reasons for opening a business and these reasons can differ from country to country [23]. There are "pull" factors and "push" factors that influence the decision to become an entrepreneur. Pull factors include things like independence, flexibility, and higher pay [17]. Push factors are those that make the woman want to be an entrepreneur. An example could be discrimination in the workplace. Another example is downsizing. Female entrepreneurs found flexibility to be very important, particularly regarding time [23].

Singaporean women have five factors that motivated them to start their own business: "1. The perceived presence of a business opportunity; 2. The desire to put their knowledge and skills to use; 3.

The need for freedom and flexibility 4. The desire for personal growth and recognition; 5. The need to make more money and for financial independence". In Asia over 66% of the women business owners find the desire to have autonomy and freedom as the key reason for starting a business. From this majority it was found that 22% also fund the additional money and profit as a impetus to start their own business.

In Australia there are a number of factors that contribute to a woman's desire to start her own business. Employment factors include overall unhappiness with their present work situation, the desire to be their own boss and to have some independence, and some flexibility in their personal lives.

Shmailan research conducted in United Arab Emirates shows that the main motivations for female entrepreneurs to start their business are to earn money, Self-Motivation Freedom and independence.

In Saudi Arabia there are several factors of motivation for female entrepreneurs to own their business there are earn money, freedom and independence and flexible schedule (Table 2).

Table 2 shows the motivations of female entrepreneurs from a variety of countries. The women are from Asia, Australia, the UK, Europe and the GCC. Women in Australia become entrepreneurs because they are unhappy with their current work and they would like to be their own boss. They also seek financial independence and the flexibility owning their own business provides. In Norway women are motivated to become entrepreneurs because they have skills that they would like to use more fully. Women from Singapore want to exploit business opportunities and have more flexibility in their work. They are also motivated by money, which seems to be more common in Asian countries. Asian female entrepreneurs in the UK are motivated by the need for more money. Whereas their white counterparts in the UK are more motivated by the challenge of starting a new business. Emirati women are looking for opportunities to earn additional income. They also want to exploit market opportunities. Pakistani women want to achieve certain goals they have and gain personal freedom. Saudi females are exciting to earn money, freedom, independence and flexible schedule.

In summary most of the women want some form of independence, want to earn more money, achieve their goals, exploit business opportunities and have a more flexible work schedule.

Conclusion

The purpose of the research review was to examine the motivations and barriers that female entrepreneurs face in developed and developing countries around the world. In order to do this the first section began with a definition of what female entrepreneurship is. Female entrepreneurship is contributed significantly to the economic

Countries	Authors	Motivations
Norway	Ljunggren and Kolvereid 1996	Excellent business skills
Pakistan	Shabbir and D'Gregorio 1996	Personal freedom, security and achieving goals
Australia	Stanger 1990	Financial gain, personnel fulfilment, Independence, recognition, unhappy with current employment, help from husbands
Asian Women in UK	Mann Thorpe1998	Earn more money
White Women in UK		The challenge of starting their own
United Arab Emirates	Shmailan 2012	Earn money, Self-motivation freedom and independence.
Singapore	Teo 1996	Business opportunity, put knowledge and skills to use, freedom and flexibility, personal growth and recognition, make more money
Saudi Arabia	Shmailan 2012	earn money, freedom and independence and flexible schedule

Table 2: Motivation for female entrepreneurs by countries.

growth and creation of jobs in developed and developing nations.

Most of female entrepreneurs in developed and developing countries face obstacles and barriers when they are starting their own business. They have similarities and differences between developing and developed countries related to obstacles of female entrepreneurs. For example the differences for female entrepreneurs in developing countries they always face the obstacles such as the culture and government procedures. In another hand the similarities of female entrepreneurs in developing and developed countries they face lack of training and lack of capital there are some additional barriers. Women may not have received the experience and training to make them successful. Access to sufficient capital is also a challenge for female entrepreneurs. Some banks may not have the confidence in female entrepreneurs that they have in developed in develop countries.

Despite all the challenges female entrepreneurs face they are making excellent progress worldwide. In developing countries dramatic changes are occurring that are fostering female entrepreneurship.

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