EMERGING ISSUES AMONG WOMEN EMIRATI ENTREPRENEURS: A RESEARCH AGENDA

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Abstract

Entrepreneurship and new business development in the small and medium enterprise (SME) sector is a growing area of emphasis in the UAE. As highlighted in the recent Global Entrepreneurship Monitor (GEM) Report on Entrepreneurship, a substantial policy initiative exists in the UAE to encourage SME development through a broad array of business initiatives. As one outcome of the overall assessment, a major policy was recommended encouraging increased support for Emirati women entrepreneurs (GEM 2009). However, developing and launching a new business start-up is often a daunting task for an aspiring entrepreneur. Many of the key skills necessary to run an independent business—such as finance, marketing, family support and operational logistics—can present challenging barriers to long-term success. Our research is intended to increase the amount of empirical information related to the leadership skills and overall self-actualization of successful Emirati women entrepreneurs. We will examine issues that Emirati women face in their daily lives, how they view entrepreneurship as related to family demands and values, and how they work within the community to overcome obstacles and become successful business leaders. A key research question guiding the study is: How does a developing economy support entrepreneurial activities and development of women-run family businesses without compromising family life and cultural values? Through a comprehensive qualitative study, our research agenda will identify key factors associated with building successful family businesses in the UAE. Eventual results of this research will lead to initiatives encouraging SME development by women in the UAE with policy implications for the broader GCC region.

Keywords: Women entrepreneurship, women leadership, Arab business women

Introduction

A growing body of research to date (Baud & Mahgoub, 1999; Haan, 2002 and 2003) has identified the emergence of Emirati women who are involved in small-scale economic activities. So far not much is known about such entrepreneurial activities, except that many such ventures concern home-based enterprises. Among women entrepreneurs in particular, there is precious little literature available that focuses specifically on women-managed small enterprises (WSEs). There is scant assistance available to help women entrepreneurs overcome the special constraints they face (Haan, 2004).

From observations collected largely through interviews (Haan, 2004), it would appear that most families of the UAE women entrepreneurs support their plans to go into business.

Many women indicated that they had received either active or "moral support." And yet, some do indicate a "neutral" or "discouraging" stance taken by family members. The struggle in balancing family obligations with entrepreneurial ambitions is even more evident in the perception of possible reasons there may be for the small number of Emirati women entrepreneurs. Many Emirati women indicate "a lack of encouragement by husband and/or family" as a barrier to acting on ambition (Haan, 2004).

Against these challenges, women entrepreneurs continue to launch new businesses, representing a significant opportunity for future economic growth in the UAE. According to research undertaken by Dubai Women's College (DWC,2007), a vast majority of new businesses are started by the business owner herself, essentially owner-operator. About half of women entrepreneurs are estimated to be sole proprietors and among those with multi-ownership structures, about half again indicate that the additional owner is their husband.

A key aspect of women entrepreneurs is the large number of businesses operated from home and the subsequent impact on family life. A majority of Emirati women business owners are married and many have children of various ages. Consistent with observations around the world, women entrepreneurs in the UAE also perceive "pressures" related to the time needed to fulfill family obligations. As compared to many male counterparts, a significant challenge for women in business is to balance work and family life. DWC research findings (2007) reinforce that women feel that balancing work and family life is more challenging as a woman than as a man.

Work-life balance is one of the most difficult issues facing families in the new millennium. Around the world, economic pressures over the last decade have significantly increased the need for dual-earner families to the point that most families now require two income-earners to meet rises in the cost of living (White & Rogers, 2000). These pressures often create conflicts for women trying to balance career responsibilities and employee obligations. Such conflicts arise from a clash of ''roles'' within the work and family domains (i.e. inter-role conflict) and are due mainly to a combination of personal, domestic and societal ''expectations and demands'' (Posig & Kickul, 2004, p. 375).

While women start their own businesses for a variety of reasons, a common motive is the pursuit of self-employment as an alternative to waged employment because of the flexibility it offers them to care for their children while pursuing a career (Caputo & Dolinsky, 1998; Hughes, 2003; Still & Walker, 2006). However, the necessity to continuously balance business and personal responsibilities means that women often choose to keep their businesses small, operate on a part-time basis and work in low profitability sectors such as personal services and retail (Buttner & Moore, 1997; Daniel, 2004; Longstreth, Stafford, & Mauldin, 1987). Self-employment through home-based business ownership is often considered to be a potential solution to the inter-role conflict experienced by women attempting to balance dual work and family roles. Recent research in Australia found that for many women, the option of small business ownership as an alternative to mainstream employment may well give them an income-earning opportunity, but does not necessarily give them the financial security that paid employment does (Walker, Wang & Redmond, 2008).

Little research has been conducted on the dynamics of husbands and wives running small businesses together. Literature in family relationship theory has focused for decades on career work-family conflict (e.g. Hall et. al., 1989; Higgins, et. al., 1994; Aryee, et.al, 2005). However, research into the dynamics (both conflict and support) of small business / marriage partners is virtually non-existent, especially in the context of impact upon the business.

A recent qualitative study in New Zealand explored the role(s) played by partners in entrepreneurs' motivations for starting new businesses. While past studies have focused on the role male entrepreneurs' wives play in relation to business development, little attention has been directed toward spouses of women entrepreneurs and the dynamics of joint

business/marriage partners. Kirkwood (2009) explored a continuum of spousal support — those whose spouses are co-founders, supportive spouses, and unsupportive/ambivalent spouses.

Findings in New Zealand indicated that women and men tend to have different expectations of their spouse when contemplating starting a business. While women tend to look toward husbands for business advice, for support and for encouragement, men tend to assume support is forthcoming and some men start businesses without explicit spousal support. Women also consider the effects that starting a business may have on her spouse and family, much more so than men (Kirkwood, 2009).

Within the Gulf region, research among Omani women entrepreneurs highlighted the importance of support from husbands and families. McElwee & Al-Riyami (2003) explored a range of factors motivating women to become entrepreneurs, as well as barriers encountered. The authors identified the substantial influence families play in the context of Islamic political, economic and social spheres. Traditional roles and responsibilities still restrict women to their maternal role and other home-bound activities, thus limiting their economic and social participation. Family support and encouragement plays an important part in overcoming these obstacles. (McElwee, et.al., 2003).

Recent research in Lebanon reiterated that entrepreneurs are also motivated by needs of independence and flexibility (Fahed-Sreih, 2010). These characteristics may appear at odds with traditional Arabic caregiver qualities associated with family responsibilities, such as stability and structure. Similarly, McElwee et. al. (2003) found that a majority of Omani women entrepreneurs enjoy their careers and initially ventured into business for personal reasons, to gain autonomy or out of economic necessity inspired by a role model rather than financial gain. Research by Naser, Mohammed & Nuseibeh (2009) revealed self-fulfillment and the need for being financially independent as important factors that motivate women in the UAE to become entrepreneurs.

Entrepreneurs in Lebanon were also found to rely heavily on family members to establish, develop and grow their enterprises. Familial ties were found to fulfill three critical roles: a source of financial and socioeconomic resources, a resource of learning and skill mentoring and, finally, a dynamic of conduct and morals. In essence, the family unit creates its own culture. Within this cultural setting, the family creates a motivating force which is central to entrepreneurial development and success, including across successive generations (Fahed-Sreih, 2010). Omani women entrepreneurs also benefitted from family and/or husband support in the creation of new business ventures, managing businesses and coping with the demands of running the business. Husbands, especially those who are also or have been entrepreneurs, were also very supportive in providing advice and human resource to the venture (McElwee et. al., 2003).

Our initial investigations indicate that entrepreneurs – people willing to take the risks and make significant commitments to get a new business off the ground – are not that common in UAE. For many reasons, surprisingly few Emiratis view running a small business as more appealing than working as an employee of a firm, large or small, or in public sector service. These reasons apply as much to women as to men, but there are also additional factors which make entrepreneurship options even less attractive or viable for women.

In short, the UAE does not have enough entrepreneurs following through on their ideas and setting up in business. There are also disproportionately fewer women than men entrepreneurs. While around 52,000 (2 percent) of national Emirati women are participating in entrepreneurial activities in the UAE about 156,000 men (6 percent) are involved in such activities. Even in the areas where Emirati women are represented, they face considerable challenges that prevent them from taking an active part in the national economic development (Naser, Mohammed et. al., 2009).

In diversifying UAE's economy, more entrepreneurs need to take the plunge. Further research is needed to find ways to overcome the factors which particularly discourage women from taking up the option of entrepreneurship in family business ventures.

Although there has been encouraging support developing for women running businesses in the past decade or so, much more needs to be done to overcome the specific factors which discourage women in particular from starting small independent or family ventures. An environment needs to be created in which those women who do start and run a small business can more easily grow their firms.

The unique challenges of balancing work and family roles, in particular, add an extra level of complexity in managing small business start-ups. As Sue Ismiel, 52, founder of Nad's Hair Removal, states about running a family business, "I now wear two hats with my daughters: employer and mother, however finding the right balance is still a battle. We can't separate the work discussion at the dinner table and that's something we'll need to work harder at. Because our family business is so much a part of our life we always tend to go back to that conversation." (The Age, June 28, 2010)

Goals of this research seek to explore the dynamics of work/life balance in entrepreneurship, identifying key factors associated with building successful family businesses in the UAE. "Success" here is defined as a combination of sustained business activity with projected growth and development along with satisfying individual/family lifestyle. In essence, how are both entrepreneurship and family values supported, especially in the unique cultural context of the UAE?

Many of the essential skills and resources necessary to nurture successful Emirati entrepreneurship have been identified in a growing body of research, including access to capital and cash flow finance, general business skills such as accounting and marketing, networking for mentoring and knowledge transfer, and role expectations or role reversal in a largely patriarchal society. But what else do successful women entrepreneurs do to excel? What knowledge and resources – such as advice about family assets and potential liabilities and/or childcare and family support – are potential or perceived barriers to prospective entrepreneurs, and what support could be relevant?

The study of women entrepreneurship in the UAE is of particular interest as more than 80 percent of the businesses in the country are either family run or family owned. However, only scant research has been done that explores the evolution of women entrepreneurship, the organizational structure of women-owned businesses, and operational characteristics and financial structure. Further, there is a need to investigate—at the source and without pre-conceived ideas—the values that Emirati women possess that allows them to become successful leaders and entrepreneurs. Our proposed research agenda fills these gaps in the knowledge base and existing literature.

Research Objectives

From observations collected through in-depth interviews, we intend to identify the path that successful entrepreneurial women follow in the UAE. We will investigate the values that these successful women keep as they balance families and professional careers (Aryee, Srinivas & Hoon Tan, 2005; Hall & Richter, 1989; Higgins, Duxbury & Lee, 1994). "Success" in our study is defined as having enough material wealth to be able to choose how to spend resources of time, money and energy; reputation among peers; and longevity of experience (López-Mulnix, Wolverton, & Saki, 2011).

Specific objectives include

Define the importance of family values in achieving entrepreneurial success among women in the UAE.

Outline the influence of both education and religion in achieving entrepreneurial success among women in the UAE.

Determine if specific tenets of effective entrepreneurship can be framed for discussion and, if so, suggest a model or models of behavior that can assist policy makers who wish to promote entrepreneurship among women in the UAE.

Determine if Wasta as a form of social and business networking is utilized and to what extent it defines the success of women entrepreneurs in the UAE.

Determine if the Diwan as a social gathering place is utilized and to what extent it defines the success of women entrepreneurs in the UAE.

Determine if Irth as a means of family inheritance continues as a link of family values and heritage and, therefore, is defined as being important in the success of women entrepreneurs in the UAE.

Undoubtedly, additional objectives will be defined as the research progresses.

Conclusion

The history of social development research has been characterized by a Eurocentric bias whereby theories and models have been developed, operationalized, and tested within a majority European American context. Thus, the results of many studies have depicted culturally diverse individuals as deprived or deficient in some way (Casas, 1984; Morrow, Rakhsha, & Casaneda, 2001; Ponterotto & Casas, 1991; S. Sue, 1999). This project seeks to research Emirati women from a perspective of strength. It will engage leader women participants into a dialectic to discover their values in action.

Social development in the UAE is evolving very fast. As UAE Ambassador to the United States HE Yousef Al Otaiba, stated: "Forty years ago, women along with men had a very limited access to education in the UAE. Today, 70 percent of graduates from UAE universities are women. We have four women as fighter pilots in the UAE Air Force. Four women serve in the UAE federal cabinet and one-fifth of our national assembly are women." (www.uae-embassy.org/media/press-releases/3-Dec-2009)

Our research seeks to identify the values successful women entrepreneurs in the UAE emulate. By identifying key characteristics and qualities associated with successful women entrepreneurs, our research will identify core attributes that may be used by policy makers in crafting programs to assist in training and development, thereby promoting a supportive environment for all Emirati women. Outcomes from this research project will create a framework for development of entrepreneurial strategies among UAE independent businesses. In addition to recommendations about key brand attributes and marketing activities associated with successful local businesses, the development of a case history database will offer aspiring entrepreneurs a resource for marketing information and insights. At the recent MENA Roundtable on Entrepreneurship Education, Dr. Hala El Sokari of the Khalifa Fund for Enterprise Development commented that marketing skills were often critically lacking in aspiring entrepreneurs (Roundtable on Entrepreneurship Education Middle East/North Africa (REE MENA), 7-9 March 2011, at the HCT Abu Dhabi Men's College Campus).

Although a number of studies have been undertaken to examine factors that affect women entrepreneurs in developed markets (DeLollis, 1997; Christopher, 1998; Goldenberg & Kline, 1999; Inman, 1999; Smith-Hunter, 2003; Smith-Hunter & Englhardt, 2004), a limited number of studies have been undertaken to investigate these factors in the Arab World in general and in the Middle East Gulf region in particular (Dechant & Al-Lamky, 2005). Research investigating the main factors that influence women entrepreneurs in establishing and running their own businesses will assist policy setting and development of future economic plans.

This research project is therefore designed to learn from women entrepreneurs' own experiences, perceptions and expectations. The proposed study is exploratory, designed to capture women's "voice" as they speak about their roles in their businesses. Its purpose is to develop an understanding of the experiences Emirati women entrepreneurs and the meanings they make of these experiences.

Given this overall objective, face-to-face in-depth interviews will be used to discuss issues of importance and explore their implications. Through the use of qualitative methodology the researchers will be in close proximity and contact with the participants being interviewed and observed. The researchers will describe participants' lived experiences in their own words and use grounded theory to make sense of those experiences. Researchers will be sensitized to their own unconscious biases, stereotypes, expectations and privileges through the intensive dialectic interactions with the participants (Ponterotto, 2002).

Women entrepreneurs will be screened to participate in the interviews in which they discuss their experiences establishing and operating their own businesses. Participants will be recruited for this study on the basis of being owners of, or holding a controlling interest in an enterprise and managing it on a daily basis. Many business-owners in UAE are not engaged as owner-operators, instead employing expatriates to actively manage the enterprise. This profile of entrepreneurs will not be considered as candidates for this study.

In particular, each entrepreneur will need to meet the following criteria:
(1) started her own business,
(2) has been established in her business at least one year,
(3) owns at least 50% of her business, and
(4) has a major, active managerial role in her business at the time of the study.

Initial contact with entrepreneurs can be made via telephone, e-mail or social networking to introduce the purpose of the study and assure anonymity of participants' identities.

Because entrepreneurial behavior is affected largely by context, it is difficult to study successful women entrepreneurs independent of context. With this in mind, a qualitative case study approach is chosen as the most appropriate methodology (Yin, 2003). The case study approach will enable the researchers to compare entrepreneurial activity across organizational/business types, allowing for common themes and patterns to develop (Babbie, 2001; Miles & Huberman, 1994; Yin, 2003).

A semi-structured interview process will be piloted prior to interviews being conducted (Lincoln & Guba, 1985). Face-to-face interviews are preferred, with follow-up through telephone and e-mail exchanges. Recognizing that women entrepreneurs in the UAE may be more comfortable speaking with another woman, all face-to-face interviews will be conducted by Dr. Esther Elena López-Mulnix, an experienced author whose latest book details leadership attributes among Latina women (López-Mulnix et. al., 2011). All verbal exchanges will be tape recorded and later transcribed; data will be systematically categorized by themes and patterns of responses. Prior to meeting in interviews, each participant will receive information about the purpose of the study, key topics for discussion, and a statement of confidentiality about information provided by participants in the study.

Information collected from participants will be continuously analyzed to further develop and refine key issues in subsequent interviews.

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