

# Empowering Entrepreneurship: Strategies and Challenges Faced by Saudi Women in Diverse Business Sectors

Dr. Ahmed Hussein Alrefai<sup>1</sup>, Dr. Jayashree Hareesh<sup>2\*</sup>

<sup>1</sup>PhD in Economics, Fahad Bin Sultan University, Tabuk, Saudi Arabia

<sup>2</sup>PhD in Management, Fahad Bin Sultan University, Tabuk, Saudi Arabia

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\*Corresponding author: Dr. Jayashree Hareesh

PhD in Management, Fahad Bin Sultan University, Tabuk, Saudi Arabia

## Abstract

**Purpose:** The primary objective of this research is to investigate the strategies employed by female entrepreneurs in Saudi Arabia to overcome the challenges associated with running successful businesses across various sectors. **Theoretical Framework:** The literature reviews shows that the entrepreneurial endeavors of Saudi women appear to be dynamic and demanding, showcasing their resilience in choosing entrepreneurship as a career path. **Design/Methodology/Approach:** To conduct the analysis, a combination of qualitative and quantitative methods was utilized. Both primary and secondary data were gathered from women entrepreneurs in different states of Saudi Arabia. In-depth interviews were conducted with 100 female entrepreneurs involved in various small-scale business activities, such as apparel, fragrances, coffee shops, and boutiques. The major findings of the study is that majority of women (almost all 100 sample) taken for study have plans for future business expansion. **Findings:** The Saudi women also receive a lot of Government support for their business operations. It was also found that majority of Saudi women have invested more than 200000SAR initially. However, it is important to note the limitations of this research. The findings may not be readily generalizable beyond the selected sample. **Research/Practical and Social Implications:** The success of the Saudi Vision 2030 plan is believed to depend on a higher percentage of women in the labor force, and this objective has been achieved ten years ahead of schedule as more women are joining the workforce in recent years. **Originality/Value:** The article highlights the value of women's participation in business for the improvement of society at large. The study sheds light on the often-overlooked role of Saudi women as small business owners.

**Keywords:** Entrepreneurship, Investment, Women Entrepreneurs, Capital, Borrowing, Government, support.

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## INTRODUCTION

We have seen more changes in the last six or seven years than we have in the two decades prior put together. An increasing number of women are beginning to launch their own enterprises. Nowadays, it is considerably simpler for women to start their own businesses. New commercial relationships, new technologies, and new business models are being introduced into the Kingdom by Saudi women as well as Saudi startups and entrepreneurs. There are a ton of opportunities here for female business owners. The importance of empowering women and valuing their contribution to community development is heavily emphasized.

Recent years have witnessed a dramatic upheaval in Saudi Arabia's business environment, with women entrepreneurs emerging as a major force behind innovation and economic advancement. From fashion to technology, finance to healthcare, women in Saudi grasp diverse sectors and form them on their own. Their determination and creativity reshape industries previously dominated by men and foster a new era of entrepreneurship. E-commerce, retail, food and beverage, fintech, and education are among the sectors witnessing a significant surge in female-led businesses.

### Importance of the Study

There are a ton of possibilities here for female business owners. The significance of empowering

women and valuing their involvement in community development is heavily emphasized. Saudi Arabia's business environment has seen an enormous shift in recent years, with women entrepreneurs emerging as a key driver of innovation and economic growth. Through many government programs and the Kingdom's dedication to advocating gender equality, women have been able to conquer obstacles and succeed in fields that were previously dominated by men. Women's empowerment is an essential aspect of Vision 2030's economic reforms in Saudi Arabia, as it drives transformative change and fosters inclusive growth. Saudi women, formerly bound to traditional roles, are now becoming active participants in politics, the economy, and the society of their home nation.

A growing number of young Saudi women are starting their own businesses as jewelry artists and fashion designers. Beauty salons and home-based education consulting firms are also starting to proliferate. These endeavors demonstrate women's entrepreneurial spirit as well as their dedication to addressing the changing needs of their community. As a result, the study demonstrates its significance given the status of the economy today, and the empirical research clarifies the current circumstances in Saudi Arabia.

## LITERATURE REVIEW

The opportunities and rights based on how Islamic laws are interpreted, Saudi women's rights and employment opportunities are severely limited (Koyame-Marsh, 2017).

Considering the investment made by the Saudi government to educate women, the widespread underemployment and unemployment proved to be a significant waste of human capital (Al-Asfour *et al.*, 2017).

However, the Saudi government has acknowledged that one way for women to support the national economy could be through entrepreneurship. The growing number of Saudi women entrepreneurs has received priority from the Saudi government (Fallatah, 2012).

In 2016, the Saudi government unveiled the Saudi Arabia National Transformation Program 2030, which symbolized a vision for the post-oil era economic evolution of the kingdom. This shift is anticipated to help small businesses employ new and commonly utilized technologies and platforms to grow and contribute to the GDP by giving them more opportunities to create jobs (Al-Abdallah *et al.*, 2018; Basaffar *et al.*, 2018; Al-Abdallah, 2015).

As a result of changes in the economy, politics, and technology, more women are turning self-employed or owning their own businesses. These obstacles have given women who want to start their own enterprises

more financial opportunities. This situation is comparable to the unprecedented number of Saudi women who are venturing into entrepreneurship (Basaffar *et al.*, 2018).

In contrast to men, female contributions in this field are, nevertheless, insufficient. Studies elucidating the surge in female entrepreneurship in business development are conspicuously lacking (Manzoor, 2017).

To accelerate the nation's economic growth, Saudi Arabia must pay close attention to the growing field of women entrepreneurs, as this will likely present new chances for women to make the most money possible.

Thus the present study aims to conduct a systematic review to discuss the strategies and challenges faced by women in the field of entrepreneurship.

## DATA AND METHODOLOGY

### Aims of the Study

The study attempts to shed light on the assistance that women get when pursuing their entrepreneurial careers. It also emphasizes government funding and support as well as aspects of business that discriminate against women.

### Study Objectives:

- To study the effects of women in business and money management in the industry.
- To understand the government's role in assisting Saudi women in business.
- To examine women's enterprising behavior with regard to their plans in business expansion.
- To learn about their ideas for business reinvestment if their businesses return a profit.
- To investigate their opinions on the critical qualities that successful women in business require.

**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 relationship between Age and Initial Investment made by Saudi Women in doing business.

H02: There is a significant relationship between Nature of Business and Capital invested in Business.

H03: There is a significant relationship between Nature of business and Gender discrimination among Saudi Women in doing business.

H04: There is a significant relationship between Age and Plans for Business expansion

H05: There is a significant relation between Nature of Business and Future Business Expansion.

**Sample Unit:** Saudi women entrepreneurs make up the study's sample unit. Since data was gathered online using

forms, the sample was representative of all Saudi women, regardless of geographic location.

**Sample Size:** For the study, a sample of one hundred female entrepreneurs employed in a range of business sectors was chosen.

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

**Data Analysis and Interpretations**

**Table 1: Capital invested in business by Saudi Women Entrepreneurs based on Age**

		Initial investment						TOTAL	
		50000-100000 SAR		100000-200000 SAR		Above 200000 SAR		No.	%
		No.	%	No.	%	No.	%		
Age	20-25 years	18	100.0					18	100.0
	26-30 years					16	100.0	16	100.0
	31-35 years			18	27.3	48	72.7	66	100.0
TOTAL		18	18.0	18	18.0	64	64.0	100	100.0

Source: Primary data

**Table 1a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	106.818	4	.000	0.01

Critical value: 13.277

**Null Hypothesis:** There is no significant relation between Age and Initial Investment made by Saudi Women in doing business.

**Alternate Hypothesis:** There is a significant relationship between Age and Initial Investment made by Saudi Women in doing business.

**Inference:**

At a 1% level of significance, Table 1a demonstrates that the computed value (1068.18) is higher

than the table value (13.277). Therefore, the null hypothesis, which states that the variables Age and Initial Investment do not significantly correlate, is rejected. Table 1 unequivocally demonstrates that all women in the 20–25 age groups have made investments in businesses between 50,000-100,000 SAR. 72.7% of female entrepreneurs (31-35 years) have invested more than 200000 SAR, while 27.3% have invested between 100,000 - 200,000 SAR.

**Table 2: Capital invested in business by Saudi Women Entrepreneurs based on Nature of Business**

		Initial investment						TOTAL	
		50000-100000 SAR		100000-200000 SAR		Above 200000 SAR		No.	%
		No.	%	No.	%	No.	%		
Nature of business?	Boutique					22	100.0	22	100.0
	Clothes (Abaya)			18	40.0	27	60.0	45	100.0
	Coffee shop					15	100.0	15	100.0
	Perfumes	18	100.0					18	100.0
TOTAL		18	18.0	18	18.0	64	64.0	100	100.0

Source: Primary data

**Table 2a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	123.125	6	.000	0.01

Critical value: 16.812

**Null Hypothesis:** There is no significant relation between Nature of Business and Capital invested in Business.

**Alternate Hypothesis:** There is a significant relationship between Nature of Business and Capital invested in Business.

**Inference:**

With a 1% level of significance, Table 2a demonstrates that the computed value (123.125) is higher than the table value (16.812). Therefore, the null hypothesis, which states that the variables "Nature of Business" and "Capital Invested in Business" do not significantly correlate, is rejected. Table 2 makes it abundantly evident that 100% of women operating

boutiques have invested more than 200,000 SAR, 40% of women operating clothing businesses (particularly those selling abayas) have invested between 100,000-200,000 SAR, and the remaining 60% have invested

more than 200,000 SAR. It was also observed that 100% of women in the perfume industry invested between 50,000 – 1,00,000 SAR, while 100% of women in the coffee shop industry invested more than 200,000 SAR.

**Table 3: Government financial aid based on Nature of businesses**

		Do you get any financial(money) help from the Government for your business operations?		TOTAL	
		Yes		No.	%
		No.	%		
Nature of business?	Boutique	22	100.0	22	100.0
	Clothes (Abaya)	45	100.0	45	100.0
	Coffee shop	15	100.0	15	100.0
	Perfumes	18	100.0	18	100.0
TOTAL		100	100.0	100	100.0

Source: Primary data

**Inference:**

Table 3 clearly infers that all women entrepreneurs (100%) irrespective of any nature of

business they get financial support from the Saudi Government.

**Table 4: Government financial support for Women based on business experience (years)**

		Do you get any financial(money) help from the Government for your business operations?		TOTAL	
		Yes		No.	%
		No.	%		
Years of experience in business?	less than 1 year	29	100.0	29	100.0
	1-5 years	71	100.0	71	100.0
TOTAL		100	100.0	100	100.0

Source: Primary data

**Inference**

Table 4 clearly shows that the Saudi Government provide financial support to all Women

engaged in business irrespective of their experience in business.

**Table 5: Gender Discrimination and Nature of business**

		Do you face any gender discrimination in your business as an Women Entrepreneur?						TOTAL	
		Yes		No		May be		No.	%
		No.	%	No.	%	No.	%		
Nature of business?	Boutique	6	27.3	16	72.7			22	100.0
	Clothes (Abaya)	25	55.6	10	22.2	10	22.2	45	100.0
	Coffee shop	15	100.0					15	100.0
	Perfumes	18	100.0					18	100.0
TOTAL		64	64.0	26	26.0	10	10.0	100	100.0

Source: Primary data

**Table 5a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	51.345	6	.000	0.01

Critical value: 16.812

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

**Alternate Hypothesis:** There is a significant relationship between Nature of business and Gender discrimination among Saudi Women in doing business.

**Inference:**

With a 1% level of significance, Table 5a demonstrates that the computed value (51.345) is higher than the table value (16.812). Thereby, the null hypothesis, which states that the variables "nature of business" and "gender discrimination" do not significantly correlate, is rejected. Table 5 clearly shows

that 100% of women operating perfume and coffee shops experience gender discrimination in the workplace. Just 27.3 percent of female boutique entrepreneurs make this

claim. But the same problem affects 55.6% of women working in the clothing industry.

**Table 6: Future Business expansion ideas based on Age**

		Do you have any plans of business expansion in future?				TOTAL	
		Yes		No		No.	%
		No.	%	No.	%		
Age	20-25 years			18	100.0	18	100.0
	26-30 years	9	56.3	7	43.8	16	100.0
	31-35 years	51	77.3	15	22.7	66	100.0
TOTAL		60	60.0	40	40.0	100	100.0

Source: Primary data

**Table 6a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	35.298	2	.000	0.01

Critical value: 9.210

**Null Hypothesis:** There is no significant relation between Age and Plans for Business expansion

**Alternate Hypothesis:** There is a significant relationship between Age and Plans for Business expansion

**Inference:**

With a 1% level of significance, Table 6a indicates the value calculated (35.298) is greater than the

table value 9.210. Therefore, it is determined that the null hypothesis, which states that there is no significant association between the variables Age and Plans for Business Expansion, is not true. It is evident from Table 6 that all of the women in the 20–25 age groups do not want to expand their businesses in the future. On the other hand, plans for business expansion are stated by 56.35 percent of women in the 26–30 age group and 77.3% of women in the 31–35 age groups.

**Table 7: Future Business expansion based on Nature of Business**

		Do you have any plans of business expansion in future?				TOTAL	
		Yes		No		No.	%
		No.	%	No.	%		
Nature of business?	Boutique	20	90.9	2	9.1	22	100.0
	Clothes (Abaya)	40	88.9	5	11.1	45	100.0
	Coffee shop			15	100.0	15	100.0
	Perfumes			18	100.0	18	100.0
TOTAL		60	60.0	40	40.0	100	100.0

Source: Primary data

**Table 7a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	73.906	3	.000	0.01

Critical value: 11.345

**Null Hypothesis:** There is no significant relation between Nature of Business and Future Business Expansion.

**Alternate Hypothesis:** There is a significant relation between Nature of Business and Future Business Expansion.

**Inference:**

With a 1% level of significance, Table 7a demonstrates that the computed value (73.906) is higher

than the table value (11.345). Thus, the null hypothesis, which states that the variables "Nature of business" and "Future business expansion" do not significantly correlate, is rejected. Table 7 unequivocally indicates that none of the women involved in the coffee shop and perfumes businesses had any ambitions to grow their businesses. On the other hand, 88.9% of women who run clothing businesses and 90.9% of women who run boutiques have greater ambitions for future business growth.

**Table 8: Re-investment options of Women from Business returns**

		If Profit, where do you re-invest your business return?						TOTAL	
		for personal development and happiness		increase my family well-being		into the same business for expansion		No.	%
		No.	%	No.	%	No.	%		
Are you getting a good return (profit) from your business?	Loss	22	55.0	10	25.0	8	20.0	40	100.0
	No profit/No loss			21	52.5	19	47.5	40	100.0
	Profit					20	100.0	20	100.0
TOTAL		22	22.0	31	31.0	47	47.0	100	100.0

Source: Primary data

**Table 8a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	63.789	4	.000	0.01

Critical value: 13.277

**Inference:**

Table 8a shows that the calculated value (63.789) is greater than the table value 13.277 with a 1% level of significance. Table 8 clearly explains that 100%

of women earning profit in business wishes to re-invest the returns into the business for expansion. They do not wish to invest the profit for their personal development and well-being.

**Table 9: Based on Age and Nature of business the qualities required for successful women entrepreneurs**

		The most important needed qualities for a Successful Women Entrepreneur?								TOTAL	
		Creativity		Good knowledge		Good leadership skills		Planning; Competitive Spirit to win the market; Good Leadership qualities		No.	%
		No.	%	No.	%	No.	%	No.	%		
Age	20-25 years					18	100.0			18	100.0
	26-30 years	2	12.5			7	43.8	7	43.8	16	100.0
	31-35 years	34	51.5	12	18.2	3	4.5	17	25.8	66	100.0
TOTAL		36	36.0	12	12.0	28	28.0	24	24.0	100	100.0

Source: Primary data

**Table 9a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	74.245	6	.000	0.01

Critical value: 16.812

**Inference:**

Table 9a shows that the calculated value (74.245) is greater than the table value 16.812 with a 1% level of significance. Table 9 clearly shows that 100% of

women belonging to the age category of 20-25 and 43.8% of women under the age category 26-30 years says that "Good Leadership skills" is the most important quality required for business.

**Table 10: Investments made by Saudi Women Entrepreneurs based on Nature of business**

		The most important needed qualities for a Successful Women Entrepreneur?								TOTAL	
		Creativity		Good knowledge		Good leadership skills		Planning; Competitive Spirit to win the market; Good Leadership qualities		No.	%
		No.	%	No.	%	No.	%	No.	%		
Nature of business?	Boutique			12	54.5			10	45.5	22	100.0
	Clothes (Abaya)	36	80			2	4.4	7	15.6	45	100.0
	Coffee shop					8	53.3	7	46.7	15	100.0
	Perfumes					18	100.0			18	100.0
TOTAL		36	36.0	12	12.0	28	28.0	24	24.0	100	100.0

Source: Primary data

**Table 10a: Chi-Square Test**

	Value	df	Prob.	Sig.
Chi-Square	151.474	9	.000	0.01

Critical value: 21.666

**Inference:**

Table 10a shows that the calculated value (151.474) is greater than the table value 21.666 with a 1% level of significance. Hence the Null hypothesis saying that there is no significant association between the variables Nature of business and important qualities required for business. Table 10a clearly shows that 100% of women belonging to the Perfumes business says that “Good Leadership skills” is most required quality in business. 54.5% of women entrepreneurs doing Boutique business claims that “Good Knowledge” is very important for business success.

**RESULTS AND DISCUSSIONS**

- Women Entrepreneurs engaged in Boutique and Coffee business has invested above 200000SAR. This shows that women doing these businesses require more capital for their business investment.
- The major finding of the study is that 100% of women entrepreneurs surveyed said that they get more financial support from the Saudi Government for their business operations.
- They study also found that 100% of women engaged in Coffee shop and Perfumes face gender discrimination in business. Whereas only 27.3 of women doing Boutique business claim the same.
- The paper also shows that 100% of women belonging to the age category of 20-25 have no plans for Future business expansions. Whereas 56.35 of women under the age category 26-30 years and 77.3% of women belonging to the age group of 31-35 years have future plans for Business expansion.
- It was also found that 100% of women belonging to the Coffee shop and Perfumes Business do not have any plans for business expansion. Whereas 90.9% of Women doing Boutique business and 88.9% of women doing Clothing business have more plans for future business expansion.
- It was found from the study that Successful women entrepreneurs doing business under profit wishes to re-invest their profit into the existing business for expansion. They want to grow their business rather than using the profit for personal development.
- The research also found that majority of women entrepreneurs find “Good Leadership” as the

most required quality for carrying out the businesses successfully.

**CONCLUSION**

The primary aim of this research was to investigate the factors that influence Saudi women's decision to launch their own enterprise and the obstacles the government support they get to become successful business owners. Still, they had to contend with conventional limitations, a dearth of market research, a lack of government backing, and market dominance by a small number of investors. The researchers advise that women- only sections be established in significant government ministries, that women related business training programs be established in the Chamber of Commerce, that government lending institutions be instructed to treat female loan applicants equally, that special sections be established in the Chamber of Commerce to provide market information, and that businesswomen associations be permitted to facilitate networking in order to support the needs of Saudi businesswomen.

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