

Women Small Businesses Characteristics and Effectiveness in Jordan

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Abstract

The aim of this study is to investigate the significant differences between women small businesses characteristics (age, education, social status, experience) and effectiveness of their businesses in Jordan. A purposive sample of 175 women who own small businesses in Jordan was used to collect data via questionnaires. Frequencies and percentages were used to describe the sample and one way ANOVA analysis to test hypotheses. The study depicted that there is a significant difference between women's education, social status and effectiveness of their businesses whereas women's age and experience do not indicate a significant difference on effectiveness.

Key words: small business, effectiveness, Jordan

Introduction

Arab women have achieved significant advancement in leadership and political fields, but there are still institutional and cultural barriers embedded in business systems (Metcalfe, 2008). Jordan is one of the poorest Arab countries that lacks natural resources and relies on its human capital. Although Jordanian women achieved high educational attainment levels and statistics illustrated a negative gender gap in high education indicator as shown in table (1). Jordanian women were still suffering from unemployment and low participation in the labor market that leads to serious waste of resources invested in women's education.

Table 1. Gender gap indicator in high education in Jordan

Higher education	female	male	gender gap
Students in universities education	51.7	48.3	-3.4
Students in higher diploma	68.5	31.5	-36.9

Source: Department of Statistics in Jordan (2013)

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Similarities can be found between Arab women entrepreneurs and those of their counterparts from other parts of the western world with a few distinct differences (Dechant & AL Lamry, 2005). Both of them are well educated, motivated by a need for achievement, choose mostly to engage in service sector businesses. Women's reasons for starting businesses are often around negative circumstances which called push factors such as: poverty, unemployment and bad job conditions or around pull factors which are fostered by positive opportunities such as self-actualization and financial independence (Robinson, 2001) Push factors are the most apparent among women within developing countries (Dhaliwal, 1998) The most important motives of women in Jordan for starting their small businesses are related to family (Hattab, 2010). Jordanian women look to work as a source of income to family and a mean to fight poverty and most of the married women are employed, this point is illustrated by the following statistics in table 2.

Table 2. Percentage of distribution of Jordanian females aged 15 years and above by economic activity status and marital status

Marital status	Economic activity status	
	employed	unemployed
Never married	38.7	66.8
Married	57.2	31.5
Divorced	2.3	1.4
Widowed	1.8	0.4

Source: Department of Statistics in Jordan (2013)

Poor, lower-class women work out of economic necessity and educated women from middle-class families search an opportunity to work in order to be financially independent and achieve their personal development (El Kharouf, 2000). There are different reasons behind the changing the patterns of women's economic participation in Jordan. Economic crisis pulled Jordanian women out of the public sector and drove them into the private sector, rising educational levels, cultural changes and increased internet access result in more female entrepreneurs especially in Jordan and Middle East countries in general (Salti, 2013). Information technology, communication technology and entrepreneurship are combined to solve some of the problems that impede the growth of women entrepreneurship (Viju, 2010). Although

Jordanian national strategy focuses on the empowerment of women in six fields, including legislation, economics, society, education and health (Metcalf, 2008). There are many women small businesses issues need more research.

Hypotheses

The researcher developed these four hypotheses in order to investigate the differences in effectiveness caused by women personal characteristics.

H1: There is a statistical significant difference between women's education and the effectiveness of small businesses in Jordan.

H2: There is a statistical significant difference between women's social status and the effectiveness of small businesses in Jordan.

H3: There is a statistical significant difference between women's age and the effectiveness of small businesses in Jordan.

H4: There is a statistical significant difference between women's experience and the effectiveness of small businesses in Jordan.

Research Methodology

Effectiveness

The dependent variable in the recent study is effectiveness. It was measured by the mean of scores on statements rated on five points Likert scale, where the answers of the respondents vary from strongly agree to strongly disagree. Total effectiveness mean marked 4.371 and standard deviation 0.835 indicating that women small businesses are successful businesses. The most statements that measured and increased effectiveness rate are the following: "Although competition my business maintains its existence in the market" (mean= 4.48), "my business make a good impression in the market" (mean= 4.46). The study used Cronbach's Alpha coefficient to calculate the reliability of women's small businesses effectiveness statements marked 0.868.

Independent variables

Independent variables were represented by women small businesses characteristics (education, age, social status, experience).

Sample

The study used a purposive sample because the number of small businesses owned by women is not available in Jordanian statistics; sample consisted of 175 women who own small business which employed 5 to 19 workers. Department of Statistics in Jordan considered businesses employed less than five workers micro-businesses, and businesses employed 5 to 19 workers small businesses. The sample was mainly

distributed in Amman which is the capital of Jordan and cities around it Salt and Fuhais. Questionnaires were used to collect data from respondents.

Data analysis

SPSS was used to analyze questionnaires. Frequencies and percents were used to describe the respondents, means and standard deviations describe effectiveness and Cronbach's alpha coefficient measured reliability, one way ANOVA was used to test hypotheses.

Research findings and discussion

Descriptive Statistics

The table 3 showed that more than 50% of the respondents were educated married women. This result indicated that educated women were shifted from the culture to be employed by the public sector with specific jobs and low salaries to private sector with the opportunity to have their own businesses, especially after suffering from unemployment or bad job conditions. Most of the women were aged between 31 years and 50 years, it is logical that women in this age are more acceptable to change and enter new fields. More than 80% of the women had experiences in their businesses' fields so they were motivated by their experiences to use them in their businesses to decrease the failure's risk at the minimum rate and increase possibility of continuous in markets.

Table 3. Women personal characteristics

characteristic	frequency	percent
Education		
High school	66	37.5
Diploma	41	23.3
Bachelor	59	33.5
Graduate studies	9	5.1
age		
18-30	43	24.6
31-40	67	38.3
41-50	57	32.6
51-60	8	4.6
Social state		
Single	40	22.9
Married	100	57.1
Widowed	18	10.3
Divorced	17	9.7
Experience		
Less than 5	60	34.3
6-10	36	20.6
More than 10	50	28.6
No experience	29	16.6

Table (4) showed that most of the small businesses have 5 to 9 workers which are considered small businesses according Department of Statistics in Jordan. The small businesses are

distributed in different sector and they are mainly financed by the savings of their owners and most of them have been in the market for more than 3 years.

Table 4. Small businesses characteristics

Characteristics	frequency	percent
Business existence in the market		
Less than one year	33	18.9
1-3 years	49	28.0
4-6 years	52	29.7
More than 7 years	41	23.4
Number of workers		
5-9	82	46.9
10-15	55	31.4
16-19	38	21.4
Business sector		
service	45	25.7
industrial	57	32.6
agricultural	36	20.6
commercial	37	21.1
Financial sources		
savings	71	40.6
loans	45	25.7
Savings and loans	58	33.1

Hypotheses Testing

Based on ANOVA analyses in table (5) showed that there was a statistical significant difference in the effectiveness of small businesses according to women's education ($F= 3.311$, $P<0.05$). Also social status appeared to have a significant difference in the effectiveness ($F= 2.846$, $P<0.05$); Therefore, the first and second hypotheses (H1, H2) were supported, whereas age and experience didn't appeared to have a significant difference in the effectiveness, age ($F= 0.517$, $P>0.05$), experience ($F= 2.373$, $P>0.05$) therefore, the third and fourth hypotheses (H3, H4) were not supported.

Table 5. Summary of one way ANOVA results

Source	df	F	sig
Education	3, 171, 174	3.311	0.021
Social status	3, 171, 174	2.846	0.039
Age	3, 171, 174	0.517	0.671
Experience	3, 171, 174	2.373	0.072

Sig<0.05

Conclusions

The main objective of this study is to show the differences of women characteristics toward small businesses effectiveness in Jordan. The study found significant differences in effectiveness in terms of education and social state. The results supported the idea that Jordanian women who are married and educated are more committed to succeed their small businesses, because small businesses represent for them an opportunity to help their families, increase living levels and achieve more financial independence. This means that married can balance between their family obligations and business requirements, so it is not justified to do not support them because of their social state and limit them in domestic roles especially that they represent in Jordan half of the society. Single women appeared to be more interested to find security jobs in the public sector and most of them are financially supported by their families. Reasons behind widowed and divorced women have the least percent of small businesses; need more research because of their social status surrounded by many cultural obstacles. These results can be more applied in Arab countries that have the same Jordan' circumstances in terms of education, culture and economic situations.

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