

Factors influencing women entrepreneurs' performance in SMEs

Introduction

In modern economics, one of the most common raising trends is entrepreneurship. It is strongly related to small and medium sized enterprises (SMEs). The reason for this is that the economic and business systems do not work unless they get the support from SMEs. It is practically the main foundation of every economy in both developed and developing countries. Entrepreneurship works to accelerate the process of economic development and technological advancement (Elenurm and Vaino, 2011). Chowdhury et al. (2013, p.39) viewed entrepreneurship as “a process of innovation and creation with four dimensional elements: individual, organization, environmental factors and process, with support from the government, education, and constitution”. Moreover, Shane and Venkataraman (2000, p. 218) stated that “entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed”.

Recently, more attention has been paid to the important role of women entrepreneurs and how it could play in SMEs and on nations' wellbeing (Elenurm and Vaino, 2011). A woman entrepreneur is defined as “the women or group of women, who initiate, organize and operate a business enterprise” (Pandian and Jesurajan, 2011, p. 918). There has been little research on challenges that women entrepreneurs have experienced, particularly in the Middle East. It is very important to understand different socio-cultural and political processes and their impact on women entrepreneurs. Factors that affect activities of women entrepreneurs in different countries and societies should therefore be considered (Javadian and Singh, 2012). The purpose of this study is to contribute to the entrepreneurship literature by identifying factors influencing women entrepreneurs' performance and corresponding challenges in small and medium enterprises (SMEs) in Bahrain. The study also examines the opportunity recognition as a mediator between influencing factors and performance.

The reminder of this article is organized into six sections. First, we review related literature on women entrepreneurs and factors that affect their performance. Second, we present the conceptual model and research hypotheses. Third, we go through the method used in the study by describing adopted steps to construct the research methodology. Fourth, we present and discuss the main study findings with relevant theoretical and practical implications. Finally we set the conclusion followed by study limitations and suggestions for future research.

Literature Review

Entrepreneurial performance is defined in relation to the output of the entrepreneur. It refers to the level of achievement of the entrepreneur in running the business enterprise. Sometimes, the achievement may be measured by the number of employees, level of profit, and sales volume among other things. It may also refer to the outcome of efforts exerted by an entrepreneur into the business which is influenced by several factors (Nneka, 2015). It is important to know characteristics of women starting new businesses, their motivations for doing so and their

performance levels in businesses (Ramos et al., 2014). Women entrepreneur's view is focusing on the power of controlling their own fate, enhancing relations with the clients and making valuable things (Elenurm and Vaino, 2011). Usually, many women are working as executives before starting their own business. This is considered as a main motive as many women are not satisfied with their work (Kobeissi, 2010).

Brush (1992) emphasizes that women have the potential for developing their own business by using their abilities of forming social relationships and combining their business with their other concerns of social and relatives' relations. In order to have more qualified business and highly expanded entrepreneurial activities, SMEs have to overcome several essential challenges (Zeidan and Bahrami, 2011). Globalization and international trade integration are considered as the most dominant challenges for small enterprises in every business in the world (Hertog, 2010). Most of the difficulties that face the entrepreneurs are similar such as bureaucracy, instable environment, incomprehensible private sector's regulatory system, overregulation and contractual obligation (Al Turki and Braswell, 2010). Women entrepreneurs running startup ventures in Bahrain lack belief in their abilities support by the government, market studies, and the market is dominated by few investors (Belwal et al., 2014). On the other hand, one third of investment in Gulf Cooperation Council (GCC) countries, which is around \$38 billion, is administrated by business women (Alsamri et al., 2013).

In the Kingdom of Bahrain, Tamkeen in collaboration with Supreme Council for Women (SCW), adopted a special tactic to increase jobs for women, including increasing the number of women in the fields of economy that is dominated by men (Tamkeen, 2009). The rate of unemployed women is high and Tamkeen with SCW collaboratively work to enable women entrepreneurs to start their projects in the fields of photography, transportation and fashion design (Tamkeen, 2009). Tamkeen has two primary objectives, first is to foster the creation and development of enterprises, and second, to provide the support to enhance the productivity and growth of enterprises and individuals (Tamkeen, 2014). Therefore, Tamkeen seeks to enhance enterprises' capabilities to position the private sector as the key driver of economic development (Al-Alawi, 2012). Tamkeen has introduced a full range of integrated support programs which have benefited tens of thousands of enterprises to date, with more than 100,000 in total set to benefit. In parallel, Tamkeen's programmes have played a key role in institutionalizing new concepts within Bahrain's private sector, including encouraging SMEs financing, fostering entrepreneurship, enabling women empowerment, promoting modern accounting and auditing systems, innovative marketing and promotional strategies, and implementing world-class quality standards, and many other paradigms needed for a vibrant and sustainable private sector (Al-Alawi, 2012).

Cultural norms and values have an effect on women entrepreneurs' performance. The culture as a collection of traditional essentials and attitude norms in Arab countries causes a lot of women to seriously struggle more than men to confirm their specialization as a business owner to all business partners (Javadian and Singh, 2012). Although many people believe that women's family responsibilities will not prevent them to improve their jobs, the religion and traditions prevailing in Arab society believe that home responsibilities are women function by its nature. As a result, women tend to work in small business rather than other industrial field. As woman endures a heavy amount of obligations and responsibilities, she encounters many

obstacles such as time shortage; annoyance and resentment that double the pressure on them and discomfort that consequently lead to high family work collision. In reality, women are influenced by stereotypes and discrimination between male and female that weaken women effectiveness. Beliefs such as women managers are not good for big capitals, women's mind is limited, women are emotional, and may leave their work because the family is their first priority, their husbands should be satisfied with their work to make women feel success and satisfaction, are influencing women entrepreneur's growth orientation in a direct way. However, stereotype affects women entrepreneurs indirectly by influencing women's access to credit; seek for business participant or investor and employing qualified workforce. Add to this, the society norms and values will hinder women acquisition of loans and financial support since there is limited trust in women capability (Javadian and Singh, 2012).

In recent years, the number of women who have entered the field showed encouraging improvements as the world has witnessed a constant growth of women entrepreneurship and their contributions to the national economic and employment (Hassan et al., 2014). In the Kingdom of Bahrain, the number of enterprises related to women is growing by 14.3% which increase the women participation to 39.5% from the overall commercial enterprises compared to the last year which was 38.5% (Ministry of Industry and Commerce, 2013). This could be attributed to many reasons including an increasing rate of education, general awareness and independence. Therefore, women are performing exceedingly well in different spheres of activities like academics, politics, administration, and social work (Mehta and Parekh, 2014).

There are several studies examining the performance of SMEs and most of these studies focus mainly on specific combination of variables such as (1) the psychological and personality traits of entrepreneurs, (2) the managerial skills and training of entrepreneurs, and (3) the external environment (Benzing et al., 2009). The first factor is referred to psychological characteristics of entrepreneur including drive for independence, innovative orientation, attitude toward risk and competitive nature (Stefanovic et al., 2010). The second factor represents the managerial skills, while third factor reveals the effect of environmental conditions represented by adequate governmental efforts, access to capital and assistance from family and friends (Benzing et al., 2009). Several other factors exist that have considerable effect on SMEs success. Nowadays, many people are recognizing the social networks effect on SMEs particularly when they start their business (Omwenga et al., 2013). Pirolo and Prsutti (2010) confirmed that the growth of industrial performance at all stages in organization life cycle is mainly affected positively by organization social capital.

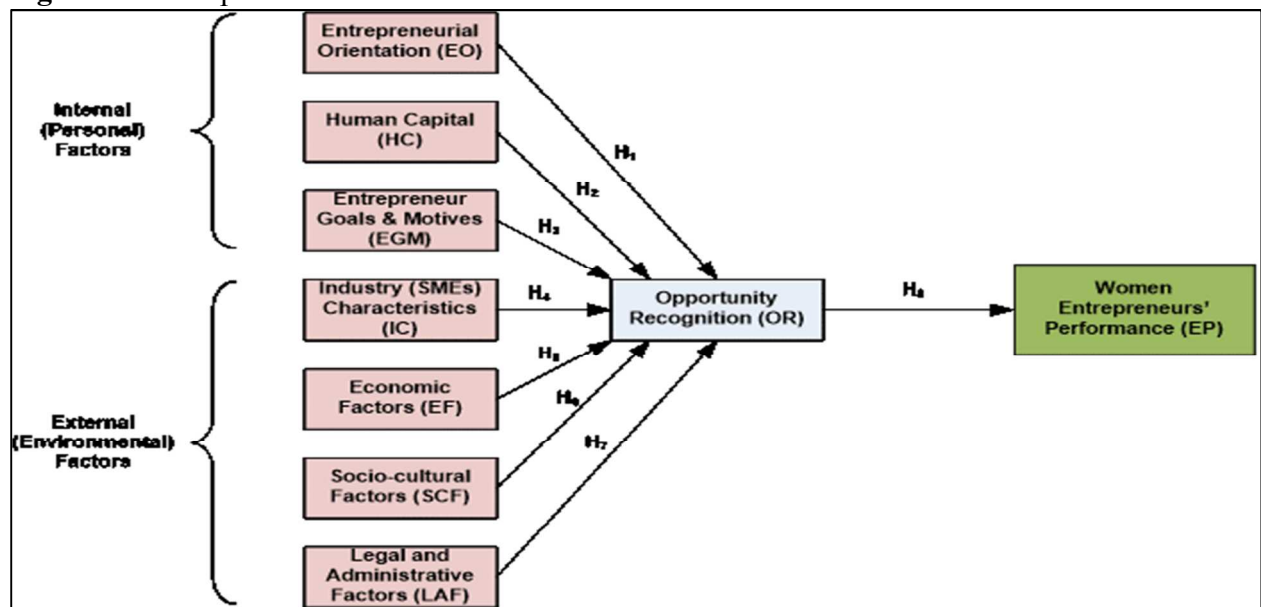
The talent of entrepreneurs that consists of a set of noticeable skills and abilities will affect the size of the business (Stefanovic et al., 2010). However, this talent is not enough for success, as risk aversion is highly required. Paying risks is an important indicator for successful entrepreneurs with honest acting not just stimulations to bear risk (Stefanovic et al., 2010). Ainin et al. (2010) noticed that younger entrepreneurs, who have higher risk orientation skills, will be more powerful entrepreneurs than others. Omwenga et al., (2013) provided a list of ten features that specify successful entrepreneurs which are (a) passion, (b) people, (c) core values (d) learn from mistakes, (e) determination, (f) clear roles, (g) profit focus, (h) single-minded, (i) lead by example, and (j) customer satisfaction. There are different research efforts being made to distinguish the factors impacting the performance of entrepreneurs (Benzing et al., 2009;

Stefanovic et al., 2010; Omwenga et al., 2013; Ainin et al., 2010). Three main categories of factors affecting women entrepreneurs' performance, which are internal (personal) factors, external (environmental) factors and organizational factors are addressed in this research. We assess women entrepreneurs' performance in terms of eight main factors as follows: a) Entrepreneurial orientation; b) Human capital; c) Goals and motivations; d) Industry (SMEs) characteristics; e) Economic factors; f) Socio-cultural factors; g) Legal and administrative factors, and h) Opportunity recognition.

Conceptual Model and Research Hypotheses

The conceptual framework for this research is an adaptation of the theory by Shane (2003), with some modifications. According to this study, there are eight independent factors affecting the performance of women entrepreneurs in small and medium enterprises which are entrepreneurial orientation, entrepreneur goals and motives, human capital, industry (SMEs) characteristics, economies, socio-cultural, legal and administrative factors and opportunity recognition. There are several studies that have been conducted about entrepreneurship performance model with different variables (Ekype et al., 2010; Teoh and Chong, 2007; Arasti et al., 2012, Hossain et al., 2009). For this study, we develop a model that aims to describe factors affecting women entrepreneurs' performance and challenges that they may face when conducting their businesses as it is shown in Figure (1). We, therefore, formulate eight research hypotheses which are explained in the following sections.

Figure 1. Conceptual Model



Entrepreneurial Orientation (EO) and Opportunity Recognition (OR)

Entrepreneurial orientation is "the extent to which entrepreneur is inclined to take business-related risks (the risk-taking dimension), to favor change and innovation in order to obtain a competitive advantage for his/her firm (the innovation dimension), and to compete aggressively with other firms (the pro-activeness dimension)" (Covin and Slevin, 1989, p. 81).

Shane (2003) theory of entrepreneurship declared EO as the capability of entrepreneurs to find out and utilize opportunity related to entrepreneurial performance, which vary among people and it is based on individual situation regarding risk acceptance. For example, persons who are risk-averse have limited ability to exploit opportunity (Shane, 2003). Intrinsically, an individual may be less active in finding out entrepreneurial opportunity. Accordingly, people with negative attitude toward risk will not find out or explore entrepreneurial opportunity. In the same context, some people possess creative business or new ideas and have high tendency to access micro finance. However, their scarce of risk will prevent them from having good utilization of entrepreneurial opportunity (Ekype et al., 2010). As a result of this, we hypothesize H1, whereby:

H1. Entrepreneurial Orientation (EO) influences women entrepreneurs' Opportunity Recognition.

Human Capital (HC) and Opportunity Recognition (OR)

The significance of human capital could be restricted by two main demographic characteristics, which are education and experience. The knowledge earned from education and experiences are considered as a foundation that people possess differently and it is essential to recognize divergence in identifying and exploiting opportunity (Shane and Venkataraman, 2000). Human capital consists of tacit and explicit knowledge that have long been argued to be a critical resource for success in entrepreneurial enterprises. According to human capital theory, people with high performance in implementing missions usually possess higher human capital. Moreover, empirical studies reveal that human capital at the early stages of entrepreneurial venture is significant, that results in growing opportunity recognition and consequently the success of entrepreneurship (Anderson and Miller, 2003). We therefore put forward H2:

H2. Human Capital (HC) influences women entrepreneurs' Opportunity Recognition.

Entrepreneur Goals and Motives (EGM), and Opportunity Recognition (OR)

Goals are the positive results that someone expects to gain from doing reasoned behavior while motivation is the process by which goal-directed activity is instigated and sustained (Teoh and Chong, 2007). Many literatures discussed internal motivations of entrepreneurs for establishing the start-up tasks and it is considered as important ingredient of entrepreneurial success recipe (Sadi and Al-Ghazali, 2012; Pandian and Jesurajan 2011; Buttner and Moore, 1997). Some of these literatures disclose motives for business start-up and either divides it as "push" and "pull" factors or negative and positive factors. The "push" (or negative) factors are related to essentials that make continuing the business plan for women is obligation. These factors contain redundancy, unemployment, frustration with prior employment, the need to earn a reasonable living and the need for a flexible work schedule to fit responsibilities by women especially family care taking that is expected from women. On the other hand, the "pull" (or positive) factors are based on women's freedom of choice and her desire to achieve her aspiration and ambition.

According to Sadi and Al-Ghazali (2012), pull factors containing independence, self-fulfillment, autonomy, self-achievement, being one's own boss, using creative skills, doing enjoyable work, the entrepreneurial drive and the desire for wealth, social status and power. The

most repeated motives in these pull factors is the need for autonomy and desire to achieve the provocation of business property. The same study also compares Saudi Arabian women entrepreneurs and Bahraini women entrepreneurs and the research found that the most outstanding factor that attracts Saudi Arabian women is self-actualization. On the other hand, the most outstanding motivation for women entrepreneurs in Bahrain is monetary earnings. Thus, we posit the following:

H3. Entrepreneurial Goals and Motivations (EGM) influence women entrepreneurs' Opportunity Recognition.

Industry (SMEs) Characteristics(IC) and Opportunity Recognition (OR)

Industry Characteristics refer to attributes of small or medium enterprises. These attributes include age, size, type, location, and establisher of the business. In addition, firm performance is expected to be affected by business development services and outsourcing activities (Inmyxai and Takahashi, 2009). According to Brush (1992), female institutions are identical to male institutions regarding business features. He considers business features in his study which consists of business development services, training for entrepreneurs, firm size and firm age. Since there is predictable influence of these features on performance of firms that owned by male or female. Taking into consideration the previous discussion, we hypothesize the following:

H4. Industry (SMEs) Characteristics (IC) influence women entrepreneurs' Opportunity Recognition.

Economic Factors (EF) Opportunity Recognition (OR)

Economic Factors refer to the set of fundamental information related to internal project financing and external market condition that affects business or an investment's value Wube (2010). Although there is a consensus that women can hardly access credit for their entrepreneurial ventures in developing economies, the rate of women's contribution to economy in private sector is remarkable compared to their male counterpart. In most of the developing countries women need to get supports from financial institutions to start their business. This is resulting from poverty, unemployment, limited family income and failure in saving (Ekype et al., 2010). The limited ability for women to access new opportunities compared to men comes as a result for a couple of reasons. They need effective collaterals that do not include house hold assets and negative attitude of lending institutions toward women (Wube, 2000). This brief takes us to the H5:

H5. Economic Factor (EF) influences women entrepreneurs' Opportunity Recognition.

Socio-Cultural Factors (SCF) and Opportunity Recognition (OR)

Socio-Cultural Factors involves a combination of social and cultural factors that affect women entrepreneurs' performance. Arasti et al. (2012) argues that the key role of social relationship is apparent in affecting prosperity of the organization. It enables entrepreneur to identify opportunities, information and resources. The social network influence entrepreneur growth orientation as it gives the entrepreneur a model for success to follow and provides the stimulus by having support from family and friends. Entrepreneurs exploit their social network

as channels that enable them to access information, customers, suppliers and financial resources. Furthermore, they gain emotional support from their social network especially from close connections (husband, father and mother, friends and relatives) rather than support from remote connections (business cooperators, colleagues, previous workers and previous labor). Spouse emotional support is critical for women entrepreneurs' success (Omwenga et al., 2013). We therefore, put H6:

H6. Socio-cultural Factors (SCF) influence women entrepreneurs' Opportunity Recognition.

Legal and Administrative Factors (LAF) and Opportunity Recognition (OR)

Legal and Administrative Factors refer to the various issues related to administrative bodies and government regulations affecting the performance of women entrepreneurs (Wube, 2010). Legal and administrative factors are among the studied factors that influence growth orientation of women entrepreneurs and it divides legal and administrative factors into three categories: banking rules and regulations, tax laws, and labor law. According to this study, the first factor is banking rules that are confirmed by many literatures as it has significance role on growth orientation of business leaders. In many situations, they face a lot of difficulties from banks to take loans due to complication of procedures and performing services, cumbersome interest rate and burden collateral (Javadian and Singh, 2012). This takes us to H7:

H7. Legal and administrative Factors (LF) influences women entrepreneurs' Opportunity Recognition.

Opportunity Recognition (OR) and women Entrepreneurs' Performance (EP)

Opportunity Recognition is one of the factors affecting women entrepreneurs' performance. The concept of entrepreneurial opportunity is tightly related to entrepreneurship. Entrepreneurial opportunities are recognized through conditions that new goods, services, raw materials, and arranging procedures could be presented and commercialized at higher value than the production cost. Even through identification of the entrepreneurial opportunity is a subjective issue, the opportunity itself is an objective phenomenon that are recognized to a particular individuals at a particular time (Shane and Venkataraman, 2000). In developing countries, there are formal and informal entrepreneurial opportunities. Speedy evolution countries usually practice remarkable transfer in local market, generating opportunities for new participants. The economic growth in these countries is possibly resulted from the political and regulatory system which consequently will generate a big informal sector. Therefore, the majority of entrepreneurs start informal business and then move to formal sector when they get considerable interest from doing it (Shane and Venkataraman, 2000). Based on the above, we posit H8:

H8. Opportunity Recognition of women entrepreneurs influences women entrepreneurs' Performance.

Method

The study focuses on identifying factors affecting women entrepreneurs' performance in Bahrain. It highlights the effect of opportunity recognition in the market on women performance

and discusses challenges that affect such performance at the start of and during running their businesses. We chose Bahrain to conduct our research because few studies are found there or in the Middle East that focus on the factors that influence and challenges women entrepreneurs' performance. The research instrument was a structured questionnaire consisting of two sections. The first section focuses on demographic characteristics of the population such as age, marital status, level of education and work experience. It consists also of industry characteristics such as business field, enterprise size, years of establishment and start-up capital. The second section contains statements evaluating the women entrepreneurs' performance concept and opportunity recognition and its surrounding influencing variables (Entrepreneurial Orientation, Human Capital, Entrepreneur Goals and Motives, Industry (SMEs) characteristics, Economic, Socio-cultural and Legal and administrative Factors). Each statement is measured on a five-point Likert scale (ranging from 1 = "strongly disagree" to 5 = "strongly agree").

To check the validity of the scales adopted, three academic experts and three entrepreneurs commented on the appropriateness of the proposed constructs and items of the study. The instrument was then pilot-tested with fifteen entrepreneurs and as a result, we made some minor modifications. We used the directory of 15,000 SMEs as a population frame which contains around 5,000 women's entrepreneurs and we randomly selected 250 women entrepreneurs that represent the targeted sample. Among 250 questionnaires that were distributed by mail and after follow up calls and visits, 150 responses were received over a period of three months making a response rate of 60%. We removed 30 invalid questionnaires, keeping 120 for analysis.

The operationalization of entrepreneurship theory of Shane (2003) is the main focus of this research. The operationalization of entrepreneurial orientation was partially adopted from Covin and Slevin (1989) measure. This measure has also been widely used in a variety of research settings because of its documented high levels of reliability and validity in numerous studies. It measures entrepreneurial orientation in term of risk taking, pro-activeness, innovativeness; competitive aggressiveness and autonomy. The operationalization of human capital was partially adopted from Bosma et al. (2004) that assess the following variables: education background, working experience, related experience, managerial experience, business education (courses) and competency. The operationalization of goals and motivation was partially adopted from motivation variables used by Kuratko et al. (1997) and Robichaud et al. (2001) focusing on four categories, which are extrinsic rewards, intrinsic rewards, freedom and control and family security. The operationalization of industry (SMEs) characteristics was partially adopted from Inmyxai and Takahashi (2009) who consider attributes of small or medium enterprises including age, size, type, location, and establisher of the business. The operationalization of economic factor was partially adopted from Wube (2010) who underlines various economic variables including interest rates, competition in the market; ability to access the market, access to capital or finance, availability of production/storage space and conditions on labor market.

The operationalization of socio-cultural factor was partially adopted from Wube (2010) and Teoh and Chong (2007). These factors include effects of social networks, cultural norms and values, religion and work-home conflicts. Furthermore, it includes the effect of parent occupation (social learning theory or entrepreneurial socialization), support from strong relations (parents, relatives, spouse, and friends) and gender stereotypes. The operationalization of legal and administrative factor was partially adopted from Wube (2010). The study uses different

factors including effect of satisfactory government support, registration and operation procedure, access to policy makers and administrative body and labor low. The business legal status of ownership is also addressed and assessed as firms being formed can have different legal ownership statuses such as sole ownership, joint ownership, family business, cooperative and others.

The operationalization of opportunity recognition factor was partially adopted from the entrepreneurship theory of Shane (2003) and Ekye et al. (2010). Opportunity for entrepreneurial activity was measured in terms of new business or business expansion (Shane, 2003). Finally, the operationalization of performance was partially adopted from Bosma et al. (2004) and Fatoki (2011). The financial (objective) and non-financial (subjective) methods are used to measure women entrepreneurs' performance. The financial measures are focused on sales growth and profitability growth. Whereas non-financial measures are focused on the increase in the number of employees, survival, ability to offer quality products and services, capacity to develop new products and processes, labor productivity, and social responsibility. In this research, Cronbach's alpha is utilized to examine the internal consistency of the hypothesized model in order to articulate the meaning of women entrepreneurs' performance by having a reliable and valid scale. The result of Cronbach's alpha for groups of factors used in this study is shown in the Table 1. It shows values at, and higher than 0.7 which are considered acceptable according to Hair et al. (2006).

Table 1. *Reliability Test Results*

Results and Analysis

This section presents and discusses study findings including testing of hypotheses and mediating effect.

Hypotheses Testing

The role stated that the hypothesis is rejected in the case of p-value lower than 5% ($p < 0.05$). On the other hand, it points out to $p < 0.05$ as a characteristic for making a decision of accepting the hypothesis. However, it is noticed that if $p = 0.05$, the hypothesis is accepted too. In the case that p-value is higher than 5% ($p > 0.05$); the hypothesis is rejected as significance is not achieved (Brush, 1992). With the specified conceptual model, each of the eight constructs was operationalized as a latent variable with multiple item scales. In order to increase the fit of the model, inter-item correlation was used to eliminate some items and thereby enhance the enter-item consistency and increase each construct's validity. Those items that had lower-item correlations and lower loading on the constructs were extracted from further analysis, leaving those presented in Appendix B.

To examine the relationship among variables, a regression analysis was used. In most situations, we try to find the causal influence of one construct on the other. To investigate such a

case, we combine data on the determined constructs and apply regression to measure the quantitative influence of the causal constructs on possible influential construct. Moreover, the statistical significance of the proposed relationship has to be evaluated which is known as the level of confidence that the correct relationship is roughly the estimated relationship (Anderson et al., 2007).

Based on the regression test, entrepreneurial goals and motivations, industry characteristics, and legal and administrative factors were supported as they have p-values (equal respectively: p-value=0.008, p-value=0.010, p-value=0.031) less than 0.05. The β values are respectively ($\beta=0.264$, $\beta=0.369$, $\beta=0.197$) which show positive relationships between entrepreneurial goals and motivations, industry characteristics, and legal and administrative factors with opportunity recognition. On the other hand, other factors which are entrepreneurial orientation, human capital, economic and socio-cultural factors were not supported at 5% as they have p-values (equal respectively: p-value=0.420, p-value=0.292, p-value=0.192, p-value=0.211) greater than 0.05. Therefore, the hypothesis is rejected. The summary of research hypotheses is shown in Table 2 below.

Table 2. *Summary of Research Hypotheses Testing*

Most Influential Factor on Business Performance

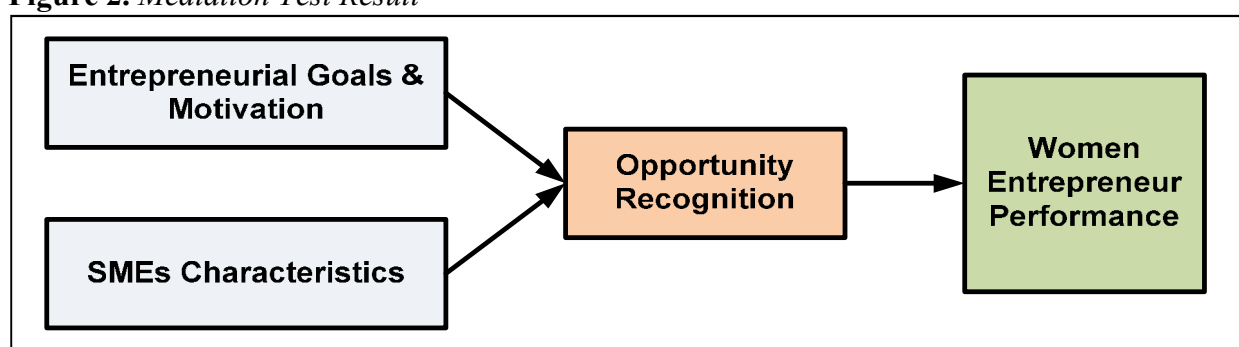
Four factors are found to have significant relationships with performance of women entrepreneurs, which are: entrepreneurial goals and motivations, industrial characteristics, legal and administrative factors and opportunity recognition with p-values less than 0.05 (equal respectively: p-value=0.008, p-value=0.010, p-value=0.03 with β values of $\beta=0.264$, $\beta=0.369$,

$\beta=0.197$). Thus, women entrepreneurs have to focus on these factors in order to enhance their performance. It is apparent that external factors strongly influence women entrepreneurs in Bahrain than internal factors. Thus, women entrepreneurs need to be careful regarding their established enterprises characteristics such as location, size, age and quality of product/service in order to achieve efficient entrepreneurial venture. Furthermore, certain procedures need to be followed by women entrepreneurs to direct their goals and motivation correctly in order to work in the right direction and to be capable of leading their business effectively. Finally, as legal factor has a vital influence on women entrepreneurs in Bahrain, a priority effort by the government has to be given to encourage and empower them.

Testing Mediating Effect of Opportunity Recognition

A mediation test was carried out based on the approach of Baron and Kenny (1986), to check whether opportunity recognition is a mediator between the seven independent factors (entrepreneurial orientation, human capital, entrepreneurial goals and motivations, industry characteristics, economic, socio-cultural and legal factors) and performance of women entrepreneurs. The result for the first step shows that the effects of the entrepreneurial goals and motivations, industry characteristics and legal factors were significant at 1% significance level with the values of β and p-value respectively: ($\beta=0.418$, p-value = 0.000, $\beta=0.451$, p-value = 0.002, $\beta=0.281$, p-value=0.004). The result for second step shows that the effect of entrepreneurial orientation, entrepreneurial goals and motivations and industry characteristics is significant with the values of β and p-value respectively: ($\beta=0.275$, p-value=0.000, $\beta=0.214$, p-value=0.011, $\beta=0.230$, p-value=0.030). For the third step the result shows that the effect of opportunity recognition is significant at 1% ($\beta=0.256$, p-value=0.000). Appendix A shows the summary of the three steps mediation test. Based on the three conditions mentioned in the mediation test of Baron and Kenny (1986), it is supported that opportunity recognition mediates two independent variables: entrepreneurial goals and motivations, and industry characteristics. The representation of the mediation test result is shown in Figure (2).

Figure 2. Mediation Test Result



Discussion and Implications

The results indicate that entrepreneurial goals and motivations influence women entrepreneurs' performance. That is compatible with most previous studies that showed entrepreneurs' motivation is the main determinant to the business growth (Shane, 2003). The result is also confirmed with many studies that approve the relationship between entrepreneurial goals and motivation with women entrepreneurs' performance. Motivation is required to translate

recognized opportunity into actions (Carsrud and Brännback, 2011). The results also indicate that industry characteristics influence women entrepreneurs' performance. That is compatible with previous studies that showed firm characteristics effect on the business success of SMEs. Furthermore, studying the relationship between industry characteristic and business performance reveals that the "years of establishment, business set-up, number of employees, nature of business, business ownership, start-up capital, business structure, and source of capital" have a significant effect on business performance (Ainin et al., 2010, p. 39).

The results show that legal and administrative factors influence women entrepreneurs' performance in Bahrain. That is compatible with many studies showing that the legal factor is among factors that influence growth orientation of women entrepreneurs and it divides legal factors into three categories: banking rules and regulations, tax laws, and labor law (Javadian and Singh, 2012). It is also found that opportunity recognition influences women entrepreneurs' performance in Bahrain. That is compatible with the entrepreneurship theory of Shane (2003) who claims that business environment includes activities that lead to entrepreneurial opportunities, and the entrepreneur's decision to exploit such opportunities leads to resource acquisition and enhance performance. Ekype et al. (2010, p. 21) said that "acquisition of resources could also lead to opportunity for entrepreneurial activity and the appropriate use of acquired resources through good business strategy and organizational design could lead to high business performance".

On the other hand, the results indicate that entrepreneurial orientation does not have a significant influence on women entrepreneurs' performance. That is against many previous studies that confirm the relationship between entrepreneurial orientation and performance. These studies consider performance as a dependent variable, while the entrepreneurial activities as an independent variable. There are general agreements about the reality that the ultimate outcome of entrepreneurial activities is of high performance (Wiklund and Shepherd, 2005). It is recognized by many researchers as the main ingredient of successful organization recipe (Lumpkin and Dess, 1996). Additionally, the results of this study indicate that the human capital does not influence women entrepreneurs' performance. That is against many researchers who discover that human capital positively influences firm performance (Bosma et al., 2004). Moreover, the results indicate that economic factors do not influence women entrepreneurs' performance. That is contradicting with previous studies that showed economic factors as one of the factors that affect the willingness of the entrepreneurs to grow the business (Rosa et al., 1996). Brush (1992) investigated factors like lack of resources, environmental uncertainty, and lack of allocated financial resources which affect the desire to grow of female entrepreneurs. Rosa et al. (1996) also expressed that the conditions on the financial market may affect the willingness to grow.

Socio-cultural factors are found not to influence women entrepreneurs' performance. That is contradicting with previous studies that showed the impressive effect of social factors on women entrepreneurs' performance (Javadian and Singh, 2012). Pirolo and Prsutti (2010) approved the positive relationship between different kinds of social capital in an organization on its economic performance during all phases of constructing the business. Additionally, in the study of Iranian women entrepreneur's growth orientation conducted by Arasti et al. (2012), it considers the effect of social connection, cultural norms and values are highly influence women entrepreneurs' growth orientation.

Theoretical Implications

Current study findings show significant relationships between industry characteristics, entrepreneurial goals and motivations, legal and administrative, and women entrepreneurs' performance. Researchers, therefore, should build on the significant relationships of these factors and work out on the reasons caused by poor relationships with other factors. This study sheds light on the importance of the society that is neglected from most of researches. It contributes to the business research by providing a study that explores issues relevant to this group issues from different economic, social and industrial perspectives. It covers the main points of women entrepreneurs in an area that lacks these studies and opens up the door for other researchers to contribute in this field.

Managerial Implications

As a result of our study, women entrepreneurs have an opportunity to identify the strengths and weaknesses of entrepreneurship along with existing opportunities and threats. The study demonstrates opinions of women entrepreneurs' towards internal and internal factors affecting their businesses. Officials can consider such factors and encourage an environment that increases their performance. This study can also stimulate women entrepreneurs to enhance their educational background and familiarize themselves with entrepreneurial capabilities that have valuable effects on their performance.

Conclusion

Findings suggest that the most influencing factors are industry (SMEs) characteristics followed by entrepreneurial goals and motivations, and legal and administrative factors. Therefore, women entrepreneurs have to focus on these factors in order to enhance their performance. It is apparent that external factors strongly influence women entrepreneurs than internal factors. Thus, women entrepreneurs need to be careful regarding characteristics such as location, size, age and quality of product/service in order to achieve powerful entrepreneurial venture. Therefore, certain procedures need to be followed by women entrepreneurs to direct their goals and motivation correctly. First, women entrepreneurs should set detailed development strategies for enhancing their performance. Second, they should enhance their entrepreneurial orientation by learning soft skills. Furthermore, as economic, socio-cultural and legal and administrative factors have vital influence on women entrepreneurs, these have to be taken into consideration by officials to receive enough support.

As a mediation is a causal model that explains the process of why and how a cause and-effect happens (Wu and Zumbo, 2008), our study shows that opportunity mediates two independent variables which are entrepreneurial goals and motivations, and industry characteristics. This means that these two factors have main impacts on women entrepreneur performance. Goals are highly achievable when women entrepreneurs plan well, are motivated and independent. This is supported by the fact that Saudi women and Bahraini women are particularly motivated by self-actualization and monetary incentives. Industry characteristics' attributes include SMEs' size, age, type and location. These two factors can play very well for women entrepreneurs when good economic growth and regulatory system are in place, resulting in high level of opportunity recognition.

Limitations

Although the research study has attained its objectives, there are still some unavoidable limitations. Some researchers claimed that limited control over the research setting considered as a common obstacle (Burns and Grove, 2003). We investigated eight variables where other factors such as management practices might show significance. Study sample might be expanded to include women entrepreneurs beyond Bahrain. Finally we used a questionnaire as a method to collect data from women entrepreneurs but using other methods like interviews might enhance the result by collecting more details.

Future Research

As Sekaran (2003) has mentioned every research project has seven predictable life cycle stages. Conceptualizations, birth, infancy, adulthood, take-off stage, maturation, and decline. Without any doubt, the topic of female entrepreneurship in Bahrain is still in its conceptualization stage. Therefore, there is a need for future research studies within this topic. For future studies, other factors might be added to develop the model. For example, studying job complexity factor might have a significant relationship with entrepreneurs' performance. Furthermore, there are fewer studies that focus on opportunities as a mediator of relationships between entrepreneurial internal and external factors, and work performance (Ekype et al., 2010; Shane, 2003; Shane and Venkataraman, 2000). Using mediation is very important to link cause and effect and strengthen the relationship between independent and dependent variables. It is also suggested to compare the findings between men and women entrepreneurs using a comprehensive framework. Comparison between nations is another area that warrants further research attention.

Appendix A: Summary of Mediation Test

Appendix B: Operationalization of Constructs

Biographical Details

Fatema S. M. A. Hasan (MBA graduate, Ahlia University) is an active researcher who holds a Bachelor degree in Business Information Systems from University of Bahrain. She has research interests in entrepreneurship and SMEs. She also worked on several programming projects.

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Table 1. Reliability Test Results

Factor	Total no. of Items	Excluded Items	Items Considered	Alpha Cronbach Reliability Coefficient	Reliability Level
Internal (Personal) factors	22	5	17	0.779	Reliable
External (Environmental) factors	20	11	9	0.700	Reliable
Opportunity recognition	10	8	2	0.700	Reliable
Performance of women entrepreneurs	8	2	6	0.794	Reliable

Table 2. Summary of Research Hypotheses Testing

Research Hypothesis	Decision	
		Reason of acceptance or rejection
H₁: Entrepreneurial Orientation (EO) influences women entrepreneurs' opportunity recognition.	Reject	Not supported at 5% significance level ($\beta=0.073$, p-value=0.420).
H₂: Human Capital (HC) influences women entrepreneurs' opportunity recognition.	Reject	Not supported at 5% significance level ($\beta=0.129$, p-value=0.292).
H₃: Entrepreneurial Goals and Motivations (EGM) influence women entrepreneurs' opportunity recognition.	Accept	Supported at 1% significance level ($\beta=0.264$, p-value=0.008).
H₄: Industry Characteristics (IC) influence women entrepreneurs' opportunity recognition.	Accept	Supported at 5% significance level ($\beta=0.369$, p-value=0.010).
H₅: Economic Factor (EF) influences women entrepreneurs' opportunity recognition.	Reject	Not supported at 5% significance level ($\beta=0.156$, p-value=0.192).
H₆: Socio-cultural Factor (SCF) influences women entrepreneurs' opportunity recognition.	Reject	Not supported at 5% significance level ($\beta=-0.105$, p-value=0.211).
H₇: Legal Factor (LF) influences women entrepreneurs' opportunity recognition.	Accept	Supported at 5% significance level ($\beta=0.197$, p-value=0.031).
H₈: Opportunity recognition of women entrepreneurs is positively related to women entrepreneurs' performance.	Accept	Supported at 1% significance level ($\beta=0.313$, p-value=0.000).

Appendix A: Summary of Mediation Test

Regression (dependent on independent variable)	β	Significance level	Condition	Verification
Regress1: mediator with independent variable				
Entrepreneurial Orientation on Opportunity	.026	0.766	Insignificant affect	Not verified
Human Capital on Opportunity	-0.136	0.180	Insignificant affect	Not verified
Entrepreneur Goals and Motives on Opportunity	0.381	0.000	Significant affect	Verified
Industry (SMEs) Characteristics on Opportunity	0.288	0.002	Significant affect	Verified
Economic Factors on Opportunity	0.012	0.895	Insignificant affect	Not verified
Socio-cultural Factors on Opportunity	-0.085	0.328	Insignificant affect	Not verified
Legal and Administrative Factors on Opportunity	0.281	0.004	Significant affect	Verified
Regress2: dependent with independent variables				
Entrepreneurial Orientation on performance	0.360	0.000	Significant affect	Verified
Human Capital on performance	0.062	0.522	Insignificant affect	Not verified
Entrepreneur Goals and Motives on performance	0.251	0.011	Significant affect	Verified
Industry (SMEs) Characteristics on performance	0.189	0.030	Significant affect	Verified
Economic Factors on performance	0.046	0.611	Insignificant affect	Not verified
Socio-cultural Factors on performance	0.072	0.389	Insignificant affect	Not verified
Legal and Administrative Factors on performance	0.044	0.635	Insignificant affect	Not verified
Regress3: dependent with both: mediating and independent				
Entrepreneurial Orientation on performance	0.351	0.000	Significant affect	Verified
Human Capital on performance	0.107	0.248	Insignificant affect	Not verified
Entrepreneur Goals and Motives on performance	0.125	0.200	Insignificant affect	Not verified
Industry (SMEs) Characteristics on performance	0.094	0.270	Insignificant affect	Not verified
Economic Factors on performance	0.042	0.623	Insignificant affect	Not verified
Socio-cultural Factors on performance	0.101	0.208	Insignificant affect	Not verified
Legal and Administrative Factors on performance	-0.049	0.585	Insignificant affect	Not verified
Opportunity on Performance	0.330	0.000	Significant affect	Verified

Appendix B: Operationalization of Constructs

Constructs	Item Code	Item Description	Source
Entrepreneurial Orientation	EO1	I like to invent new things with support of new ideas, experimentation and creative processes	Covin and Slevin (1989)
	EO2	In my company, changes in product or service have not been quite dramatic in the last 5 years	
	EO3	In general, I have a weak tendency for high-risk projects (with chances of very high returns)	
	EO4	I develop and implement strategies with high goal orientation and clear long term planning	
	EO5	I always scan the environment for business opportunities and proactively pursue them	
	EO6	I like to act independently in most situations and I make quick and self-reliant decisions	
Human Capital	HC1	My education background enables me to handle complicated business activities	Bosma et al. (2004)
	HC2	I don't have previous work experience related to this business before I start it (A)	
	HC3	I acquire the skill for running the enterprise from past working experience	
	HC4	I have experience in managerial practices to lead the business.	
	HC5	I attended few business and technical skills courses at start-up process only	
	HC6	I am competence in financial management	
	HC7	I am not competence in personnel management	
	HC8	I am competence in marketing management	
Entrepreneur Goals and Motives	EGM1	I decided to make my own business to be my own boss	Kuratko et al. (1997) and Robichaud et al. (2001)
	EGM2	I decided to make my own business to have personal growth and meet the challenges	
	EGM3	I don't decide to make my own business to acquire personal wealth	
Economic Factors	EF1	I am satisfied with the financial facilities given by banks and other lending institutions	Wube (2010)
	EF2	There is maintenance of accurate records of sales/expense in my enterprise	
	EF3	I can't find qualified labour for my business	
	EF4	My business is not offering good product at competitive Price	
Socio-cultural Factors	SCF1	My parents have their own business	Wube (2010) and Teoh and Chong (2007)
	SCF2	The support from strong ties (spouse, parents, friends and relatives) have a positive effect on my business growth	
	SCF3	I suffer greatly from the gender discrimination caused by culture and traditions of the society	
Legal and Administrative Factors	LAF1	I have business assistance and supporters from government bodies	Wube (2010)
	LAF2	I am beneficiary of government incentives	
Opportunity recognition	OR1	I have a special "alertness" or sensitivity toward new venture opportunities	Shane (2003) and Ekye et al. (2010)
	OR2	The government regulation increase the opportunities because it provides resources that increase demand or provide subsidies.	
Women entrepreneurs' Performance	EP1	There is an increase in sales and profitability during the three last years	Bosma et al. (2004) and Fatoki (2011)
	EP2	My business doesn't have the capacity to develop new products and processes	
	EP3	I don't think that my business will survive and continue its activity forever	
	EP4	More than 50% of profit are reinvested in the business	
	EP5	My business is offering high quality of products and services	
	EP6	I am committed with social responsibility. i.e. employing local nationals	