STUDY ON CHALLENGES FACING WOMEN ENTREPRENEURS AND PROVISION OF FUNDING SERVICES IN DHOFAR, OMAN

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Abstract - Oman has been providing encouraging incentives for women entrepreneurs to participate in the social and economic development of the country. However, those women are facing challenges to sustain in the business. One of the financial challenges is the provision of funding services. This study examined the funding services provided to the women entrepreneurs in Salalah, Dhofar governorate of Oman via survey questionnaires. We found that banks and other institutions and agencies offer a number of funding services to promote the growth of small businesses among Omani women in the southern part of Oman. However, only 36.7% of the respondents are funded by the commercial banks despite a positive relationship is found between the two variables in the study. As such, more efforts are called upon for the commercial banks to promote and market their products to these fast growing rural entrepreneurship in Oman. Both banking industry and entrepreneurship are two important sectors of Oman's economy.

Keywords - Entrepreneurship, banking, management accounting, Oman, women entrepreneurs

I. INTRODUCTION

Women entrepreneurs have been contributing significantly to the world economies (CWBR, 2018). Additionally, we have seen many studies discussed on the challenges facing women entrepreneurs in many areas in the world (Ahl and Nelson, 2015; Avolio, 2017). However this study focuses on women entrepreneurs in Dhofar Governorate in the Sultanate of Oman. Limited literature is available related to women entrepreneurs in this region. Omani women come a long way to be successful in entrepreneurship and they are provided with many opportunities and encouragements for their participations and contributions to the economic growth. Entrepreneurship in the Sultanate of Oman plays an important role in the diversification of the economy such as alleviation of poverty, securing employment opportunities to its increasing youthful population and reducing the current heavy reliance on the country's oil revenue (Magd and McCoy, 2014).

II. PREVIOUS STUDIES

There are many challenges that do not welcome women economic independence from men. Among these challenges are availability of affordable childcare, the lack of technical, managerial and financial skills, lack of information and above all lack courage to venture into the business world (Belwan et. al.,2014; Gherardi,2015). These studies noted that the main difficulties faced by entrepreneurs were insufficient financial resources and external financing. In addition, McElwee and Meaton (2017) examined women living in rural and mountain areas who aspire to move beyond their traditional family roles. They identified several problems including accessing funding for new ventures and innovative activities, a lack of skills-based training and limited family support. Funding support is seen as one of the important challenges encountered by most women entrepreneurs.

The Sultanate of Oman has done fairly well in promoting entrepreneurship and especially in their effort to empower Omani women to become entrepreneurs, both from the government as well as the private sectors in the country. Al Rafad Fund, Oman Development Bank, The Research Council Funding Program and the Ministry of Social Development are some examples of the funding providers in the government sector financing (HCT, 2014). Meanwhile, Sharakah, Grofin, Towell, Saud Bahwan group and Zubair SEC are examples of private sectors fundings (Al Ghassani et. Al; 2017). In this study, researchers explored to look into the relationshipship between the provision of funding services and does these provision meet the satisfaction of women entrepreneurs.

III. RESEARCH METHODOLOGY

This study aims to identify the relationship between funding provisions by banks and customers' (i.e. the entrepreneurs') satisfaction to the services provided. As such, the study carried out a survey and distributed bilingual questionnaires (Arabic and English) to a sample of 150 respondents in Salalah, the capital city of Dhofar Governorate. Five areas were identified for this study, namely Saadah (27%), New Salalah (20%), Awqad (23%), Al Dahariz (20%) and Old Salalah (10%) due to the concentrations of women entrepreneurs in these areas.

There are three parts in the questionnaire – the demographic data and entrepreneurial backgrounds of the respondents, independent variable (funding provision) and independent variable (customer satisfaction). A five-point Likert scale ranging from 1 (strongly disagree) until 5 (strongly agree) was used

for the quantitative measures to test the relationship between funding provisions and satisfaction of the entrepreneurs. While open ended questions are included to encourage respondents to provide additional information not cover in the structured questions. All respondents were either owners or partners in the business in which they involved. Out of 150 sets of questionnaire that were distributed, only 125 were usable (83% response rate).

IV. DATA ANALYSIS AND RESULTS

1. Respondents' details and backgrounds

Table 1: Demographic data

Current Age	Below 18 18-25 26-35 46-55 Above 55	3.3% 30.0% 46.7% 13.3% 6.7%
Age start business	Below 18 18-25 26-35 46-55	26.7% 36.7% 26.7% 10.0%
Type of business	Food Abaya Jewelry Children clothes Others	30.0% 16.7% 23.3% 26.7% 3.3%
Years in business	Less than one year 1-3 yrs 3-5 yrs 5-10 yrs More than 10 yrs	 30.0% 20.0% 23.3% 10.0% 16.6%
Gross annual sales	About RO 10000 Between RO 10000 and 15000 More than RO 15000	 26.7% 30.0% 43.3%

Table above shows that 3.3% of the respondents are below 18 years old and 6.7% are above 55 years old, while the majority of the respondents (46.7%) are between the ages of 26 to 35 years old. 36.7% of the respondents started to involve in business at the age between 18 – 25 years old and 30% of the respondents are in the food industry. The survey shows that many of them (30%) are just starting their business while 16.6% have been in the business for more than 10 years. The Gross annual sales for 43.3% of the respondents are more than fifteen thousands Omani Riyal.

2. Support and Challenges

Table 2: Financial and Business Support

Involved fully in family business	Yes No	33.3% 66.7%
Support from family members	Yes No	90.0% 10.0%
Funding from private banks	Yes No	36.7% 63.3%

Table 2 provides information regarding the support the respondents are getting in their business. Only 33.3% of the respondents are involved in their family business; however 90% are supported by their family in doing their business. Meanwhile, the table also shows that only 36.7% of the respondents obtain funding from the banks.

Table 3: Ranking of Challenges

1. Applying for loans to fund the business
2. Quality products
3. Setting plans
4. Dealing with customers
5. Managing Raw Materials and time
6. Competition
7. Trainings
8. Lack of knowledge about business

Table 4: Funding Providers

1.	Bank Muscat
2.	Bank Dhofar
3.	Oman Arab Bank
4.	National Bank Of Oman
5.	Oman Development Bank
6.	Loan from Sanad
7.	My Saving
8.	My father
9.	My mother
10.	Relatives

Table 3 lists the ranking of challenges facing the respondents in the study. Majority of them noted that applying loans to fund their business is the biggest challenge among all the challenges they faced in business. While in Table 4 represents the list of funding providers to the respondents. The list is not according to importance).

3. Hypothesis testing

Table 5 A and Table 5B show the means and the standard deviations of funding provisions and customers' satisfaction respectively. While Tables 6 (A and B), 7 and 8 represent hypothesis testing for statistical significance. As per those results, null hypothesis of this study is rejected, suggesting that there is a positive relationship between the provision of funding and satisfaction. It is clear from the findings that there is a correlation between the provision of funding services by banks and customer satisfaction.

Table 5A: Funding provision

Item	Mean	Std Dev.
Bank offers different criteria of fundings	4.33	.817
Bank provides on-line funding facilities	3.84	1.212
Bank provides useful collection of payments for fund	3.96	1.118
Bank offers Crowd-funding for project work	4.13	.787
Bank provides loans via credit system	4.24	.712
Loans are with acceptable interest rates	4.11	1.004
Bank offers competitive edge of funding	4.30	.823
Bank offers small credit facilities to service short-term debts	4.21	.756

Table 5B: Customers' Satisfaction

Item	Mean	Std Dev.
Bank employees can be trusted	3.57	1.966
Safe when dealing with the employees	4.54	.593
Bank cares about customers' problems	4.36	.578
Employees are polite and tact	4.24	.806
Employees have sufficient knowledge	4.16	.861
Delivery of services are timely	3.97	.893
Bank ensures your success in project	4.21	.756
I am satisfied with the funding services	4.21	.701

Table 6 A: Reliability test for funding

Cronbachs Alpha	No Of Items
.839	8

Table 6 B : Reliability test for customer satisfaction

Cronbachs Alpha	No Of Items
.703	8

Table 7 : Correlations

		Funding	Customer satisfaction
funding	Pearson Correlation	1	.479**
	Sig. (2-Tailed)		.000
	N	125	125
satisfaction	Pearson Correlation	. 479**	1
	Sig. (2-Tailed)	.000	
	N	125	125

**Correlation is significance at the 0.01 level (2-Tailed)

Table 8: Nonparametric Correlations

		Funding	Customer satisfaction
funding	Pearson Correlation	1	.316**
	Sig. (2-Tailed)		.000
	N	125	125
satisfaction	Pearson Correlation	. 316**	1
	Sig. (2-Tailed)	.000	
	N	125	125

**Correlation is significance at the 0.01 level (2-Tailed)

DISCUSSION AND CONCLUSION

The results above suggested that most of the women entrepreneurs in the study perceived that fundings services from the commercial banks are useful and helpful in maintaining their small business. However, majority of them in this study (63.7%) did not receive funding from the private banks in Oman. This is due to the fact that much of the Omani entrepreneurs preferred to fund their small business from the government agencies and/or savings from personal and family members. As such, more effort are needed from the commercial banks in Oman to promote and market their products to this customer segment, particularly the women entrepreneurs in Dhofar governorate, as this is one of the segments which is progressively growing in the Omani economy that the banking sector should not overlooked.

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