علاقة الخصائص الريادية لرائدات الأعمال السعوديات بأداء الأعمال للشركات الصغيرة في المنطقة الشرقية

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الكلمات الافتتاحية:
الحاجة إلى الإنجاز، الكفاءة الذاتية، مركز التحكم، الميل إلى المخاطرة، أداء الشركات الصغيرة، الخصائص الريادية، رائدات الأعمال السعوديات.

ملخص البحث:
حققت المرأة السعودية الكثير من الإنجازات والنجاحات في العديد من المجالات، وخاصة في مجال التعليم العالي، وبالرغم من ذلك لا تزال مشاركتها الاقتصادية دون المستوى المأمول، خاصة في ظل تركيز رؤية 2030 على زيادة مشاركة المرأة في سوق العمل ليصل 30 بالمئة بحلول 2030.

وتناول البحث الحالي علاقة الخصائص الريادية لرائدات الأعمال بأداء الشركات الصغيرة في المنطقة الشرقية بالمملكة العربية السعودية. وأُجري البحث على عينة (عينة كرة الثلج) قوامها 105 من رائدات الأعمال اللاتي أجبن عن الاستبيان.

وقد كشفت نتائج الدراسة عن وجود علاقة معنوية إيجابية بين الميل إلى المخاطرة والكفاءة الذاتية وبين أداء الشركات الصغيرة. وكشفت نتائج الدراسة كذلك عن عدم وجود علاقة معنوية إيجابية بين الحاجة إلى الإنجاز ومركز التحكم وبين أداء تلك الشركات.

ويوصي الباحثان بضرورة تصميم برامج تستهدف العائلة السعودية من أجل غرس القِيَم الريادية في الفتيات، وبناء الخصائص الريادية في مرحلة عمرية مبكرة. أيضًا أكدت الدراسة على ضرورة اهتمام الجهات الداعمة لريادة الأعمال النسائية –كالغرف التجارية ومنشآت– بتصميم وتنفيذ برامج تدريبية غير تقليدية لبناء المهارات والكفاءات الضرورية لضمان نجاح ونموّ تلك المنشآت الريادية.

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feel that they have locus of control in order to realize their goals and believe that outcomes are primarily determined by personal efforts. Perhaps, Saudi women entrepreneurs, with the Arab intuitive trading tradition still deeply ingrained, with the Islamic view of fate molding both their private and their business lives and facing the economic uncertainties associated with fluctuating oil prices, may feel that they do not have control of their outcomes.

As expected, the relationship between risk taking propensity and small firm performance was found to be positive and significant. The results are consistent with the findings from other studies which found a significant positive effect (Kiprotich et al., 2015; Lawal et al., 2018; Mohanty, 2015; Wambugu et al., 2015). The current results provide important insight that risk taking is crucial to seize profitable opportunities in the face of uncertainty. Furthermore, the results indicate an association between risk taking as a strategy and the competitive advantage of small ventures of Saudi female entrepreneurs as the ability of small ventures to stay competitive is directly related to the ability to take risks. Overall, the findings demonstrate that risk taking is an important quality for entrepreneurs for their long-term profitability and superior growth. This result indicates that the ability to take risk by women entrepreneurs could lead to better firm's performance through higher rate of market share, profit and sales.

It is hoped that this research can help to provide a deeper understanding of women entrepreneurs in Saudi Arabia and provide a starting point for understanding the entrepreneurship experience by Saudi women. Finally, the changing reality of modern life in Saudi Arabia and the limited job opportunities for educated women, highlight the urgent need to promote women entrepreneurship to better allow them to contribute to the economy.

Implications

There are several theoretical and practical implications in this study. From theoretical viewpoint, first, findings of this study strengthen the body of knowledge by testing and confirming the relationship between entrepreneurial characteristics and firm performance. Second, findings shed new light on the relationship between the need for achievement and business performance, despite popular beliefs of the classic image of the entrepreneur as a "high need achiever", the results reveal the negative effect of need for achievement on business performance. These findings contribute to the more critical studies that have assumed the delicate nature of the need for achievement (e.g., DeLong, 2011) which may lead to counterproductive practises for some entrepreneurs and small-business owners in their business' operations and decision-making, which can consequently adversely affect the ventures' performance.

There are several important practical implications based on findings. First, literature suggests that family influences individual's decision to start a new venture (Kirkwood, 2012). It is therefore suggested that the government should design initiatives and programs to educate Saudi families about the importance of women's entrepreneurship and the significance of the family context in fostering women's entrepreneurship from childhood. Families should be taught the importance of supporting their female children's passions, developing their characteristics that are vital for the entrepreneurial mindset, and their entrepreneurial capabilities.

Second, educators might also find the results of this study insightful. It is therefore suggested that the government, especially those responsible for education, should pay serious attention to education reform, and match between the output of educational systems and Saudi Vision 2030 goals for women, in order to give them a better chance in a world that is becoming progressively competitive. The horizons are limitless, the challenges are immense, and current efforts are meagre at best. In particular, educational institutions should design teaching strategies and develop curriculum by considering these entrepreneurial characteristics in order to help students to develop these characteristics.

There should be an increased effort among the organizations that support women entrepreneurs like Chambers of Commerce and Monsha`at throughout the kingdom to encourage women to become entrepreneurs by providing workshops and clinics specifically designed to teach women how to start and successfully manage a business.

Future Research Directions

This study suggests that researchers should focus on following areas in future:

- It might explore innovativeness as essential element in entrepreneurship ventures, not only in technical ones but also including innovativeness in the business model, channels of sale, distribution and services. Recently, Saudi female entrepreneurs have demonstrated creativity and innovativeness in their ventures. Further research could be helpful to determine the efficacy of promoting entrepreneurial culture among women in Saudi Arabia as sustaining this culture requires the right attitude and characteristics for new ventures through suitable policies and incentives in place.
- Future researcher should explore and test other entrepreneurial characteristics, which could influence firm performance.
- Future studies should explore the role of education system and universities in developing the entrepreneurial characteristics by creating supportive environment.
- The rapid changes in the socio-cultural and economic environment in the kingdom in the last five years is expected to continue in the future. Thus, a replication of a study with similar research aims is highly desirable.
- A final suggestion for further research is conducting this study across a wider geographical area with focus on the negative relationship that have been found in this study. For example, it would be interesting to look at the need for achievement and locus of control in different region of the kingdom to see if the location of an entrepreneurial business has any impact on the performance of women entrepreneurial businesses.

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Table 10: ***Hypothesis Testing***

Relation	Statement	t-Value	Sig.	Finding
H1	Need for achievement positively influences small business performance.	-1.558	.122	Not Supported
H2	Self-efficacy positively influences small business performance.	3.958	.000	Supported
H3	Locus of control positively influences small business performance.	-2.262	0.026	Not Supported
H4	Risk taking propensity positively influences small business performance.	5.506	.000	Supported

DISCUSSION

In light of the relative dearth of research into women entrepreneurs in Arab world, this study has aimed to provide a greater understanding of the relationship between need for achievement, self-efficacy, locus of control, risk-taking propensity and small firm performance. From the data collected from 105 participants in the Eastern region in Saudi Arabia, the findings provide empirical support for two hypotheses, i.e., self-efficacy and risk-taking propensity. Self-efficacy, and risk-taking propensity were found to have positive and significant relationships with firm performance, while no positive significant relationship was found for the need for achievement, and locus of control on firm performance. Therefore, the study provides evidence showing the impact of entrepreneurial characteristics on firm performance. Although, this topic has been widely discussed in the literature, it is rarely examined in the Arab world, in which culture and social practice are different from the West.

Unexpectedly, no positive significant relationship was observed between need for achievement and business performance and these findings are consistent with Poon et al. (2006). Possible reason behind no significant relationship between need for achievement and business performance could be due to the operant real-life outcomes as entrepreneurial success in the real world is more likely to be governed by implicit motives that are evaluated using projective measures (as cited in Poon et al., 2006 p.72). In addition, Isaga (2018) also found weak relationship between need for achievement and SME performance. Therefore, without cognitive characteristics, such as alertness, creating style, and role models, personality traits as need for achievement may have no effect on SME performance.

In accordance with the findings of DeLong (2011), it has been found that characteristics such as a high need for achievement, can lead to counterproductive habits once the person has attained a managerial position. For instance, as in the current study when the female entrepreneur who is appointed in her own venture to a managerial position and strives for success but this runs the risk of her becoming overemphasis on controlling in terms of the making of decisions and overseeing operations, thereby resulting in negative consequences for the firm performance. It is also distinctly possible that high achievers entrepreneur will enjoy to perform tasks themselves and will be particularly reluctant to delegate authority, accordingly this could result in them seeking to micromanaging and overbearing every aspect of their small firm's operations and expecting that their staff are as motivated, dedicated to work as they are and perform their duties in a very specific manner (McClelland and Burnham, 1976). Behaving in such a way can adversely effect on business performance.

An alternative explanation for the insignificant result is possibly that entrepreneurs with a high need for achievement are not only fearful of failure but also reluctant to accept the fact that they have failed. Rather, they may be inclined to remain resolutely focused on their main skills even if to do so causes them to neglect the greater needs of their ventures (DeLong, 2011). Consequently, by refusing to step out of their comfort zone they could put their career at jeopardize and adversely affect the performance of their firm. Alhabidi (2013) observed that many Saudi women entrepreneurs seem to have a fear of failure and believe they will succumb to social pressures to fulfil more traditional gender roles, so consequently that have an adverse effect on both their venture performance and motivations. Almobaireek & Manolova, 2013, provided in-depth analysis of the entrepreneurial motivations of young Saudi women and explored whether need for achievement may be deemed irrelevant by aspiring young female entrepreneurs in Saudi Arabia. They found that 62.09% of male respondents identified the need for achievement as a reason to start a new venture, compared to only 10% of female respondents. The most important finding is that young female Saudis have a narrower range of entrepreneurial motivations, especially the need for achievement compared to men due to the effects of traditional restrictions, social constraints and the challenges women face that were previously referred to. As Almobaireek & Manolova (2013) stated "a good understanding of human motivations is critical to the study of entrepreneurial intentions and their conversion into value-creating entrepreneurial behaviours."

As expected, self-efficacy positively influences firm performance and these findings are consistent with past studies such as Khedhaouria et al. (2015) who reported positive relationship between self-efficacy and firm performance. One possible explanation is that the significant strides in educational achievement Saudi women made, increase their abilities to take entrepreneurial activities and equip them with the necessary skills and confidence to become successful entrepreneurs.

In addition, Judge et al., (2007) stated "It may be the entrepreneur self-belief in their capabilities that drives them to achieve their performance targets". Very recent studies by Miao et al. (2017); Çetin and Aşkun (2018) also reported positive relationships between entrepreneurial self-efficacy and firm performance. The plausible reason for the positive relationship is likely to exist because self-efficacy influences a company's performance by means of conscientiousness (Judge et al., 2007). Entrepreneurs that are conscientious are likely to set particularly ambitious targets and make a concerted effort to realise them (Chen et al., 2007).

In addition, current study has revealed that the locus of control is negative and significantly influences firm performance. Previous researchers have reported similar results (Boone and Hendriks, 2009), observing a significant negative relationship. The absence of a positive relationship could be due to cultural and social norms. Culture plays an important role in the growth or failure of entrepreneurial activities. It influences the concept of locus of control for female entrepreneurs in Saudi Arabia. Rotter (1966) acknowledged that culture influences a person's locus of control by classifying the situations and acts as either skill based or chance. Another possible explanation might be that entrepreneur's locus of control needs to be associated with freedom of choice, independence, opportunity and achievement to adopt an internal locus of control and that might be a reason for the negative effect of locus of control on firm performance in Saudi Arabia. It is important to underscore that Saudi women face cultural and legal obstacles as entrepreneurs because of their families' conservative attitudes and, as stated earlier, locus of control is associated with more freedom, independence and achievements which some of Saudi women lack. According to Utsch & Rauch, 2000, it is necessary for entrepreneurs to

Table 5*: Multiple Regression Analysis Between Independent Variables on Dependent Variable*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.600[a]	.359	.334	.48323	
Model		Beta	Std. Error	t	Sig.
1	(Constant)	2.457	.530	4.637	.000
	NA	-.156	.100	-1.558	.122
	SE	.403	.102	3.958	.000
	LC	-.304	.134	-2.262	.026
	RT	.437	.086	5.056	.000

a. Dependent Variable: FP

Table 5 shows the R value for need for achievement, self-efficacy, locus of control and risk taking is .600. In addition, the R square value is 36% for the four independent variables; all independent variables together show the variance in firm performance; 64% is explained by other variables.

Hypotheses Testing

This section is concerned with the testing of the hypotheses related to the main effects. To examine Hypothesis 1, a linear regression was conducted on business performance using the need for achievement as a predictor. The finding was not statistically significant, and the beta coefficient was negative $\beta = -0.128$ and Sig. = 0.122. At $p<0.01$, H1 is rejected. The results are presented in Table 6.

Table 6: *Linear Regression on Business Performance Predicted by the Need for Achievement*

Variable	B	SE	Beta	T-value	Sig
(Constant)	2.457	.530		4.637	.000
Need for achievement	-.156	.100	-.128	-1.558	.122

Furthermore, Hypothesis 2 predicted a significant positive relationship between self-efficacy and business performance. A linear regression was conducted on business performance using the self-efficacy as a predictor. The finding was statistically significant, and the beta coefficient was positive $\beta = 0.473$ and Sig. = 0.000. At $\rho < 0.01$ H2 is accepted. The results are presented in Table 7.

Table 7: *Linear regression on business performance predicted by the self-efficacy*

Variable	B	SE	Beta	T-value	Sig
(Constant)	2.457	.530		4.637	.000
Self-efficacy	.403	.102	.473	3.958	.000

To examine Hypothesis 3, a linear regression was conducted on business performance using the locus of control as a predictor. The finding was not statistically significant, and the beta coefficient was negative $\beta = -0.307$ and Sig. = 0.026. At $\rho < 0.01$ H3 is rejected. The results are presented in Table 8.

Table 8: *Linear Regression on Business Performance Predicted by the Locus of Control*

Variable	B	SE	Beta	T-value	Sig
(Constant)	2.457	.530		4.637	.000
Locus of Control	-.304	.134	-.307	-2.262	.026

To examine Hypothesis 4, a linear regression was conducted on business performance using the risk taking as a predictor. The finding was statistically significant, and the beta coefficient was positive $\beta = 0.509$ and Sig. = 0.000. At $\rho < 0.01$ H4 is accepted. The results are presented in Table 9.

Table 9: *Linear Regression on Business Performance Predicted by the Risk Taking*

Variable	B	SE	Beta	T-value	Sig
(Constant)	2.457	.530		4.637	.000
Risk Taking	.437	.086	.509	5.056	.000

In summary, the overall pattern of results indicated that self-efficacy and risk-taking influenced firm performance directly, whereas locus of control and need for achievement did not. Interestingly, these results are quite different from those in the empirical literature using American and European samples relating to the need for achievement and locus of control (Cheng et al., 2013; Deatherage, 2017; Smith et al., 2011). According to Lee and Tsang (2001), entrepreneurship is deeply rooted in culture. Indeed, a sizeably proportion of the empirical literature concerning entrepreneurial characteristics related to venture performance is focused on the Western populations and it is no longer believed that theories developed in one culture can automatically be generalised to other cultures. A more detailed assessment of the results is available in the discussion section.

Table 2: ***Summary of Demographic Profiles***

	Frequency	Percentage
Age		
20-30 years	30	28.6
31-40 years	50	47.6
41-50 years	23	21.9
51+ years	2	1.9
Marital status		
Single	43	41.0
Married	54	51.4
Divorced	7	6.7
Widowed	1	1.0
Academic qualifications		
High school degree or less	8	7.6
Bachelor's degree	69	65.7
Master's degree	28	26.7
Duration of experience in own small/medium-sized enterprises		
1-5 years	59	56.2
6-10 years	26	24.8
More than 10 years	20	19.0

Descriptive Analysis of the Variables

Table 3 shows descriptive analysis of the variables in the present study. The descriptive analyses of the constructs in this study include the name of the variables, number of items, mean and standard deviation (see Table 2).

Table 3: ***Descriptive Statistics for Constructs***

Variables	N	Mean	Std. Deviation	Variance
Need for Achievement	105	4.5968	.48414	.234
Self-Efficacy	105	3.7592	.69627	.485
Locus of Control	105	3.7102	.59897	.359
Risk Taking	105	3.5485	.68992	.476
Business Performance	105	3.6752	.59205	.351

Correlation Analysis

Correlation analysis was used to explain the relationship between all independent and dependent variables. The independent variables are risk taking, locus of control, need for achievement, self-efficacy, and the dependent variable is firm performance. Pearson's correlation analysis ranges between +1 and -1 and such value explains the strength of relationship between independent and dependent variables which has been categorised as low, moderate or high based on the value of the Pearson's correlation analysis and the results are tabulated in Table 4 below that shows that all of the independent and dependent variables are significantly correlated to each other.

Table 3 illustrates that the overall mean for all of the constructs ranged between 3.5485 and 4.5968. More specifically, the standard deviation for the need for achievement is .48414 and the mean is 4.5968. This suggests that respondents tended to have a high level of perception of the need for achievement. Table 2 also illustrates that the mean for self-efficacy is 3.7592, with a standard deviation of .69627. This suggests that the respondents tend to have medium-to-high levels of perception of self-efficacy. Additionally, the findings indicate a mean of 3.7102 and a standard deviation of .59897 for locus of control as medium to high. The mean and standard deviation for risk taking propensity is 3.5485 and .68992 respectively. Lastly, the firm performance mean is 3.6752 and the standard deviation is .59205.

Table 4: ***Correlation Between the Variables***

Correlations						
		1	2	3	4	5
1- NA	Need for Achievement	1				
2- SE	Self-Efficacy	.190*	1			
3- LC	Locus of Control	.080	.729**	1		
4- RT	Risk Taking	.027	.386**	.601**	1	
5- FP	Business Performance	-.048	.422**	.333**	.503**	1

*. Correlation is significant at the 0.05 level (1-tailed)

**. Correlation is significant at the 0.01 level (1-tailed)

Regression Analysis

The result of multiple regression analysis between independent variables and the dependent variable was demonstrated in Table 5 shown below. This method has the ability to determine which of the independent variables has the stronger relationship with the dependent variable (Sekaran & Bougie, 2016).

Methodology

The target population for this study consisted of Saudi female entrepreneurs managing small firms in the Eastern region of Saudi Arabia. Respondents were selected based on the following criteria: Saudi female entrepreneurs, who already own, manage, operate and found their own business (Stewart and Roth, 2001). For the purpose of this study, researcher selected the Eastern region for various reasons. One of the reasons is the paucity of research on Saudi women entrepreneurs in the eastern area. Another reason is that it is considered a commercial area with huge European and American companies established in the Eastern Province due to the oil industry so that it could create competitive marketplace providing a rich climate for opportunity.

As female entrepreneurs are hard to locate in the sense that there is no single database for them. 105 female Saudi entrepreneurs were selected using snowball sampling technique with the help of key contacts in the female businesses in Eastern Province. Moreover, an additional list was collected from those who know the researcher directly and from those who were referred to the researcher by friends, relatives and colleagues. Also, the researcher asked some respondents to suggest names from their social network of female entrepreneurs who meet the research criteria. Snowballing sampling is advantageous when the population of interest is not fully visible or difficult to find (Noy, 2008), where the compilation of a list of the population poses difficulties (Patton, 2002). After contacting Chamber of Commerce in the Eastern Province and Monsha`at office in Al Khobar, the researchers said that there is no complete and accurate list of Saudi women entrepreneurs. Further, past research on female entrepreneurs in Saudi Arabia used snow ball sampling techniques due to the lack of complete and accurate database (Ahmad, 2011a; Ahmad, 2011b; Danish and Smith, 2012).

Measurement

Need for achievement was measured using six items four items from Steers and Braunstein (1976) scale and two additional items were added from the international personality item pool (Goldberg, 1999). Self-efficacy was measured using 5 items of self-efficacy developed by Chen, et al. (2001). Locus of control was measured using 6 items adopted mainly from Levenson (1981). Risk taking propensity was measured using 6 items developed by Jaworski and Kohli (1993) and Gomez-Mejia and Balkin (1989). Finally, business performance was measured using four items developed by Chen, et al. (2007). 5-point Likert scale was used to collect the response about characteristics and small business performance.

Data Analysis and Findings

Reliability

Table 1: ***Reliability***

Variables	Number of Items	Cronbach's alpha
Need for Achievement NA	6	.865
Self-Efficacy SE	5	.904
Locus of Control LC	5	.841
Risk Taking RT	5	.852
Business Performance BP	4	.849

According to Hair et al. (2006), measurement is considered reliable if Cronbach's alpha is greater than 0.6. These statistical results, therefore, confirm the reliability of measurement scales used for this study. Reliability statistics (Cronbach alpha) for items measuring the need for achievement, self-efficacy, locus of control, risk taking, and business performance were 0.865, 0.904, 0.841, 0.852, 0.849 respectively as shown in Table 1.

Demographic Profile of Respondents

The demographic profiles of the 105 respondents were gathered in order to provide a clear understanding of the respondents in terms of their age, marital status, academic qualifications and experience. As shown in Table 2, in terms of age, the majority of respondents were between the age group of 31 and 40, which represented 47.6% of the total respondents. This percentage was expected because of the lack of job prospects for women in Saudi Arabia in the wider employment and job markets. The lack of job opportunities affects the entrepreneurial decision-making process for Saudi women when they were unable to find employment opportunities in the years immediately after graduating. The percentage of respondents between the age group of 20 to 30 was 28.6%. 21.9% were aged 41-50 years and just 1.9% were aged over 51.

As for the respondents' academic qualifications, the majority had a bachelor degree (65.7%) and that reflects, as mentioned earlier, that most of Saudi females are highly educated. In terms of marital status, 51.4% were married, 41% of respondents were single and 6.7% were divorced. This reflects the importance of family support as their encouragement for operating a business.

The majority of those who responded stated that they had owned their small businesses (*age of business*) for between 1-5 years (56.2%), so most of them are recent start-ups. 24.8% had owned their business for between 6-10 years and just 19% of participants indicated that they had owned their businesses for more than 10 years. There are many possible explanations for the low number of older ventures and higher number of newer small firms. According to Danish & Smith (2012), the entry barriers are now lower than in the past. In the past, and especially before Saudi Vision 2030 removed barriers, the societal and institutional challenges faced by Saudi women entrepreneurs were the main obstacles. Another possibility is the responsibilities that women face in the first stage of establishing a business while also juggling motherhood and the demands of marriage that may affect the viability of a small business. This could explain why a large proportion of businesses do not survive in the long term and cease trading approximately after five years, according to Danish & Smith (2012).

Reviewing the literature on entrepreneurial characteristics, many scholars have made important contributions to the locus of control (Eken, 2017). In fact, numerous empirical studies of entrepreneurship supported that the internal locus of control has been shown to have a significant effect on venture performance. For example, Lee & Tsang (2001) found that the internal locus of control was associated with performance among small firms and consequently it is positively correlated to venture performance and growth. A study by Zhang & Bruning (2011) examined 161 entrepreneurs of small to medium sized enterprises in Canadian manufacturing industry and found that entrepreneur with a high level of locus of control is likely to achieve superior firm performance. Mohanty (2015) found that locus of control is positively related to the business performance, moreover his study output shows that there is positive association between internal locus of control and business success. On the basis of the empirical evidence, the following has been proposed:

H3: "There is a positive relationship between locus of control and small business performance"

Risk-Taking Propensity

Entrepreneurship is historically associated with risk taking (Gürol & Atsan, 2006). Brockhaus (1980) refers to risk taking propensity as "the perceived probability of receiving rewards associated with the success of a situation that is required by the individual before he will subject himself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequences than the proposed situation". According to Olaniran et al. (2016) risks can be categorized as three types, namely social risk, monetary risk and psychological risk.

Stewart Jr. et al. (1998) emphasized risk-taking as a necessary instrument to develop the entrepreneurial discipline. Therefore, taking risks allows the entrepreneur to exploit profitable new investments, and consequently often seen as an essential part of entrepreneurship (Begley & Boyd, 1987). Indeed, entrepreneurship and risk are two inherent concepts in the business literature (Boermans & Willebrands, 2012) . In the empirical entrepreneurship literature, numerous researchers have proposed empirical evidence to indicate the significance of risk-taking propensity for the entrepreneurs. For example Korunka et al. (2003) found that risk taking propensity was one of the key personality characteristics associated with entrepreneurship. In their empirical studies, Koh (1996) and Thomas & Mueller (2000) support the notion that entrepreneurs prefer to take moderate risks in their business decisions instead of being extremely risky. Eken (2017) refers that calculated risk-taking is an essential issue for the entrepreneurs when their decisions are made under ambiguity driven by the lack of information. Lawal et al. (2018) showed that small firms with reasonable levels of risk-taking are more likely to perform better than those that undertake high or extremely low levels of risk-taking.

The overwhelming majority of empirical studies have provided extensive evidence that females are more risk-averse than males, as a recent study by Zeffane (2015) examined the entrepreneurs gender differences of risk taking for 324 small business owners in United Arab Emirates. The results of his study showed that women are more cautious and less risk taking than their male counterparts. Additionally, in a study by Rad et al. (2014), it appears that in financial situations, females tend to take fewer risks than their male counterparts.

Entrepreneurs are tremendously exposed to risk. Consequently, risk will have a direct relationship to the performance of the small firm. Risk taking is one of the most significant factors determining firm performance (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003). The empirical studies report diverse and mixed results for the effect of risk taking on firm performance. For instance, Rauch et al. (2009) found a weak positive effect of risk taking on firm performance in their meta-analysis of 51 entrepreneurship studies. Similarly, Zhao et al. (2010) found no significant effect of risk taking on performance in their meta-analysis of 60 studies. As in the above cases, risk taking does not always yield a risk premium and does not lead to better performance. The findings are at variance with the work of Olaniran et al. (2016) that posited the existence of negative relationship between risk-taking and firm performance.

On the other hand, these results differ from numerous other theoretical and empirical studies that illustrated the risk taking of entrepreneurs has a positive effect on small firm performance. McGrath (2001) posited that a willingness to engage in high levels of risk taking enables small and medium sized firms to seize profitable opportunities in the face of uncertainty which may lead to long-term profitability. Ahimbisibwe & Abaho (2013) emphasize that risk taking firms are more likely to achieve superior growth in comparison to risk avoiders. Kiprotich et al. (2015) posited that risk-taking significantly affects performances of SMEs. Mohanty (2015) found that the risk-taking propensity significantly has the highest impact on business performance among all other interpersonal characteristics. According to Wambugu et al. (2015), the more risk-taking of entrepreneur, the higher the profitability of entrepreneurial ventures. The results of study by Lawal et al. (2018) revealed that risk-taking positively relates to the performance of SMEs in terms of growth, profitability and competitiveness. On the basis of these findings, the following hypothesis is proposed:

H4: "There is a positive relationship between risk taking propensity and small business performance"

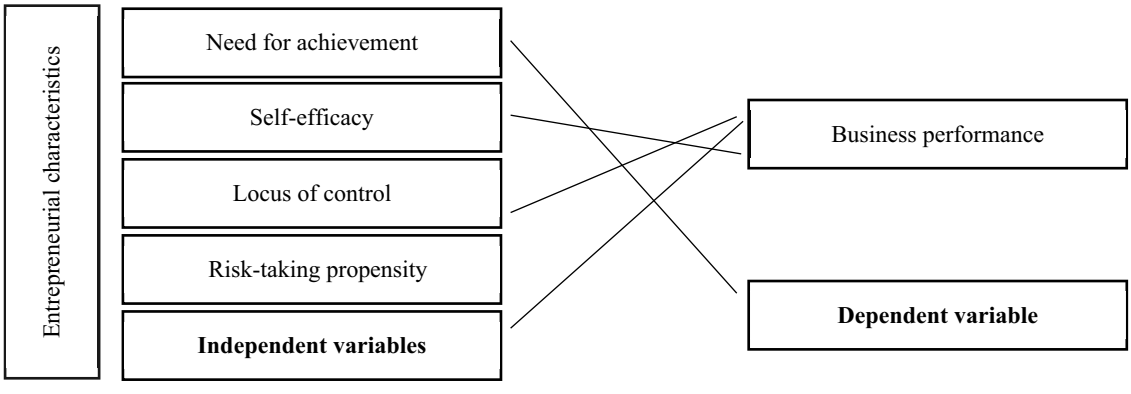

Figure 1. Research Model

satisfaction and motivation from achieving challenging goals. In contrast, people with low levels of self-efficacy easily lose faith in their abilities and have low and weak ambitions.

For the people who believe they do not have the necessary skills to be entrepreneurs does not mean they lack the self-efficacy, but they have general self-efficacy and this is exactly what distinguishes general self-efficacy from entrepreneurial self-efficacy (Bratkovič et a 2012). Chen et al. (1998) suggested a new form of self-efficacy, namely entrepreneurial self-efficacy. It can be defined as the person's belief in his ability to successfully launch an entrepreneurial venture (Mcgee et al., 2009).

Self-efficacy influences the career choices of women (Hackett, 1995). Women are less likely to engage in entrepreneurial activities than men due to their lower perception of self-efficacy that they lack the entrepreneurial qualities required (Wilson et al., 2004). Meanwhile, Murugesan & Jayavelu (2017) observed in their research finding that 'no difference' between men and women in self-efficacy, and the gender does not seem to influence entrepreneurial self-efficacy. Alfrayan (2014) conducted one of only a very small number of studies to explore the effect of self-efficacy among Saudi businesswomen. The aim of the study was to understand how Saudi businesswomen have increased their self-efficacy and how that would help to empower future generations of businesswomen. Alfrayan (2014) found that most of the research conducted in that context indicates that self-efficacy does affect women's beliefs concerning their abilities to succeed.

Recently, an extensive and growing body of literature has expressed greater interest in the importance of self-efficacy for entrepreneurship. According to Bandura (1997), there is a strong correlation between self-efficacy and an individual's performance. One of the most significant studies to examine the relationship between entrepreneurial self-efficacy and firm performance is that of Chen et al. (1998). The main purpose of his study was to explore the strong correlation between entrepreneurial self-efficacy and firm performance. Interestingly, the results indicated that entrepreneurial self-efficacy is an individual characteristic that is distinctively entrepreneurial (Chen et al., 1998). Obschonka & Stuetzer (2017) support the understanding of high self-efficacy for entrepreneur as a key competency of entrepreneurs. Indeed, self-efficacy was considered a predictor of small firm performance in previous research (Baum & Locke, 2004; Segal et al., 2005; Hmieleski & Baron, 2008). It is considered a personal trait of entrepreneurs that affects small-firm performance (Poon et al., 2006). Numerous researchers demonstrate the correlation between self-efficacy and work-related performance (Downes et al., 2017; Sitzmann & Yeo, 2013; Tims et al., 2014).

Baum et al. (2001), Baum & Locke (2004) identified a positive relationship between entrepreneurial self-efficacy and new venture growth. Meanwhile, Bratkovič et al. (2012) confirmed that self-efficacy affects both the behavior of entrepreneurs in the entrepreneurial process and the performance of their firms. Very recent studies also reported positive predictive relationships between self-efficacy and performance. Miao et al. (2017) in their meta-analysis study, which has been done on over 5,000 businesses and their entrepreneurs, reported in the conclusion that there was a considerably significant positive relationship between entrepreneurial self-efficacy and firm performance. Similarly, Çetin & Aşkun (2018) proposed that occupational self-efficacy leads to an increase in work performance. Their study came up with a longitudinal design that demonstrates the self-efficacy predicted and improves overall work performance. Finally, Tims et al. (2014) argues that those individuals with high self-efficacy feeling will spend more effort and persist longer on their tasks, consequently this type of behavior would increase the possibility of success.

On other hand, Hmieleski & Baron (2008) observed that strong negative relationship occurred between high self-efficacy for entrepreneur and firm performance in certain dynamic environments especially when self-efficacy is coupled with high—rather than moderate—levels of dispositional optimism. In some environments, high entrepreneurial self-efficacy can lead to overconfidence, consequently turning to excessive risk-taking, unproductive strategies so the entrepreneurs become victims of their overconfidence and may act as a negative effects besides potent cause of new venture failure (Hayward et al., 2006). As per Palmer et al. (2017) study, high entrepreneurial self-efficacy when paired with moderate optimism, the effect on firm performance is positive. Building upon the above findings, hypothesis has been developed as follows:

H2: "There is a positive relationship between self-efficacy and small business performance"

Locus of Control

The locus of control can be defined as an individual's perceptions of their ability to influence events in life (Begley & Boyd, 1987; Rotter, 1966). Phares (1955) was the first researcher to measure an individual's beliefs related to external control as a psychological variable. Rotter theory (1966) used Phares' work to divide the locus of control in terms of internal and external. Rotter (1996) states that consequently, the locus of control is a variable that should be studied when examining entrepreneurial personality.

Individuals with an internal locus of control assume that they have influence and control over outcomes in life through the efficacy of their own behavior. Moreover, they believe that any success they experience was due to their personal efforts and any failure in business was also their fault (Powell, 2010). According to Caird (2013), these individuals are opportunistic, self-confident, proactive, determined and direct with a strong-willed control over life. In contrast, individuals with an external locus of control believe that external forces such as fate, chance or luck are the primary determinants of outcomes. Levenson (1981) argues that the external dimension should be split into two sub-dimensions: chance and powerful others.

Small business owners determine their business goals and vision that should be successfully translated into action. Therefore, it is necessary for entrepreneurs to feel that they have locus control in order to realize their goals and believe that outcomes are primarily determined by personal efforts (Utsch & Rauch, 2000). Theoretically, successful entrepreneurship typically shows a high internal locus of control. Several empirical studies have emphasized that LOC is stronger in entrepreneurial populations than in other populations. Levine & Rubinstein (2015) in their study, found that those who become a self-employed person running an incorporated business display a strong internal LOC prior to establishment of their firm than those who are employed by others.

By linking this argument to Saudi women, Deatherage (2017) studied the locus of control among Saudi women and applied Rotter's locus of control theory in the workplace of private universities. The female participants in Deatherage`s study described the internal locus of control as how they reacted towards different situations and how they interacted with others in the work environment. Meanwhile, external control involved management practices, the policies of organizations, government ministries, fate and luck. Moreover, Al-Habib (2012) indicated that students of entrepreneurship in Saudi Arabia reported higher levels of internal locus of control than those pursuing other business majors.

Saudi life. For example, the historic royal decree that lifted the ban on women's driving. Further, females in the country started to assume different roles in the society and enter the labor force in increasing numbers. In fact, Saudi Vision 2030 describes women as "a great asset" and gives them full partnership in building a new Saudi society. As women in the country are now visible in the public place, the Saudi Council of Ministers approved the first anti-harassment law. It is hoped to increase the women labor force to thirty percent by 2030. Under the new reforms, segregations in the work place are not as strict as in the past decades (Al Omran, 2017).

Literature Review and Hypothesis

Ng et al., (2019) argued that area of entrepreneurial characteristics is still under-researched and researchers in developing countries need to explain the nature of these characteristics in order to understand their role in developing entrepreneurial intention and performance of small business. In psychological characteristics school, entrepreneur is seen as a person with special value, attitude and needs (Cunningham & Lischeron, 1991). Evidence has shown that entrepreneurial characteristics are fundamental factors for firm's growth and success (Begley & Boyd, 1987; Gartner, 1985). It is, therfore, not surprising as scholars suggest that individual entrepreneurs could explain the variation in the small businesses performance (Danso et al., 2016; Isaga, 2018). In this regard, Lee (2009) concluded that venture performance is positively related to the characteristics of female entrepreneurs. In a similar vein, past research pointed out that personal traits influence firm performance and outcomes (Kerr et al., 2017 ; Miao et al., 2017).

The following section emphasizes the psychological characteristics of female entrepreneurs and their perception of how these characteristics can be predictors of their small firm performance. The empirical literature review provides an overview of four of them:

(1) Need for achievement
(2) Self-efficacy
(3) Locus of control
(4) Risk taking propensity

Through the literature review, it can be observed that although many studies have examined the relationship between entrepreneurial characteristics and firm performance, key questions remain unresolved about this relationship in Saudi Arabian business environment. The lack of empirical evidence in this area created the need to study this area in great detail.

Need for Achievement

Among all of the psychological characteristics that are associated with entrepreneurship, the need for achievement arguably has the longest history (Shaver & Scott, 1991). The need for achievement can be defined as a desire to do well in order to achieve a sense of personal accomplishment (McClelland, 1961).

The first wave of motivational studies was led by McClelland in the 1960s (Collins et al., 2004). McClelland studied the theory of the need for achievement between 1961 and 1965 and provided in-depth analysis of high achievement motivation and how it is related to entrepreneurial performance. McClelland (1961) suggested that individuals with high achievement motivation are more engaged in activities that are essential for success in an entrepreneurial situation and perform better in entrepreneurial jobs than individuals with low achievement motivation. It is believed that individuals with high achievement motivation have a degree of control over outcomes and feedback on performance (Collins et al., 2004). Nasip et al. (2017) mentioned that the higher a person's desire for need of achievement and excellence, the more likely it is for the person to become an entrepreneur.

The need for achievement has always ranked first as the most significant factor for female entrepreneurs. A study by Bowen & Hisrich (1986) found that female entrepreneurs may have a higher need for achievement than other females. Sadi & Al-Ghazali (2012) provided evidence that self-achievement was one of the most important motivational factors for female Saudi entrepreneurs. In related work in the field of female entrepreneurship, Almobaireek & Manolova (2013) studied the motivations among young Saudi females in King Saud University and found that these young university women are doubtful if they would be successful in any future entrepreneurial engagement. However, they saw entrepreneurship as a path to gain independence. Unfortunately, empirical researches into the entrepreneurial motivation of Saudi females are very limited.

A common way of explaining female achievement motivation is the pull/push model of entrepreneurial motivations (Brush, 1999; Buttner & Moore, 1997; Sarri & Trihopoulou, 2005). Due to dissatisfaction among females with their current work conditions, there are several factors that encourage Saudi women to choose to start their own businesses. The pull factors (positive ones) include a desire for independence, self-achievement, higher income, being their own boss and flexibility. That is opposed to the push factors (negative ones) such as job loss, unsecured employment or a lack of promotion opportunities (Sadi & Al-Ghazali, 2012). According to Ahmad (2011a), most Saudi female entrepreneurs are driven by pull factors.

Numerous studies identify a link and correlation between the need for achievement and business performance (Kerr et al., 2017). For example, Lee & Tsang (2001) found among 168 Chinese entrepreneurs in small and medium enterprises that need for achievement has the greatest impact and positive correlation on venture performance. Study conducted by Collins et al. (2004) confirmed that the need for achievement was significantly correlated with successful performance in an entrepreneurial role. Zhang & Bruning (2011) in their empirical study supported the positive direct links between entrepreneur need for achievement and their firm's performance. So, entrepreneur with a higher level of need for achievement is likely to achieve superior firm performance. In the same vein, Mohanty (2015) examined the effect of entrepreneurial need for achievement and generally found a positive correlation between need for achievement and the business performance. However, Mohanty (2015) pointed out in his findings that need for achievement is the fifth and lowest factor to be considered in increasing the business performance. Based on these empirical studies, the following hypothesis is postulated:

H1: "There is a positive relationship between need for achievement and small business performance"

Self-Efficacy

There is a possibility that the perception of self-efficacy is one of the most distinctive personality traits of the entrepreneur (Chen et al., 1998). Self-efficacy can be defined as a person's conscious belief in their capabilities to successfully perform a task (Bandura, 1997). It is a concept that is associated with confidence, optimism and being knowledgeable.

Self-efficacy affects all aspects of a person's life and how they feel, think and behave. Therefore, it is related to personal performance. Self-efficacy can determine what people do with their knowledge and skills (Bandura, 1997). People with a high level of self-efficacy tend to be resourceful and engage in effective thinking as well as challenging goals and tasks. Efficacious people when they are faced with barriers tend to persevere (Cassar & Friedman, 2009). Consequently, they gain internal

entrepreneurs are. This study will be particularly important to women who are interested in becoming entrepreneurs. Therefore, female entrepreneurs' personal characteristics and traits should be taken into consideration to improve the understanding of their impact on the economic development of KSA. In addition, the present study aims to provide decision makers with some recommendations that may assist them in improving the business environment for Saudi women entrepreneurs to grow and succeed.

Understanding the psychological characteristics is the first logical step in studying entrepreneurship. As a result of the above, this study adopts the psychological characteristics that influence females' small business performance in the kingdom. A lack of experience, financial difficulties, a lack of specific characteristics as achievement motivation or a lack of self-confidence are the skills and characteristics that affect the approach to managing business threats that can influence the success or failure of entrepreneurial ventures. Due to these reasons, there is a high rate of failure among small businesses (Alshagawi, 2015). Building upon prior research, this study seeks to benefit women entrepreneurs in Saudi Arabia, chamber of commerce and other organizations that seek to encourage and support young women entrepreneurs in the light of Vision 2030.

The study seeks to answer four main questions:

1- What is the relationship between need for achievement and small business performance?

2- What is the relationship between self-efficacy and small business performance?

3- What is the relationship between locus of control and small business performance?

4- What is the relationship between risk taking propensity and small business performance?

As Saudi women have started to pursue entrepreneurship as a viable avenue to new employment opportunities, it is critical to gain an understanding of those characteristics that have a relationship with performance. Indeed, the volume of extant research on women entrepreneurs globally is extensive, research on women entrepreneurs in the Arab world is limited and, even little is known about them in Saudi Arabia (Al-Kwifi, et al., 2020; Almobaireek and Manolova, 2013; Dechant and AlLamky, 2005; McElwee & Al-Riyami 2003; Sabri and Thomas, 2019). Further, research tools used to examine this topic in the Arab World are drawn mainly from Western studies that have been conducted in the USA and Europe by researchers with Western values and mindsets. The current study seeks to add to the body of literature related to Saudi women entrepreneurs, as there is no known research that studies the relationship between entrepreneurial characteristics. To fill this void, this paper aims to examine the relationship between entrepreneurial characteristics and firm's performance. There follows a short treatment of the Saudi Arabian context to paint the background for the study; a critical literature review; a description of the method employed and data analysis; a discussion on the findings and a conclusion.

The Saudi Arabian Context

The female dilemma in Saudi is surprising for a number of reasons. First, over the past four decades, considerable resources have been invested in the education of women. Progress has been impressive and the college landscape has changed beyond recognition. About 61% of full-time undergraduates at public universities are women. In 2018, more women than men graduated from college. Women received 63% of all bachelor's degrees in the country in 2018, compared with only 35% in 1980 (Ministry of Education, 2018). DiPrete and Buchmann (2006) have observed that education has a strong and influential role for women than for men in increasing personal earnings, improving family standard of living and the probability of avoiding poverty. Indeed, it is claimed that educated women generate more income than women with little or no education (Coleman, 2004), and that females with higher levels of education are more likely to start up a business (Sánchez-Escobedo et al, 2014). As the cost of living in the kingdom gets higher, dual-earner households have become a necessity for young Saudi couples. Second, in the last decade, the fertility rate has fallen dramatically, from nearly six to almost three births per women (General Authority for Statistics, 2018). Changes in fertility rates are correlates of economic growth (Galor and Weil, 1996), and women's labor participation improves with a decline in fertility (Al-Qudsi, 1998; Bernhardt, 1993; Bloom et al., 2009). Thus, considering the extraordinary achievements of Saudi women in education, and the remarkable fall in fertility, a dramatic increase in women's economic participation is expected. But this has not been the case, the unemployment rate among women with a bachelor's degree is 78% (Almunajjed, 2010). Further, despite labor law providing women in the private sector with substantial maternity and childcare benefits, there has not been a concomitant increase in their market participation; this remains at 1% in the private sector (General Authority for Statistics, 2019). Over the last decade, Saudi Arabia has experienced high levels of unemployment, especially among women due overdependence on foreign workers and population growth. Women's labor force participation is very low, while the overall unemployment rate is 34.8% for women and 11.5% for men (General Authority for Statistics, 2019).

However, the Saudi government is implementing very ambitious plans to empower women economically and socially. For instance, the government recently started to help women access the entrepreneurial path by offering an enormous amount of funding to help create entrepreneurship opportunities for females in small and medium sized enterprises. This funding is being put to work via a number of organizations including the Small and Medium Enterprises Authority (Monsha`at), the Centre for Entrepreneurship (Wa'ed) business incubator and Human Resources Development Fund. All these funds work to improve the quality of business and provide services to help young people who want to become entrepreneurs. It focuses on removing barriers, creating business incubators and offering training courses in order to develop their skills and innovations. Saudi women need more encouragement to turn these facilities into opportunities for the expansion of the sector horizontally and vertically to achieve their business goals, especially in light of the Saudi Vision 2030.

According to Chamlou (2008), women entrepreneurs in the MENA region "can play a greater role than they have in the past- creating more and better jobs, diversifying economies into modern sectors, and empowering women" (P.P. xxi). Entrepreneurship is considered an important component in job creation, economic growth and innovation (Kuratko, 2016; Tominc and Rebernik, 2006), and women entrepreneurs play a major role in economic development across the globe. It is common practice in some developing countries to foster entrepreneurship and use self-employment as a way to stimulate the economy and fight low unemployment rates (Harrison et. el, 2010). Women entrepreneurs contribute to approximately half of the world's economic growth (Coughlin & Thomas, 2002). In 2008, women in the U.S. owned 10.1 million firms; they employed more than 13 million people, and generated $1.9 trillion in sales (Center for Women's Business Research, 2009). A similar trend is noticed among the developing nations in Asia, where up to 40% of the total workforce in these countries is female (Ganesan et al, 2002). This global trend is not found in Saudi Arabia. Women are excluded from economic life because of many social and cultural constraints that are embedded in the values and tradition of Saudi society. However, the Saudi government is taking major steps toward empowering women in all aspects of

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The Relationship of the Entrepreneurial Characteristics of Saudi Women Entrepreneurs to the Business Performance of Small Companies in the Eastern Province

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Abstract

Saudi women are able, educated and motivated to contribute to their own economic advancement and their country. Nevertheless, women in the Kingdom suffer great exclusion in the economic life. This study aims to explore the relationships among four entrepreneurial characteristics, and business performance of Saudi women entrepreneurs in Eastern Province of Saudi Arabia by using questionnaire-based survey of 105 Saudi female entrepreneurs. Quantitative methods were used to investigate the relationship between the entrepreneurial characteristics of those females and their small firms' performance. The study employed a snowball sampling technique to contact Saudi female entrepreneur, who already own, manage, operate and have founded their own business. Overall, 105 participated women in the study. The findings revealed that self-efficacy, and risk-taking propensity were found to have positive and significant relationships with firm performance, while no positive significant relationship was found for the need for achievement, and locus of control on firm performance. Therefore, the study provided evidence showing the impact of entrepreneurial characteristics on firm performance. In the face of limited job opportunities for educated women, entrepreneurial opportunity could be the ideal employment opportunity for many Saudi women. Additionally, dual-earner households have become a necessity for meeting the rising costs of living. So, policy orientated towards the promotion of women entrepreneurs would allow them to contribute more fully to the economy. Further, policy makers are needed to design training programs considering these entrepreneurial characteristics.

Keywords: Need for achievement, Locus of control, Self-efficacy, Propensity to take risk, Small business performance, Entrepreneurial characteristics, Saudi women entrepreneurs, Saudi Arabia.

Introduction

Saudi Arabia has a puzzling gender dilemma. Though women comprise nearly 50% of the population and contribute nearly 63% of the nation's undergraduate degrees, they make up 83% of official unemployment figures and less than 5% of the domestic labor force (Ministry of Education, 2018; General Authority for Statistics, 2019). Indeed, Saudi ranked at 148 of 153 world nations for female participation in economic activity (World Economic Forum, 2020). Clearly, Saudi women face a number of challenges seeking employment outside the home; many of these have deep cultural roots. These are magnified in the public (excepting education) and private sectors, making these domains almost impenetrable. Since lately, with hope, many women have turned to entrepreneurship to further their employment aspirations. The success of these pioneering women demonstrates that entrepreneurship is a viable and expanding means of attaining economic independence; developing and diversifying the domestic economy; contributing to political stability and aiding the expansion of civic society. This individualistic route might be the key to opening up opportunities for an able, educated and highly motivated section of the labor force.

The significant increase of female entrepreneurs in the country requires clear understanding on how to maintain the success and survival of those small enterprises. Previous research shows that entrepreneurial characteristics are vital for small business performance which in turn lead to success and survival (Danso et al., 2016; Ignas, 2012; Isaga, 2018; McGee and Peterson, 2019). However, the body of empirical studies conducted on female Saudi entrepreneurs' behavior, traits, characteristics, activity and start-up motivations amount to less than 5% of overall research in the field of entrepreneurship. In fact, academic discourses featuring women in KSA are at best controversial and inconclusive (Ahmad, 2011a). This paper, therefore, aims to explore the relationship between the characteristics of Saudi female entrepreneurs and the performance of small businesses from the perspectives of four main psychological characteristics, namely: need for achievement, self-efficacy, locus of control and risk-taking propensity. The characteristics selected in this study are associated with entrepreneurship based on their being the most frequently used characteristics in the entrepreneurial sector (Robinson, et al., 1991). According to Korunka et al., 2003, the most common personal characteristics associated with entrepreneurs studied throughout the literature are need for achievement, self-efficacy, locus of control and risk-taking propensity.

The study also seeks to offer a guidance tool and make a contribution by answering questions about female entrepreneurs in the country, how Saudi women are becoming entrepreneurs through their social and individual characteristics and what the ideal characteristics of female