

What Makes Muslim Women Entrepreneurs Successful? A Field Study Examining Religiosity  
and Social Capital in Tunisia

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### Abstract

The present study sheds light upon critical factors that help explain the entrepreneurial success among Muslim women living in a democratic Tunisia, a Muslim-majority country considered by many to be the lone Arab Spring success story. We hypothesized that successful entrepreneurs need social capital, including the capital that comes from marriage and high levels of *wasta* (the Arabic concept of having personal connections with influential others). Moreover, given the lack of empirical attention paid to the role of the culture, language, and customs associated with Islam on women's empowerment, we examine whether religiosity is related to entrepreneurial performance among Tunisian women. Data collected with 84 female entrepreneurs participating in entrepreneurship training programs across Tunisia reveal that two forms of social capital, marital status and *wasta*, are related to training center directors' ratings of women entrepreneurs' performance, suggesting that social capital is a critical asset for Muslim women entrepreneurs. Religiosity, on the other hand, had no statistically significant relationship with entrepreneurial performance. Our study contributes to research on entrepreneurship by identifying *wasta* as a form of social capital that may be necessary for women entrepreneurs to succeed in the Middle East and North Africa and by taking an initial step towards better understanding the empirical (and controversial) relationship between religiosity and career success among Muslim women. We recommend that training organizations supporting entrepreneurs directly assist women in the development of social capital and acknowledge, rather than ignore, that nepotism and *wasta* are linked to entrepreneurial success in some cultures.

*Keywords:* Entrepreneur; Self-Employment; Tunisia; Islam; Arab; Muslim; Middle East and North Africa (MENA); Religiosity; Spirituality; Social Capital; Human Capital; Marital Status; *Wasta*

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Following the massive political and social protests in 2011 that led to the ouster of four long-standing dictators, some countries in the Middle East and North Africa (MENA) are becoming better positioned to overcome issues related to poverty, political instability, illiteracy, and high unemployment (United Nations Human Development Programme, 2010). This transition can be critically aided by the creation of new ventures (Zahra, 2011), especially when both men and women participate. As Reynolds, Camp, Bygrave, Autio, and Hay (2001, p. xix) state: “there is perhaps no greater initiative a country can take to accelerate its pace of entrepreneurial activity than to encourage more of its women to participate.” Despite the urgency of understanding what makes female entrepreneurs in MENA countries successful, there has been very little empirical work on this topic. Moreover, in a review of the nine top management journals between 1990 and 2006, Bruton, Ahlstrom, and Obloj (2008) found that less than one-half of 1% of the studies reported work on entrepreneurship in emerging economies and that none were conducted in MENA countries. This is problematic given that findings from developed economies may not apply to countries in the developing world (Peng, 2000).

In the present research, we conduct a field study with female entrepreneurs in Tunisia. Tunisia is a Muslim-majority country of approximately 11 million people located in North Africa that has extensive economic and social ties with southern and central Europe. The Tunisian National Dialogue Quartet was selected as a 2015 Nobel Peace Prize winner due to the country’s ousting of dictator Zine el-Abadine Ben Ali in 2011 and its successful democratic consolidation in 2014. Tunisia stands out as a women’s rights leader in the MENA region, with progressive divorce laws, access to higher education, and women serving in 27% of the parliament’s seats.

However, as in much of the developing world, women entrepreneurs in Tunisia still face important obstacles and challenges. In the current study, we focus on access to key social networks and traditionalism.

We use Markman and Baron's (2003) concept of person-entrepreneurship fit to examine why some Muslim women thrive as entrepreneurs despite living in a culture that many argue is not conducive to their participation in entrepreneurship (Mehar, 2004). First, we argue that, because nepotism is entrenched throughout the MENA region, successful female entrepreneurs must be adept at navigating social relationships. We examine social capital in two forms: *wasta* and marital status. *Wasta* refers to achieving goals through key individuals, and it focuses on using close friends and family members, rather than formal means, to resolve conflicts and gain access to resources (Berger, Silbiger, Herstein, & Barnes, 2015; Cunningham & Sarayrah, 1993; Mohamed & Mohamad, 2011; Tlaiss & Kauser, 2011). Marriage provides women with access to resources through their spouses and is linked to entrepreneurial success in the developed world (Honig, 1998). Both *wasta* and marital status may provide Muslim women entrepreneurs with greater access to resources and with cultural legitimacy, resulting in business success.

There is a long tradition of Islamic thought that emphasizes women's primary roles as mothers and caretakers (Abou El Fadl, 2001a, 2001b), causing some to criticize Islam as patriarchal. On the other hand, this patriarchal interpretation of Islamic thought and history is hotly contested—there are a number of traditions that depict Islam as inherently liberating for women (Ahmed, 1992; González, 2013; Kurzman, 1998; Mernissi, 1991). As a result, scholarship on how Islam impacts women has come to widely differing conclusions. Although these scholarly debates have existed for decades, there is still very little quantitative research examining and providing insight into the relationship between religiosity and women's career

success in Muslim-majority contexts. We address this gap by examining the role of women's religiosity on their entrepreneurial performance. In doing so, we contribute to ongoing conversations about the unique challenges that Muslim women face (Vandello, 2016), particularly within developing economies. Our research employs an interdisciplinary approach drawing on perspectives from psychology, management, sociology, and religious studies, and it aims to spark interest in using empirical approaches to better understand Muslim women's career experiences, trajectories, and success.

The person-entrepreneurship fit model (Markman & Baron, 2003) stems from theories on person-organization fit, which emphasize that compatibility between the needs and values of employees and their organizations enhances employees' attraction to their organizations (Kristof, 1996). Empirical work in the person-organization fit literature indicates that when employees perceive congruence between their own characteristics and the characteristics of the organization, they are likely to be attracted to the organization, perform better, have better job attitudes (e.g., job satisfaction, organizational commitment, job involvement), higher socialization, and lower turnover rates (Cable & Judge, 1996; O'Reilly, Chatman, & Caldwell, 1991). Markman and Baron (2003) apply the concept of fit to entrepreneurship and argue that individuals who thrive as entrepreneurs differ from individuals who pursue jobs at established organizations because they perceive risk, control, and autonomy differently from non-entrepreneurs and have a drive to create novel products, even at the expense of making less money. In other words, there are certain types of people who are attracted to entrepreneurship and who are more likely to be satisfied and productive as entrepreneurs. The emphasis on personal characteristics, rather than on situational characteristics, is especially salient in entrepreneurial settings because entrepreneurship is considered to be a weak situation in which

personal characteristics may exert more influence on behaviors than situational characteristics do (Markman & Baron, 2003; Meyer, Dalal, & Hermida, 2010).

Markman and Baron (2003) highlight five key individual difference variables that are most likely to predict successful entrepreneurship: self-efficacy, perseverance, opportunity recognition, human and social capital, and social skills. Self-efficacy refers to the extent to which individuals believe that they can engage in actions in order to achieve desired results (Bandura, 1997), and perseverance refers to resilience in the face of setbacks and obstacles, which can include working hard despite uncertain outcomes, fending off lawsuits, managing financial liabilities, doing more with less, and overcoming unfamiliar products and brand names. In addition to these key motivational variables, opportunity recognition refers to ability to distinguish between low-potential and high-potential opportunities, as well as being able to detect obstacles quickly. Finally, human capital refers to human talent both in the form of inherent characteristics (e.g., intelligence) and in the form of acquired skills (e.g., work experiences), and social capital refers to opportunities that come from social networks such as those found in organizations, elite institutions, and personal contacts. The work done by an entrepreneur differs from the work done by an employee at an existing organization in that entrepreneurial firms face more challenges related to smallness, newness, and legitimacy (Aldrich & Fiol, 1994).

Markman and Baron (2003) propose that self-efficacy, perseverance, opportunity recognition, and human and social capital are the most critical factors for fit with entrepreneurship, but they urge researchers to uncover other individual differences that might enable certain individuals to thrive as entrepreneurs. Because the vast majority of entrepreneurship research has been conducted in the West (Bruton et al., 2008), existing

scholarship may overlook factors that are critical for success in non-Western contexts. In the current paper, we argue that the person-entrepreneurship fit model applies well in countries that are characterized as being primarily merit-driven with general adherence to formal rules surrounding business creation. However, there may be differences in how these characteristics manifest, as well as other notable individual differences, in national contexts characterized by a large informal economy, unclear laws and tax systems, and the frequent use of bribes (Mehar, 2004). Moreover, Bruton et al. (2008) point out that contemporary entrepreneurial theories tend to assume that entrepreneurs are motivated by profit maximization and self-interest, which may not be true across all contexts, especially where dominant cultures value the maintenance of social relationships over individual success. Thus, our first purpose is to build upon and extend Markman and Baron's (2003) initial model to investigate the characteristics and skills that enable entrepreneurs to navigate a non-Western economic and political environment by examining culturally relevant aspects of social capital and Muslim women's religiosity.

Companies and organizations around the world have increasingly emphasized rules as opposed to relationships (Hooker, 2009; Meyer, Boli, Thomas, & Ramirez, 1997). This transformation, however, remains incomplete—companies and organizations in the developing world are often situated in relationship-driven economies characterized by high degrees of corruption and nepotism (Cunningham & Sarayrah, 1993). Whether this situation stems from traditionalist cultural norms (e.g., Berger et al., 2015), the legacy of European colonialism and economic hegemony (e.g., Charrad, 2001, 2007, 2009; Wallerstein, 1974), or the specificities of these regions' macroeconomic structures (e.g., Ross, 2008, 2012), many developing countries are characterized by heterogeneous populations with independent goals in which individuals rely on their close friends and family more than on laws and governing institutions.



Among developing countries, scholars identify the Arab world as a region that is particularly difficult for entrepreneurs because *wasta*—or achieving goals through connections with influential individuals—has emerged as a primary mode of obtaining resources and resolving disputes in organizations. This social reliance is in opposition to many developed countries where rules and legal procedures help determine resource allocation and dispute resolution more often than nepotism or cronyism (Cunningham & Sarayrah, 1993). *Wasta* allows individuals to gain advantages (e.g., landing a contract) on the basis of access to influential people rather than on the basis of merit (Mohamed & Mohamad, 2011) and is ubiquitous in Arab countries, even in day-to-day interactions like getting a traffic fine reduced. In one of the few empirical pieces on the topic, Tlaiss and Kauser (2011) reported that 93% of their 200 respondents in organizations in the MENA region believe that having friends or family members in high places is necessary for obtaining a good job and 92% report that *wasta* is more important than merit-based job requirements (e.g., qualifications and work experience) for getting hired. Although it is ubiquitous, the majority of the respondents (59%) reported that they would like *wasta* to be less important.

More recently, Berger et al. (2015) conducted the first known rigorous empirical measurement of *wasta* and its relevance in the workplace. The authors created a three-factor scale, but after controlling for job satisfaction, only elements pertaining to trust were significant predictors of job performance. Although this is a good first step in empirically examining *wasta*, a broader measure may prove beneficial at this early stage of empirical investigation and conceptual refinement.

In the current study, we develop a five-item measure to assess *wasta*. We also examine being married as a relevant form of social capital, which has been linked to business profitability.

Honig (1998) argues that women entrepreneurs who are married benefit from increased access to potential clients, financial resources, and recommendations. Roomi (2011) found similar results in Pakistan where Muslim women entrepreneurs were more likely to have business growth when they had high levels of personal resources and social capital. Following Markman and Baron's (2003) assertion that human and social capital are critical for person-entrepreneurship fit, we extend their rationale to the MENA context and look at two relevant forms of social capital—marital status and *wasta*—and argue that married women who have high levels of *wasta* are more successful for two key reasons. First, these women have more access to informal networks and the resources that come along with those networks (Blaydes & Linzer, 2008; Stam, Arzlanian, & Elfring, 2014). Second, these women may gain legitimacy in the eyes of other key individuals (e.g., customers) because of their marital status and spousal connections (Honig, 1998; Tlaiss, 2015) and therefore be seen as better prepared for entrepreneurship than their less connected counterparts are. To investigate these propositions, we examine eight dimensions of entrepreneurial performance as rated by entrepreneur training directors including behaviors such as forming new business partnerships, selling products or services, and managing finances. We propose two hypotheses:

*Hypothesis 1:* *Wasta* will be positively related to Muslim women entrepreneurs' performance

*Hypothesis 2:* Being married will be positively related to Muslim women entrepreneurs' performance

One limitation of the person-environment fit model of entrepreneurship is that it emphasizes individual characteristics that assume entrepreneurs are in a context where they are easily able to affect change on their environments. For example, self-efficacy and opportunity

recognition both assume that entrepreneurs with these characteristics will then be able to take actions leading to success. In areas of the world like the Arab Middle East, entrepreneurs with these positive characteristics may still be unsuccessful because their actions are limited by their environments, most notably a business culture that is not only primarily driven by personal relationships, but that is also shaped by the historical development of Islam (Ali, 1996). Research generally finds that Islam is conducive to entrepreneurship because Islamic banking is based on (a) the twin principles of prohibition of interest (*riba*) and permission of trade (*bai*) that are enunciated in the Qur'an and (b) the widespread interpretation of the Islamic tradition as explicitly encouraging of business activities, as exemplified by the Prophet Muhammad's involvement in business (Audretsch, Bönte, & Tamvada, 2013). Although the overall impact of Islam on entrepreneurship seems to be positive, the impact of Islam on *women's* work performance and well-being is controversial and under-studied (Tlaiss, 2015). This oversight is problematic because a number of studies have shown that women in Muslim-majority countries have made less progress toward gender equality than in other countries, including working outside the home (World Bank, 2012).

A number of empirical studies have shown that citizens of Muslim-majority countries tend to hold more patriarchal attitudes toward gender relations than elsewhere (Alexander & Welzel, 2011; Moaddel, 2006). Some scholars argue that Islam harms women due to cultural and doctrinal factors that make it inherently patriarchal (Fish, 2002; Glick, Sakalh-Uğurlu, Akbaş, Orta & Ceylan, 2015; Huntington, 1997; Inglehart & Norris, 2003) and that Arab women live in particularly "male-dominated patriarchal [societies] where masculinities are preferred" in the economic sphere (Tlaiss, 2015, p. 864). These arguments are supported by real phenomena: there are traditions in Islam that demonize women and are interpreted in ways that may prevent them

from engaging in public life. A number of *hadith*, or transmissions of the sayings and doings of the Prophet Muhammad, are interpreted as placing women on par with societal and religious undesirables and cast women as emotionally and intellectual deficient, although these *hadith* are classified as “weak” by the vast majority of mainstream Islamic scholarship (Abou El Fadl, 2001b; Mernissi, 1991). In the contemporary world, these traditions are manifested most clearly in the politics of countries like Saudi Arabia where women are forbidden from driving, pursuing a career in lieu of marriage, and occupying leadership positions (Abou El Fadl, 2001a). Specifically focusing on entrepreneurs, a number of studies have highlighted the difficult barriers of gender stereotypes, socio-cultural values, and patriarchal interpretations of Islam that contribute to holding women entrepreneurs back (Erogul & McCrohan, 2008).

On the other hand, an interdisciplinary literature has argued that there are numerous interpretations of Islam and that many aspects of Islamic doctrine and history can be interpreted in ways that favor—or even require—women’s rights (Ahmed, 1992; Kurzman, 1998; Mernissi, 1991). Many scholars point out, for example, that Muhammad’s first wife, Khadija, was a successful merchant (Abou El Fadl, 2001b). Others have shown that women use Islamic traditions as platforms for framing women’s rights debates (González, 2013; Rinaldo, 2013; Mahmood, 2005). Likewise, Jansen’s (2004) study of female labor force participation in Algeria shows that Muslims, both men and women alike, invoke Qur’anic concepts to legitimate women’s economic, social, and political empowerment. Still others seriously question the validity of arguments that reduce gender politics to religious doctrine (Charrad, 2009; Dorius & Firebaugh, 2010). Ross (2008, 2012), for example, argues that women’s economic participation is muted in the Muslim world, not because of Islam, but because of the structural conditions produced by rent-based oil economies. Charrad (2001, 2007) contends that the tradition of kin-

based solidarities that predate Islam is among the primary causes of gender inequality in Arab countries. Given these two perspectives and a general lack of clarity, we examine a broader exploratory research question:

*Research Question 1: Is Muslim religiosity a relevant factor for women entrepreneurs' performance?*

## **Method**

### **Participants and Procedure**

The majority of our study's participants were taking part in the Women's Enterprise for Sustainability (WES) program, which seeks to provide business training opportunities for women entrepreneurs across Tunisia. WES centers are located throughout Tunisia, where local branches offer training on topics such as entrepreneurship, leadership, and social media. Data were collected from WES participants in four cities across Tunisia: 13 women from Tunis, 41 from Kairouan, 13 from Sfax, and 17 from Sousse. A member of the WES team recruited the participants, and a 50 dinar drawing (approximately \$40) was offered as an incentive. Researchers used paper-and-pencil surveys to collect the data. A member of the WES team accompanied the researchers and provided translation of instructions and interpretation assistance for any questions about the survey.

In addition to the self-reported data gathered from the female entrepreneurs, ratings of the entrepreneur's performance were given by the directors at each of the WES locations for the women who were recruited there. Directors at each center are responsible for providing the entrepreneur training sessions, coordinating developmental activities, and meeting with the women for one-on-one consultations. They tend to interact with the entrepreneurs between one to four times a month. One director at each location completed surveys assessing the performance

of the women who received training at the center. Multiple trips were made to each city so that the same director completed the surveys at different time periods, which helped prevent fatigue. Surveys were only completed if the director agreed they knew the woman well enough to evaluate her performance.

Of the 84 entrepreneurs, 19 (24.4%) reported not owning a business but were thinking about it, 15 (19.2%) reported planning to start one soon, 10 (12.8%) reported recently starting one, 11 (14.1%) reported having a business for more than 1 year, and 22 (28.2%) reported having a business for 5 years or more. The majority reported focusing on artisanal work, such as making beauty products, traditional Tunisian clothing, pastries, and wedding decorations. Other businesses included agriculture, marketing, media, and community improvement. Most women (51, 71.8%) did not start their business with a partner, but of those who did, seven (7.8%) started their business with their husband, followed by a business colleague (5, 5.6%). Sixty-one percent of businesses ( $n = 38$ ) were not registered (i.e., were considered to be part of the informal economy).

Women were primarily between the ages of 25–35 years old (27, 32.5%), 35–44 years old (22, 26.5%) or 45–54 years old (19, 22.9%). A little more than half (42, 50.6%) were married and many had 2 (13, 31%) or 3 (13, 31%) children. Most did not work an additional job (42, 62.7%). Most women (74, 90.3%) reported having at least a secondary education, and all women had lived in Tunisia their entire lives.

## **Measures**

Because Arabic was the native language for all respondents, all items were translated from established scales developed in English to Modern Standard Arabic by using the back-translation approach (Brislin, 1980). Translated versions of the scales are available upon request.

Coefficients alpha and descriptive statistics for all study variables are reported in Table 1. In the survey given to participants, the order of the study variables was self-efficacy, *wasta*, religiosity, negative affect, and demographic variables including marital status.

**Marital status and *wasta*.** Participants were asked about their marital status and responses were coded as either married or not married. To measure *wasta*, we generated items that addressed Berger et al.'s (2015, p. 456) definition of *wasta* as “a process whereby one may achieve goals through links with key persons.” The five *wasta* items were: “I receive more opportunities because of my personal network,” “I have at least one person who tries to get me business opportunities,” “I have received support for my business because of who I know,” “I know people who try to get me resources for my business,” and “I have at least one friend who is an entrepreneur.” Confirmatory factor analysis (CFA) in MPlus 7.1 was conducted on the five items to test the factor structure. The data reached close to acceptable fit,  $\chi^2(5) = 14.20, p = .014$ , CFI = .89, SRMR = .05.

Because small sample sizes increase the amount of random, unexplained variance in CFAs (Marsh, Balla & McDonald, 1988), we also conducted a CFA on a larger sample of 138 women, for whom we had full data on the *wasta* items (but not the other variables used for testing our hypotheses). Twenty-three women were from the WES centers and 29 were recruited at a women's only market in Sfax where women entrepreneurs were selling their products. Potential respondents were offered the same incentive (i.e., 50 dinar drawing). The majority of women who agreed to participate completed the survey while attending WES or working at the market; however, six participants completed the surveys on their own time. The surveys were returned within one day, resulting in 136 completed surveys. Using the larger sample, the fit indices showed good fit,  $\chi^2(5) = 8.55, p = .128$ , CFI = .96, SRMR = .05. The coefficient alpha

was .74.

**Muslim religiosity.** Because people in Muslim-majority countries tend to be more socially conservative than they are elsewhere (Fish, 2011), self-reports of mosque attendance and self-reported religiosity tend to be uniformly high. Jamal and colleagues (Hoffman & Jamal, 2012, 2014; Jamal & Tessler, 2008) have illustrated that frequency of Qur'an reading is the most reliable and discriminating measure of individual religiosity in these contexts. As such, religiosity was operationalized as Qur'an listening or reading frequency on a scale ranging from 1 (*never*) to 5 (*more than once a week*). Similar to past studies (Jamal & Tessler, 2008), we observed a ceiling effect for religiosity, with the majority of participants (53, 57%) reporting that they read or listen to the Qur'an more than once a week.

**Entrepreneurial performance.** To measure entrepreneur performance, we surveyed directors of the training centers. The directors were instructed to complete the surveys only if they were familiar with the woman's work. Eight items ( $\alpha = .93$ ) were used to assess the directors' perception of each woman's ability to form business partnerships, form new client relationships, sell products or services, develop new products or services, engage in market development, make a profit, manage finances, and come up with innovative ideas.

**Control variables.** Several control variables were used to account for entrepreneurial success and attitudes. We included the demographic variables of age, education, and number of children because older women have had more time to develop a successful business, educated women will have more knowledge, and women with children may have less time to devote to their business. We also controlled for business ownership. Two additional women reported their status of business ownership as "No, and I am not interested in owning my own business" and were removed from the dataset. We controlled for whether the woman's business was in the



formal or informal economy, as well as two individual difference variables. Watson, Clark, and Tellegen's (1988) Positive and Negative Affect Scale (PANAS) ( $\alpha = .88$ ) was used to assess negative affect, asking individuals to report how they felt during the past month. Example adjectives representing negative affect are afraid, scared, and nervous. Ten adjectives were provided rated on a scale ranging from 1 (*Very Slightly to Not at All*) to 5 (*Very Much*). We used Zhao, Seibert, and Hills' (2005) measure of entrepreneurial self-efficacy ( $\alpha = .75$ ) to assess how confident women were in various aspects of the business creation process. Four items asked how confident women were about creating new products, identifying business opportunities, thinking creatively, and commercializing an idea. The response scale ranged from 1 (*Strongly Disagree*) to 5 (*Strongly Agree*).

### Results

Means, standard deviations, and correlations for the study variables are shown in Table 1. We tested the hypothesized relationships using OLS regression analyses. In order to control for unmeasured effects of individual performance raters or data collection sites, we employ site-level fixed effects and robust standard errors in all models. For individual  $i$  at site  $j$ , the model is:

$$Y_{ij} = U_j + X_{ij}\beta + \varepsilon_{ij}$$

where  $Y_{ij}$  is the quasi-continuous dependent variable,  $X_{ij}$  is a matrix of individual-level covariates,  $\beta$  is a vector of coefficients,  $U_j$  is a site-specific intercept term, and  $\varepsilon_{ij}$  is an individual error term. For all models, missing data were imputed using the chained iterative equations approach; we created ten imputations per dependent variable, transforming all variables before imputing (Von Hippel, 2007). To avoid perfect prediction problems when imputing categorical variables, we implemented an augmented-regression approach, which adds observations with small weights to the data during estimation (White, Daniel, & Royston, 2010).

Table 1 reports the bivariate correlations between each of the variables in our analysis. Two of our measures of social capital, marriage and *wasta*, are positively related to performance. Religiosity, on the other hand, was not significantly correlated with performance. Table 2 contains the results of our multivariate regression analyses and shows that the social capital relationships are robust to the inclusion of both site-level fixed effects and a number of control variables shown to relate to entrepreneurial performance. Both being married ( $\beta = .60, p = .02$ ), and reporting high levels of *wasta* ( $\beta = .26, p = .03$ ) are related to training director-rated performance. Our measure of religiosity failed to achieve statistical significance ( $\beta = -.01, p = .93$ ). These findings support hypotheses 1 and 2 and address our exploratory question regarding notions that religiosity among Muslim women is related to entrepreneurial performance (which it is not).

Participants' reports on two control variables, whether participants' businesses were in the formal or informal economy ( $n = 38$ ) and on the number of children living at home ( $n = 41$ ), were low. Furthermore, some researchers (Becker, Atinc, Breauagh, Carlson, Edwards, & Spector, 2015) have cautioned against using control variables that are impotent (e.g., not correlated with the dependent variable of interest). As a robustness check, a regression analysis was conducted where only business ownership was included as a covariate, because this analysis contains only variables with a larger number of participants and with covariates significantly correlated with entrepreneurial performance. Results were nearly identical, with *wasta* showing a slightly stronger relationship with performance ( $\beta = .31, p < .01$ ), and are available upon request.

## Discussion

Both entrepreneurship and feminist scholars have criticized past research for relying too much on Western concepts and ignoring indigenous concepts (Baughn, Chua, & Neupert, 2006; Vandello, 2016). In contrast to wealthy countries like those in Europe and North America, many MENA countries lack consistent enforcement of rules and regulations. This formal laxness results in resource distribution and dispute resolution being determined more by nepotism and cronyism rather than by merit (Cunningham & Sarayrah, 1993; Mehar, 2004). Furthermore, the MENA region is particularly challenging for women entrepreneurs because of cultural and economic factors that contribute to a patriarchal society. Yet, despite these difficult conditions, many female entrepreneurs living in Tunisia are successful. Results from the current study indicate that being married and reporting high levels of *wasta* are related to Tunisian women's entrepreneurial performance. Moreover, although the current study provides an empirical test of the controversial relationship between Muslim religiosity and entrepreneurial performance, no statistically significant relationship was evidenced.

Our research emphasizes that social capital is a relevant factor for entrepreneurial performance among Muslim women entrepreneurs (Roomi, 2011). The first form of social capital we examined was marital status. Supporting Honig's (1998) theorizing, our findings support the idea that Muslim women entrepreneurs who are married are more successful than unmarried women are. Although there has been much speculation that *wasta* is critical to business functioning in Arab countries (Cunningham & Sarayrah, 1993; Mohamed & Mohamad, 2011; Tlaiss & Kauser, 2011), there has been virtually no empirical examination (see Berger et al., 2015 for one exception). Our study is the first known to identify *wasta* as having a statistically significant relationship with performance among women Muslim entrepreneurs.

Moreover, we note that *wasta* predicted these outcomes even after controlling for negative affect and entrepreneurial self-efficacy (Watson et al., 1988; Zhao et al., 2005).

*Wasta* is similar to the U.S. concepts of “pulling strings,” cronyism, and nepotism; constructs that have been under-acknowledged by employees and understudied by academics. This trend may be changing though. Padgett, Padgett, and Morris (2015) recently published the results from two experiments conducted in the United States demonstrating that nepotism beneficiaries were perceived to be successful because of their political skills and relationships, and less so because of their effort and competence. Furthermore, regardless of actual qualifications, these individuals were seen as being less competent. Forms of exerting influence through others can be found beyond the U.S. and Arab countries. Smith, Huang, Harb, and Torres (2012) asked students in the United Kingdom, Lebanon, China, and Brazil to read scenarios describing various indigenous forms of exerting influence—“pulling strings,” *wasta*, *guanxi*, and *jeitinho*, respectively. Results from their study show that *wasta* is the most distinctive form of influence of the four that were assessed. These findings, combined with the findings from the current study, serve as evidence that *wasta* may be as important to study as other more commonly studied forms of influence, such as *guanxi*. It is our hope that this early evidence spawns additional research exploring this important element of social capital in the Arab world.

Although there has been a great deal of theorizing regarding the role of Islam in women’s work and personal lives, there remain major disagreements in the field regarding how Islamic doctrine and tradition impact women. Whereas there have been numerous qualitative studies conducted on this topic (Essers & Benschop, 2009; Jamali, 2009; Roomi, 2011; Tlaiss, 2015), we know of no quantitative examinations, which makes it difficult to draw generalizable conclusions

about the role of Islamic traditions in women's economic empowerment. We did not identify a statistically significant relationship between religiosity and entrepreneurship. One explanation for the null finding is that Muslim women entrepreneurs individually decide how to adhere to their faith. Sociologists in the "lived religion" tradition argue that adherents adjust their interpretations of religious traditions to align with their life experiences (Bender & Cadge, 2006; Williams, 2010). As such, Muslim women may interpret Islamic doctrine and history in ways that are supportive of their entrepreneurial pursuits (Essers & Benschop, 2009; Tlaiss 2015). This explanation is bolstered by a second explanation—that the sample and context of the study (i.e., highly-educated and urban women entrepreneurs living in Tunisia) impacted the results of our early evidence presented herein. It may be that the more liberal women who participated in this study also interpreted Islam in ways that support their entrepreneurial endeavors.

### **Limitations**

Although our study has a number of strengths, including multi-source data and a novel sample, it is not without limitations. Our biggest limitation was small sample size. Although it is not uncommon for cross-cultural research of this nature to utilize small samples, even with imputing missing data and using conservative methods appropriate for small samples, our study still exhibits limitations in terms of sample size, which could have resulted in important relationships failing to be identified. A ceiling effect was found for religiosity, and so a lack of variability in the religiosity variable may have contributed to our failure to find a statistical relationship between Muslim religiosity and entrepreneur performance. Another limitation is that the data are cross-sectional, making it inappropriate to infer causality. It is possible that women's success as entrepreneurs causes them to gain more social capital rather than the other way around. Future longitudinal research may provide greater insight into the causal order.

The current study conceptualized *wasta* as a process of achieving goals through key individuals. This is in contrast to other perspectives of *wasta*, which range from *wasta* being inherently unethical (Berger et al., 2015) to being one form of developmental networks (Tlaiss & Kauser, 2011). Future research should closely examine the nature of *wasta* and gather information to better identify potential differences in the way in which *wasta* manifests as a means to better understand this important cultural phenomenon. In the current study, we used trainer evaluations of performance in order to assess womens' entrepreneurial performance. Evaluations, by definition, involve forming an opinion by discerning or comparing (Hollenbeck, 2008), and are criticized for being subjective in nature and likely vulnerable to personal biases (Borman, Dunnette, & Hough, 1991; Dickinson, 1987; Feldman, 1981). Thus, it is important to consider that the training staff members who provided the entrepreneur ratings in the current study have privy to some aspects of the womens' behaviors, but not all, and that the ratings that were provided are subjective in nature and may contain biases.

Finally, it is important to point out what our study cannot tell us. As noted earlier, the sample was small and was primarily composed of relatively wealthy, urban, liberal Tunisian women. We did not collect data on men, and so we cannot say whether *wasta* and marital status matter more for women compared to men. We did not collect data from multiple countries, and so we cannot draw conclusions about how the relationships among religiosity, social capital, and entrepreneurial performance vary depending on the country or culture. Furthermore, our data allow us to test for a statistical relationship among social capital, religiosity and entrepreneurial success only at the level of individual women. It is plausible that group-level differences in social capital and religiosity (e.g., ultra-conservative Salafis vs. more mainstream Muslims) impact not only individual women's entrepreneurial success, but also their desire and ability to

engage in entrepreneurial activity in the first place. Because of these limitations, the current study should not be viewed as a final answer to the complex challenge of helping women succeed in MENA countries; instead, it should be viewed as a starting point for future researchers interested in empirically investigating these issues.

### **Future Research**

Our primary recommendation for future research is to further examine the relationship between Muslim religiosity and entrepreneurial outcome variables. The relationship between religiosity and entrepreneur performance may be better understood by examining moderating variables, such as religious attitudes in the community or individual difference characteristics. For example, a woman high on negative affect may focus more on discouraging messages present in religious discourses compared to a woman low on negative affect. Alternatively, some Muslim communities may be supportive of women entrepreneurs, whereas other communities may foster an environment where women are unsupported or even actively mistreated (Cunningham, Bergman, & Miner, 2014). Another suggestion is for future research to examine how the messages delivered in discourses and discussions about Islam moderate entrepreneurial success outcomes using methodologies such as textual analysis.

The current study provides early evidence examining the relationship between social capital and entrepreneurship among Muslim women, but future researchers should examine other indicators of entrepreneurial performance such as profit, number of employees recruited and hired, and business survival. Additionally, future research should examine individual-level outcomes, such as job satisfaction and factors that affect women's commitment to their entrepreneurial endeavor. One particularly interesting way to examine the role of social capital would be to closely examine how wife-husband entrepreneur teams function in the MENA

region. Results from the current study show that women entrepreneurs benefit from being married. Justo, DeTienne, and Sieger (2016) argue that one reason female-owned businesses are more likely to fail than their male-owned counterparts are is because women are more likely to voluntarily exit due to personal reasons. Husbands could help women overcome these challenges. For example, a married woman may be better able to integrate her business with her personal life, making it a more fulfilling experience and increasing the likelihood that she will remain committed to the business rather than voluntarily leaving (Camgoz, Ekmekci, Karapinar, & Guler, 2016). On the other hand, Yang and Aldrich (2014) recently found that women are less likely to remain in high-power positions in their companies when the company is run with a spouse as opposed to being run with a friend.

### **Practice Implications**

Findings from the current study have implications for how organizations such as nongovernmental organizations (NGOs) can help female entrepreneurs succeed in the MENA region. Our results suggest that Muslim religiosity is not uniformly harmful to Muslim women's performance, nor was it helpful. Instead, we found that social capital, in the form of being married and having high levels of *wasta*, was related to performance. As such, we suggest that NGOs work with women entrepreneurs to help them gain social capital. Specific recommendations include directly assisting in the development of social capital, such as providing mentors for entrepreneurs and organizing group-based training sessions where entrepreneurs can interact with one another. Organizations helping entrepreneurs can also teach about the importance of social capital in training and development sessions for aspiring entrepreneurs. Entrepreneurs may be unaware of the importance of social capital because they are striving to achieve other business goals. For example, studies show that social competence



(Baron & Markman, 2003) and self-monitoring (Oh & Kilduff, 2008) are antecedents to social capital. Women entrepreneurs can improve their skills in these areas, develop awareness about their personalities (e.g., introverted individuals may need to push themselves to be more social than they would prefer), and invest time into networking in order to improve their social capital.

Finally, research suggests that business goals are accomplished in different ways across various cultures and contexts, and we show in the current study that the indigenous concept of *wasta* does, in fact, relate to business success in the MENA region. Thus, one final implication is that NGOs and other organizations supporting entrepreneurs should provide information about how business is accomplished in each local context. In other words, rather than ignoring or criticizing the existence of nepotism, training centers should learn about local customs and ways of doing business and provide this information to women entrepreneurs.

## **Conclusion**

“To discuss women in the Islamic world is to acknowledge some uncomfortable truths” (Vandello, 2016, p. 625). There are fewer women in MENA countries participating in their own ventures than in East or Central Asia, Latin America or Europe; furthermore, only 13% of businesses in MENA countries are owned by women (World Bank, 2012). The present research is among the first known studies to empirically examine, using a quantitative perspective, what factors help women entrepreneurs succeed in this challenging cultural and economic environment. It is our sincere hope that others will build on our scholarship to help further our understandings of the key factors that enable women entrepreneurs to thrive in MENA countries.

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Table 1

*Descriptive Statistics and Correlations for Study Variables*

Variables	<i>M</i>	<i>SD</i>	Correlations										
			1	2	3	4	5	6	7	8	9	10	11
1. Business Ownership	4.02	1.57	--										
2. Age	2.69	1.09	.42*	--									
3. Education	4.78	1.44	-.46*	-.49*	--								
4. Children	2.85	1.33	.21	.22	-.41*	--							
5. Registered Business	.42	.50	-.41*	.09	.10	.04	--						
6. Negative Affect	2.00	.84	-.21	-.15	.18	-.15	.09	(.88)					
7. Self-Efficacy	4.29	.56	.12	-.02	-.03	.28	.14	-.27*	(.75)				
8. Wasta	3.26	.93	.18	-.07	.06	.02	.09	-.12	.26*	(.74)			
9. Marital Status	1.51	.50	.25*	.63*	-.39*	-.27	-.09	-.18	.05	-.02	--		
10. Religiosity	4.11	1.35	.12	.13	-.06	.003	-.05	-.10	.13	.24*	.04	--	
11. Performance	3.81	.74	.45*	.21	-.13	-.10	.12	-.10	.09	.29*	.23*	.13	(.93)

*Note.* Business ownership was coded as 1 = No, and I am not interested in owning my own business, 2 = No, but I am thinking of starting my own business, 3 = No, but I plan to start one soon, 4 = Yes, I just started my own business, 5 = Yes, I have owned my own business for a few years, 6 = Yes, I have owned my own business for 5 years or more. Age was coded as 1 = 18–24, 2 = 25–34, 3 = 35–44, 4 = 45–54, 5 = 55–64, 6 = 65–74, 7 = 74+. Education was coded as 1 = Illiterate, 2 = Elementary, 3 = Primary, 4 = Secondary, 5 = 2-year college, 6 = 4-year college, 7 = MA or higher. Registered Business was coded as 0 = Not a registered business, 1 = Registered business. Marital status was coded as 1=Not Married, 2=Married. Performance was training-director reported entrepreneurial performance. Some coefficient alphas are reported in parentheses along the diagonal of the correlation matrix.

\* $p < .05$ .

Table 2

*Regression Results Predicting Training Director-Rated Entrepreneurial Performance*

Variables	$\beta$ (SE)
Covariates	
Business Ownership	0.30* (0.14)
Age	-0.05 (0.12)
Level of Education	0.24 (0.16)
Number of Children	0.00 (0.18)
Informal Economy	0.05 (0.31)
Negative Affect	0.18 (0.14)
Self-Efficacy	0.11 (0.11)
Predictors	
Wasta	0.26* (0.12)
Marital Status	0.60* (0.24)
Religiosity	-0.01 (0.11)
$n = 84; R^2 = 0.58; F = 5.85***$	

*Note.* Age was coded as 1 = 18–24, 2 = 25–34, 3 = 35–44, 4 = 45–54, 5 = 55–64, 6 = 65–74, 7 = 74+. Marital status was coded as 0=Not Married, 1=Married. Business ownership was coded as 1 = No, and I am not interested in owning my own business (individuals who responded in this way were removed from the dataset), 2 = No, but I am thinking of starting my own business, 3 = No, but I plan to start one soon, 4 = Yes, I just started my own business, 5 = Yes, I have owned my own business for a few years, 6 = Yes, I have owned my own business for 5 years or more. Reported  $R^2$  is the average value across all ten imputed datasets.

\* $p < .05$ . \*\*\* $p < .001$ .