

Full Length Research Article

Patterns of Entrepreneurship among Pakistani Women

Saman Mazhar¹, Rabia Mazhar*² and Shujaat Gilani³

¹Lecturer Economics, University of Agriculture Faisalabad, Pakistan

²Post-graduate student, University of Agriculture Faisalabad, Pakistan.

³Educator, Government of Punjab, Pakistan.

*Corresponding author: rabi.mazhar@hotmail.com

Abstract

This study tends to map the role demographic, behavioural, business, marketing and financial factors among women entrepreneurs in Faisalabad, Pakistan. Quantitative research design via using quota sampling technique was used. Cronbach's Alpha suggested validation (0.821) of data tool items, cross tabulation, mean, standard deviation, and interval of standard deviation from mean (ISDM) were used. Results suggests women entrepreneurs are confronted to barriers in; start-up, mobility, credit constraints, competitive edge, and human resource development. However, Informal sector education introduces as initiator of entrepreneurship among women entrepreneurs and cities are playing explicit role in change, and key drivers of growth via facilitating women entrepreneurship in urban Pakistan. Fortunately, women entrepreneurs depicts a silent daring success factor "fear of failure" as non-challenging for them, it portrays their energetic potentials into entrepreneurial enthusiasm. Moreover, provision of short courses on start-up via collaboration of formal and informal education, and stakeholders in industrial sectors could seed entrepreneurship and act as torch bearer in facilitating, encouraging, aligning, and developing sustainable women entrepreneurship in rural Pakistan as well.

Keywords: Demographic, behavioral, business, marketing, and financial.

Introduction

During past three decades, entrepreneurship has designated as; engine for economic growth, prosperity, and welfare among developing economies globally. Since its recognition, it has emerged as a source to unveil 'untapped' energies into economic activity (Minniti and Naude, 2010). Developed economies have regarded women as modular, nuclei, and central pillar of economic development (Acs *et al.*, 2008). Among developing economies, increasing population and economic pressure has created several mammoth socio-economic problems (Bjerke, 2013). In this regard, role of women in economic activities has become crucial (Daskalaki and Mair, 2015). Hence, developing economies has taken women entrepreneurship as replica to mainstreaming women, and putting their unprovoked potentials to economic tracks (Pilkova *et al.*, 2014). However, still most of the leading businesses in world are men running, but in recent decades population of women owned small and medium enterprises (SMEs) has also grown dramatically (Bjerke, 2013; Daskalaki *et al.*, 2015; and Davis and Shaver, 2012).

At the beginning of 20th century, Schumpeter (1911) explained entrepreneurship as the combination of innovation, creativity, risk taking, putting ideas into being, combining

least cost factor of production, introducing a new product, disbursement of product into new markets, changing product attributes, and fetching colossal market share. However, developing a new technology associated to development of production activity, facilitating innovativeness, and introducing cost efficient products are also lies in entrepreneurship (Sharma *et al.*, 2012; and Ullah *et al.*, 2012).

Recent developments in business innovation have focused the economies to re-examine the patterns in diffusion, orientation, and growth of economic activity into masses (Ayadurai, 2006; and Harris and Kinney, 2004). Therefore, there are three key reasons for understanding patterns of women entrepreneurship. First, as Schumpeter (1911) has explained entrepreneurial diffusion in economies, its contributions in development of economic activity, and exhausting under-utilized factor of production into business activity. Second, women led SMEs are more innovative, pro-active, and significant impacted in overall consumption, household, and economic perspectives (Nichter and Goldmark, 2009). Women entrepreneurs as heads are tend to more effective in household activities (i.e. child education, family health, nutrition, and socio-economic sittings) as compared to men (Nichter and Goldmark, 2009). Third, female owned SMEs not merely increasing female

labour participation, but also overtime has increased the proportion of female running SMEs (Minniti, 2010).

Presently, women in Pakistan are still unprivileged, unprovoked, shaded, caged, and vulnerable to entrepreneurship. However, least access to markets is one of the leading causes in being socially handicapped and economically deprived (Jamali, 2009). Therefore, constrained access to resources confines them from enjoining economic incentives, and participating in entrepreneurial activities as men do (Sharma *et al.*, 2012; and Ullah *et al.*, 2012). Moreover, socio-economic barriers adhere to women undermines their entrepreneurial capabilities and obviate their ideas into being (Ali *et al.*, 2014; Akhtar, & Ullah, 2014; and Aslam *et al.*, 2013). This study tends to map the role demographic, behavioural, business, marketing and financial factors among women entrepreneurs in Faisalabad, Pakistan. Moreover, this study outlines entrepreneurial patterns among Pakistani women, predicts their potentials in orientation, and developing of entrepreneurial activity.

Research Methodology

To fulfil proposed research objectives, quantitative research design was used to conduct this study. Quota sampling technique was employed for data collection from a total of 240 women entrepreneurs consisting of three strata's using 5 point Likert scale. Data collection was done from rural, peri-urban, and urban Faisalabad district. Each stratum was consisting of 80 women entrepreneurs. Pre-testing, and focus group discussions were carried out before conducting data collection, hence changes were incorporated in tool to make it more adequate and align to underlying factors. Cronbach's Alpha was used to examine the validity of data tool items.

$$\alpha = \left(\frac{k}{k} - 1\right) \left(1 - \sum_{i=1}^k \left(\sigma_{yi}^2\right) / \sigma_x^2\right)$$

Where 'k' refers the number of items scale, σ_{yi}^2 refers variance associated to i^{th} item in scale, and σ_x^2 refers variance associated to total observed score.

Therefore, factors for assessing patterns of entrepreneurship among Pakistani women were selected in light of various empirical studies (Ali *et al.*, 2014; Akhtar, & Ullah, 2014; and Aslam *et al.*, 2013; Sharma *et al.*, 2012; and Ullah *et al.*, 2012). Cross tabulation, mean, standard deviation, and

interval of standard deviation from mean (ISDM) method for determining information levels (Qamar, 2002) were used in Statistical Package for Social Sciences (SPSS) 22.0 for empirical analysis of information.

A = weak, $A < \text{Mean} (\text{Mean}) - \text{SD}$ (Standard deviation)

B = medium, $\text{Mean} - \text{SD} < B < \text{Mean}$

C = good, $\text{Mean} - \text{SD} < C < \text{Mean} + \text{SD}$

D = excellent, $\text{Mean} + \text{SD} < D$

Results and Discussion

Cronbach's Alpha test was used for testing the reliability of data tool items (Table 1). Results shows that data tool items are reliable (0.821) and consistent.

Role of various demographic characteristics in women entrepreneurship patterns among strata's are shown (Table 2). Result represents scoring concerning the significance of factors to women entrepreneurship. Describing the significant factors in stratum 1; informal education, female household head, and age are leading factors in women entrepreneurial pattern, respectively. However, among other factors; experience, others business, and service sector are also significantly contributing in women entrepreneurial patterns. Whereas, role of formal education in entrepreneurial orientation, inclusion of women in food, and fashion businesses are least prioritized factors among rural women. This shows entrepreneurial patterns among rural women are highly dependent on informal sector education and instigated to local needs. Explaining key significant factors in stratum 2; informal education, age, female household head are highest scored factors, respectively. However, participation in food, and fashion business, experience, service sector, other business are also significantly contributing in women entrepreneurship patterns. Additionally, formal education is not a fundamental player among rural, and peri-urban entrepreneurs. Hence, informal sector education is a driver of entrepreneurial patterns among women in rural, and peri-urban areas. Result in stratum 3 depicts; fashion business, informal education, and experience as the foremost scored factors, respectively. Therefore, inclusion of women in food business, service sector, formal education, age, female household head, and other business are also related to women entrepreneurship in urban areas. Hence, as cities around the globe have recognized to have explicit role in change, and being as key drivers of growth are primarily facilitating women entrepreneurship. Moreover, provision of short entrepreneurial and start-up

courses via collaboration of formal and informal education, and stakeholders in industrial sectors could seed entrepreneurial ignition and act as torch bearer in facilitating, encouraging, aligning, and developing sustainable women entrepreneurship in rural, and peri-urban areas.

Role of influence and perception in women entrepreneurship pattern is described among strata's (Table 3). Results in stratum 1 explains; poverty or lower access to resources, family health and education, large family size, and family support are prioritized factors influencing patterns of rural women entrepreneurship, respectively. Therefore, family business experience, and role model influence are least favoured factors among rural women entrepreneurs. Describing significant factors in stratum 2; family health and education, poverty or lower access to resources, role model influence, and family support are foremost factors, respectively. Whereas, family business experience reveals least preferred role in women entrepreneurial patterns in rural and peri-urban areas. Stratum 3 depicts results as; family support, family health and education, role model influence, and family business experience are key prioritized initiating factors among urban women entrepreneurs, respectively. However, poverty or least access to resources, and large family size are not prioritized factors for entrepreneurship among urban women. Hence, it shows that comparatively cities are more inclined and positively oriented in facilitating women entrepreneurship. Therefore, multiplication of information, knowledge, access, and mobility to markets can spark entrepreneurship among rural, and peri-urban women.

Business challenges in entrepreneurship confronted to women entrepreneurs are measured among strata's (Table 4). Explaining factors in business challenges significantly confronted to women entrepreneurs in stratum 1; barriers in start-up, mobility, and credit constraints are key prioritized factors, respectively. However, access to customers, input purchase, competitive edge, and human resource development are also significantly challenging for rural women entrepreneurs. Thus, women entrepreneurs depicts a silent daring success factor "fear of failure" as non-challenging for them, it portrays their energetic potentials into entrepreneurial enthusiasm. Result in stratum 2 shows; barriers in start-up, credit constraints, and access to customers as key confronted business challenges, respectively. Therefore, competitive edge, and human resource development are also significantly adhere to

women entrepreneurs. Whereas, input purchase, mobility, and fear of failure are non-challenging to peri-urban women. Stratum 3 reveals; competitive edge, fear of failure, barriers in start-up, credit constraints, and access to customers as business challenges adhere to women entrepreneurs. However, human resource development, input purchase, and mobility are not challenging among urban women entrepreneurs. Rationally speaking, entrepreneurial development through market system can overtime make refinements in entrepreneurial skills and brings women entrepreneurs as colossal advantageous in fetching high margins.

Role of marketing and financial factors in women entrepreneurship measured among strata's (Table 5). Describing significant factors in stratum 1; forward contracting, and product differentiation found satisfactory among rural women entrepreneurs. Whereas, marketing strategy, seeking advantage of size and scale, and pricing are least prioritized factors among rural women entrepreneurs. Hence, it depicts rural women entrepreneurs have inborne advantage of product differentiation through their innovative thinking, this could be advantageous for them via inclusion of key entrepreneurial marketing strategies, introducing, and channelizing their output to big markets and stakeholders in industry. Result in stratum 2 depicts; forward contracting, marketing strategy, size and scale, product differentiation, and pricing as related to marketing and financial factors among women entrepreneurs in peri-urban areas. Whereas, rural and peri-urban women are scarce in packing and design of their produce, this leads to lower competitive behaviour of their product, ultimately fetch lower prices. Describing role of marketing and financial factors in stratum 3; product differentiation, pricing, marketing strategy, size and scale, and packaging and design are significantly ranked factors among urban women entrepreneurs, respectively. However, urban women entrepreneurs are lacking in forward contracting. This shows urban women entrepreneurs are taking advantage of being immediate to city markets, marketing their produce through electronic and print media, and fetching higher fold market prices for their produce. Anyhow, rural and peri-urban women are also taking advantage of their entrepreneurial activities and moving toward prosperous, innovative, time honoured, and sustainable entrepreneurship development.

Summary

Increasing population and economic pressure among developing economies has

created serious discussions on putting sustainable factors into economic tracks and has formulated women entrepreneurship as replica to economic development. This study examines various underlying patterns in women entrepreneurship among rural, peri-urban, and urban entrepreneurs in Faisalabad, Pakistan. Describing significant demographic characteristics among strata's; informal education, female household head, age, and experience are key leading factors in women entrepreneurship patterns. However, entrepreneurship patterns among rural women are highly dependent on informal sector education and instigated to local needs. Results for role of influence and perception shows poverty or lower access to resources, family health and education, large family size, and family support are prioritized factors influencing patterns of rural women entrepreneurship. Explaining business challenges significantly confronted to women entrepreneurs; barriers in start-up, mobility, credit constraints, access to customers, competitive edge, and human resource development are also significantly adhere to women entrepreneurs. Study investigates informal sector education as initiator of entrepreneurship among women entrepreneurs and cities are playing explicit role in change, and being key drivers of growth via facilitating women entrepreneurship in urban Pakistan. However, entrepreneurial development is a time taking process and market system takes time to make refinements in entrepreneurial skills and brings women entrepreneurs as colossal advantageous in fetching high margins. Fortunately, women entrepreneurs depicts a silent daring success factor "fear of failure" as non-challenging for them, it portrays their energetic potentials into entrepreneurial enthusiasm. Therefore, multiplication of information, knowledge, access, and mobility to markets can spark entrepreneurship among rural, and peri-urban women equally. Moreover, provision of short entrepreneurial and start-up courses via collaboration of formal and informal education, and stakeholders in industrial sectors could seed entrepreneurship and act as torch bearer in facilitating, encouraging, aligning, and developing sustainable women entrepreneurship in rural Pakistan as well.

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Table 1. Reliability test

Reliability test	Value
Cronbach's Alpha	0.821

Table 2. Demographic characteristics

Items	Stratum 1			Stratum 2			Stratum 3		
	N=80			N=80			N=80		
	M	SD	Score	M	SD	Score	M	SD	Score
Demographic factors	$(\chi^2=29.83^*)$								
Age	3.93*	1.36	3	3.88*	1.41	2	3.12*	1.65	7
Female household head	4.04*	1.27	2	3.33*	1.66	3	3.05*	1.66	8
Education (formal)	2.88	1.84	7	2.72	1.47	9	3.45*	1.79	6
Education (informal)	4.07*	1.26	1	4.11*	1.22	1	4.01*	1.30	2
Experience	3.28*	1.82	4	3.18*	1.83	5	3.93*	1.69	3
Fashion (boutiques and beauty salons etc.)	2.27	1.53	9	3.15*	1.84	6	4.07*	1.25	1
Food (selling cooked food, and roadside food corner etc.)	2.39	1.74	8	3.25*	1.83	4	3.74*	1.47	4
Services (education, health, and events management etc.)	3.05*	1.84	6	3.13*	1.80	7	3.71*	1.50	5
Other business	3.16*	1.65	5	3.09*	1.63	8	2.97	1.69	9

*significant at 5 percent probability level

Table 3. Role of influence and perception in women entrepreneurship

Items	Stratum 1			Stratum 2			Stratum 3		
	N=80			N=80			N=80		
	M	SD	Score	M	SD	Score	M	SD	Score
Influence and perception	$(\chi^2=25.45^*)$								
Family business experience	2.80	1.68	5	2.64	1.84	6	3.10	1.64	4
Family support	3.01*	1.43	4	3.15*	1.67	4	3.74*	1.69	1
Role model influence	1.71	1.48	6	3.25*	1.83	3	3.40*	1.63	3
Poverty/lower access to resources	4.07*	1.25	1	3.33*	1.66	2	2.77	1.59	5
Large family size	3.40*	1.77	3	3.04*	1.43	5	1.88*	1.71	6
Family health and education	3.45*	1.79	2	3.51*	1.77	1	3.55*	1.57	2

*significant at 5 percent probability level

Table 4. Business challenges confronted to women entrepreneurship

Items	Stratum 1			Stratum 2			Stratum 3		
	N=80			N=80			N=80		
	M	SD	Score	M	SD	Score	M	SD	Score
Business challenges	$(\chi^2=22.84^*)$								
Barriers in start-up	4.17*	1.15	1	3.71*	1.50	1	3.11*	1.64	3
Access to customers	3.74*	1.68	4	3.39*	1.62	3	2.88	1.58	5
Input purchase	3.68*	1.51	5	2.90	1.67	6	2.04	1.76	7
Credit constraints	3.78*	1.67	3	3.58*	1.55	2	3.03*	1.67	4
Human resource development	3.40*	1.63	7	2.91	1.55	5	2.59	1.70	6
Mobility	4.14*	1.19	2	2.60	1.69	7	1.74	1.67	8
Competitive edge	3.61*	1.54	6	3.35*	1.65	4	3.18*	1.67	1
Fear of failure	2.17	1.90	8	2.59	1.7	8	3.16*	1.71	2

*significant at 5 percent probability level

Table 5. Role of marketing and financial factor in women entrepreneurship

Items	Stratum 1			Stratum 2			Stratum 3		
	N=80			N=80			N=80		
	M	SD	Score	M	SD	Score	M	SD	Score
Marketing & financial factors	$(\chi^2=8.102^*)$								
Marketing strategy	2.26	1.87	3	3.25*	1.52	2	3.69*	1.68	3
Size and scale	1.82	1.70	4	3.18*	1.67	3	3.59*	1.54	4
Product differentiation	3.20*	1.66	2	3.12*	1.54	4	3.76*	1.67	1
Forward contracting	3.61*	1.74	1	3.33*	1.60	1	2.11	1.35	6
Packaging and design	2.19	1.81	3	2.76	1.89	6	3.22*	1.50	5
Pricing	1.69	1.27	5	3.11*	1.68	5	3.71*	1.70	2

*significant at 5 percent probability level

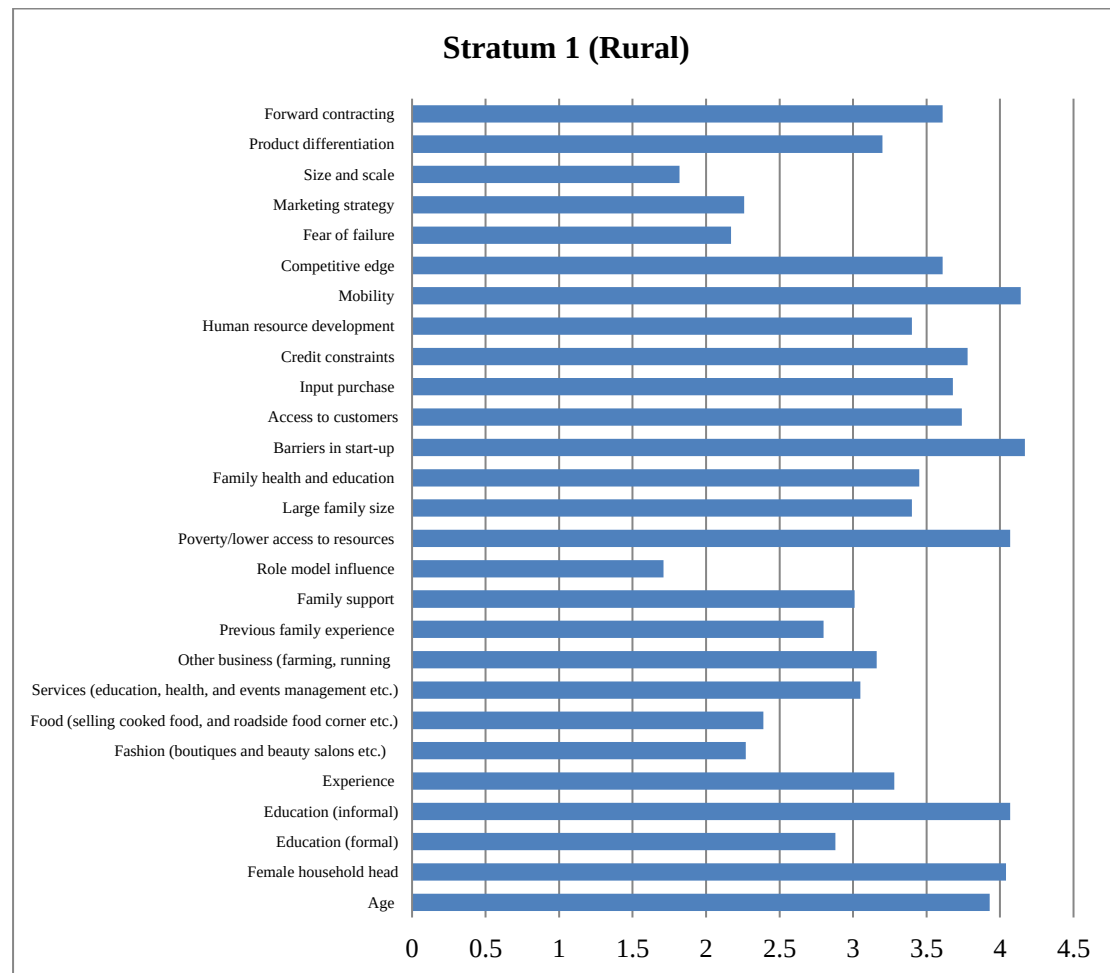


Figure 1. Bar charts representing patterns of rural women entrepreneurship

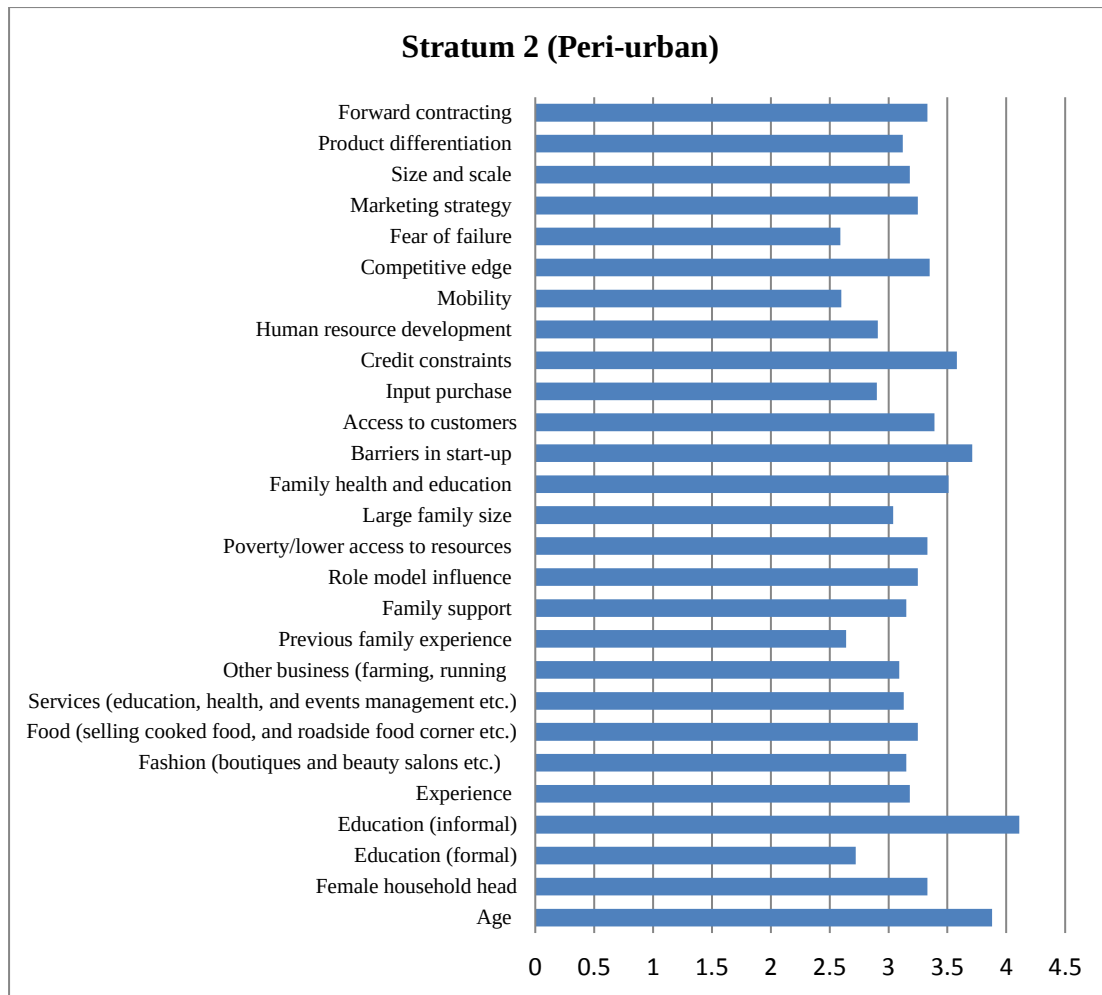


Figure 2. Bar charts representing patterns of peri-urban women entrepreneurship

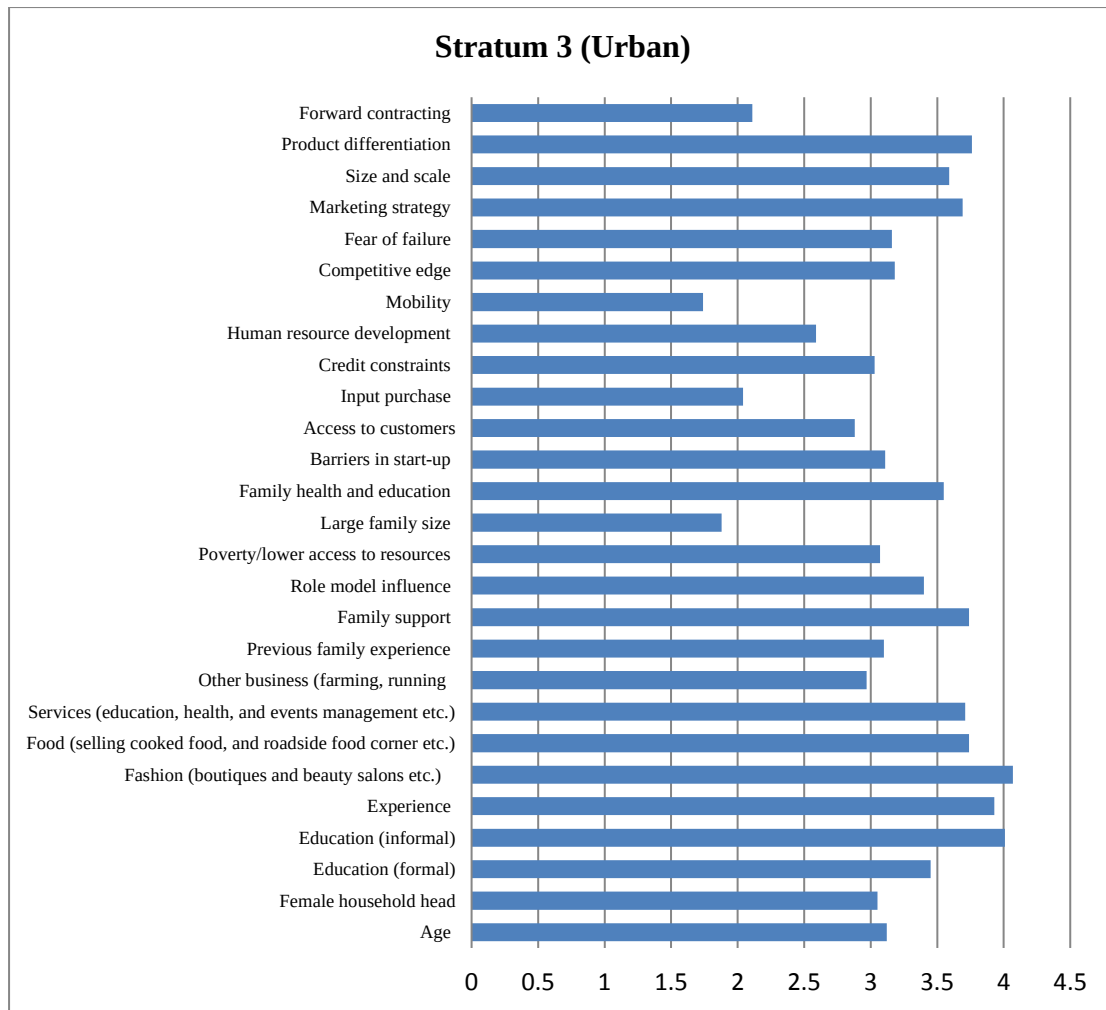


Figure 3. Bar charts representing patterns of urban women entrepreneurship