

# **WOMEN ENTREPRENEURSHIP IN SINDH: DEVELOPING A CONCEPTUAL FRAMEWORK FROM EMPIRICAL EVIDENCE**

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## **ABSTRACT**

*This study seeks to identify socio-economic and cultural problems women entrepreneurs (WEs) face in start up or continuing the business. A careful review of literature regarding frameworks and model on WEs in Sindh and Pakistan was made. Review suggests there is an acute shortage of the research evidence on the subject. Consequently, this study embarked upon contributing empirical evidence gathered from Karachi, Hyderabad and Larkana cities of Sindh province in Pakistan. Twenty eight in-depth interviews were conducted direct observation also made. This study empirically investigated multiple effects of socio-cultural, familial financial, managerial and governmental influences which cause or ease problems and opportunities for women entrepreneurs. The findings reveal female entrepreneurs experience hard times in start up and maintaining business in male dominated society. However, urbanised women seemed more educated and belong to well-off families who support them. As a result they get their problems shared with family and friends and grow bit faster. In the last section, we discussed policy implications.*

**Key words:** Women entrepreneurship, socio-cultural, financial problems, motivation, management, marketing, in-depth interviews, framework, Sindh

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## INTRODUCTION

This study presents critique on extant literature with focus on theoretical and conceptual frameworks of women entrepreneurship (WE) from different countries to figure out framework in context of female entrepreneurs in Sindh, Pakistan. Critique on conceptual frameworks enables researchers to grasp potential factors that cause motivation and challenges for females to do business. It has been reported several times that women entrepreneurs across developing nations including Pakistan share common experiences, challenges and problems. Some women perceive doing business is prestigious, it raises status in society and affords them the opportunity to socialize and develop network. Other women express fears of failure and communicate socio-political and familial hardships in doing the business. There are inherent socioeconomic and cultural challenges in the way of women do business and also societal and they themselves attach expectations of what they do (Collins, Chrisler & Quina, 1998). As a result, women work hard to accomplish their predetermined expectations. According to Bhawe (1994) women perform better if they expect and stand resilient in the way of challenges to show up they can do what they think. Those of the female businesspersons inherit motivation to rise for which they sometimes put in their best and incur significant personal or business sacrifice in pursuit of the success (Kickul, Welsch & Gindry, 2001).

For these and several other reasons, authors believe that reviewing conceptual frameworks and models of WE would enable us to understand the scheme of concepts, hypothetical assumptions, and theories to inform empirical research. Miles & Huberman (1994) and Robson (2002) viewed conceptual frameworks as must for to understand the any research phenomenon. According to Miles & Huberman (1994, p.18) a conceptual framework is a pictorial depiction in black and white to illustrate main points to be examined. Such as, key factors, concepts, or variables—and the presumed relationships among them. Conceptual framework is a mind-mapping that researchers hold about the phenomenon. It primarily presents what is studied and what could be investigated in researchers' plan of study—a tentative theory of the phenomena that this study is aimed at to investigate. This whole exercise helps authors to define research problem, refine study goals and questions, research design, method, analytical strategy and drawing conclusions. Study postulates that

investigating conceptual frameworks of WE will enable us to do develop the same in context of WEs in Sindh-a second largest province of Pakistan and hub to trade, commerce and industry in the country and home of WEs.

## **LITERATURE AND CRITIQUE ON WE FRAMEWORK**

Women entrepreneurship has become an important factor in formal and informal economy and means of women empowerment, poverty reduction and it has played increasingly important role in economic development. According to Lavoie (1985) views WE as a firm which is headed by a female and undertakes core responsibility of starting up a new business and accepts the associated risks. Moreover, financial, administrative and social responsibilities including discharge of daily management of the business. Similarly, Buttner and Moore (1997) acknowledged WEs are those who initiate and own the business by at least 50% fifty percent of it and play an active role in the business. Additionally, Chu (2000) defined WE as female owner-managers who own, inherit or jointly established with or without family members.

Researchers identified different elements that influence women motivation to do business. Amongst personal factors personality, ability to face the challenges, work experience and contextual elements such as social, economical, political, religious and financial factors are significant (Goheer, 2003). According to Shapero (1975) entrepreneurship is kind of behavior that includes initiative taking, reorganizing economic activities and the acceptance of its risks. Sue et al. (2000) suggested entrepreneurial behavior is influenced by genetic power, family background and economic environment. Woman entrepreneurs in male-dominated societies especially in Asia and Africa face unending challenges in doing business (Schaefer, 2003). Similarly, Ayogu (1990) pointed out that women in developing and conservative societies are groaning under unjust culture, beliefs and overbearing influence of a male domination which largely stops them to grow independent businesses. A stream of research has increasingly identified different challenges. The recent investigation of Salleh, Hassan & Osman (2007) highlighted on goal orientation of WEs who own smaller firms. Inspiration to accomplish ambitions increases confidence in women for doing more. Authors presented a typology of women entrepreneurs based on this aspect which distinguish women

according to their goal orientation. Okafor and Amula (2010) investigated relationship between WEs motivation and challenges women entrepreneurs may face. They also highlighted some practical implications for policy makers both in the government and women entrepreneurs.

Sanyang and Haung, (2008) highlighted the importance of women entrepreneurs working in Taiwan. Authors identified many women who present success stories in SMEs who challenged the difficulties and problems in their way. Study also revealed that Taiwanese women still need government help and access to finance for business growth. Teoh and chong (2007) examined the influencing factors and performance of women entrepreneurs in Malaysia. Study suggested that it is imperative to investigate to use social, psychological and organizational approaches to explore and analyze the relationship between women's characteristics and associated factors such as parental influence, their business management, strategies, goals and motives, networking and entrepreneurial orientation towards their business performance. Makinde and Adetayo (2004) examined stories of WEs in Nigeria. Authors found that different policies have been implemented to promote WEs but there remains big in proper implementations and women are yet prey to gender discrimination. Kantor (1999) precisely suggested that women being opposite gender experience increasing number of socioeconomic, cultural and religious constraints as compared to businessmen. Consequentially, this limits their ability to take advantage of the opportunities available to them which may cause their failure in business. Similarly, Mayoux (2001) and UN (2006) investigated causes of success and failure in WEs and identified that poor financial management e.g. books of records, lack of ready cash, managerial experience and skills, sales and marketing problems, staffing, the failure to seek expert advice, limited social and business networks, a low level of demand in the local economy and lack of role models. Other barriers to WEs development may include cultural obstacles, lack of motivation, high crime rates and problems during the transition from reliance on government benefits and employment.

More recently, Ahmed and Naimat (2011) investigated the circumstances of WEs in Pakistani context and revealed that networking plays a vital role in motivating and enhancing women participation in entrepreneurship. They acknowledged WEs in Pakistan

focus more on SMEs sector. Authors also suggested that it will be worth investigating to see how networking could enable female entrepreneurs to overcome social, cultural, legal, and religious barriers faced by women in Pakistan. The review of extant literature indicates that women across the cultures face numerous socioeconomic, familial, financial, managerial, marketing and logistics problems. Female entrepreneurs in Pakistan equally face various challenges such as government rules and regulations, lack of access to finance, assets, information technology, infrastructure and other facilities that enable their efficiency and business growth (UN, 2006).

Literature review for this study suggests that most of the research on the subject has been undertaken in different country contexts excluding Sindh Pakistan. In Pakistan 60 percent women are operating traditional business that is beauty parlors, boutiques, bakeries, schools etc. Cross-cultural studies, for example, (Shapero & Sokol, 1982; Sexton & Vasper, 1982; Hisrich & Brush, 1986) revealed that most women whilst facing challenges experience frustration, job dissatisfaction, deployment, unrest in family, not being able to put attention to children, quitting the business. Other important factors that motivate women and lead them to entrepreneurial success include independence, autonomy, financial support, education and family security could help Wes grow faster. This study, thus, is aimed at investigating these factors in women entrepreneurs in Karachi, Hyderabad and Larkana- few of the largest cities and business hubs in the province.

## RESEARCH METHODOLOGY

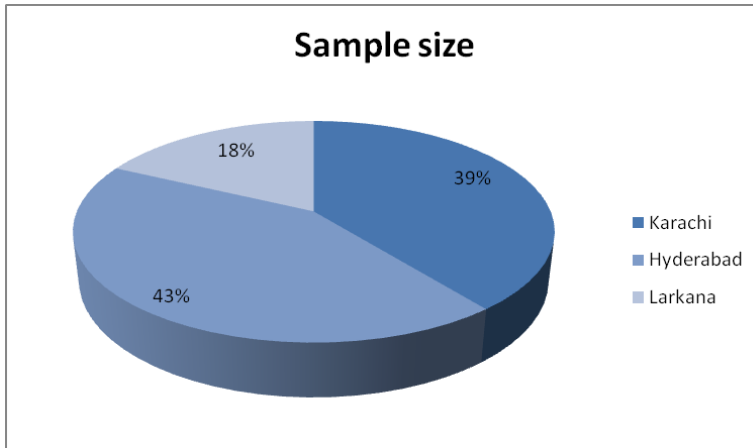
**Method of data collection:** Data were gathered through face to face in-depth interviews. First, we provided a definition of women entrepreneurship and explained the objectives of the study. More description about the objectives of research was provided to the participant(s) on request. In order to gather data, authors prepared a checklist of financial, managerial, manpower, logistics, marketing, socioeconomic, cultural, familial problems that women often face in doing business elsewhere and also the opportunities of the business.

**Strategy of data analysis:** We employed the technique of grounded theory (Glaser & Strauss, 1968) and the constant comparative method (Silverman, 2000) for data analysis. Interviews data were transcribed in first instance for further analysis. The transcription text was then

analyzed according to the themes which were underlined. The highlighted parts of the text were made as first-order themes and were coded and the codes were compared for similarities and differences. Subsequently, authors followed the advice of Strauss & Corbin (1998) by identifying similar themes in the first-order to group them into second-order themes. Likewise, this analysis process continued and the second-order themes were coded and then analyzed and reassembled into the clusters of activities forming the conceptual categories of the model. This process followed the coding principles of grounded theory. Furthermore, the analysis process entered in second phase where the first- and second-order themes from the first interview were used to structure comparisons with other interviews and this procedure continued for every informant account.

## RESULTS AND DISCUSSION

**Sample:** Women doing business in Karachi, Hyderabad and Larkana were initially contacted to participate in this exploratory study. All female participants in the study had university degree and with marital status as married. Two female entrepreneurs mentioned that they were delayed by their male family members to start business for several years and they were only allowed when they got married. Initially, nine women agreed to participate in the study and they gave us reference of other female entrepreneurs. In a way, we adopted snow-ball sampling design for data collection. Date, time and place for the interview with participants were fixed on telephone. A total of 28 interviews were conducted face to face. Figure 1 depicts demographic information of sample interviewees and their respective geographic location. About 43 percent participants were interviewed from Hyderabad, 39 percent from Karachi and 18 percent from Larkana respectively.

**Figure 1 Sample size and geographic location of participants**

**Demographics:** Table 1 demonstrates the information of sample interviewees' age, experience and type of business along with the geographic location of sample. The majority of participants' age ranges between 46-60 followed by 36-45 years of age with fewer participants aged between 25-35. This finding reveals that younger women seem more interested in securing corporate jobs rather than starting up a business venture.

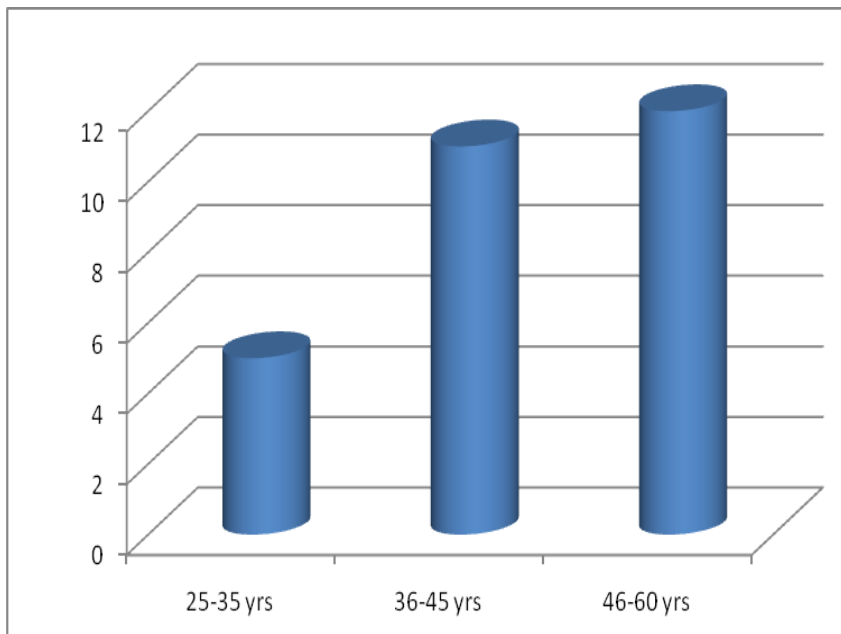
**Table-1: Demographic information**

Demographics	Specifications	Karachi	Hyderabad	Larkana	Total (N)
Age group	25 to 35 years	2	3	0	5
	36 to 45 years	5	3	3	11
	46 to 60 years	4	6	2	12
Experience in years	Up to 5 years	2	3	1	6
	6 to 10 years	4	4	2	10
	11 to 15 years	5	5	2	12
Type of business	Education/Schools	5	2	0	7
	Boutique	3	5	2	10
	Parlour	3	5	3	11
Total (N)					28

We used age group instead asking exact year of age. It would have been offensive to ask a woman about her age directly. Age group variable exhibited in figure 2 and 3 is of prime importance for this

research which reveals the average age of women doing business. Similarly, experience of females in their business suggests their consistency of interest and experience of challenges they have gone through over the time. Majority of the women possess between 11 to 15 years of experience. And, newly entered women have also been the focus of research to learn how naïve and novice females. These experienced and new entrants women in business shared same feelings about the way they have been doing business in male dominated society where they do not find limited family encouragement and government support.

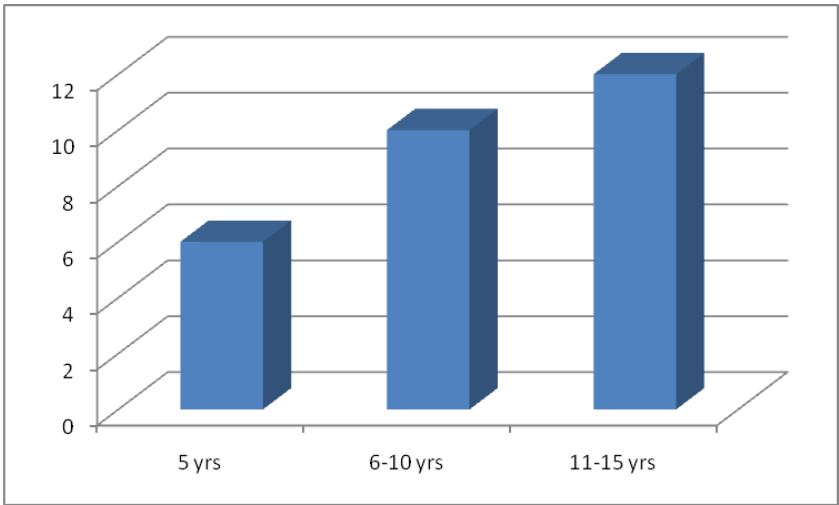
**Figure 2 Age group of sample participants**



Majority of women indicated they have been doing business for some 15 years. The most popular business appears to be beauty parlour followed by boutique and garments. Study with its main focus on identifying problems and opportunities, authors probed various participants to understand the phenomena.

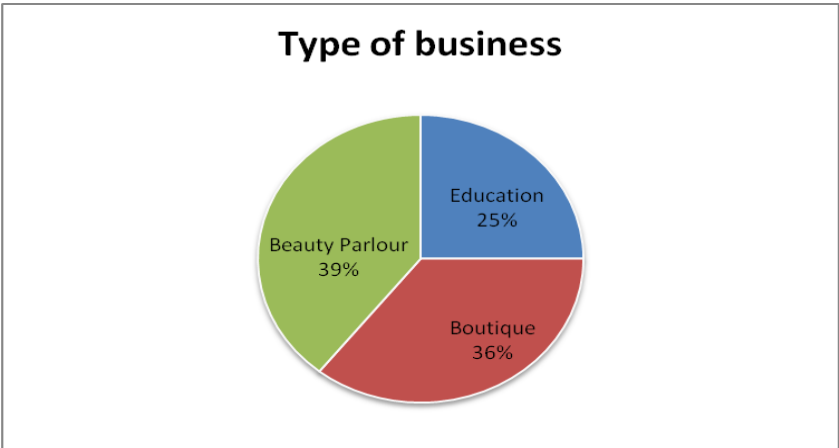


Figure 3 Experience of women entrepreneurs in years



Study was paying attention to investigate the type of business participants were interested in (see figure 4). The majority of the interviewees with 39 percent were found having beauty parlour business, 36 percent do boutique or garment and 25 percent had education business.

Figure 4 Type of business



## PERSISTENT CHALLENGES OF WES IN SINDH

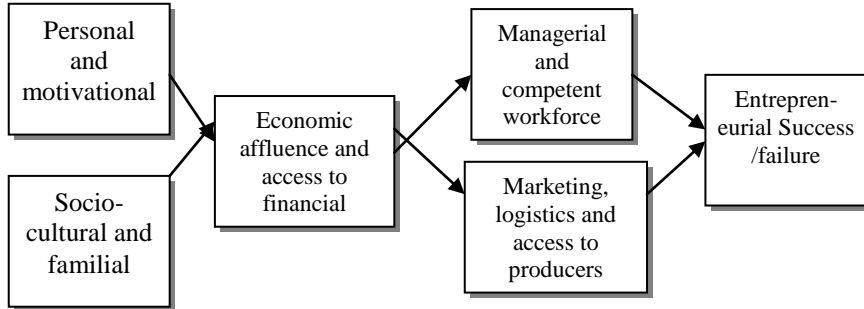
The following section presents study findings and their interpretation. Based on the findings, study also proposes a framework of challenges women face in doing business across the study area (figure 5).

***Personal and familial:*** Ostensibly, women entrepreneurs tackle following challenges regularly at work. Majority of the women participants interviewed for this study agreed that familial problems such as degree of independence from male family members for choosing to do business, autonomy to decide on expansion of business and investing more money, access to finance, family support are the main problems for every female that intends to start up a business. Additionally, personal factors include: education, age, work history, relative experience, looking after children, family members, traditional feministic roles, environment of the family, relative and society are the source motivation and also demotivation. Many authors considered aforementioned factors as source of motivation or otherwise [Kjeldsen & Nielson (2000); Parboteeach (2000); Bird (1988) and Jones (2000)]. Previous research also suggested that women entrepreneurs' desire to achieve personal goals, to feed one's family, to be respected, earning pride of ownership, peer pressure, desire for social recognition are also source of motivation.

***Economic and financial circumstances:*** Middle class or low-income women face quite difficult problems to keep sustainability in the business. They often end-up with low savings and low reinvestment, they take good amount of profits for supporting domestic expenditures, they are less educated and lack modern managerial skills, knowledge and attitudes, gender discrimination is higher with middle class women. Majority of participants from Hyderabad and Larkana cities reported that they have very limited access to formal credit from banks and the process is very tedious. On the contrary, affluent women have altogether different circumstances than low-income women. The Karachiite women belonged with comparatively well-off families and sounded more educated, fashionable, good in English, had good investments and reported they had support of their family, relatives and friends. They also enjoy comfortable access to banks borrowings. They had good opportunity of sociability, social network, free movement, bigger market with regular customers. They have tough competition,

though, but they enjoy it with innovation and skilled and knowledgeable staff which raises their lack of self-confidence.

**Figure 5: Contributing factors to success and failure of WE**



**Managerial and Marketing issues:** Participants were extensively probed over the management issues like recruitment, training selection, compensation, employee relations, etc. Overall response suggests that the magnitude of investment and the size of the entrepreneur is not that big to have HRM systems in place. However, WEs operate HRM on *ad hocism* bases. Consequently, financial management is very poor and WEs face liquidity problems. Incumbent management is largely inexperience and with local flavours. Evidence suggests poor book-keeping and sales volume is not recorded to evade tax with limited or nonexistence marketing, promotion and advertising. Almost all WEs visited reported no logistics support to reach of customers or ease movement of goods and services.

**Government support:** Participants were also asked to give their suggestions for government for the development of the WE sector. Majority of participants provided detailed list of facilities that they think would cater for the development of the sector. Overall, they need easy access to finance, expert advice on expansion of business, management and regulations for their lives and assets protection. Many challenges women go through whilst doing business include: going out alone, travelling from one city to the other, harassment, male domination, gender discrimination. Similar findings contributed by studies of Kantor (1999) and Mayoux (2001).

During data collection task, women entrepreneurs physical environment was visited to directly observe several things like

infrastructure, capacity of management, workforce, location, access to and from market, marketing activities and logistic facilities they possess. The most important observation worth mentioning is that majority of WEs infrastructure was of poor quality, location of business was not at good place, logistics and marketing activities were ordinary and insignificant. Many WEs seemed indifferent of marketing strategies to keep their customers aware of what they can offer and can do for them. Another key observation relates to management and finance. Majority of entrepreneurs seemed eager to have effective management systems but due to inexperience and skills they just run their business just like sole proprietor. Although they agreed that there are larger chances to expand the business, invest more capital, employ more workforce and open new branches in other places of the city and towns to grasp more business. But, due to lack of finance, managerial expertise, lack of knowledge of other places, towns and more importantly frequent electricity breakdown are considered major barriers. More educated, well-off and urbanised family background females in Karachi and Hyderabad enjoy family support and acceptance of doing and expanding business. They also enjoy financial and logistic facilities from family and easy access to credit facilities from banks. Their male family members manage financial and logistics support. Middle class and low-income women in Hyderabad and Larkana with tribal or conservative family background face limited permission to go ahead in terms of expansion of business rather they find themselves under criticism and discouragement. In that environment, government needs to play major role in providing WEs with legal protection to their lives, business assets and harassment, ease of finance with easy terms and government policies. In absence of government and family support female find themselves restricted to choose businesses that do not require high capital, high skill because they were intrinsically motivated into entrepreneurial venture. The findings also indicated that women entrepreneurs who face challenges such as lack of managerial skills, lack of infrastructural facilities and lack of access to capital (related to business start-up and growth) face threat of failure. In case of failure of any women in business leave very hard precedence for other intrinsically motivated women and family and friends make fun of those who intend to start up business and as a result I send off wrong message and discouragement of the WEs as whole.

## CONCLUSIONS AND POLICY IMPLICATIONS

This study seeks to find out the relationship between motivational factors and women entrepreneurial challenges. Since, there is acute shortage research on the subject in context of Sindh Pakistan, as a result, this study embarked upon contributing empirical evidence from Karachi, Hyderabad and Larkana cities. Twenty eight in-depth interviews were conducted for this study with rich data from direct observation and memos. The findings presented in preceding section. Study presented the persistent challenges and motivational factors female entrepreneurs go through in several major cities of Sindh. Participants shared their experiences and feelings at length and also suggested the facilities and support they expect from family, society and government. This study identified various factors that could inspire motivation to women entrepreneurs. More personally motivated women find it their personal responsibility to manage business problems on their own but their business growth is slow. On the contrary, women who find family and good financial support get their problems shared with them and grow bit faster.

This study empirically investigated multiple effects of socio-cultural familial influences, financial, managerial and governmental factors which cause or ease problems and opportunities for women entrepreneurs. Keeping in view of the findings discussed above, study makes recommendations policy implications. Government should take active role in promotion of the WE sector by publishing policy inputs, problems and challenges in the way of WEs and helping guidelines to tackle those challenges effectively and easing out financial support with regulation to protect women in business. Families, friends and relatives should extend helping hand irrespective of the personal motivation of women into business or intending to start up the venture. Government should launch awareness campaign through seminars, workshops, electronic and print media, initiating training programmes for women. This will help to reduce the challenges female business-owners face in doing business in male-dominated society of Sindh. Some of the problems WEs face can easily be either avoided or managed with little from government or social and family support. Government should present success stories and role model women business-owners for further promotion of the WE for greater motivation and knowledge for next generation of women interested in business. There is also need for women who are successful in business

to assist other women who are just coming into business through a mentorship programme. This will help to reduce the challenges these women are likely to face in business.

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