

An Investigation of Challenges Faced by Women Entrepreneurs in Asian Developing Countries: A Case of District Hyderabad, Sindh Province of Pakistan

Mehtab Siddiqui¹ and Akhtar Siddiqui²

¹Assistant Professor, Department of Commerce, University of Sindh, Jamshoro

²Agriculture Officer, AE&WM Wing, Agriculture Department, Hyderabad, Sindh

ABSTRACT

This study investigates the challenges faced by the female entrepreneurs while running their privately-owned businesses in District Hyderabad of Sindh Province of Pakistan, which may be generalized to other developing countries. Majority women entrepreneurs in District Hyderabad are providing services mainly in three business sectors i.e. education, parlor and boutique, and 114 women entrepreneurs were targeted to gather data for present study. The data collected was subjected to quantitative analysis and employed structured interview using survey questionnaire to appraise the key constraints that impedes the performance and growth of women entrepreneurs in District Hyderabad. A structured interview using survey questionnaire was developed and employed in the study area to assess the main key factors that create hindrances on the performance of women entrepreneurs in District Hyderabad of Sindh Province. This study focused on three main areas of profession where most of women entrepreneurs serve in District Hyderabad i.e. education, parlors and boutiques. The findings revealed that more than socio-cultural constraints women entrepreneurs face economic barriers i.e. stiff competition, complicated legal formalities, critical regulatory environment. Managerial and technological barrier also affect on the performance but women entrepreneurs have potentials to overcome the problems / constraints / challenges.

Key Words: Entrepreneurs, Privately-owned Business, Constraints, Performance.

Introduction:

With passage of time women are accepted as entrepreneurs which was taboo some decades before. Women are significantly contributing in economic development through creating employment, generating profit, raising standard of life from business activities. After the collapse of Somalia government in 1990 women play exceptional significant role in economic and social development. They are greatly contributing to economic growth through participation in trade and business (Ali and Ali, 2013). Though the number of female owned businesses has increased in recent years yet they are underrepresented (Balakumar and Devanesanb, 2014). To enter into business is coupled with many hurdles and challenges such as lack of capital, inefficient networks, lack of family support, opportunities and required skills to grow business. In Pakistan a drift towards exploring entrepreneurship and encouraging women to take part in business has considerably improved. Hyderabad like any other part of Pakistan has nest of women who have potential and courage to liberalize as entrepreneur but due to many challenges they are deprived to grow and run business. They are held with many socio cultural norms and beliefs, economic constraints and managerial and technological constraints which pave their way with pointed stones. There are numerous challenges that women entrepreneurs face in business. Rathod (2014) has demarcated the barriers of female entrepreneurs in categories of internal (social attitudes, gender discrimination, and family ties etc) and external (unavailability of raw material, legal and regulatory environments and financial access etc) constraints. As mentioned above, there is a pool of women in Hyderabad who are capable enough to run enterprise but the region does not yet exploit them very well to contribute for Economic development of country.

Participation of women in business has helped many countries to cope with evil of unemployment which brings rise in standard of lives of women entrepreneur along with their employees. Would be entrepreneurs may face many barriers but when it comes to women who choose to be entrepreneur have insurmountable barriers and challenges including availability of fund, inefficient business networks, lack of peer support, investment, business opportunities, and the deficiency of the essential

skills and training required for a business to survive and grow (Barr, 2015). Pakistan is vested with women entrepreneurs who have great potential and strength to run business. So far studies concern with challenges of women entrepreneurs has only focused major cities of Pakistan but now it has become dire need to improve participation of women in business by removing barriers of women belonging to other progressive cities of Pakistan. District Hyderabad is the second thickly populated and developed city of Sindh Province of Pakistan, clusters women entrepreneurs which are not only improving their standard of life but simultaneously extensively adding to the national economy.

In spite of many barriers Women in Hyderabad show high potential to be as entrepreneur like other developed cities of Pakistan. Women entrepreneurs see many opportunities but cannot avail them due to the social, cultural, economical, managerial and technological constraints. To achieve higher targets in economy, suitable measure should be taken to remove barriers that women entrepreneur face that results raise in economy of country, region and women themselves. To take right measures for these constraints, knowing the factors connected with the barriers is a prerequisite for a well stated problem is half solved. Therefore, the aim of this research is to spot the main factors that influence the performance of women entrepreneurs in District Hyderabad running their own businesses and also recommend the suitable measures to be taken.

Around the world various institutions, organization, public and private agencies have focused to identify the barriers of women entrepreneurs. In Pakistan the government has also taken initiative to encourage and improve women participation but concentrates mainly on urban cities which are in lime light ignoring the other cities where potential women entrepreneurs only because of some crucial barriers cannot utilize their capabilities. Although Hyderabad is second biggest and progressive city of Sindh province but there is acute shortage of information about the constraints and challenges that female entrepreneurs are facing in Hyderabad. This study is deemed to fill the gaps by identifying crucial factors that are responsible to hinder the performance of women and does not allow them to utilize their potential.

Material and Methods:

The research work was carried out in the District Hyderabad of Sindh Province of Pakistan. A structured questionnaire was developed in consultation with privately-owned business women and help of available literature. Interview using survey questionnaire was employed in the study to assess the main factors that create hindrances and affect on the performance of women entrepreneurs in District Hyderabad of Sindh Province.

This study focused on three main areas of profession where most of women entrepreneurs serve in District Hyderabad i.e. education, parlors and boutiques. The target populations for this study were women's engaged in providing services particularly to above said areas. The total populations of women entrepreneurs were approximately about two hundred eighty (280) in which the researcher selected sample size of one hundred forty (140). In this study the researcher used snow ball sampling among the non probability samplings. Snow ball sampling gives researcher an ease to go to women entrepreneurs with some references that is already known to them.

Both primary and secondary sources of data were used for the study. The secondary data Include information that were obtained mainly from different reports, bulletins, websites and literatures, which are relevant to the theme of the study, gathered from various sources to complement the survey-based analysis. Quantitative techniques were used in analyzing data. The data gathered through the questionnaire and analyzed with SPSS.

Results and Discussion:

The demographic characteristics of the sampled women entrepreneurs are presented in table-1 it shows that most of the women entrepreneurs were falling into the age group of 21 to 30 years estimated 52.6%. Second majority of the respondents belonged to 42.1%. The greater number of women entrepreneurs were holding Master's degree with 35.1%. This is followed by those who had Bachelors' degree (28.1%). Third majority were women who had done matriculation with 13.2%. Women with intermediate level and can't read and write were 12.3% and 11.4% respectively.

Table 1: Demographic Information of the Women Entrepreneurs.

Characteristics	Category	Frequency	Percentage
Respondents Age (In Years)	Below 20 Years	6	5.3
	21 to 30 Years	60	52.6
	Above 40 Years	48	42.1
Educational Qualification	Can't Read & Write	13	11.4
	Matriculation	15	13.2
	Intermediate	14	12.3
	Graduation	32	28.1
	Masters	40	35.1
Work Experience (In Years)	Less Than 1 Year	4	3.5
	1 to 5 Years	28	24.6
	6 to 10 Years	28	24.6
	More than 10 Years	54	47.4
Marital Status	Married	68	59.6
	Single	26	22.8
	Divorced	11	9.6
	Widowed	9	7.9
Family Size	Less than 3	18	15.8
	4 to 5	65	57.0
	More than 5	31	27.2

Majority of the respondents 47.4% had greater than 10 years of experience in their work. It is interesting to see from table that women with experience of 6-10 years and 1-5 years are having same percentages in table i.e. 24.6%. The remaining 3.5% of the respondents had less than a year of experience. 59.6% which was majority of women entrepreneurs were married. The second majority which was 22.8% were single. The remaining 9.6% and 7.9% were divorced and widowed respectively. Most of the women who participated in the study were married. It is clearly seen from table that 51% of women entrepreneurs were with 4-5 family size and constitutes greater part followed by 27.2% women with more than five family members. Women entrepreneurs with less than 3 members had 15.8%.

Table- 2: Mean and Standard Deviation of Social-Cultural Constraints.

Social-Cultural Constraints	N	Min	Max	Mean	Std. Deviation
I have better social acceptability.	114	1	7	5.71	1.764
The attitude of other employee towards my business is positive.	114	1	7	5.61	1.670
I m not affected by gender inequalities.	114	1	7	4.87	2.015
I never encounter harassment in operation my business.	114	1	7	4.83	2.128
My family remains supportive for my profession.	114	1	7	6.03	1.807
Being educated, I have lots of benefits in understanding requirement of business.	114	1	7	5.86	1.904
I have no cultural influence.	114	1	7	4.61	2.229
Valid N	114				

1=Strongly Disagree, 2=Disagree Some What, 3=Disagree a Little, 4=Neither Agree Nor Disagree, 5=Agree a Little, 6=Agree Some What, 7=Strongly Agree

From table-2 this has become clear that women are no more captivated under social constraint but rather they are very well acceptable in society as entrepreneur with mean 5.71 and standard deviation 1.764. In Algeria female as entrepreneur is habituated as it is going through a socio and cultural

changes (Boufeldja, 2014). Likewise this is very appreciating that female as entrepreneurs are socially acceptable, supported and rather encouraged in Hyderabad.

The attitudes of other employees serving in business remain positive to women entrepreneurs. The mean 5.61 and standard deviation 1.670 exhibit that female respondents are satisfied with employees' behavior to organization and women entrepreneurs. Wube (2010) found similar results in Dessie town where employees have a positive relationship with their employer and the attitude of the employees towards the business is positive too.

From mean 4.87 and standard deviation 2.015 we can infer that majority of respondents are of no opinion or agree a little on gender inequality and almost same results are obtained on harassment faced by women entrepreneurs with mean 4.83 and standard deviation 2.128 where most of the participants remain indecisive or agree a little. Similar type of study was conducted by (Sumaira et al, 2013) in Pakistan particularly Bahawalpur where it was acknowledged that gender base discrimination was no more problem for females. This study also depicts the same picture and results show that women are quite better in social position and are not greatly affected by gender inequalities. Interestingly in GEM (2012) it was revealed that women does not find their gender as constraint rather they think it is positive.

Nowadays female are not only acceptable but rather encouraged by family. The table-2 clearly indicates with mean 6.03 and standard deviation 1.807 that most of respondents strongly agree of having support of family. Women entrepreneur who are unmarried have support of father, mother, brother and sister where as married are backed by their husbands. Family support has no longer remained challenge for female entrepreneurs in Hyderabad region. It was identified in Bahawalpur that Majority of females have support of family in their businesses (Sumaira et al, 2013). Most of the female entrepreneurs in coastal Karnataka were married and ventures are supported by family members (Rao et al, 2012). In Peru, it was identified that when female choose to be entrepreneur is always supported and encouraged by family. Similarly, women entrepreneurs in Hyderabad enjoy the support of family.

Most of the respondents in this study are educated and hence they understand and value the importance of education. The mean value 5.86 and standard deviation 1.904 clearly states that women entrepreneurs are agree that education has played a vital role in fostering their business. The position of women has evidently enhanced with social, economic and educational expansion, which has permitted the girls to engage in higher education, and progress more towards professional activities (Boufeldja, 2014).

The mean 4.61 and standard deviation 2.229 reveal the result that majority of entrepreneurs keep no opinion or agree a little on culture influence. Among social constraint the culture influence appears to be the major challenge for women entrepreneur followed by the harassment and gender inequalities. Siddiqui (2012) found that the most difficult constraints to women entrepreneurs in India are the tradition. They have always been victimized through caste and religion particularly in rural areas. Studies on women entrepreneur in Pakistan has also depicted somehow same picture and this study has clearly shown that women in Hyderabad are socially acceptable but somehow they are going through some significant cultural influences.

Table - 3: Mean and Standard Deviation of Financial Constraints.

Financial Constraints	N	Min	Max	Mean	Std. Deviation
I am satisfied with the financial access given by micro finance and other lending institutions.	114	1	7	3.50	1.892
I have equal opportunity to avail loan from financial institutions.	114	1	7	3.84	1.926
I am confident to assume risk to any extent for my business.	114	1	7	5.46	1.535
There is no stiff competition in market.	114	1	7	2.31	1.805
I have an access to information to exploit business opportunities.	114	1	7	4.88	1.761

There were no difficult legal formalities to follow for operating my business.	114	1	7	3.99	1.893
I have never faced unfavorable legal and regulatory environments.	114	1	7	3.31	1.969
I have access to necessary inputs / raw material.	114	1	7	5.31	1.766
I am well aware with new government programs and schemes about women entrepreneur.	114	1	7	3.27	1.970
Valid N	114				

1=Strongly Disagree, 2=Disagree Some What, 3=Disagree a Little, 4=Neither Agree Nor Disagree, 5=Agree a Little, 6=Agree Some What, 7=Strongly Agree

Preferably women utilize domestic savings, household income or take loan from friends or relative to start business. It has become clear from table-3 that women either have remained dissatisfied or are indecisive of financial access given by micro finance and other lending institutions with mean 3.50 and standard deviation 1.892. Rarely in India do women have tangible items in hand for security (Singh and Raina 2013).

Gender disparity is very common element in many countries particularly in developing nations like India, Somalia, Pakistan, Bangladesh and Srilanka. Women are considered weaker and dependent on men. In case of obtaining loan women above findings show that women are displeased and of no opinion because they depend on non institutional sources for raising fund with mean 3.84 and standard deviation 1.926.

Interestingly women entrepreneurs have shown significant results in assuming risk for growth of their business with mean 5.46 and standard deviation 1.535. Unlike the many research conducted in Somalia and other regions women in Hyderabad are confident enough to take risk to foster business. A Study on Women Entrepreneurs of Dharwad District by Shiralashetti and Gasti (2014) explore that after assuming the role of entrepreneurship leadership, independence and risk bearing qualities improved among women entrepreneurs.

Female respondents claimed of toughest competition from male as well as other females operating similar business having mean 2.31 and standard deviation 1.805. Females concentrate on specific business and do not taste the new or innovative markets. In result this creates cluster of female running similar ventures and intensify competition. It is concluded from the findings that women do not try to enter to businesses which are less tested and create competition for another female counterpart in concentrated fields like parlors, garments, handicrafts and education where already rich number of female serves and adding to competition. In southern India one of the major constraints identified is tough competition by female entrepreneurs carrying on similar business (Balakumara and Devanesanb, 2014).

Women respondents are indecisive or agree somewhat on having access to information to exploit business opportunities with mean 4.88 and standard deviation 1.761. Majority of respondents show lack of information and very few respondents have an access to necessary information for business.

The legal formalities and regulatory environment have been identified as one of the great obstacles for women around the world in operating and establishing business. Similarly women respondents in majority disagree a little or remain indecisive that they have not faced legal requirements and unfavorable legal and regulatory environment with mean 3.99 and 3.31 respectively. The standard deviation for legal requirements 1.893 and unfavorable legal and regulatory environment is 1.969. Women respondents from kisii county in Kenya have expressed the regulatory requirements costly and burdensome (Osoro et al, 2013).

On question of availability with raw material and inputs, mass numbers of female respondents show that they agree to have complete access to inputs and materials with a mean 5.31 and standard deviation 1.766. Rao et al, (2012) identified in their study that few of female owners find availability of raw material as one of the biggest constraint.

Respondents disagree that they are aware of government new programs and schemes about women entrepreneur with a mean 3.27 and standard deviation 1.970. Women in Hyderabad lack efficient networks which can be fruitful in providing useful information about their business. In fact, some of

them have even accused the SBS of favoritism when it comes to paid training courses outside Sudan (Musa, 2012).

Table- 4: Mean and Standard Deviation of Managerial and Technological Constraints.

Managerial and Technological Constraints	N	Min	Max	Mean	Std. Deviation
I have managerial skills.	114	1	7	5.67	2.197
I have access to necessary technologies.	114	1	7	4.89	2.183
I have better contacts (networks) with outsiders.	114	1	7	5.32	1.599
I have a network with different administrative bodies.	114	1	7	4.38	1.907
I keep myself updated with latest technology.	114	1	7	5.61	1.697
I have complete command over my profession.	114	1	7	6.61	.947
Valid N	114				

1=Strongly Disagree, 2=Disagree Some What, 3=Disagree a Little, 4=Neither Agree Nor Disagree, 5=Agree a Little, 6=Agree Some What, 7=Strongly Agree

Table-4 shows that women respondents with mean 5.67 and standard deviation 2.197 clearly admit of having good managerial skills to run their business. Most of the female respondents are agree a little to agree somewhat of having managerial skills. Research suggests that female owners often lack technical knowledge and experience in comparison to male owners (Niethammer and Odebrecht, 2013).

With regard to the access to necessary technologies most of women entrepreneurs are of no opinion to agree a little with mean 4.89 and standard deviation 2.183. GEM (2012) identified that in Developing Asia, particularly Thailand, there are many women entrepreneurs and established business owners; yet most appear to be introducing products and services similar to those already in the market. In Hyderabad as women does not taste new business and follow the existing one, this lead to an easy access of necessary technologies but leads to insurmountable competition.

Usually it is seen that women do not have better networks to gather the necessary information for their business but respondents in Hyderabad are agree a little to agree somewhat on keeping better contacts with outsiders with mean 5.32 and standard deviation 1.599. Chan and Foster (2001) found in their study women entrepreneurs require trust of immediate network or channel for information than men entrepreneurs for business.

With mean 4.38 and standard deviation 1.907 it becomes clear that women entrepreneurs are indecisive on having contacts with administrative bodies or agree a little which result that women are unaware of any schemes or programs arranged by government for women entrepreneurs. Hamilton project in united state of America identified that usually Women- and minority-owned businesses cannot efficiently access business networks which might benefit them most (Barr, 2015). In Hyderabad female entrepreneurs are not in connected to administrative bodies and remain unaware about much of the information which can be very fruitful for their business.

Women respondents in this study agree a little to agree somewhat on keeping their selves updated with latest technologies required for the business with mean 5.61 and standard deviation 1.697. In Nepal, women have become more desirous as well as skilled to carry on business (Tuladhar, 1996).

It is clear from table-4 that women participants are extremely confident that they have the command over their profession with mean 6.61 and standard deviation .947. Shiralashetti and Gasti (2014) observed in their study that women can launch business units in those areas where they benefit from their core competency. This is clearly understood from result of this study that women do not doubt their potentials and are confident to run business successfully.

Conclusion:

The study depicted that most of the women entrepreneurs in District Hyderabad of Sindh Province are well educated and experienced. Somewhat the socio-culture issues / constraints are minimizing in district Hyderabad of Sindh Province as women entrepreneurs were encouraged by their families and provided help and support. As for as economic and financial problems / constraints are concerned, women entrepreneurs facing difficulties due to the stiff competition, complicated legal formalities, critical regulatory environment, lack of information about new programs or incentives from

Government and hardship in getting loan from credit institution. In managerial and technological constraints women entrepreneurs do not have proper network with administrative authorities to channelize the information regarding new and necessary technologies but they are convinced and have potentials to cope the future challenges.

References

- Ali A. H. and A. Y. Sheikh (2013). Challenges and Constraints Faced by Somali Women Entrepreneurs in Benadir Region. *Interdisciplinary Journal of Contemporary Research in Business*. 5 (2).
- Barr M. S. (2015). *Minority and Women Entrepreneurs: Building Capital, Networks and Skills*. The Hamilton Project, Discussion Paper.
- Boufeldja G. (2014). Social Change and Women Entrepreneurship in Algeria. *Journal of Women's Entrepreneurship and Education*. 1 (2): 119-131.
- Global Entrepreneurship Development Institute. Report 2014
- Global Entrepreneurship Monitor, Report 2012.
- Rao S. T., G. T. Rao and M. P. Suri Ganesh (2012). Women Entrepreneurship in India (A Case Study in Andhra Pradesh). *The Journal of Commerce*. 3 (3).
- Rathod M. K. (2014). A Study on Challenges and Constraints Faced by Female Entrepreneurs to Develop Business in Gujrat. *Global Journal for Research Analysis*. 3 (8).
- Siddiqui A. B. (2012). Problems Encountered by Women Entrepreneurs in India. *International Journal of Applied Research and Studies*. 1 (2).
- Sumaira A., L. Madiha and W. M. Aslam (2013). Problems Faced by Women Entrepreneurs and their Impact on Working Efficiency of Women in Pakistan. *Middle-East Journal of Scientific Research*. 18 (8).
- Tuladhar J. (1996). *Factors Affecting Women Entrepreneurship in Small Cottages Industries in Nepal, Opportunities and Constraints*.
- Wube M. C. (2010). *Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises (The Case of Dessie Town)*. Bahir Dar University, Faculty of Education and Behavioral Sciences, Department of Educational Planning and Management.
- Chan S. and Foster (2001). *Strategy Formulation in Small Business: The Hong Kong Experience*. *International Small Business Journal*. 19 (3): 56-71.
- Musa E. A. (2012). *Emerging Women Entrepreneurs in Sudan: Individual Characteristics, Obstacles and Empowerment*. ICBE-RF Research Report No. 33/12 Investment Climate and Business Environment Research Fund (ICBE-RF) Dakar.
- Singh A. D. and M. Raina (2013). Women Entrepreneurs in Micro, Small and Medium Enterprises. *International Journal of Management and Social Sciences Research*. 2(8).
- Shiralashetti A. S. and A. S. Gasti (2014). *Development of Entrepreneurial Skills in Women- A Study of Women Entrepreneurs of Dharwad District*. *International Journal of Scientific Research*. 3(9).
- Niethammer C. and Odebrecht (2013). *Women, Entrepreneurship and the Opportunity to Promote Development and Business*. The 2013 Brookings Blum Roundtable Policy Briefs, Enterprising Solutions: The Role of the Private Sector in Eradicating Global Poverty.
- Osoro K., A. Mokoro, D. Nyamongo and J. Areba (2013). *Constraints Facing Women Entrepreneurs in Kenya: A Case Study of Micro and Small Enterprises in Kisii Country*. *IOSR Journal of Humanities and Social Sciences*. 16 (6).
- Balakumar U. and P. Devanesan (2014). *Managerial Skills of the Women Entrepreneurs in Southern India. Reshaping Management and Economic Thinking through Integrating Eco-Friendly & Ethical Practices*. Proceedings of the 3rd Inter. Conf. on Management & Economics.