

An Empirical Investigation of Constraints Facing by Women Entrepreneurs in District Hyderabad of Sindh Province – Pakistan: A Survey Approach

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Abstract

This study aims to identify the challenges that women entrepreneurs face in operating and running their business in District Hyderabad of Sindh Province. So far researches on constraints of women entrepreneurs have been conducted in modern and developed cities of Pakistan but neglecting the other progressive cities which do not lack women with capabilities of running enterprises and can greatly contribute to the economic development of the country. The majority of 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 the present study. The data collected was subjected to quantitative analysis and employed a structured interview using a survey questionnaire to appraise the key constraints that impede the performance and growth of women entrepreneurs in Hyderabad city. A structured interview using the survey questionnaire was employed in the study to assess the key factors that hinder the performance of women entrepreneurs in District Hyderabad of Sindh Province. This study focused on three main areas of profession where most 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 (stiff competition, difficult legal formalities, unfavorable regulatory environment, lack of information about new programs from Government and hardship in getting a loan from credit institution). Although managerial and technological barriers (proper network with administrative bodies for information and necessary technologies) affect the performance they are confident enough about their potentials and ready to assume risk.

Key Words: Entrepreneurs, Economic, Constraints, Social-Cultural, Managerial & Technological

Introduction:

The term Entrepreneur and entrepreneurship are long heard, established and understood by people but entrepreneurship and women are a couple of decade story particularly in Asian Societies. In most of the developed and developing countries women have been departed from basic rights and forced to confined at homes or choice career from specific professions. However, the importance of engaging women in entrepreneurship cannot be ignored.

Participation of women in business has helped many countries to cope with the evil of unemployment which brings a rise in the standard of lives of women entrepreneurs 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, economic, managerial and technological constraints. To achieve higher targets in the economy, a suitable measure should be taken to remove barriers that women entrepreneurs face that results raise in the economy of country, region and women themselves. To take the 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 the District Hyderabad running their own businesses and also recommend the suitable measures to be taken.

Material and Methods:

A structured interview using the survey questionnaire was employed in the study to assess the key factors that hinder the performance of women entrepreneurs in District Hyderabad of Sindh Province.

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

Both primary and secondary sources of data were used for the study. The secondary data Include information that was obtained mainly from different reports, bulletins, websites and literature, which are relevant to the theme of the study, gathered from various sources to complement the survey-based analysis. The questionnaire was developed in the English language based on literature review and some adaptations from prior researches, taking into account the respondent's educational background and to increase more understandability researcher had chosen method of the structured interview using survey questionnaire where researcher interpreted the question to respondents.

Quantitative techniques were used in analyzing data. The data gathered through the questionnaire and analyzed with SPSS. The SPSS helped to breakdown the raw data that was collected from the field into simpler quantitative and tabular forms for easy understanding and assimilation.

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%. The second majority of the respondents belonged to 42.1%. The greater number of women entrepreneurs were holding a Master's degree with 35.1%. This is followed by those who had a Bachelors's degrees (28.1%). The 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 Profile 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 the table that women with experience of 6-10 years and 1-5 years have the 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 the 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 the table that 51% of women entrepreneurs were with 4-5 family size and constituted a greater part followed by 27.2% women with more than five family members. Women entrepreneurs with less than 3 members had 15.8%.

Social and Cultural Constraints

This can easily be inferred from table-2 that 41.2% of majority women as an entrepreneur had social acceptability. The second majority 32.5% of women agreed somewhat. The 14% agreed on a little whereas respondents who strongly disagreed and disagreed somewhat had 7.9% and 3.5% respectively. Only .9% of respondents disagreed a little and no respondent was neither agrees nor disagrees. In Algeria women as an entrepreneur is habituated as it is going through a socio and cultural changes (Boufeldja, 2014). Likewise this is very appreciating that women as entrepreneurs are socially acceptable, supported and rather encouraged in District Hyderabad.

On a question about the attitude of other employees towards women owned businesses the majority of women exhibit that they were achieving a positive attitude by strongly agreeing and agree somewhat with 34.2% each. 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.

The mass number of respondents 28.1% agreed somewhat that they are not affected by gender inequalities. The second majority of women respondents 23.7% strongly agree. 6.1% of respondents remain indecisive and they were neither agreeing nor disagree. A 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 women. 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 do not find their gender as a constraint rather they think it is positive.

In order to know the harassment faced by women entrepreneurs in operating and running their business 71.9% women participants reveal that they had never encounter harassment which is the majority. The 9% of women entrepreneurs have no opinion. Unlike most of the developing countries including Somali Mogadishu where domestic violence and other harassment tactics are often swallowed by women entrepreneurs, amazingly women entrepreneurs in District Hyderabad have an optimistic environment for their business.

The table-2 shows that 63.2% majority of women entrepreneurs had family support by strongly agreeing. The second majority 21.1% of women respondents agreed somewhat whereas 7.9% of participants disagree somewhat. The 5.3% and 2.6% of women respondents were strongly disagreeing and agree on a little respectively. There are no respondents who had no opinion and disagreed a little. It was identified in Bahawalpur that the Majority of females have the support of family in their businesses (Sumaira et al, 2013).

The majority of the participants in the study were well educated hence 56.1% strongly agree and admitted that their education has helped them to grow their businesses. The second majority 25.4% of respondents agreed somewhat whereas third majority respondents 7.9% disagree somewhat. Respondents who strongly disagreed and agreed a little have 7% and 3.5% respectively. 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).

Mass no of respondents 27.2% strongly agreed and 20.2% second majorities of women respondents agree somewhat that they had no cultural influences. The third majority 16.7% of respondents strongly disagreed with the statement 7 in the table-2. 13.2% women agreed a little. The 8.5% and 7.9% of women respondents disagree a little and disagree somewhat respectively and 6.1% of respondents remain indecisive. Siddiqui (2012) found that the most difficult constraints to women entrepreneurs in India are the tradition.

Economic Constraints

Female owned businesses were well-positioned to improve national prosperity and to add to economic growth and development (Niethammer and Odebrecht, 2013). Female faces a number of economic constraints that hinders their growth as an entrepreneur in the economy. This table comprises the chief economic constraints which usually women face in business in District Hyderabad.

table-3 shows that the majority of females 24.6% were not satisfied with financial access given by micro finances and other lending institutions. The second majority 21.1% of respondents disagreed a little followed by 19.3% of respondents who had no opinion. The 14.9% of respondents agreed somewhat, the 9.6% of respondents agreed a little whereas respondents disagree somewhat and strongly agree were 5.3% each. Rarely, Indian women have tangible items in hand for security (Singh and Raina 2013). Women entrepreneurs in Hyderabad city rely on noninstitutional sources of finance due to collateral, difficult and lengthy procedures, skeptical behavior of financial institutions.

Mass no of females participants 28.9% agreed somewhat on having an equal opportunity of availing loans from financial institutions in comparison to men followed by 19.3% of participants who disagreed a little. There are noteworthy gender differences in the access to and use of credit. Women owners are less likely to avail loans from banks in comparison to men owners (Niethammer and Odebrecht, 2013).

It is amazing to see that women entrepreneurs in the majority 32.5% are confident to assume risk to any extent for business. The second majority 28.1% were strongly agree followed by a third majority 21.1% of participants who agreed on a little. It is very surprising to see that unlike the nature of women as risk-bearing, women entrepreneurs in this study show that they are ready to assume the risk for their 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.

More than half of respondents 50.9% strongly disagree with statement 4 and find tough competition in the market. Only 2.6% of respondents agreed on a little with the statement. It is concluded from the findings that women do not try to enter businesses that are less tested and create competition for another female counterpart in concentrated fields like parlors, garments, handicrafts and education where already a rich number of female serves and adding to the competition. In southern India one of the major constraints identified is tough competition by female entrepreneurs carrying on a similar business (Balakumara and Devanesanb, 2014).

The majority of respondents 26.3% agreed somewhat that they have access to information to exploit business opportunities. The second majority 19.3% of women entrepreneurs strongly agreed, the third majority 18.4% agreed on a little and forth majority 12.3% had no opinion. According to the UNDP (2014) report it came into light that usually women are uninformed of training opportunities. It is revealed that women entrepreneurs in District Hyderabad try to keep their selves abreast of those opportunities which give growth to business but this requires more improvement.

Astonishingly 23.7% majority of participants had no opinion regarding difficulties of legal formalities followed by the second majority 22.8% who disagreed a little. Third majority 16.7% strongly agreed, forth majority 12.3% disagree somewhat and fifth majority 10.5% agree somewhat with the statement 6. In Indonesia and Malaysia, one of the impediments towards success for women entrepreneurs is legal formalities other than culture, social and religious factors (Tambunana, 2009). It is identified that women entrepreneurs find legal requirements cumbersome and depend on their male family members or male partners to fulfill the legal requirement in Hyderabad city.

Majority women entrepreneurs 28.9% admitted that they had been victimized by unfavorable legal and regulatory environments followed by second majority 17.5% female participants who held no opinion. Women respondents from kisii county in Kenya have expressed the regulatory requirements costly and burdensome (Osoro et al, 2013). Women respondents in Hyderabad city have not found a regulatory and legal environment conducive. Indeed legal and regulatory environment is a major constraint for them due to corruption and unethical behavior. Musa (2012) in Sudan found that Government regulation for starting a new venture for a female is gender sensitive, time consuming and expensive.

Rao et al, (2012) identified in their study that few women owners find the availability of raw material as one of the biggest constraints. Similarly, it is revealed from the results that most of the women 29.8% strongly agreed that they have access to necessary inputs or raw material. Second majority 28.9% agreed somewhat followed by third majority 17.5% who agreed on a little. Participants who remain indecisive, disagree somewhat and disagree a little were 6.1% each. Only 5.3% of respondents strongly disagreed with the statement 8.

From table-3 this is clear that most of the respondents 26.3% in this study were not aware of Government programs and schemes. The second majority of respondents disagreed somewhat and neither agree nor disagree with 19.3% each. The third majority 13.2% of respondents agreed somewhat and respondents who disagreed a little and agree on a little were 7.9% each. Only 6.1% of women respondents strongly agreed with statement 9 likewise in Sudan where women entrepreneurs complained bitterly that they have no chance to attend training courses because they have not been informed at all or received short notice (Musa, 2012).

Managerial and Technological Constraints

Research suggests that women owners often lack technical knowledge and experience in comparison to male owners (Niethammer and Odebrecht, 2013). Statement 1 clearly indicates that 58.8% of women respondents' majority were confident enough about their managerial skills to run business. The second majority of respondents 17.5% agreed somewhat whereas 16.7% third majority of women respondents strongly disagreed with the statement 1. Respondents who agreed on a little and disagreed a little were 6.1% and 9% respectively. No respondents who were indecisive and disagreed somewhat.

Women do not enter to less tested business rather foster those ventures which already exist well in the market. Mass numbers of respondents 34.2% agreed somewhat of having access to necessary technologies. The 23.7% of respondents strongly agree it was the second majority whereas 18.4% of respondents strongly disagree with the third majority. 15.8% of respondents were agree on a little, 5.3% agreed somewhat and 2.6% neither agree nor disagree. 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 District Hyderabad as women do not taste new business and follow the existing one, this leads to an easy access to necessary technologies but leads to insurmountable competition.

Chan and Foster (2001) found in their study women entrepreneurs require trust of immediate network or channel for information than men entrepreneurs for business. Likewise, the need for better contacts is realized by women entrepreneurs in Hyderabad and in the table it is clear that most of the women entrepreneurs 38.6% agreed somewhat that they have better contacts (networks) with outsiders. The second majority of respondents 21.9% were strongly agree followed by the 19.3% respondents who agreed on a little. Only .9% of respondents had no opinion.

The majority of women respondents 20.2% agreed on a little on having a network with different administrative bodies followed by the second majority of respondents 17.5% who agreed somewhat. The third majority of women respondents 15.8% strongly agreed whereas 14.9% disagree somewhat. The 12.3% of women respondents had no opinion, 11.4% of respondents disagreed a little and 7.9% of respondents were strongly disagreeing. The Hamilton Project in the United States of America identified that usually Women and minority-owned businesses could not efficiently access business networks which might benefit them most (Barr, 2015). In Hyderabad city women entrepreneurs are not connected to administrative bodies and remain unaware of much of the information which can be very fruitful for their business.

In Nepal, women have become more desirous as well as skilled to carry on business (Tuladhar, 1996). Most of the respondents 41.2% were agreeing somewhat on keeping their selves updated with the latest technology. The second majority 31.6% of women participants strongly agreed and 14% of women participants agreed on a little with the statement. From table-4, this is clear that a small number of participants strongly disagreed, disagree somewhat and disagree a little with 7%, 3.5% and 2.6% respectively. To cope with competition women entrepreneurs must keep themselves update with modern trends of business which will be fruitful for success.

Mass numbers of women respondents 74.6% have shown command over their profession were strongly agree. The 19.3% constitutes the second majority of respondents who agreed somewhat followed by the 3.5% participants who agreed on a little. There were no respondents who disagreed somewhat and disagreed a little. 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 the result of this study that women do not doubt their potentials and are confident to run a business successfully. Women entrepreneurs in Hyderabad run their businesses according to their expertise and knowledge.

Conclusion:

The results of this study indicated that most of the women entrepreneurs in District Hyderabad of Sindh Province are educated and experienced. To some extent the socio-culture constraints are minimizing in Hyderabad as women were very well accepted and encouraged to be as an entrepreneur by families and others. Yet economic constraints that women respondents find hard in raising business are stiff competition, difficult legal formalities, unfavorable regulatory environment, lack of information about new programs from Government and hardship in getting a loan from the credit institution. In managerial and technological constraints, women entrepreneurs do not have a proper network with administrative bodies for the right flow of information and necessary technologies but they are confident enough about their potentials and ready to assume risk.

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