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Barriers for Entrepreneurial Ventures in Pakistan

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ABSTRACT

The purpose of this study is to analyze the impact of education, social network and work-life balance on male and female entrepreneurs. The research has three main objectives: (a) to examine the impact of gender education on entrepreneurship, (b) to observe the impact of social networking on entrepreneurship, (c) to make an evaluation of entrepreneur's opinion about entrepreneurship from the result of this research study. The population of the study consisted of available entrepreneurs in city Faisalabad. Random sampling technique is used to withdraw a representative sample. The sample size was selected of 120 male and female and structured questionnaire was used to collect data. Furthermore Reliability analysis, descriptive statistics, and multiple regression analysis were performed. The study concluded that education, social networking and work life balance has strong impact on entrepreneurship and these challenges are equally disturbing both genders.

Key Words: Education, Social networking, Work-life balance, Entrepreneurship, and Pakistan

INTRODUCTION

The concept of permanent employment has almost gone today. Individual's mood has been turned towards self employment Jackson and Vitberg (1987) cited in Scott and Twomey (1988). Therefore at present entrepreneurship has a very strong scope and become very popular in modern era due to its impact on nation, economy and individual's development Davidsson and Wiklund (2000); Low (2001); Shane and Venkataraman, 2000; Venkataraman (1997).

Entrepreneur faces problems and challenges at the start of business. The first main challenge being faced is education. Education plays an important part in the success of venture. Education is correlated with lower start-up costs of enterprise and high wealth.

Education influences the greater productivity of a business and entrepreneurial abilities. It is profitable for entrepreneur as compared to employees. Second problem is social networking in which women face a big gap in the male dominant society. Weak networking is based on religious beliefs. A social network is used to identify the relationship between individuals. Entrepreneurs face barriers in social bonding.

Networking and communication are considered to be most essential element in entrepreneurial activity Martin, G. and Staines, H., (1994). The purpose of a social network is to help out entrepreneurs to perform well their working. Furthermore Work-life balance of entrepreneurs in their professional career and social life is also very important. The term was used first time in United Kingdom in late 1970s to express the individual's personal and work life. Work life balance is about how to live a balanced life with work and enjoy.

The first part includes Introduction in which we will discuss the concept of entrepreneurs, entrepreneurship and comparative challenges of male and female, significance of the study and objectives of study. The second part is focused on Literature review of relevant studies. In third part we will give a complete theoretical framework of concerned study. The fourth part delivers the methodology. Fifth chapter describes the analysis of measured data. Finally in sixth chapter we will discuss, findings, conclusion suggestions and solutions of problems for entrepreneurs.

SIGNIFICANCE OF STUDY

Different stories, researches, theories have been written on successful female and male work force and ventures run in developing and well developed countries. The main reason for working on this issue is that there is no reasonable influencing comparative study or research available to find out the problems and challenges of both genders and about coping strategies of those. Women have great potential for work and they are usually much loyal and competent with their work as compared to male. A woman deal with home management and in a shape of entrepreneur she meet with a lot of hurdles in her way and meanwhile on the other hand a male entrepreneur also face such a panic situations when he take initiative for a business. The purpose of study is to identify the equality measures, threats and opportunities on male sides and challenges on female sides or opposite in both situations in context of Pakistan, because Pakistan is a developing nation and the threatening environment is exist here from society and sometimes from home normative values. So without a solid proof we cannot say that our environment is much helpful for male innovators or female. Both are facing equal homogenous conditions.

OBJECTIVES OF THE STUDY

1. To examine the impact of gender education on entrepreneurship
2. To observe the impact of social networking on entrepreneurship
3. To make an evaluation of entrepreneur's opinion about entrepreneurship from the result of this research study.

LITERATURE REVIEW

Peter Drucker said "Entrepreneurship centers on innovation". Schumpeter (1934) described the entrepreneur as the innovator who introduces something new into an economy" and "Kirzner (1997 – ``authors" own addition) stressed the fact that the entrepreneur is the decision maker who has command on multi range of behaviors and utilize these opportunities in a particular context. Singh and Belwal (2008: 2) have quoted Donnelly et al. (1990) to describe the motivations and operations performed in order to establish the definition of entrepreneur. They stress an entrepreneur is an individual who propelled by an idea, personal goals, and ambition, brings together the financial capital, people, equipment, and facilities to establish and manage a business enterprise. Moore and Buttner (1997) in Farr-Wharton and

Brunetto, (2002) explained, Entrepreneurs are defined as those who use their knowledge and resources to develop or create new business opportunities.

Education has an impact on business performance. Education increases managerial ability and then increases the probability of entrepreneurship. Education has a power to generate opportunities for business. According to Lazear (2005) Informal and formal education is required for entrepreneurship and it is most common in developing countries.. Formal education helps entrepreneurs to avoid mistakes and it is useful to develop business skills and industry specific skills. Fairlie and Meyer 1996; Bates (1997) have found that Better educated people are the most likely to become entrepreneurs. In an analysis of 1980 U.S. Census Data, Robinson and Sexton (1994) and Carr (1996) reported that education had a positive association on self-employment for both men and women. In contrast, data from the General Social Survey (1991), Butler and Herring (1991), showed that education was negatively related to self-employment. In a study of women entrepreneurs, Greene (2000) found that education had either no positive effect or a negative effect on entrepreneurship.

Education directly affects entrepreneurship. Carter (2003), said Entrepreneur's Education Advanced educational levels have increased the likelihood of business owners to self-fund and to have greater access to capital. Hanlon & Saunders (2007); Donckels & Lambrachet (1997), examined higher education make it possible to develop better networks, sources for financial capital, financial and non financial support, personal wealth, funding for business, support of stakeholders and communities. Chandler & Hanks, (1998); Bates, (1995) estimated that "well educated person have been more directed towards their own businesses.

Castilla, Hokyū, Granovetter, & Granovetter (2000) gives that "social networking is an activity of increasing social and personal contacts. Gabbay & Leenders (1999) identified that the purpose behind social network is to deal with needs of entrepreneur; it can be physical or virtual. Portes (1999); Lin (1999) stated that the contacts can built by entrepreneurs by contacting people whom they know and by contacting those people who are in contacts of their contacts. Krackhardt (1992) said that social network relations include people links from family friends, colleges and other professional networks. Johannisson (1990) believes that "social contacts seem as most significant and important resource for an entrepreneur. Social capital of entrepreneurs is divided into two parts 1) personal contacts and 2) professional contacts. Personal contacts include family members and friends. Professional contacts include official contacts, colleagues, and business people that may come into contact because of the entrepreneurial activity.

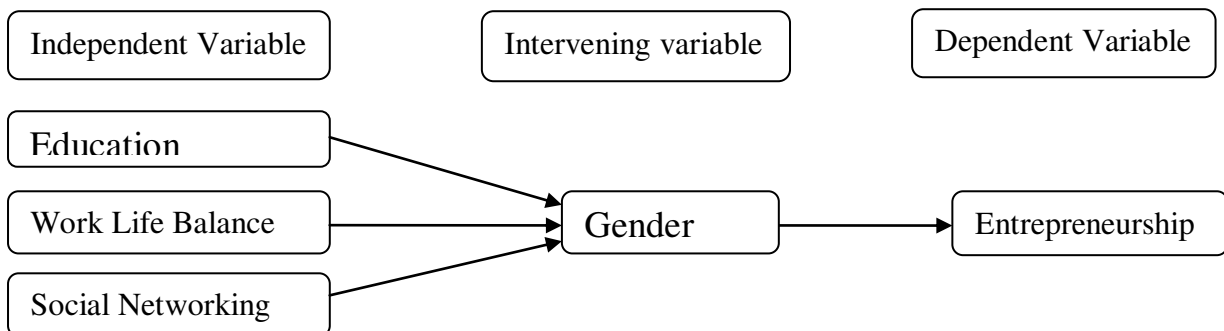
According to Wilken's (1979) three phase model of entrepreneurship, networking and social contacts are very important for entrepreneur which helps him in every activity regarding entrepreneurship. Motivation is the first phase and it involves initial planning to start the venture. Second phase is planning, in which the entrepreneur make it clear to him that what he want to do and necessary information and resources gather to set venture Carter, Gartner, & Reynolds (1996). The third phase is known as establishment, in this phase the venture is running and entrepreneur aims for running it smoothly. This phase concept was also supported by Katz & Gartner (1988). Moreover, Chu (1996) believes that every phase of entrepreneurship demands different networking behaviors as well.

The research of Rosenzweig & Huffstutter (2004) demonstrates that families experience significant barriers to create balance between the care needs of their child and employment responsibilities. Pocock (2005) adds the definition of work-life balance: about

people having a measure of control over when, where and how they work” (p. 201). The importance of individual control or aspects of autonomy are also confirmed by Parasuraman, Purohit, Godshalk, & Beutell (1996) and Parasuraman, Greenhaus, Rabinowitz, Bedeian, & mossholder (1989). In essence, work-life balance is concerned with positive experiences in the work and the private sphere because personal resources, commitment, time, and energy are successfully reconciled. Contrary, a negative balance is considered as a work-life-conflict or a work-family conflict.

According to Crowley & Kazdin, (1998) when family members engage in paid work, they have the satisfaction that they are equally take part in development of their communities, they have financial resources to fulfill their family needs and their children also enjoy an easy and quality life. .Work- life balance plays a vital role in solving some major workplace issues like turnover, job satisfaction, productivity and stress Bloom & Van Reenen, (2006); Frone Russell, & Cooper, (1992); Parasuraman, Purohit, Godshaulk, & Beutell, (1996); Parris, Vickers, & Wilkes, (2008); Thomas & Ganster (1995); Veiga, Baldrige, & Eddleston (2004). Work-life balance helps entrepreneurs in work assistance programs, time management programs, stress management programs and training, childcare programs. Work-life balance assists to manage staff and the demands of work and personal life Grady, McCarthy, Darcy, & Kirrane, (2008); McCarthy (2004).

THEORATICAL FRAMEWORK



HYPOTHESIS

Hypothesis 1: Education is important for entrepreneurship.

Hypothesis 2: Social networking is important for entrepreneurship.

Hypothesis 3: Work life balance is important for entrepreneurship.

METHODOLOGY

The population for this study was all entrepreneurs in Faisalabad, Pakistan. Sample size was selected of 120 entrepreneurs by using purposive random technique in Faisalabad. A quantitative approach is used for this study. We used deductive strategy in his study. Structured questionnaire was the tool for data collection. Questionnaires distributed were round about 120 and we received proper responses were 105. The statistical tests were applied through SPSS. Impact of education, social networking and work life balance on entrepreneurship was estimated through regression analysis. Multiple regression models were used.

RESULTS

This analysis is done to have a clear view about personal details of the respondents involved in this study. The demographic characteristics of respondents are (a) gender (b) age (c) marital status (d) type of business (e) education (f) annual income (g) relevant experience. Some statistical tools such as percentage and frequency were used for analysis the data collected by the description of respondent's characteristics using. Statistics software named as Statistical Package for Social Sciences commonly known as SPSS was used to analyze and evaluate the data collected with the help of questionnaires.

Table 1: Demographic characteristics

Characteristics	Category	Frequency	Percentage
Gender	Male	55	52.3
	Female	50	47.6
Age	Less than 25	5	4.8
	Less than 35	10	9.5
	Less than 45	31	29.5
	Above 45	59	56.2
Marital Status	Married	80	76.1
	Unmarried	25	23.8
Type of Business	Service	20	19.0
	Manufacturing	32	30.5
	Other	53	50.5
Education	Less than Metric	15	14.3
	Bachelor	58	55.2
	Graduate Studies	32	30.5
Annual Income	Less than 500,000	65	61.9
	Less than 10,000,000	30	28.5
	Above	10	9.5
Relevant experience	Less than 2 years	10	9.5
	Less than 5 years	37	35.3
	Above 5 years	58	55.2

Table 2: Female Entrepreneurs Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.804(a)	.647	.470	.27080

In model summary table, R square is showing that in case of female, education, social networking and work life balance have an effect of 64.7% on entrepreneurship.

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Error
(Constant)	3.375	1.152		2.930	.026
Edu	0.175	0.159	0.309	1.102	.313
S.N	0.069	0.158	0.086	0.335	.058
WLB	0.319	0.128	0.493	2.499	.047

The results of female entrepreneurs in table (2) indicated that Education is a significant element where (Beta= .309, Sig = .313) and it is positively and directly regresses entrepreneurship. Social networking where (Beta=.086, sig=.058) and it is also directly

affect entrepreneurship. Hamilton, (2000) purposed that for compatibility of a business social circles and networking is very important and entrepreneurs who lack social networking feel a lot of difficulties and they possibly drop out from ventures. Likewise work life balance is most important for female entrepreneurs to run their businesses and it is positively and directly influences entrepreneurship. According to the results of work life balance (Beta=.493, sig =0.047) which shows work life balance is very important for female entrepreneurs. Mathew & Panchanatham (2009) stated that majority of female entrepreneurs who belongs to lower and middle classes find it very challenging to deal with entrepreneurial and familial responsibilities and achieve work life balance.

Table 3: Male Entrepreneurs Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.687(a)	.508	.489	.28607160006175

In model summary table, R square is showing that in case of male entrepreneurs, education, social networking and work life balance (independent variables) have an effect of 50.8% on entrepreneurship.

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	B	Error
(Constant)	3.521	1.424		2.473	.048
Edu	-.028	0.262	-0.044	-0.106	0.919
S,N	0.156	0.182	0.862	0.141	0.393
WLB	0.033	0.182	0.079	0.179	0.864

The table (3) shows that education has no impact on male entrepreneurs; they can meet with challenges by using informal knowledge as the questionnaire results concluded. Beta is -0.28 and significance level is 0.919 and hypothesis is rejected. Social networking is necessary for male entrepreneurs as it is important for female and results shows direct and positive impact (Beta = 0.156, sig = 0.393). Martinez and Aldrich (2011) studied that social networking is important for survival and profitability of venture. Work life balance is not as important for male entrepreneurs as results shows non-significant results (Beta= 0.33, sig =0.864).

Table 4: Testing of hypothesis and conclusion

Hypotheses	Female	Male
Hypothesis 1: Education is important for entrepreneurship.	Accepted	Rejected
Hypothesis 2: Social networking is important for entrepreneurship.	Accepted	Accepted
Hypothesis 3: Work life balance is important for entrepreneurship.	Accepted	Rejected

CONCLUSION

Female: By the hypothesis testing it is concluded that by comparing male and female in a sequence of entrepreneurial challenges, female entrepreneurs face educational, socialization and work-life balance challenges in entrepreneurship. Formal education is valuable to run a successful business by female. The study proves social networks and social contacts survival of a business is not possible. The results of male and female for this variable are direct and positive. Work-life balance is more significant for women who are running ventures in a way of managing familial responsibilities and social life; home events like sports or other functions. The results concluded all variables as positive and direct.

Male: According to men's results our analysis shows that it is not necessary for men to have a higher or business specific learning to run a business. Social networking matters for male entrepreneurs to run and get success in business. Work-life balance does not matter in the way of progress of business for male entrepreneurs. According this study it is clear that male has more potential mentally and physically to meet with tiredness and time management for social and family life. So, our hypothesis for social networking is accepted while for education and work-life balance it is rejected.

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