

## Cultural Factors and Role of Pakistani Women in Growth of SME

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Keywords	Abstract
Women SME's, Cultural Factors, Growth of SME, Gender Role, Pakistan.	<i>Women play a significant role in entrepreneurship, though female contribution in SMEs is lesser than male contribution in SMEs. On the other hand, the distance between both gender contribution rates in entrepreneurship varies from country to country for the reason that there is a sway of disparate parts and stereotypes on commercial activities. For understanding that dissimilarity, this study inspects the gap between female and male roles in small and medium enterprises in Pakistan from a cultural perspective with different EU and North American countries. By using a simple random technique, the data was collected from 5 Pakistan's main cities including Karachi, Lahore, Islamabad, Peshawar and Faisalabad. 250 women were randomly selected who are associated with SME's business in Pakistan. The results reveal that women are facing many more hurdles and difficulties in establishing and running an independent business, specifically a rural lady for whom getting business opportunities in Pakistan is very difficult. Findings show that the Pakistani women contributed a small portion to the SME growth of Pakistan.</i>

## INTRODUCTION

The trend of females owning small businesses in large quantities has increased considerably across the world (Khatoon, 2002). However, study into the understanding of small business holders remains focused on a relatively small number of established markets. This paper seeks to examine the contexts and experiences of women entrepreneurs engaged in small businesses in Pakistan. Women's owning businesses are nowadays considered a significant means for entitling women empowerment (Roomi, 2005; Syed, 2010). According to Shaikh's (2007) study, 33% of the women in Pakistan who are associated with small businesses are between 20-39 years old. Women of Pakistan are considerably playing their part in the development of Pakistan's economy. 67% of business women were homemakers before starting their business (Shaikh, 2007).

SMEs are generally characterized as the essential bone of entrepreneurship. It produces the best atmosphere, empowering business ladies to implement their expertise and skills to their best and to accomplish the objectives, targets and goals they have positioned (Goheer, 2003). It is seen in all developed economies that small and medium business owners are important for expansion, employment generation and community growth (Hughes, 2003; Rohra & Junejo, 2009). The merits of small businesses are now acknowledged almost worldwide (Benjamin et al., 1994). SMEs are also considered the rapidly emerging sector of Pakistan's economy at a time when the government is trying hard to create awareness about small and medium enterprise businesses

(Survey-2005-06). In order to enhance exports and increase foreign exchange, Pakistan has to initiate as many as SMEs business (Shaikh, 2007).

A country's economy flourishes when the female population obtains the same chance as the male. On the other hand, women associated with small businesses in Pakistan have to face lots of hurdles to initiate and developing their business (Haque, 2007). Pakistani women belonging to the middle class of the society are very anxious about their clan, and they try to put in raising the earnings of the home. In order to accomplish the objective, they connect themselves in different activities through which they can earn even with high uncertainty. These circumstances jointly put high pressure and strain on those ladies and lead to many psychological problems (Taib, 2014). According to the survey, more than 50 percent of the population of Pakistan consists of the female gender, and they are playing a constructive and productive role in the socio-economic sector. Pakistan is also on the right path to encourage women in SMEs and other small level businesses to make use of and build up high-quality talent for the trade to thrive in the Pakistani business situation. Pakistan is considering a very prospective market for SMEs and can thrive economically within a very short time (Amin 2016; Khurshid et al., 2019).

Over the past several years, it has turned out to be gradually more apparent that SMEs certainly share in livelihood and economic enlargement (Wube, 2010). On the other hand, the observed studies show that a major figure of these businesses were owned by men as compared to women's ownership of businesses universally, particularly in the developing economies like Pakistan (Ali et al., 2015). Like many other developing countries, work on research and scholarly studies about the SME sector in Pakistan is done in very limited amounts (Odinga, 2012). In developing economies and countries, females are facing complex provocations; it will affect the women entrepreneurs in a variety of ways, including choice of activities, resource availability, support system, marketing channels, and availability of raw materials. Classification of women entrepreneurs will itself revolutionize (Crane et al., 2019; Albotmeh & Irsheid, 2013).

## **Objectives**

The research study focuses on achieving the following objectives:

1. To examine women's role in the growth of the SME industry.
2. To study whether the cultural factors or gender stereotypes affect women entrepreneurs' performance.

## **Research Questions**

This study focuses on finding the answers to the below mentioned questions.

RQ<sub>1</sub>: Do the women entrepreneurs of Pakistan play a significant part in the expansion and growth of the SME industry?

RQ<sub>2</sub>: Do cultural factors create barriers in the career development of business women in Pakistan?

RQ<sub>3</sub>: Do the gender stereotypes restrict women inside the house and become most challenging in business startups?

## LITERATURE REVIEW

Pakistan is considered a very potential market for small and medium enterprises, and if the government and authorities launched it in an efficient manner, the economy could boost in a very short time. In the province of Sindh there are substantial benefits in some fields, which require to be demonstrated rapidly to obtain the remuneration of exports. Such remunerations can raise foreign exchange rates very optimistically to build up a constructive structure in all areas of development (Shaikh, 2007).

The knowledge in fields like fishing, tutoring, fruit, crops, fashion, cotton ginning, sugarcane, date ginning, wood, automobiles and many more fields are the fundamental startups for most people. This study demonstrates the fundamentals of a few areas and awareness of how these areas can be put into approaching Pakistan's economy by raising the convertibility rates. The ministry of planning and product development should invent some plan to propose realistic policies with the collaboration of stakeholders (Shaikh, 2007).

A study done by the International Labour Organization (ILO) of 150 business women in Pakistan observed 39% of women associated with small enterprises (employing less than 100 employees) and 9 per cent in medium-sized enterprises (employing between 100 and 250 employees) (Syed, 2010).

The study reveals that women-owned businesses in the SME division offer employment to females in larger amounts, with female entrepreneurs having an average of eight ladies as employees and seven gents as employees. Also, it suggests that women's free enterprise in Pakistan is usually a problem interrelated to community (Bowen et al, 2009). For example, elite-class, highly skilled and educated females are usually much more competent at starting up their own small and medium businesses because those women acquire both the funds and awareness to do so. Women in metropolitan cities are in much healthier condition to promote businesses because of easy contact with information and opportunity and facts and figures. The study revealed that 73 per cent of the women entrepreneurs initiated their business from personal savings, and over 50 per cent belonged to the upper grade of education. However, the majority of women entrepreneurs tend to work in traditional areas, such as fashion boutiques, salons, culinary and craft work, jewellery and other similar businesses (ibid.).

SMEs are playing an important role in the growth and development of Pakistan's economy. The study can assist in increasing business oriented women and facilitate them to build business environments in a more resourceful and efficient manner (Hasan, 2010). Pakistani women are not liberally associated in all sectors, but in recent times many women have moved towards the progress of the SME sector in Pakistan. They are affiliated in producing precious items, and it is a major cause of their continued existence, and all these efforts bring Pakistan into the emerging markets of the world (Shaikh, 2007).

The position of Pakistani women is not parallel to the annex of masculinity and femininity with other types of ruling out in society (MacGregor, 2010). Religious instructions, cultural standards and following linked with women's status and position differ extensively and are every so often conflicting. Furthermore, feudal, capitalist and social customs can limit the operation of female business owners all through their functioning lives (Dahlerup, 2018). Debatably a woman's

state, in contrast to a man's, is one of complete inferiority resolute by the forces of patriarchy. These practices very much limit the accessibility of work-related opportunities open to women all over Pakistan (Sakha & Shah, 2019).

The scale to which the nation has an optimistic point of view regarding small and medium businesses and concerns about creative and inventive beliefs to generate worth is resolute by the traditions, moral values, beliefs and customs of a country (Rubio-Bañón & Esteban-Lloret, 2016). Cultural and social factors also consist of psychological problems including 1) social isolation, 2) harassment, 3) depression, 4) social discrimination, 5) motivation. These psychological problems become one of the most severe obstacles for Pakistani women to gain and work in SMEs. On the other hand, motivation factors, poor infrastructure, and work-life balance are also different barriers. Women entrepreneurs who are married face more provocations to retain work-life balance. Single business ladies face communal and ethnical constraints on working lengthy hours away from home and family (Ahmed et al. 2015).

Male business persons do not face much difficulty in finding better opportunities and platforms in the initial stage of their businesses, but regrettably, in our societal setup, women's entrepreneurship is facing difficulties and does not have the deserved importance. Pakistan is a male dominated society, and here women face many more difficulties in order to establish themselves as compared to men (Sajjad & Raza, 2007).

The constrained communication of business woman with male associates of society restricts the chances to obtain business administration and technological skills, as there are only some institutions/organizations that provide business training for female entrepreneurs. They also face strict contests when getting admittance to the market. Males are capable of progressing more freely in the society and relating with their associates. In the broader areas of society, such as management and government organization, men relate to women in a different way than they relate to their male colleagues. Females are frequently buoyant to keep on longer when they are part of executive meetings, resulting in consequential delays in getting reactions to their queries (Roomi, 2008).

The disorganized political condition of the country is also a main issue for investment. Business persons of the SME sector, particularly women, who sprint on daily dealings, get extremely exaggerated also because of terrorist assaults and radicalism aspects such as bomb explosions and target assassinations. Target killings have damaged businesses, particularly small businesses, vastly. Such actions and activities enforce gridlock in monetary activities of the country, causing trillions of money to be lost. Business person surveyed responded that law and order conditions are the most serious issue in operating their businesses (Ahmed et al. 2015). Family's participation plays an important role in female entrepreneurship (Ali et al., 2015). In many cases families are really supportive of building up business startups, and strong networking between suppliers and vendors, logistics etc. results in smooth business growth.

## Hypotheses

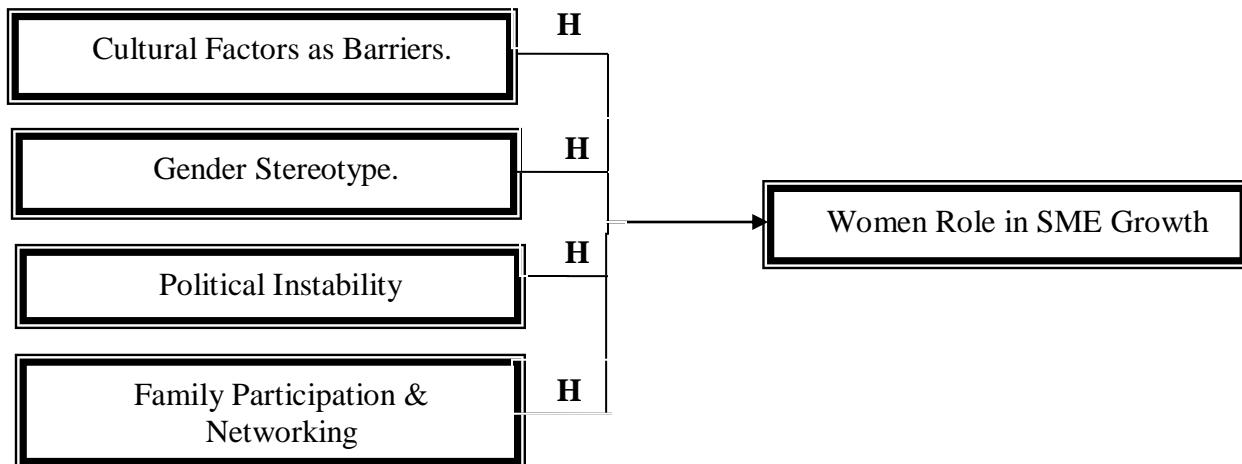
**H<sub>1</sub>.** Cultural factors don't affect the role of women in SME growth.

**H<sub>2</sub>.** Gender stereotypes don't affect the role of women in the growth of the SME sector.

**H<sub>3</sub>.** Political Instability isn't considered being a barrier to women's participation in SME development.

**H<sub>4</sub>.** Family participation and strong networking don't affect women's contribution to SME growth.

### Conceptual Framework



**Figure 1:** This conceptual framework is extracted from the 15 literature survey reviews considering the dependent and independent variables mentioned in the above chart (Hussain, 1999; Syed, 2010; Shaikh, 2007; Hasan, 2010; Taib, 2014; Odinga, 2012; Ali et al., 2015; Wube, 2010; Benjamin et al., 2010; Harris & Ghauri, 2000; Saleem & Sheikh, 2011).

### RESEARCH METHODOLOGY

The population of the study is women belonging to Small and Medium Enterprises (SMEs). The research is exploratory in nature and based on quantitative data collected through a questionnaire from 250 female entrepreneurs from 5 major cities of Pakistan, including Karachi, Lahore, Faisalabad, Peshawar, and Islamabad, by using a simple random technique. Respondents to this study include 200 people associated with the boutique industry, 33 owners of saloons, 8 operators of catering businesses, 6 operators of jewelry businesses, and 3 operators of consulting businesses.

This study is cross-sectional. A structured questionnaire was used in this study for collecting data from entrepreneurs. The questionnaire used in this research is adaptive. Close-ended questions with a Likert-style rating scale for questions included in the questionnaires. The study aimed at determining the mean among different variables through one-sample t-tests among cultural factors, political instability, gender stereotypes and family participation and networking within the context of the female role in the SME industry in Pakistan. Research hypotheses were tested with the help of the statistical tool SPSS 2017. The dependent variable is women's role in SME growth, followed by 4 independent variable cultural factors as barriers: gender stereotype, political instability, family participation and networking.

## Reliability Statistic

The researcher executed a reliability test and found the Cronbach's alpha value 0.780, which shows high internal consistency.

## DATA ANALYSIS

### Demographics

**Table 1:**

	Frequency	Percent
Married	137	45.7
Unmarried	113	54.3
Total	250	100.0

The table shows the frequency and percentage of the married and unmarried female participant in the survey. It is found that 45.7% of the respondents are married female while 54.3% unmarried female participated in the survey.

**Table 2:**

	Frequency	Percent
Boutique	200	86.3
Beauty Saloon	33	11.0
Catering	8	1.3
Jewelry	6	1.0
Consultant	3	.3
Total	250	100.0

The table illustrates that 86.3% of respondents are associated with boutique business, 11.0% are running saloons, 1.3% are involved in catering businesses, 1.0% are involved with jewelry, and .3% are running their consultancy and responding to this survey questionnaire.

### Hypothesis Testing

Related to literature variables T tests were made use of to access the variable data. The following table shows the nature of the descriptive data, with sample size, mean, standard deviation and standard error mean. The standard taken here is 04, which is the agreed rank in the designed questionnaire (Ali et al., 2015).

**Table 3: Hypothesis Testing using T-Test**

Variables	N	Mean	T	df	P
Cultural Factors	250	4.118	3.093	249	.000
Gender Stereotype	250	4.1656	4.193	249	.000
Political Instability	250	4.2187	5.72	249	.000

Family Participation & Networking	250	4.2	5.90	249	.000
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The above table shows that there is no significance in all variables, such as cultural factors, political instability, gender stereotypes, family participation and networking. Thus, the means of political instability and family participation and networking are higher than the other two variables.

An independent sample t-test was used to test the four hypotheses of the study. The test of the first hypothesis shows that the probability value is 0.00, which is less than the alpha level of 0.5. It shows a significant relationship between women's roles in SME growth and cultural factors as barriers. These findings suggest that cultural factors do affect women's roles in the growth of SMEs. The t-test for the second hypothesis suggested a *p*-value= .00 which is less than the alpha level=0.5. It means the factor of gender stereotype has effects on women in SMEs.

The third hypothesis was also tested using a t-test. *p* value= .00, which is less than 0.5, shows a significant difference. The woman's political instability is directly related to the women's role in the growth of SMEs. Results for the fourth hypothesis are also significant. The *P*-value is .00, which is less than 0.5. The family participation and networking have a strong relationship with the women in SMEs.

## CONCLUSION AND RECOMMENDATION

All the hypotheses of the study were supported, and null-hypotheses were rejected. The four variables show a strong relationship with women's participation and success in SMEs. Previous studies also found related results (Rubio-Bañón & Esteban-Lloret, 2016).

As per the statistics, very few females are motivated and stand against the hurdles and come into this field in Pakistan. The female entrepreneurs are trying to grab their position in work in a patriarchal society and face different psychological problems (Ali et al. 2015). Women's participation is vital for economic development. They are the vital part of the social wealth of a state (Taib, 2014). The findings propose that several challenges faced by Pakistani business women are due to the structurally imposed substandard status of women within a traditional society. They are considered undervalue economic driving forces; the gender bias is rooted in the regional, tribal and feudal society. Female business persons have to conquer the considerable challenges (Roomi, 2008).

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