The Nexus between Women to Become Entrepreneur and External Challenges: Evidence from Female Business Students of Sindh, Pakistan

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Abstract:
There are many universities are engaged in Pakistan for supplying business graduate into country and approximately 63 percentage population is 25 years old. Cost of doing business becomes challenging in the context of Pakistan; the entrepreneurship is the only solution that seems viable for addressing the economic issues of Pakistan. The primary data has been conducted with help of adopted questionnaire as research instrument and the population of this study was female final year students who are doing their BBA & MBA from Karachi and Hyderabad city. The findings of this study revealed that all above studied variables are found to have significant and negative relationships with business graduates to become an entrepreneur.

Many research scholars explored various factors for becoming entrepreneurs, such as personality and demographic of business students. This study will study only external factors that create barriers for business students to become entrepreneur after their graduation. Based on our limited knowledge external factors are not studied women to become entrepreneur in context of Sindh.

Keywords: External Challenges, Exogenous Factors, Endogenous Factors

1 Introduction
Concept of Entrepreneurship
An entrepreneur is an individual who explores new ideas, services, products and business (Frederick, 2016). In the positive economy position, social value can be increased with help of entrepreneurship because it generates jobs and income (Kelly, 2010). It has been practically observed that the entrepreneurship topic is the focus or discussion point by both research scholars and policymakers for the last couple of years. The key reason can be entrepreneurs enhance the economic development via introducing new ideas of doing business and capital formation cannot be ignored in terms great rate of return on investment. It not only provides job opportunities to individuals but also increase competitiveness into economy (Reynolds, 1987, and Zahra, 1999). There is also positive relationship between entrepreneurship and economic growth in long run (Wong, 2005).

Entrepreneurship in Pakistan
Pakistan ranked 138 out 189 countries among world in terms of doing business so, it is clearly indicated that Pakistan is least favourable country for doing business. The number of unexplained reasons can be responsible for such ranking. Pakistan is one leading emerging economy among the world, the 6th largest country in terms of population and now international investors are considering Pakistan as a good or less risky in terms of business failure. China and other Asian countries interest through huge in the history of Pakistan FDI (CPEC) leads to create number of opportunities for entrepreneurs to invest and earn handsome return on their investment has been observed.

Unfortunately, the resources in Pakistan are not utilized properly and majority of natural resources are not explored for better economic development into country, research scholars and policy makers are claiming that once proper entrepreneur incubation centres will be established than this huge gap can be filled. Currently total contribution of entrepreneurship businesses is only 07% in the GDP of Pakistan (Mustafa and Khan, 2003). Yet, we are unable to define this less contribution of entrepreneurship in GDP of Pakistan but an idea or thoughts may lead this is due to lack of effective market analysis, traditional businesses and inadequate market knowledge etc.
The number of individuals who have new ideas for doing business but due to lack of capital for investment and less or no support by financial institutions concern of security or guarantee against loan.

**Entrepreneurship and Academia**

Due to global economic challenges and dynamics of technology the higher education is no more guarantee of employment (Collins, et al., 2004). Most universities invest handsome amount for promoting entrepreneurship culture among students the entrepreneurship incubation centres are best example and in Pakistan LUMS Lahore started in1990, followed by IBA-Karachi and now number of public and private higher education institutes/universities are introducing incubation centres at their universities. Pervious literature reviews also link between entrepreneurship and education (Galloway, and Brown, 2002, Gorman, and Hanlon, 1997, Henderson, and Roberton, 2000, and Kolvereid, and Moen, 1997), so higher formal education enhance the intention among graduate to become entrepreneur. But, mass development of higher education system in Pakistan couldn’t address the unemployment problem among university graduates become too serious and this leads to down morality of number of stakeholders which includes parents, students, government and social institutes etc. These business graduates not only engage themselves to start up new business ventures but also support to government through decreasing unemployment level into country.

Many students can contribute to the economic development and economic growth after they graduate especially in business not only as a salary based worker but as entrepreneur. According to one of researcher (Westshed, 2005), the entrepreneurship educations can contribute for entrepreneurship development in the following various ways:

- To develop trained and skilled business graduates for introducing new product and services
- To reduce the ratio of business failures due internal and external constraints
- To analyse new business ventures into new market through business start up
- To encourage financial institutions for understanding and support entrepreneurship programs

**Significance of the study**

The study is significant from many perspectives. At first the research would fill the already existing gap in the literature. The research would be of significant use for the Governmental organizations to understand and identify the factors through which entrepreneurship could be further progressed in the country. The report would be of significant use to the social organizations and NGO’s and would help them in assessing the perspective of the youth of the country and take initiatives for their positive contribution in the society. The report could also be termed significant for businesses and corporate organizations to understand the dynamics of educational sector of the country and create environment in which they may receive a more diverse and intellectually superior workforce.

**Research Hypotheses**

Based on the objectives of the following are the alternative proposed hypotheses:

- **H1**: There is relationship between exogenous factors and business graduate to become entrepreneur in Sindh, Pakistan
- **H2**: There is relationship endogenous factors and business graduate to become entrepreneur in Sindh, Pakistan

**Limitation of the Research**

This research study is much focused on final year students of business schools. Since the sample size is of 330 students from different universities of Karachi and Hyderabad. The only limitation seems here, a huge number of graduates of different fields did not participate in this research study.

**2. Literature Review**

Constraints and issued faced by young entrepreneur in Pakistan. Data has been collected with help questionnaire and targeted population were only MBA students of final year. In this study researchers explained that unfriendly policies and environment are key problems faced by young entrepreneur in Pakistan, once these key problems would be addressed than outcomes in terms of poverty reduction and economic development among the country cannot be ignored (Hansu, 2016).
Impacts of individual attributes, earlier entrepreneurial experience, social and perceived viability on business aim through the positive and negative perception toward entrepreneurship. The focus of this study mainly lies on entrepreneurship intention. Sample was collected from Vietnam National University (VNU) from 401 students age ranges from 18 to 24 years. In this study, it is proved that the earlier entrepreneurial experience, social and perceived viability on business aim are the three important factors that affects the positive perception toward the entrepreneurship whereas individual attributes and social standards have negative impacts towards entrepreneurship. This study also has significant implications for political and educational restructuring to develop entrepreneurship in terms of quality and quantity and made the foundations for individuals to prosper as entrepreneur in future (Khuong, and Nguyen 2016).

The most important pillar of economic expansion, productiveness and societal development is Entrepreneurship. This paper was written to find out those factors which influence on entrepreneurial intentions of technical school students. For conducting this research based study, 288 students were selected. According to this paper, intention of entrepreneurship was taken as goal of education and support from social groups. As per the outcome of this research, these factors influence of student’s entrepreneurial willingness. The findings of this research will help educational policy making of Ghazza in bringing change for the betterment of students (Denanyoh, et al., 2015).

Due to the lowest rate of entrepreneurial activity in Italy in last decade, the study was conducted to understand factors influencing entrepreneurial intentions of people in Italy and comparing them with European people. Analyst consider macro and micro economic factors, which push or pull entrepreneurs. The research finding showed that the education system of Italy doesn’t have enough capacity to generate entrepreneurs (Micozzi, 2013).

According to him after graduation good number of students start business in small scale but due to problem faced by them, they decide to windup the business activities. In this study, he talked about of only three years’ student usually stick with small scale business after that they most of time join public or private organization to secure future and to continue as an entrepreneur is very least feasible option for them (Garba, 2012).

Entrepreneurial Intentions and its influencing factors. In 2009, a survey was conducted in China from nine universities in which 2010 university students participated, the survey was conducted to evaluate the entrepreneurial intentions of university students and factors influencing their intentions. According to the written paper based on that survey, intentions of University students were found strong towards entrepreneurship. This paper also highlights influence of other factors on students, such as cognitive aspect, influence of family history and communal group factors (Peng, et al., 2012).

The spirit of business in Malaysian business students. Survey was conducted from undergraduate business students of Malaysian Public university. The study examines whether the graduates have the spirit to do business or not after graduation. This study was conducted to determine the intentions of business graduates in beginning the business. The study focuses to determine whether the factors like environmental factors or personal attributes impact on the business graduates to pursue entrepreneurship or not. Out of total survey more than half responses were favouring personal attributes that makes impact on business graduates. According to results, personal attributes play significant role in influencing business graduates to become entrepreneur. They get influence from their family, their education, their experiences gained by observing different entrepreneurs. The finding implicates that education can play a major role in motivating students to become entrepreneurs. By introducing more knowledge through academics about merits of entrepreneurship and in turn, adding in the development of the country’s economies and world-wide competitiveness (Zain, et al., 2010).

Factor affecting entrepreneurial an intention among university students in Turkey. The Sample was consisting of 300 students and contextual factors were studied in this study, factor analysis and regression analysis techniques were used for data analysis. Results indicated that structural and educational support factors affect the intention among tertiary students for to become entrepreneur, here educational support in terms of learning of entrepreneurial skills into universities and support factors includes both personal and environmental factors were discussed. According to results universities should play their role for the growth of entrepreneur intention.
among university students and government can also reduce the environmental factors by designing entrepreneur friendly policies (Selcuk, et al., 2009).

Motivational factors that enforce women to become entrepreneur in Malaysia. This study was based on 225 women and comparison between women entrepreneur and women non-entrepreneur. Descriptive analysis showed results those motivational factors such as work core, economic core, social core, individual core and entrepreneurial core. Based on results it is recommended that motivational and environmental factors influence major role in entrepreneurial (Raman, et al., 2008).

This study investigates the relationship between social and closer valuation and intention to start a business by graduates in Uganda. this examination depended on 217, third year business understudies utilizing the recently made Entrepreneurial Intentions Questionnaire (EIQ) investigation uncovers that negative societal impression of enterprise are essential obstructions against graduate start up (Kantono, et al., 2013).

3. Materials and Method

Data Source
The data source of the study is ‘Primary’, which involves collection of research data directly from the respondents. In other words, primary source is the direct data source related to the subject or problem. Here, data will be collected directly from the participants using a structured adopted questionnaire based on business graduate to become entrepreneur.

Population of Study
Population of a research study are participants or the respondents of the study that possess similar characteristics or traits (Weiss, 2012). As the aim of the study is to explore business graduate to become entrepreneur in Sindh province of Pakistan, therefore the population of the study consists of female final year students of both private and public universities/institutes.

Sampling Strategy
In a primary research, sampling is an important component, which determines the number of respondents participating in the research study. Due to several constraints, including time, geographic and finance, it is important for a study to select a subset for the population. The sampling process can be either probability or non-probability. In this case, ‘convenience sampling’ technique is used, which is a form of non-probability sampling, and considers accessibility and proximity of the respondents (Weiss, 2012).

Table 1
University/Institute wise sample size

<table>
<thead>
<tr>
<th>Name of University</th>
<th>Number of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Sindh Jamshoro</td>
<td>64</td>
</tr>
<tr>
<td>Isra university</td>
<td>32</td>
</tr>
<tr>
<td>Iqra University Karachi</td>
<td>40</td>
</tr>
<tr>
<td>SZABIST Karachi</td>
<td>55</td>
</tr>
<tr>
<td>SZABIST Hyderabad</td>
<td>64</td>
</tr>
<tr>
<td>Muhammad Ali Jinnah University Karachi</td>
<td>25</td>
</tr>
<tr>
<td>HIAST</td>
<td>25</td>
</tr>
<tr>
<td>MUET Jamshoro</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total number</strong></td>
<td><strong>330</strong></td>
</tr>
</tbody>
</table>

Determination of sample size
The most acceptable way of determining sample is 10:1 (10 samples for one item. According to Roscoe (1975) proposed a rule of thumb that in case of quantitative is good enough to sample size criteria as (number of items *10). In our case, total number item is 20*10 =200. In order to get a more reliable result, 330 respondents are considered in this study.
Variables of this study

Research is the process that defines the relationship between the variables. A variable is defined as the concept that can have different quantitative values. A variable which is affected by another variable means it is a consequence of the any other variable it is called dependent variable. On the other side, the variable that cause change in the other variable is called independent variable (Kothari, and Gaurav 2014). The present also study the relationship between different variables. The below describe the relationship among variables of the study and statistical techniques to measure the relationship between these variables.

Table 2
Hypothesis and Techniques

<table>
<thead>
<tr>
<th>S. No</th>
<th>Hypothesis</th>
<th>Statement</th>
<th>Based on objectives</th>
<th>Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>H1</td>
<td>Relationship between exogenous factors and business graduate to become entrepreneur</td>
<td>1</td>
<td>Reliability analysis, Normality Test Correlation analysis</td>
</tr>
<tr>
<td>2</td>
<td>H2</td>
<td>Relationship between Endogenous factors Financial operational and business graduate to become entrepreneur</td>
<td>2</td>
<td>Reliability analysis, Normality Test Correlation analysis</td>
</tr>
</tbody>
</table>

Research Instrument

The data source of the study is primary, and therefore data will be collected directly from the research participants with the help of 5-point Likert scale Questionnaire.

Table 3
Layout of Questionnaire

<table>
<thead>
<tr>
<th>S. No</th>
<th>Variable</th>
<th>No. of items</th>
<th>Scale</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business graduate to become entrepreneur</td>
<td>9</td>
<td>5 Likert Scale</td>
<td>Ooi &amp; Ahmed (2012)</td>
</tr>
<tr>
<td>2</td>
<td>Exogenous Factors</td>
<td>7</td>
<td>5 Likert Scale</td>
<td>Ooi &amp; Ahmed (2012)</td>
</tr>
<tr>
<td>3</td>
<td>Endogenous- Financial and operational</td>
<td>4</td>
<td>5 Likert Scale</td>
<td>Ooi &amp; Ahmed (2012)</td>
</tr>
</tbody>
</table>

4. Results and Discussion

Table 4
Respondents’ Profile

<table>
<thead>
<tr>
<th>Construct</th>
<th>Category</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>BBA</td>
<td>175</td>
</tr>
<tr>
<td></td>
<td>MBA</td>
<td>155</td>
</tr>
<tr>
<td>Age</td>
<td>20-25 Years</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>26-30 Years</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Above 30 Years</td>
<td>4</td>
</tr>
</tbody>
</table>

Reliability Analysis

Table 5
Summarizes the results of Reliability analysis

<table>
<thead>
<tr>
<th>Name of variable</th>
<th>Cronbach's Alpha</th>
<th>No of Items</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business graduate to become entrepreneur</td>
<td>.897</td>
<td>9</td>
<td>Excellent</td>
</tr>
<tr>
<td>Exogenous Factors</td>
<td>.832</td>
<td>7</td>
<td>Excellent</td>
</tr>
<tr>
<td>Endogenous- Financial and operational</td>
<td>.828</td>
<td>4</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Source: Author’s Estimation
You can see in above table 5 the Reliability Statistics, the value of Cronbach’s Alpha is used for final decisions about the reliability of studied data. On that basis, we can level of reliability in terms of poor or good, in our case Cronbach’s Alpha value of Business graduate to become entrepreneur (89.7%), Exogenous factors (83.2%) and Endogenous-Financial and Operational (82.8%). All the studied variables are found reliable and the conclusion for reliability can be drawn as data is reliable.

**Normality Test**

Table 6

Summarizes the results of Normality Test

<table>
<thead>
<tr>
<th>Name of variable</th>
<th>Shapiro-Wik (P-value)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business graduate to become entrepreneur</td>
<td>.000**</td>
<td>Data is not normality distributed</td>
</tr>
<tr>
<td>Exogenous Factors</td>
<td>.000**</td>
<td>Data is not normality distributed</td>
</tr>
<tr>
<td>Endogenous- Financial and operational</td>
<td>.000**</td>
<td>Data is not normality distributed</td>
</tr>
</tbody>
</table>

**Normality test at the 0.05**

Source: Author’s Estimation

You can see in above table 6 the Test of normality, the value of Shapiro-Wik is used for final decisions when sample size is less than 2000. In case of Test of normality, it is suggested that p-value or significance value should be greater than 0.05. On that basis, we can have studied data is normality distributed or not. Above table 6, showed that the our all studied variables’ Shapiro-Wik (p-value) is less than 0.05. Based on this value variable of this are not normality distributed as provided guidelines, so on this data non-pragmatic test will be applied.

**Hypothesis Testing**

Table 7

Summarizes the results of Correlation analysis (Spearman’s rho)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Correlation coefficient</th>
<th>P-value</th>
<th>Remarks (Relationship)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship between exogenous factors and business graduate to become entrepreneur</td>
<td>-.171</td>
<td>.002**</td>
<td>Negative &amp; Significant</td>
</tr>
<tr>
<td>Relationship between Endogenous factors Financial operational and business graduate to become entrepreneur</td>
<td>-.193</td>
<td>.000**</td>
<td>Negative &amp; Significant</td>
</tr>
</tbody>
</table>

**Correlation significant at the 0.01 (2-tailed)**

Source: Author’s Estimation

**Findings**

**Relationship between Exogenous Factors & Business Graduate to Become Entrepreneur**

The correlation between exogenous factors and business graduate to become entrepreneur is found have negative and significant relationship. This revealed that the both stated variables confirmed by coefficient value (.171) and significance level is (.002). Therefore, our proposed hypothesis 1 has been supported that both variables have negative and significant relationship.

**Relationship between Endogenous Factors- Financial Operational & Business Graduate To Become Entrepreneur**
The correlation between Endogenous Factors Financial operational and business graduate to become entrepreneur is found have negative and significant relationship. This revealed that the both stated variables confirmed by coefficient value (.193) and significance level is (.000). Therefore, our proposed hypothesis 2 has been supported that both variables have negative and significant relationship.

**Discussion on Results**

This study examined the relationship between business graduate to become entrepreneur and external challenges faced by business graduate in Sindh, Pakistan. Pervious scholars also confirmed the similar results. Study environmental factors that affecting the entrepreneur of New Zealand. In external factors governmental policies, Financial and non-financial support to businesses had impact on entrepreneurial intention among university students (Alina, et al., 2003). According to this study, there are many external factors affecting entrepreneurial development in Nigeria. The external factors such as power supply, lack of well-established infrastructure and insufficient credit facilities by the government are responsible for the become the entrepreneur (Ayegba, et al., 2016). Entrepreneurial barriers and entrepreneurial intention in Lebanon. Results were concluded based on population of this study was university students, owners of firms and employees of multinational companies (Nemar, et al., 2016). This study indicated the relationship between entrepreneurial intention and many barriers such as lack of funds, economics and political factors so on.

**5. Conclusion & Recommendations**

The aim of this study was to find the external challenges with respected business graduates to become entrepreneur in Sindh, Pakistan. In this research authors have considered three such as exogenous factors, endogenous factors financial and operational and business graduate to become entrepreneur. The relationship was main purposed find out through this empirical study with help of correlation analysis. The findings of this study revealed that the correlation between exogenous factors and business graduate to become entrepreneur is found have negative and significant relationship. The correlation between Endogenous Factors Financial operational and business graduate to become entrepreneur is found have negative and significant relationship. This has been practically observed that most of the business graduates prefer job over starting up their own businesses particularly due to high risk in terms of return and second reason family dependency also cannot be ignored in developing countries.

**Recommendations**

- University Based Incubation (UBS) centres should be developed in business higher education institutes and universities for developing business skills among business graduates.
- Workshops and training programs should be arranged in business higher education institutes and universities for developing risk taking attitudes among business graduates.

**Future Research**

- This comparative analysis can further be extended in terms of gender.
- This comparative analysis can be performed in other provinces of Pakistan.
- This comparative analysis can further be studied with respect to programs such as BBA & MBA.
- Other than business students, other graduates could participate in future research.

**References**


