

# The Role Of Self Employed Parents In Determining Performance Of The Women Entrepreneurs Of Pakistan

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## Abstract

This study examines the role of self-employed parents on the entrepreneurial performance of women entrepreneurs in Pakistan. The study population consists of registered women entrepreneurs in Pakistan, with a sample size of 253 participants. Data was collected through a self-administered questionnaire that assessed demographic information, the presence of self-employed parents and measures of entrepreneurial performance. The findings reveal that a significant association exists between self-employed parents and the performance of women entrepreneurs. However, there was no significant difference in performance between entrepreneurs with self-employed parents and the ones without them. These results contradict previous studies suggesting that parental entrepreneurship positively impacts business performance. Based on the findings, it is recommended to raise awareness among family members about the importance of supporting women's entrepreneurship and encouraging them to become job creators. Despite the lack of direct influence on performance, family support remains crucial for women entrepreneurs. Future research should consider expanding the sample size by involving various women chambers, trade bodies, and councils in Pakistan to achieve more representative results. Additionally, further studies could rigorously test the proposed model and develop it into a comprehensive theory for understanding the role of self-employed parents in women's entrepreneurship.

**Key words:** Self-employed parents, Women Entrepreneurs, Performance, Pakistan.

## INTRODUCTION

The process of women entrepreneurship is expanding across the globe with a growing speed and so is the women entrepreneurship. Women are accepting the challenges faced by them in the entrepreneurial world with courage and finding ways to deal with them. The review of literature finds very limited theoretical background on

women entrepreneurship. Plethora of work has been done on entrepreneurship in general but when it comes to women entrepreneurship, theories have not been presented which specifically focus on the factors which affect women when they step out the market for employment. The work on women entrepreneurship started in 1980s when the first

paper on women entrepreneurs was published in 1986 by Bowen and Hisrich who used the lens of Career Theory by proposing a career model which included determinants of the behavior of women entrepreneurs. Hence the work by Bowen and Hisrich offered a comprehensive framework for understanding the entrepreneurial behavior of women. Later on Birley (1989) focused on the difference between male and female entrepreneurs with respect to the market choices.

The result of women entrepreneurship is that women are emerging as job creators (Nwakanma, 2021; Parker, 2018) rather job seekers and contributing positively towards economic development of their countries. In Pakistan women are also looking forward to the entrepreneurial opportunities available in the market but unfortunately because of socio-cultural issues and patriarchal society, they can't grow well (Roomi & Parrott, 2008). Gender gap is very high in Pakistan and The overall entrepreneurial activity in Pakistan is low, and the rate of women's entrepreneurship activity is 3.43%, which is 4.1 times less than that of men. The literature finds that other than socio-cultural issues there are other factors too which affect the success and performance of women owned enterprises in Pakistan one of which is demographic factors. The demographic profile matters in case of women entrepreneurs as it determines their success and one of them is having one or both parents as entrepreneurs. But till now, in Pakistan there is no work done by prior scholars which focus on how being self-employed parents affect the success of WOE. The majority of existing research on entrepreneurship focuses on the challenges experienced by women entrepreneurs within the working environment (Mahmood et al., 2012), gender related issues in work set up (Azam & Harrison, 2010; Mahmood, Sohail, Khalid & Babak, 2012), discrimination issue (Jalbert, 2000; Roomi & Parrot, 2008). However, there is a lack of comprehensive

investigation into the demographic aspects of women's entrepreneurship in Pakistan w.r.t parents as self-employed. The present study seeks to examine and quantify the role of self-employed parents of entrepreneurs on the performance of female entrepreneurs in Pakistan through empirical analysis.

### **RESEARCH OBJECTIVES:**

1. To determine the association between self-employed parents and performance of Women Entrepreneurs.
2. To analyze the impact of self-employed parents on the performance of women enterprises.

### **RESEARCH QUESTIONS**

1. Does there exist any relationship between self-employed parents and performance of Women Entrepreneurs?
2. Do self-employees parents affect the performance of women enterprises?

### **LITERATURE REVIEW**

The influence of parental involvement on the performance of businesses, particularly when parents are self-employed, has been a subject of interest in entrepreneurship research. This literature review aims to explore existing studies that examine the relationship between self-employed parents and the performance of businesses. By reviewing the literature, we can gain insights into the impact of parental entrepreneurship on business outcomes and identify key mechanisms through which self-employed parents influence business performance.

An entrepreneur having a self-employed father or mother inspires him because of observing an independent nature (Matthews & Moser, 1996; Johnson and Rutherford, 2019). Several researches find that it is a hard task to establish a venture for the first generation of entrepreneurs, however if there is a family background of business then most of the entrepreneurs establish

the ventures because friends and family aid them in providing the startup capital (Lee & Tsang, 2001). This notion is supported by studies such as Smith and Smithson (2015), who found that children of self-employed parents were more likely to engage in entrepreneurial activities and achieve higher levels of business performance compared to their counterparts. In terms of the occupation of entrepreneur's parents, there is a strong support which says that an entrepreneur tends to be an entrepreneurial father or have self-employed. A large number of studies (Chlosta et al. 2010; Chlosta, Patzelt, Klein & Dormann, 2012; Dunn and Holtz-Eakin, 2000; Fairlie and Robb, 2007; Hout and Rosen, 2000; Parker, 2009; Thompson et al. 2021) support the fact that making a decision of starting a venture and becoming an entrepreneur is dependent upon having parents who are or were self-employed; such parents are like role models. However, it is acknowledged that the actual possibilities for learning on the job provided by a family business (Fairlie and Robb, 2007), the genetic heritage (Nicolaou et al. 2008), or financial support (Georgellis, Sessions & Tsitsianis 2005) helps in making a choice of becoming an entrepreneur for parents and their kids. Moreover, having self-employed parents help as being their role models and inspiration (Hoang & Gimeno, 2010; Kautonen et al. 2010; Lewis and Robinson; 2020) and they also help in transferring the knowledge (Minniti and Nardone, 2007; Baughn et al. 2006). Entrepreneurs tend to have parents with entrepreneurial mind set and they behave entrepreneurially than others (Kolvereid, 1996, Mordi et al, 2010). The reason behind success of most of the entrepreneurs identified their one parent as being more influential and identify strongly with their fathers. Such entrepreneurs are perceived to be high performers (Henning & Jardim, 1978). Individual factor like presence of the parent as an entrepreneurial role model is related to the higher expectancy for an entrepreneurial career, task self-efficacy, training

aspirations and education (Scherer, Adams, Carley & Wiebe, 1989).

In Pakistan however, studies pertaining to studying demographic factors have not touched upon. Most of the literature focuses on the demographics of male entrepreneurs in the developed countries but in Pakistan no such work has been done so far which focuses on what role self-employed parents of women entrepreneurs play in the success of running their ventures.

Given the lack of information in this area, the following hypotheses are suggested for investigation in Pakistan.

**H1:** There is an association between self-employed parents and performance of Women Entrepreneurs.

**H2:** Success of an enterprise is significantly higher in owners having parents as entrepreneurs.

## RESEARCH METHODOLOGY

### Research Design

The study is Quantitative in nature where quantified data was collected from the respondents and statistical analyses were performed on it. The present study adopts a Positivist philosophy which focuses on the testing of a theory using a deductive approach. SPSS Version 22 was used in order to run the required tests.

### Population and Sample

Registered women entrepreneurs across Pakistan which are included in TDAP (Trade Development Authority of Pakistan) list was population of the study which were 712. TDAP provided a database to the researcher which included the data of active women entrepreneurs across Pakistan which actively take part in running their enterprises by promoting their businesses in the trade fares. Systematic random sampling was adopted for taking sample from the

population. Yamane's formula (1967), was used to determine the sample size which gave a figure of 253.

### Research Instrument & Measurement

Data from the target population was collected through a self-administered questionnaire. Information about parents as entrepreneurs were obtained using dichotomous questions, while Performance Likert Scale was used to gather responses related to performance. A structured questionnaire was employed, consisting of dichotomous questions with "yes" or "no" options, as well as multiple-choice questions with predetermined answer choices, to gather demographic data from participants. The measurement of Entrepreneurial Performance utilized questions adapted from Brush & Vanderwerf's (1992) research.

## FINDINGS

### Demographic Profile of Respondents

- The respondents in the present study were asked to reveal whether they have entrepreneurs in their family. The results revealed that majority of the respondents admitted that they have entrepreneurs in

their family (152, 60.1%) while a sizeable number 101 (39.9%) of respondents had no entrepreneur in their family.

- The respondents in the present study were asked to reveal which of their family members are entrepreneurs. The results revealed that majority of the members admitted that they their father is an entrepreneur (55, 21.7%). This reveals that women entrepreneurs mostly get the motivation to open a business from their fathers who are/were self-employed.

### Reliability Analysis

- Table 1 provides information on the reliability of the research instrument used in the study. Reliability refers to the consistency and stability of the instrument in measuring the constructs of interest. The table shows the Cronbach's Alpha values for the constructs of parents as entrepreneurs and entrepreneurial performance are greater than 0.70 indicates that the reliability of the constructs is satisfactory.

**Table 1: Reliability Analysis**

Construct	No.of Items	Cronbach's Alpha
Parents as entrepreneurs	3	.816
Performance	5	.832

### Correlation analysis

The correlation coefficients presented in Table 2 show that the relationship between parents as

entrepreneurs and performance ( $r=.255$ ;  $n=253$ ;  $p=.000$ ), is statistically significant. Hence H1 is accepted.

**Table 2: Correlation co-efficients**

		EP	Parents as Entrepreneurs
EP	Pearson Correlation	1	.255
	Sig. (2-tailed)		.000
	N	253	253
Parents as Entrepreneurs	Pearson Correlation	.255	1
	Sig. (2-tailed)	.000	
	N	253	253

### Comparative Analysis

In order to evaluate whether entrepreneurs whose parents were entrepreneurs enjoy more success in comparison to those whose parents weren't entrepreneurs. Independent Sample T-Test was conducted. The results of the study revealed that

there is a statistically insignificant difference ( $t = .413$ ,  $p > .05$ ) between the entrepreneurs whose parents were also entrepreneurs ( $M = 2.52$ ,  $SD = .54$ ) in comparison to those whose parents weren't entrepreneurs ( $M = 2.49$ ,  $SD = .45$ ). Hence, H2 was not substantiated.

**Table.3. Compare Means of parents as entrepreneurs**

Parents as Entrepreneur	N	Mean	Std. Deviation	Std. Error Mean
Yes	74	2.5270	.54050	.06283
No	179	2.4975	.45943	.03434

**Table.4. T-Test of parents as entrepreneurs**

Levene's Test for Equality of Variances		t-test for Equality of Means			
F	Sig.	T	df	Sig. (2-tailed)	Mean Difference
5.854	.016	.413	118.777	.681	.02954

### DISCUSSION

The present study evaluated whether entrepreneurs whose parents were self-employed enjoy more success in comparison to those whose parents weren't entrepreneurs and found that

there is a statistically insignificant difference between the two groups. Hence the results do not conform with Chlosta et al. (2010); Dunn and Holtz-Eakin, (2000); Fairlie and Robb, (2007); Henning & Jardim, (1978); Hout and Rosen,

(2000); Johnson and Rutherford, (2019); Kolvereid, (1996); Lewis and Robinson (2020); Mordi et al, (2010); Parker, (2009); Scherer et al., (1989) and Thompson et al. (2021) who say those entrepreneurs whose parents are self-employed enjoy more success. The results imply that family backgrounds don't have influence on the performance of women owned businesses in Pakistan. They are influenced by personal factors to enter into entrepreneurship rather self-employed parents. They want to gain self-independence, self-fulfillment and freedom which make them feel proud and hence they want to control their own destiny by doing hard work.

### RECOMMENDATIONS

Majority of women entrepreneurs have fathers as entrepreneurs in their families who facilitate them morally and financially in running the business. Although it was found that role of self-employed parents has no role in the success of women owned enterprises but still the role of family members in supporting women is very important. Family members should be supportive of it and encourage the females to be the job creators rather job seekers. There is a need to create awareness in this context and already successful women entrepreneurs can bring a change in this regard by sharing their success stories and emphasizing on how supportive their families have been.

### LIMITATIONS AND FUTURE DIRECTIONS

Present research has included the active women entrepreneurs of Pakistan by consulting TDAP and collected the data from the list provided by them. Future researchers may get a larger sample by approaching to different women chambers, trade bodies, councils and federation of Pakistan and hence generalize the results. Last, the model given in the study may rigorously be tested by future studies and treated as a theory in future.

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