Cultural Diversity and Challenges for Female Entrepreneurs: Empirical Study of an Emerging Economy

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Abstract—Women entrepreneurship witnessed a healthy rise in the last decade or so, and the scenario in Pakistan is not different. However female leaders are facing various, cultural, career oriented, and professional challenges. The study investigates the impact of social and industry-specific challenges on female entrepreneurship; social challenges was evaluated in terms of culture, and industry-specific challenges was measured in terms of team management and career growth. Purposive sampling was employed to collect data from 75 multicultural organizations operating in the culturally diverse and historic city of Lahore, Pakistan. Cronbach's alpha was conducted to endorse the reliability of survey questionnaire, while correlation and regression analysis were used to test hypotheses. Industry-specific challenges were found to be more significant as compared to cultural factors. The paper also highlights the importance of female entrepreneurship for emerging economies, and suggests that bringing women to mainstream professions can lead to economic success.

Keywords—Cultural challenges, emerging economy, female entrepreneurship, leadership.

I. INTRODUCTION

FEMALES around the world are contributing in almost every walk of life, and it is becoming a necessity rather than an option. Political rights' encompasses women's equality with their male counter parts, and now developing countries are witnessing the same scenario. The Pakistan economy is no exception to it, and there is women representation in every sector, be it government, civil service and bureaucracy [1]. Women leaders and entrepreneurs possesses unique traits, and thus talent and expertise of both males and females are required to accomplish optimal development of enterprises and emerging economies [2]. Though participation of female leaders in all aspects of life, including business, are becoming inevitable in the wake of globalization, yet female leaders all across the globe are facing enormous challenges in terms of gender equality and empowerment. And the scenario is deteriorating in the developing world, where education levels and political representation are extremely low, and thus discrimination and sexual violence are all too frequent. Pakistan, the sixth most populous country on earth, presents perhaps one of the most exemplary cases of a country struggling with the challenging dynamics of modernization, faith and tradition. The World Economic Forum ranks the country as the least gender equitable in the Asia and Pacific region. The 2013 annual report of Human Rights Commission of Pakistan describes the many challenges women are currently facing [3]. Pakistan is primarily a traditional male dominated society where it was considered odd for women to work as professionals, but last decades has witnessed a change in trends and fate after former President General Pervez Musharraf announced women's induction as regular officers in 2005 [4]. But Pakistani females still have to deal with a great number of obstacles, barriers and challenges to reach the and successfully maintain top management positions. Challenges like gender stereotypes, religious, cultural and social norms and values of a tight and male dominated social system, problems to balance and reconcile family and professional responsibilities at the same time, discrimination, diversity and others that need to be dealt well to empower Pakistani woman as successful. Traditionally, management, leadership and decision-making authority in the public are viewed as the domain for men. There is widespread technical inefficiency in enterprises of Pakistan [5], and such economic problems can be resolved to quite an extent by fully realizing the potential of both males and females. With this perspective, the study examines and specifies the challenges faced by women entrepreneurs in terms of cultural, team management, and career growth. We focus our investigation in the city of Lahore, as it offers an all-inclusive backdrop for female leaders and has witnessed quite a few success stories in the recent past. In the next section, we present the literature pertaining to the difficulties faced by women entrepreneurs worldwide. Then we elaborate the theoretical framework, methodology and authentication of the research approach thorough Cronbach's alpha. Correlation analysis and model fitness tests are conducted to draw findings. Conclusion and recommendation for empowering female entrepreneurs bring the discussion to a close.

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II. LITERATURE REVIEW

A. Challenges for Female Entrepreneurs in Multicultural Context

Aslam and Kingdon [6] reveal that the market rewards for women's empowerment and education are higher than their male counterparts. Still, female entrepreneurs face a lack of access to capital due to social constraints and most often

require the approval of a male to even qualify for financing. Mahmood et al. [7] investigated the barriers faced by Pakistani entrepreneurs and noticed that 50% to 70% of microloans offered to females may actually be used by their male relatives. Girdauskiene and Eyvazzade [8] conducted a qualitative research and observed that the phenomenon of multiculturalism has grown universally. The authors developed a theoretical model for effective female entrepreneurs in the multicultural context, and demonstrated that being a kind and effective professional is the key to being successful. Evans [9] studied the scenario of female entrepreneurs in the multicultural perspective of France to evaluate the cultural and political factors, and offered valuable suggestions about the rise of women to top management positions in international organizations and highlighted the obstacles, prejudices and barriers for females in acquiring and managing leadership positions. The author suggested that modern leadership styles call for advanced emotional intelligence and a compassionate approach and equilibrium between high cultural aptitude and traditional expertise to prosper as a professional.

Leonardelli and Toh [10] explains the cultural aspects and limitations in the way of emergence of female leadership and suggested how female leadership can be promoted in different cultures globally. The research concluded that females can more likely emerge as leaders in the loose cultures that have more tolerance to deviance than the tight cultures that have less tolerance to deviance. Shahtalebi and Yarmohammadian [11] conducted a qualitative research to analyze the barriers in the way of female managers and their success, by grouping these barriers in three main categories, namely individual elements, social elements, organizational elements. The authors concluded that female leaders need to strive hard to progress and excel in their professional career in the context of Iran. Taylor et al. [12] reveals that in last two decades, females have been very active and significant in the management and top leadership in countries like U.S. They further noticed that almost half of the total top managing seats have been occupied by women. But at the same time, a problem is there that there is also a greater proportion of fall off for top positions also. There may be several reasons for this fall off that could be discrimination or the self-selection. Currently researches have determined more delicate reasons behind this drop off. For instance, notions like "A leader thinks like a male" is a significant factor even now. Such stereotypes are common among both women and men; though there is no any valid research to support the idea that men are better decision makers than women, it is more probable that such stereotypes affect the women's opinions and beliefs about themselves as managers and leaders. This led the researchers to evaluate females' self-awareness about their strengths.

B. Female Entrepreneurship in the Male-Dominated World

Périlleux and Szafarz [13] proposes that women-dominated boards support social orientation and female top leaders are more likely to align their strategies with the preferences of local boards, and the other factor is that unions assign male managers and top leaders to female-dominated boards to control the social orientations of the boards. Glass and Cook [14] depict that female leaders have a positive and constructive contribution to organizations, but at the same time are radically underrepresented in corporate top leadership and management positions. Although the challenges in the way of the professional careers of women in top leadership roles are well documented, but less implicit. The conditions needed for women for promotion to top positions and the challenges and opportunities in their post-promotion time were analyzed in the research. A comparison with the help of in-depth interviews of 500 male and female CEOs reveals that females are more likely to be promoted to higher leadership positions and mostly lack the authority or support to accomplish their strategic aims and goals. Unfortunately, female leaders most frequently have shorter tenures compared to the male peers.

Latu et al. [15] investigated the impacts of highly successful women leaders to empower females' attitudes and behaviors in their leadership tasks, and showed a positive impact. Empowered behaviors arbitrate to the impacts of female role models on women's self-evaluations. Exposure to victorious female managers and leaders stimulated women's behavior and self-evaluation while coping with the challenges in their leadership tasks. Chin [16] reveals that both male, as well as female leaders strongly endorsed and showed inclination towards their own gender identities and ethnic groups in their comparison to male leaders. The social identities of leaders with their experience related to their minority status were professed as influencing their leadership and exercise of leadership with both strengths as well as challenges.

III. RESEARCH METHODOLOGY

A. Theoretical Framework

Most of the research on females in leadership roles stresses the obstacles and barriers that limit females' rising mobility in multicultural organizations. The study categorizes barriers into three domains, namely cultural, team management, and career growth challenges, as depicted in Fig. 1.
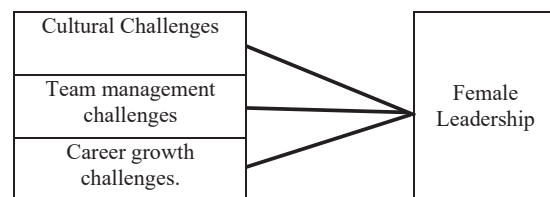

Fig. 1 Impact of social and industry-specific challenges on female leadership

H1. Cultural challenges have significant impact on female leaders.
H2. Team management challenges have significant impact on female leaders.
H3. Career growth challenges have significant impact on female leaders.

B. Sample and Data Collection

Data were collected from 75 multicultural organizations, having a diversified workforce, operating in the culturally diverse and historic city of Lahore, Pakistan. The respondents were managers or above, having minimum experience of at least five years. In order to accommodate these requisites, we deployed a purposive sampling technique. Table I shows the sample characteristics.

TABLE I
SAMPLE CHARACTERISTICS

Attributes	Value
Sample Size	75
Gender	Female
Respondents Designation	Managers & Above
Administrative Experience	Minimum 5 years
Team Leading Experience	Multicultural Team Management only
Questionnaire Type	Purposive Questionnaire
Organizations	Banks, Telecom, Multinational

The questionnaire was adopted from Giritle [17] and a pilot test was successfully conducted for reliability testing. Overall Cronbach's alpha was found out to be 0.788, as shown in Table II, thus there is high degree of internal reliability and hypothesis verification.

TABLE II
RELIABILITY TEST

Description	Cronbach's Alpha
Female Leadership	0.839
Cultural Challenges	0.678
Team Management Challenges	0.677
Career growth Challenges	0.706
Overall	*0.788*

IV. DATA ANALYSIS AND HYPOTHESES TESTING

Correlation was performed and results show a positive relation exists between the variables. Table III depicts the correlation matrix, whereby the relationship among all the variables are exhibited. Female leadership has a direct positive association with cultural challenges. Further, team management also shows a positive relationship with significant values and the same is the case with career growth. Overall, correlation between the variables is significant and supporting the hypotheses strength.

TABLE III
CORRELATION MATRIX

	Female Leaders	Cultural	Team Management	Career growth
Female Leaders	1	0.346*	0.278*	0.278*
Cultural	0.346*	1	0.680*	0.604*
Team Management	0.278*	0.680*	1	0.651*
Career growth	0.278*	0.604*	0.651*	1

*Correlation is significant at the 0.01 level (1-tailed)

Table IV displays model summary of regression analysis, and suggests a positive correlation with moderate strength, as depicted by the R value of 0.672. The significance (f) value shows that the relation between the two is significant, thereby the null hypothesis is rejected and alternate hypothesis stands proved. The significance of the results shows the model validity.

Table V depicts the coefficients and beta values for independent variables, which would be used in hypotheses testing. Regression analysis is suggesting a positive and significant result for all hypotheses, though cultural variable is exhibiting a comparatively weak relationship. However, team management and career growth is showing a strong relationship along with significance within acceptable range. In short, hypotheses testing suggests that industry-specific challenges of team management and career growth are found to be more significant as compared to social challenges.

TABLE IV
SAMPLE CHARACTERISTICS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R² Change	F Change	df1	df2	Sig. F Change
1	0.672	0.530	0.510	0.36801	0.128	3.460	3	71	0.00

TABLE V
SAMPLE CHARACTERISTICS

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	2.703	0.436		6.199	0.000
CUL	0.218	0.131	0.263	1.666	0.003
TM	0.590	0.136	0.037	0.225	0.004
CG	0.653	0.105	0.095	0.621	0.001

V. CONCLUSION

This research was conducted to examine the challenges faced by female leaders in the context of Pakistan corporate culture. The results depict that the female leaders are facing challenges in terms of team management and career growth despite the fact that they have the core competencies to cater all these challenges. Culture is marked by a low level of tolerance. Most of the respondents (87%) show concern that this is a male dominated society, marked by gender disparity, which needs to be addressed to create a better environment and job opportunities in leadership positions for women. Merely persuading women to venture into businesses and participate in economic growth is not enough; there is a need for initiatives, like preferred micro credit. Moreover, broader strategic measures are required to overcome such obstacles and promote female entrepreneurship through effective management of these obstacles. Female entrepreneurs have exhibited a great deal of resilience and carved out a niche for themselves despite considerable hurdles. They have realized

that unless they are involved in the decision-making processes, their apprehensions will be regarded as the same second-class status that females themselves have held for centuries. Education for women is imperative, but it is more important to use their education. For instance, women outnumber males in Pakistan's medical universities, where more than 70% of medical students are women [18]. Female entrepreneurship carries even more importance for emerging economies, as bringing women into mainstream leadership and harnessing the potential of both men and women can lead to economic success and reduction of poverty.

In the words of the founder of Pakistan, Jinnah: "No nation can rise to the height of grandeur unless their women are side by side with men." Women should be involved in all sorts of professions and state structuring, so that Pakistan can realize the dream of an exemplary nation. The corporate culture should be more focused to give due credit to the efforts of female working professionals and support them to play their role effectively. According to the research findings, female leaders are found to be determined, educated and sharp enough to focus towards there managerial responsibilities and are eager to respond to issues as an opportunity to prove themselves and are a source of motivation. Active participation of female entrepreneurs will lead to a new era for Pakistan corporate culture, characterized by organizational objectivity, efficiency and effective utilization of resources. This research was conducted in Lahore, which is an urban city of Pakistan, thus further research in other major cities will lead to generalizable results. Women in rural and suburban areas widely contribute in the agricultural sector, so a differential view of urban and rural areas will give a more accurate and broader scenario.

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