

# Study of Barriers to Women's Entrepreneurship Development among Iranian Women (Case Entrepreneur Women)

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**Abstract**—In this research, effort was made to identify and evaluate barriers to the development of entrepreneurship among Iranian entrepreneur women who were graduated from universities. In this study, perspectives of thirty-seven available entrepreneur women were examined. In order to prepare questionnaires and receive knowledge about barriers among these women, seven cases of entrepreneur women took part in in-depth interviews. Then, to evaluate the importance of barriers, the researchers made a questionnaire with closed questions in which the barriers were classified into the following categories: personal-familial barriers; socio-cultural barriers; economic-financial-commercial barriers; and structural barriers. Entrepreneur women were requested to rate the importance of each item. The results indicated that there were different obstacles among entrepreneur women. The order of the important barriers was as follow: economic-financial-commercial, structural, socio-cultural, and personal-familial.

**Keywords**—Barriers to Entrepreneurship, Entrepreneur Women

## I. INTRODUCTION

NOWADAYS, communities are facing widespread international developments due to scientific and technological progress and changes which in turn leads to new needs in societies. To respond these needs, one cannot be rely on existing methods and processes. Therefore; inventions, innovations, new products, and new processes are necessary more than ever before. Today, this mission, mostly, is the responsibility of the entrepreneurs.

Entrepreneurs are known as sources of industrial, product, and service developments in their societies. Entrepreneurship development has always affected on the economic progress. Entrepreneurship and economic progress not only show impacts on the mental and the emotional health but also on the spiritualities and prosperities of people. Therefore, eliminating barriers of development to entrepreneurship in each country is essential. Moreover, training creative and innovative individuals at different levels of industrials, services, and universities are important issues in each society.

Experts believe that the rate of entrepreneurship in future may consider as a criterion for differences among the

countries' economies. Those countries that concern entrepreneurship consequently encounter sustainable economic growth but those that do not, will face economic slump and social problems.

In Iran, a country in Middle East, the population is young. The latest statistics showed that about 12 percent of the active forces of the young people are unemployed [1]. Even universities graduated suffer from unemployment and 14 percent of them do not have jobs [1]. Unemployment situation for women and girls even has worsened. The rate of unemployment among women in the years ahead is expected to increase, unless policy makers and planners carefully and properly manage to solve this problem and find a way to result in economic development.

Advanced industrial countries, decades ago, could very quickly discover the significance of entrepreneurs women and tried to promote such cultural and economical issues among women in their societies.

Existing barriers among entrepreneur women are different from male entrepreneurs. Women, naturally due to gender inequality and multiple roles, may face to particular restrictions. Obviously, understanding the problems of entrepreneur women will ultimately increase both their future personals and social efficiencies.

Considering the increased unemployment rate among women and the important role of entrepreneurship in decreasing the unemployment rate and consequently the growth of economy, we intended to study the barriers of women entrepreneurship based on their own perspectives.

## II. PROCEDURE

### A. Literature Review

Different researches have been done about obstacles and problems regarding development of entrepreneurship among women. Latifi stated that barriers to women's entrepreneurship are due to lack of self-confidence, modeling, skills, experience, and knowledge as well as having multiple roles and different responsibilities along with the existing gap between graduating and business involvement. Latifi believes that business means everything to men, while women do not regard it just as a duty. They are looking for business achievement and development as well as a sustainable success [2]. Azari Nia in an article about women's entrepreneurship stated that women in North Africa and Middle East encounter financial, legal, social, and structural problems. In these

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regions, financial markets and lending systems are not appropriate; therefore, there are limited opportunities for entrepreneurs, especially for women. So, they cannot access these resources in order to create new companies or to develop their business [3].

Thus, those who are in needs are forced to find funds from unofficial resources. In these regions, judicial and legal procedures are very complex and unstable, so, people should spend a lot of times and energies to solve their legal problems. Lack of transparency in all areas of financial management mostly causes non-standard business. On the other hand, creating a new business and getting authorization for entrepreneur activity are very expensive and time-consuming processes. Economy corruption and poor infrastructure also can be considered among other barriers to appropriate activities of entrepreneurs. Lack of successful models, little influence on decision making systems, poor social atmosphere, discriminations, and unequal access to governmental facilities are of other barriers to women entrepreneurs. These developing countries had many plans to solve these problems so used strengthen policies to support entrepreneurs in recent decades. However, the plans were unsuccessful as they were not based on any research, neither professional approaches nor appropriate procedures. The existing bureaucracy and lack of political will are of other factors to worsen status of entrepreneur women in these countries [3].

Study by Arasty has also revealed some considerable information regarding Iranian entrepreneur women. The results showed that the significant problems were: presence of discrimination in the society, tedious procedure for getting certificate, lack of appropriate financial resources, and unpredicted obstacles in the beginning of the new business establishment [1].

Saber examined barriers to women's entrepreneurship development and classified them into three categories: personal, organizational, and environmental. Personal barriers included obstacles related to family affairs and personal characters. Organizational barriers were mainly related to business, especially within a company including financial, physical, marketing, sales, and human resources. Environmental barriers were those connected to cultural, social, and partly legal issues [4].

Aulipoor has shown that the barriers found on women entrepreneurs were: patriarchal culture, lack of self-confidence, parenting styles, lack of motivation, lack of risk-taking, lack of resolving conflicts between home responsibilities and career tasks, economic difficulties such as investment, funds, and other required facilities [5].

Golrad research entitled "Factors affecting the development of women's entrepreneurship" presented a comprehensive model of women's entrepreneurship development and referred to some important factors as cited bellow. These factors were classified into four categories as personal, networking, organizational, and environmental. Giving questionnaires to and having interviewed with 139 Iranian entrepreneur women,

Golrad found that the role of personal factors in the development of business was more significant than other factors. In addition, the result showed that the most important motives and goals of women in business were gaining job satisfaction, credibility, and power in the society [6].

The results also showed that entrepreneur women had received support through only experienced and reliable friends. Relation to specialized consultants or membership in Women Professional Business Associations was very limited. Environmental conditions; including political, cultural and technological situations seriously affected on the development of Iranian women's entrepreneurship. The results indicated that customs, precedent traditions, and beliefs were serious barriers to women economic activities [6].

In general, cultural factors in either formal or informal aspects in each society indicate the attitude of that society towards the women economic activities. Golrad stated that the official culture, especially education and formal training in Iran, played an important role in business development and women entrepreneurship. In addition, the informal culture was a serious obstacle for women and could not provide positive situation for them. For example, family caring was one of the most important concerns to entrepreneur women. Custody, education of children, and home duties had always been the responsibility that women mattered. Balance between work and family affairs has been considered as a challenge for entrepreneur women.

#### *B. Conceptual Framework of Research*

Since women entrepreneurship development is affected by a series of different factors, researchers in the present study measured personal-familial, socio-cultural, economic-financial-commercial, and structural factors (see the Model). Based on the previous researches and theoretical models proposed by Saber in the personal-familial category, items such as motivation, goal, family responsibility, sufficient knowledge, and experience were considered [4]. According to researches done with Javaheri and ghozati [7] and Golrad [8], socio-cultural category was divided into four components as: 1) awareness and attitude of government towards the importance of women entrepreneurship and entrepreneurs, 2) awareness and favorable attitudes of society about the importance of women entrepreneurship and entrepreneurs, 3) responsibility, commitment, and attention by the authorities, 4) presence of a model in the society. Based on Azari Nia [2] and Arasty [1] researches, economic-financial-commercial category was divided into four components: financial concerns of entrepreneurs, supportive organization, adequate cooperation, and marketing issues. Finally, the structural category covers two components: 1) coordination and access to knowledge and information, and 2) legal issues [1]. The present study intended to show which barrier (each item) and which category of the classified barriers effectively prevents women entrepreneurship development. To do this, a research model was proposed as presented in Fig. 1.

### C. Methodology

The available statistical sample was 37 university graduated women who had entrepreneurship experience in Shiraz city, Fars, Iran. In order to identify the barriers to entrepreneur development, a preliminary questionnaire with open-ended questions was given to 7 entrepreneur women. All necessary information was collected through in-depth interviews with them. Based on this, a questionnaire with 54 closed questions was prepared. The questionnaire consisted of two parts. In the first section, individual demographic information such as age, occupation, education level, and experiences in the current company was included. The second part of questionnaire included four categories based on the proposed research model. Respondents were asked to rate the preventing effect of each item on the women entrepreneurship development using a 5-point scale ranging from "not important" to "very important".

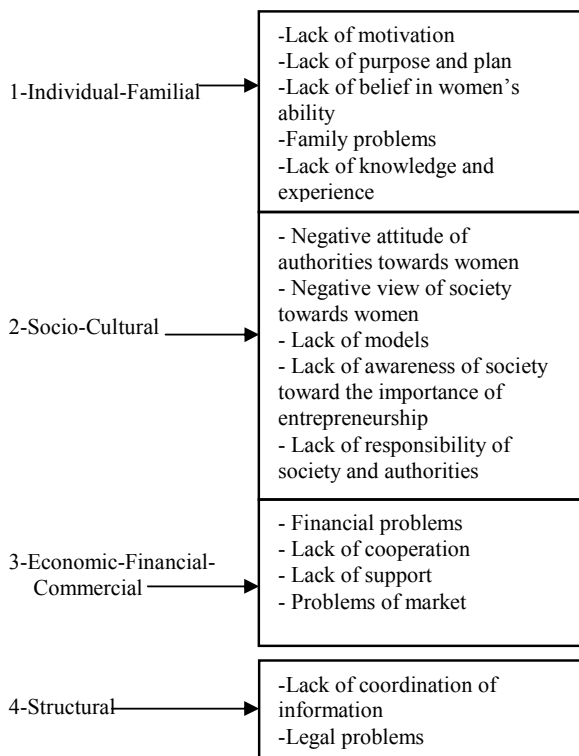


Fig.1 Research model: Barriers on women's entrepreneurship development

To assess the questionnaire, Face Validity was used. In this regard the suggestion raised by several sociologists and psychological researchers were applied to the questionnaire. In addition, the questionnaire was evaluated using alpha reliability. Cronbach's alpha for all items was 0.87 and reliability of each barrier was as follows; individual-familial barriers, 0.84; socio-culture barriers, 0.73; economic-financial-commercial barriers, 0.82; and structural factors, 0.65.

Data was obtained from total women of 37 which 25 persons of them had master degree and the others had bachelor degree. Age range was between 28-59 years. The reported experience was between 4 to 30 years. They had businesses in three different fields: manufacturing, services, and consultation.

### III. RESULTS

1. *Analysis of individual - familial barriers:* In overall, the results of individual-familial barriers showed that the obstacles of entrepreneurship development among women were respectively as follow: Lack of information about supportive resources (78.3 percent), lack of information about market (72.9 percent), lack of motivation to achieve job satisfaction (67.6 percent), lack of information on how to invest (66.7 percent), lack of motivation to achieve financial interest (64.9 percent), lack of information on distribution of goods and services (59.4 percent), lack of information about marketing and advertising (59.4 percent), lack of motivation to show talents and abilities (56.8 percent), various obligations in life (job-family) (52.8 percent), lack of belief in women ability (51.3 percent), and lack of knowledge and information about technology and new science related to market (51.3 percent).

The significance of the individual-familial barriers over entrepreneurship development among women has been shown in Table I. Respondent comments to the degree of importance of this category were divided into 3 levels. The results showed that 21.6 percent of the respondents stated that the significance of individual-familial barriers was "less important". However, 54.1 percent of the respondents considered personal-familial barriers as "almost important" and 14.5 percent stated that these barriers were "very important".

TABLE I  
IMPORTANCE OF INDIVIDUAL-FAMILIAL BARRIERS

Importance of individual-familial barriers	Frequency	Percent	Accumulative percent
Less important	8	21.6	21.6
Almost important	20	54.1	75.7
Very important	5	14.5	89.2
No Reply	4	10.8	100
Total	37	100	-

2. *Analysis of socio-cultural barriers:* The results of socio-cultural barriers showed that the obstacles of entrepreneurship development among women were respectively as follow: Lack of awareness of society to entrepreneurship (88.3 percent), lack of awareness of authorities to entrepreneurship and business (77.1 percent), lack of consultation support for entrepreneurs in marketing, market research, advertising, legal and financial issues (74.3 percent), lack of positive attitude among authorities about the entrepreneur women activities (72.9 percent), lack of attention to inventors and creation by the authorities (70.6 percent), lack of knowledge of authorities about the importance of entrepreneurship (68.6 percent), lack of attention to women entrepreneur because of the negative attitudes towards women in society (64.6 percent), lack of

responsibility and sensitivity necessary to entrepreneurship (64.8 percent), lack of national will of authorities to expand entrepreneurship (51.4 percent).

In general, Table II showed the significance of socio-cultural barriers. The data indicated that respondents considered these barriers as "very important" (37.9 percent), "almost important" (35.1 percent) and "less important" (5.4 percent).

TABLE II  
IMPORTANCE OF SOCIO-CULTURAL BARRIERS

Importance of socio-cultural barriers	Frequency	Percent	Accumulative percent
Less important	2	5.4	5.4
Almost important	13	35.1	40.5
Very important	14	37.9	78.4
No Reply	8	21.6	100
Total	37	100	-

3. *Analysis of economic-financial-commercial barriers:* The results showed that a considerable percentage of women entrepreneurs, considered this problem as a barrier to the development of the entrepreneurship among women: lack of cooperation in allocating expenses (88.2 percent), financial problems of entrepreneurs (86.1 percent), lack of market stability (84.9 percent), lack of financial support by the relevant organizations (84.3 percent), lack of cooperation in allocation of facilities in initial expenses (73.6 percent), lack of suitable market (69.5 percent), lack of proportionateness between entrepreneur activities and rate of profitability (65.7 percent), instability of foreign exchange (63.6 percent), lack of cooperation in the allocation of seasonal exhibitions to the entrepreneurs (51.5 percent), and lack of cooperation in creating marketplace (35.3 percent).

TABLE III  
IMPORTANCE OF ECONOMIC-FINANCIAL-COMMERCIAL BARRIERS

Importance of economic-financial-commercial barriers	Frequency	Percent	Accumulative percent
Less important	5	13.5	13.5
Almost important	11	29.7	43.2
Very important	12	32.5	75.7
No Reply	9	24.3	100
Total	37	100	-

Table III shows the degree of importance of economic-financial-commercial barriers. According to the result, these barriers for 13.5 percent were considered as "low important". Approximately 30 percent said that these barriers were "almost important". The significance of the economic-financial-commercial barrier was stated as "very important" according to 32.5 percent of the respondents.

4. *Analysis of structural barriers:* The results showed that the following structural barriers were more important: Problems of unfairness among people and giving advantages to specific people (82.4 percent), instability of economic and commercial law (78.8 percent), lack of appropriate structure to support entrepreneurs (77.2 percent), administrative obstacles (77.7 percent), lack of adequate coordination among institutions and organizations involved in entrepreneurship

(73.6 percent), frequency of institutions of decisions-making for entrepreneur (73.5 percent), lack of permission to teach skills related to entrepreneurs strategies to others (58.8 percent), lack of appropriate information from involved organizations (57.6 percent), and lack of identification of new markets (53.5 percent). In addition, Table IV shows the importance of structural barriers. According to the data, respondents comments to these barriers were 2.7 percent "less important", 24.3 percent was "almost important", and 54.1 percent was "very important" which showed that these problems were among the barriers that seriously affect entrepreneurship development.

TABLE IV  
IMPORTANCE OF STRUCTURAL BARRIERS

Importance of structural barriers	Frequency	Percent	Accumulative percent
Less important	1	2.7	2.7
Almost important	9	24.3	27
Very important	20	54.1	81.1
No Reply	7	18.9	100
Total	37	100	-

5. *Repeated measure:* In order to study which categories of the mentioned barriers were of most important to the women entrepreneurs, repeated measure was performed. Before running the repeated measure analysis, mean of each category was divided by the number of questions (items) in each category to be sure that number of items did not affect the value of the mean. Table 5 shows the mean scores of the four categories of barriers. As Table 5 shows, the order of the significance of the barriers was as follows: economic-financial-commercial, structural, socio-cultural, and personal-familial.

TABLE V  
MEAN AND STANDARD DEVIATION OF DIFFERENT BARRIERS

Sources of variance	S.S	df	M.S	F	P<
Within variables	4.91	3	1.64	12.64	0.0001
Between variables	8.17	63	0.13		

The results in Table VI indicate that there were significant differences between the different categories of barriers.

TABLE VI  
EVALUATION OF DIFFERENCES BETWEEN THE BARRIERS

Barriers	Mean	Standard deviation
Individual- Familial	3.44	0.57
Socio-Cultural	3.82	0.46
Economic-financial-commercial	4.03	0.48
Structural	4.01	0.37

In addition, statistical analysis was used in order to evaluate the differences between pairs of barriers. The results are shown in Table 7. Results indicated that the degree of significance of barriers for entrepreneur women were in the order of economic-financial-commercial, structural barriers, socio-cultural, and structural but there was no significant differences between the last and the former. Barriers

mentioned above were significantly more important than personal-familial barriers.

TABLE VII  
DIFFERENCES BETWEEN PAIRS OF BARRIERS

Barriers	1	2	3	4
Individual-Family	0			
Social-Cultural	-0.38*			
Economic-financial -commercial	-0.59*	0.22		
Structural	-0.56*	0.19	-0.03	0

\*p<0/05

#### IV. SUMMARY AND CONCLUSION

In the present study, obstacles and problems that prevent entrepreneurs and entrepreneurship development among women were studied. For this purpose, a questionnaire with four general barrier categories including individual-familial, economic-financial-commercial, socio-cultural, and structural. For each category of barriers a set of items was considered and respondents were asked to rate the importance or the influence that each items individually can have on the prevention of entrepreneurship. Items selected by majority showed that women in all the four categories encountered difficulties.

Barriers raised by the majority of the respondents, in personal and familial barriers category, indicated that they had lacks of motivation, lack of knowledge from different sources, lack of financial supportive, lack of market information, and various life commitments as barriers. The results are consistent to the previous researches by Saber [4] and Javaheri and Ghozati [7]. Javaheri and Ghozati in her article have mentioned that women have multi-gender role expectations, and different roles make limited opportunities for women to create and expand their activities which results in reducing job opportunities for others [7]. Multiple roles often lead to the lack of motivation and time limitation to obtain information necessary for their jobs.

In socio-cultural barrier category, according to the result, most concerns of women were lack of understanding of society and authorities about the entrepreneurship; lack of their attention and sensitivity; as well as their negative attitudes toward entrepreneur women. Javaheri and ghozati were stating that many of the features and capability that is required for entrepreneurship, such as determination for change and innovation, leadership, risk tolerance, and desire to progress were influenced by negative attitude toward women which result in less consistency and likely reducing women entrepreneurship [7].

In structural barriers categories; obstacles were the same as those that prevent entrepreneurship among men which was related to the structure of society. Thus, structural reform in national system can cause entrepreneurship development in all segments of society [7].

The result for economic-financial-commercial barrier category showed that the financial problem, market instability, lack of financial support by the relevant organizations, lack of facilities to start the business, low rate of profit, and lack of cooperation were of concern to women. Researchers were

already mentioned the effect of these barriers on preventing the entrepreneurship development.

According to the results obtained, some suggestions for improving entrepreneurship in Iran for both non-governmental and governmental organizations are provided:

1. Expansion of entrepreneurship, through providing education and training in educational system such as schools and universities.

2. Development of business information systems.

3. Create consulting service centers to entrepreneurs in the fields of information, education, supply and financial management, and marketing.

4. Simplify the hindrance administrative rules and regulations.

5. Providing facilities to entrepreneurs to achieve competitive domestic and foreign markets.

6. Providing facilities to create exhibitions and domestic markets with limited expenses.

7. Financial assistance.

8. Providing loans without any interest.

9. Support bankrupt entrepreneurs.

#### V. RESEARCH LIMITATIONS

Total people who were introduced were more than 100 people. However, only 37 people were hardly accessible. Some of them had bankruptcy and some were abroad. To all who were available, the questionnaire was distributed. Another limitation in this study was enormous lack of cooperation required by the entrepreneurs. Some of the individuals even did not return the questionnaires so that we were faced to questionnaire limitations.

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