

OCCUPATIONAL EXPERIENCE AND ENTREPRENEURIAL CHALLENGES: A CASE STUDY OF WOMEN ENTREPRENEURS IN PESHAWAR

Dr. Arooj Zeb

Assistant Professor

Department of Management Sciences

Virtual University of Pakistan

Dr. Sonia Sethi

Lecturer, Department of Management Sciences

Islamia College, Peshawar

Dr. Kauser Hayat

Assistant Professor

Government College of Management Sciences

for Women Kotha Swabi

Nida Qamar

Lecturer Department of Management Sciences

Virtual University of Pakistan

*Corresponding author: (arooj.zeb@vu.edu.pk)

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Abstract

This study examines the challenges faced by women entrepreneurs according to their occupational experience in the entrepreneurial world. Moreover the study also analyses the role of occupational experience of women entrepreneurs on their entrepreneurial performance. To conduct the study, two groups of women entrepreneurs were selected. One group was comprised of women entrepreneurs registered with Peshawar Chamber of Commerce and Industry which constituted a sample size of 253. The other group was comprised of non-registered women entrepreneurs who were running home-based businesses. The data was gathered using a self-administered questionnaire designed to evaluate occupational experience and entrepreneurial performance. The findings reveal that success of an enterprise is higher in Entrepreneurs with occupational experience in both groups. 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 women having prior occupational experience in women's entrepreneurship.

Keywords:

Women Entrepreneurship, Occupational experience, Performance, Registered Entrepreneurus, Non-Registered Entrepreneurs

Introduction

The progress of a nation relies on the active involvement and empowerment of women, with entrepreneurship being one of the most effective means to achieve this goal (Ismail, 2016). A woman entrepreneur is someone who takes on risks in pursuit of financial independence and to meet her personal needs (Nagarajan, 2016). In a developing nation like Pakistan, with a population of 207 million in 2017, nearly half of which consists of women, gender discrimination remains prevalent. This creates a barrier for women, limiting their ability to enter the workforce and forcing many to stay at home (Goheer, 2003). The World Bank reports that Pakistan ranks 37th out of 46 Asian countries in terms of female labor force participation, which is disappointing (Global Economy, 2018). Furthermore, Pakistan ranks 132nd out of 134 countries regarding women's economic engagement and opportunities (Nadgrodkiewicz, 2011), primarily because women in Pakistan do not often consider entrepreneurship as a primary career choice. They are often discouraged and shielded from taking independent action throughout their lives (Roomi and Harrison, 2010). In Pakistan's patriarchal society, where women bear significant responsibilities for family care, balancing work and family life is increasingly challenging for women entrepreneurs. Population dynamics are a key factor that significantly influences resource distribution, development, and policy decisions within a country. The demographic structure of a nation serves as a guide for policymakers and those responsible for policy implementation, helping ensure the creation of effective policies and their successful execution. Accurate demographic data is essential for proper resource allocation. Over time, Pakistan's demographic landscape has evolved, as evidenced by the 2017 Census. According to Pakistan's Bureau of Statistics, the country's total population stands at 216,565,318, exceeding 21 million. A closer look at the gender breakdown reveals that females constitute 48.54% of Pakistan's population.

While a shift in social structure is encouraging more women to enter the workforce, this trend has not yet been fully realized in Pakistan due to several factors:

- Pardah (the veil) and Izzat (honor) are significant cultural factors influencing the role of women in the workplace. Pardah represents sexual segregation, restricting women to their homes, as described by Papanek (1982), who views the veil as a mobile boundary concealing women's external activities. Izzat refers to the belief that a woman's reputation is linked to her family's honor, and thus, her reputation must be protected (Shaheed, 1990).
- A woman's primary role in managing household responsibilities is regarded as a social duty. Research by USAID indicates that Pakistani culture discourages women from pursuing self-employment, perceiving it as detrimental to the family's prestige and honor when women seek employment outside the home (Goheer & Penksa, 2007).
- Women's reproductive responsibilities limit their mobility and interaction with society, often confining them to domestic roles (Ahmad & Naimat, 2011).
- Social disapproval of working women in Pakistan results in their marginalization in the workforce (Kamal, 1997).
- Barriers to Market Entry: According to the Global Entrepreneurship Monitor (GEM, 2010), women face numerous obstacles in entering the market, such as technological limitations, societal and environmental challenges, restricted access to finance, rigid tax policies, and inadequate labor supply. These barriers make it difficult for women to succeed, even when they have clear goals and strong motivations.

In Pakistan, women entrepreneurs face numerous challenges that hinder their development, impacting the entire process from the initial establishment of a business to its ongoing operations. These challenges include conducting research to assess factors influencing business performance. One such factor is the demographic characteristics of women entrepreneurs, which play a crucial role in determining

their success. While much of the existing research on entrepreneurship focuses on the specific challenges faced by women in the workplace (Mahmood et al., 2012; Ali et al., 2021), there has been limited study on the demographic aspects of women’s entrepreneurship especially the role of prior occupational experience on the women lead businesses performance. This research aims to empirically assess how the occupational experience affect the entrepreneurial performance of women in Peshawar.

Research Objectives

- 1. To determine the association between occupational experience and performance of both registered and non-registered Women Entrepreneurs.
- 2. To analyze the impact of occupational experience on the performance of both registered and non-registered Women Entrepreneurs.

Research Question

- 1. Does there exist any relationship between occupational experience and performance of both registered and non-registered Women Entrepreneurs?
- 2. Does occupational experience affect the performance of both registered and non-registered Women Entrepreneurs?

LITERATURE REVIEW

The review of literature shows that previous experience of an entrepreneur contributes to business success and growth. Many years of managerial experience in an entrepreneur affect his ability to judge, make quick decision, analyze, and calculate risk of the enterprise (Kemelgor, 1985). Individual characteristic of an entrepreneur like his prior experience in the industry is positively correlated with the enterprise performance (Box, White & Barr, 1993). The relationship between occupational experience and the performance of women entrepreneurs has been widely discussed in entrepreneurship literature. Research suggests that women with prior experience in specific industries or business domains tend to perform better due to their ability to navigate challenges more effectively (Mahmood & Sial, 2020). Occupational experience allows women to develop critical skills, such as decision-making, financial management, and market understanding, which are crucial for business success. Women entrepreneurs who possess more work experience or have previously held managerial roles often benefit from their enhanced leadership abilities and industry knowledge. According to the human capital theory, which emphasizes the value of knowledge and skills accumulated through experience, prior work experience can significantly improve entrepreneurial outcomes (Becker, 1964). This theory posits that individuals with more human capital are better equipped to succeed in entrepreneurial ventures.

However, while occupational experience is crucial, studies have also highlighted that women entrepreneurs face unique challenges that influence how their experience translates into business performance. Gender-related barriers, such as societal expectations, access to finance, and limited networking opportunities, often restrict women’s ability to fully capitalize on their work experience (Khan & Rehman, 2023). For example, although experienced women entrepreneurs may have the technical know-how, they might struggle with securing financial support due to gender biases in lending institutions (Ali et al., 2021). The theory of gendered entrepreneurship highlights how societal structures and gender roles shape the experiences of women entrepreneurs, creating a distinct set of challenges compared to their male counterparts (Ahl, 2006). These challenges can limit the full utilization of occupational experience, affecting the overall performance of women-led businesses.

Despite these barriers, research indicates that women entrepreneurs who actively engage in networks and continuous professional development are able to overcome many of these challenges and improve their

business performance. Networking allows women to share knowledge, access resources, and gain support from other entrepreneurs, which has been shown to enhance their business capabilities (Jabeen et al., 2022). Furthermore, the role of mentorship and training programs is critical in helping women leverage their occupational experience to improve their performance. The resource-based view (RBV) theory, which emphasizes the importance of access to valuable resources (such as information, networks, and mentorship), suggests that women entrepreneurs who successfully acquire these resources perform better in their businesses (Barney, 1991). As more women gain access to these resources, they can convert their occupational experience into sustainable business growth. Professional careers of women are affected more than males due to several reasons like taking care of their families, maternity issues (Anderson et al, 2012; Kaplan 1988) yet the experience they gain make them more careful, tolerant, self-confident and flexible which leads to better performance outcomes (Singh et al, 2001).

The thorough review of literature resulted in the development of following hypothesis:

H1: There is an association between occupational experience and performance of Women Entrepreneurs.

H2: Success of an enterprise is higher in Entrepreneurs with occupational experience for women entrepreneurs.

RESEARCH METHODOLOGY

Research Design

This study employs a quantitative approach, collecting numerical data and analyzing it using statistical methods. It follows a positivist philosophy, emphasizing theory testing through a deductive approach. Statistical analyses were conducted using SPSS Version 22.

Population and Sample

The study's population comprises registered women entrepreneurs of Women Chamber of Commerce and Industries Peshawar yielding a total of 696 individuals. A systematic random sampling technique was employed to select participants. Based on Yamane's (1967) formula, the final sample size was determined to be 242. The other group for this study was comprised of non-registered women entrepreneurs who were running home-based businesses.

Research Instrument & Measurement

A self-administered questionnaire served as the primary data collection tool for this study. Dichotomous questions were used to capture respondents and education, while a Likert scale was employed to assess performance. The structured questionnaire incorporated both "yes" or "no" questions and multiple-choice items with predefined options to gather demographic and occupational details. The measures for entrepreneurial performance were adapted from the work of Brush & Vanderwerf (1992).

FINDINGS

Descriptive Statistics

The respondents (both registered and non-registered) were asked if they had any previous work experience. The finding indicated that for registered entrepreneurs, majority had worked previously (54.9%) whereas remaining (45%) didn't work before becoming entrepreneurs. For non-registered

members, 51.3% had occupational experience whereas 48.6% didn't have. The distribution of work experience among registered entrepreneurs is presented in the Tables 1 and 2.

Table 1. Work Experience of Registered Members					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	139	54.9	54.5	54.5
	No	114	45.0	45.5	100.0
	Total	253	100.0	100.0	

Table 2. Work Experience of Non-Registered Members					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	130	51.3	50.2	50.2
	No	123	48.6	49.8	100.0
	Total	253	100.0	100.0	

Reliability Analysis

Table 3 presents the reliability assessment of the research instrument used in this study. Reliability signifies the consistency and stability of the instrument in measuring the intended constructs. The Cronbach's Alpha values for occupation and entrepreneurial performance exceed 0.70, indicating an acceptable level of reliability for these constructs.

Table3: Reliability

S. No	Construct	No. of Items	Cronbach's Alpha	
			Registered	Non-Registered
1	Occupation	2	.837	.842
2	Entrepreneurial Performance	5	.832	.826

Correlation analysis

The correlation coefficients in Tables 4 and 5 indicate a statistically significant relationship between occupation and performance for both registered ($r = .206$, $n = 253$, $p = .001$) and non-registered women entrepreneurs ($r = .209$, $n = 253$, $p = .001$). Therefore, hypotheses H1 is supported.

Table 4: Correlation of Registered Women Entrepreneurs

		Work Experience	Entrepreneurial Performance
Work Experience	Pearson Correlation	1	.206**
	Sig. (2-tailed)		.001
	N	253	253
EP	Pearson Correlation	.206**	1
	Sig. (2-tailed)	.001	
	N	253	253
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 5: Correlation of Non- Registered Women Entrepreneurs

		Work Experience	Entrepreneurial Performance
Work Experience	Pearson Correlation	1	.209**
	Sig. (2-tailed)		.001
	N	253	253
EP	Pearson Correlation	.209**	1
	Sig. (2-tailed)	.001	
	N	253	253
**. Correlation is significant at the 0.01 level (2-tailed).			

Comparative Analysis

To assess that whether entrepreneurs having prior occupational experience perform well in comparison with the ones who lack it, an independent sample T-Test was conducted on both the groups of the respondents. For both registered and non-registered entrepreneurs, it was found that a there is a statistically significant difference between the entrepreneurs having occupational experience in comparison with the ones without any experience. The results are shown in the below given tables. Hence H2 is accepted.

Table.6. Compare Means of occupational experience for registered entrepreneurs

Work Experience	N	Mean	Std. Deviation	Std. Error Mean
Yes	138	2.5967	.43899	.03737
No	115	2.3974	.51341	.04788

Table.7. T-Test of occupational experience for registered entrepreneurs

Levene's Test for Equality of Variances		t-test for Equality of Means			
F	Sig.	T	df	Sig. (2-tailed)	Mean Difference
5.398	.021	3.282	225.556	.001	.19935

Table.8. Compare Means of occupational experience for non-registered entrepreneurs

Work Experience	N	Mean	Std. Deviation	Std. Error Mean
Yes	127	2.5321	.37047	.03287
No	126	2.1485	.58899	.05247

Table.9. T-Test of occupational experience for non-registered entrepreneurs

Levene's Test for Equality of Variances		t-test for Equality of Means			
F	Sig.	T	df	Sig. (2-tailed)	Mean Difference
28.901	.000	6.194	210.251	.000	.38353

DISCUSSION

Recent studies continue to support the assertion that entrepreneurs with prior experience in the same sector have a higher likelihood of success than those without such a background. For instance, research by Jara-Figueroa et al. (2018) found that the survival and growth of new firms are significantly enhanced when their initial hires possess industry-specific knowledge. Similarly, Jones (2018) highlighted that entrepreneurs with extensive experience in their respective industries are more likely to achieve substantial success compared to industry outsiders. Furthermore, McCarthy et al. (2021) demonstrated that certain personality traits, such as openness to adventure and higher activity levels, contribute to entrepreneurial success, suggesting that experience combined with specific personal attributes can enhance business outcomes. These findings underscore the critical role of industry-specific experience and personal characteristics in entrepreneurial success, aligning with earlier studies (Box, Beisel, & Watts, 1995; Kamunge et al., 2014; Kemelgor, 1985; Lerner et al., 1997; Pfeifer, 2001; Roomi, 2013). When it comes to women entrepreneurs, numerous studies (Belcourt, 1991; Breen et al., 1995; Carter, Gartner & Reynolds, 1996; Hisrich & Brush, 1987; Welbourne et al., 2012) indicate that a significant percentage of women business owners gain occupational experience in the same sector before establishing their own ventures. The findings of this study reinforce this notion by revealing a substantial difference in entrepreneurial performance between women who had prior occupational experience and those who did not.

This is particularly noteworthy in the context of Pakistan, where women often face social and cultural barriers, such as *pardah* and *Izzah*, limiting their entry into the job market. Their primary role is traditionally confined to household responsibilities, and societal disapproval of working women contributes to a low female workforce participation rate. Given this backdrop, the study’s results are

encouraging, as they suggest that despite these constraints, women are not only opting for self-employment but are also actively seeking industry experience before launching their businesses. This proactive approach not only enhances their business acumen and decision-making skills but also provides them with a competitive advantage over entrepreneurs who enter the business world without prior occupational expertise. It also signals a gradual but significant shift in societal norms, where women are increasingly recognizing the value of professional experience in shaping successful entrepreneurial ventures.

RECOMMENDATIONS

Since prior occupational experience enhances business performance, policies should be designed to increase women's participation in the job market. This can be done by providing workplace flexibility, remote work options, and awareness campaigns to challenge social norms that limit women's employment opportunities. Business development centers and financial institutions should design support programs tailored to individuals with industry experience. This includes sector-focused funding opportunities, skill-building workshops, and advisory services that help experienced professionals transition into successful entrepreneurship. Given the cultural constraints of *pardah* and *Izzah* that limit women's participation in the job market, the government should implement policies that encourage women's workforce engagement before they start their businesses. This can be achieved by offering **women-exclusive internships, sector-specific vocational training, and business incubation programs** that provide hands-on experience in their chosen industries. Additionally, **collaborations with private-sector firms** can create mentorship and apprenticeship opportunities tailored for women, enabling them to gain industry-specific expertise while respecting societal norms. These initiatives will not only enhance entrepreneurial success rates but also contribute to women's economic empowerment in Pakistan.

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