

A Gender Analysis of Barriers to Entrepreneurial Startups

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ABSTRACT

Entrepreneurship is mind challenging and mentally torturing due to startup barriers as reasons for entrepreneurs to get off the right path. This study aims to identify and measure the barriers to entrepreneurs for gender. The study is conducted by surveying 204 entrepreneurial startups in a different entrepreneurial meet at different programs through a self-administered questionnaire, which was further analyzed by using basic descriptive analysis and ANOVA to capture gender differences in the opinions. Respondents' perception towards barriers to entrepreneurship-Risk of capital loss, Low level of Confidence, Corruption and bureaucracy, Family background, inadequate social network, Lack of government support, lack of experience, and Political environment and their entrepreneurial inclination were assessed. Among the barriers that don't hamper for gender, respondents cited lack of experience. The approach used was unable to uncover in-depth information on the various barriers. Both quantitative and qualitative approaches may be more appropriate to obtain further details. The findings of this study could serve as baseline information for current and entrepreneurs to be as well as for policymakers for purpose of outlining gender-based entrepreneurship policy and program. The approach used was unable to uncover in-depth information on the various barriers. Both quantitative and qualitative approaches may be more appropriate to obtain further details.

Keywords

Entrepreneurship, Startups, Perceived barriers, Gender analysis.

Introduction

In India, the role of small and medium companies (SMEs) in fostering socio-economic and regional development to promote national economic growth has grown increasingly essential. Entrepreneurs bring fresh ideas to life by their ingenuity, inventiveness, and ambition to create something of lasting worth (Volkmann et al., 2009). In light of clear evidence of the importance of new firm formation to economic growth and development (Langowitz and Minniti, 2007), entrepreneurship has gotten a lot of attention in recent years. Starting a business can be a mind-challenging and mentally torturing. However, understanding common startup barriers and key success factors can help entrepreneurs get off the right path. However, there is a scarcity of research on the hurdles that entrepreneurs in developing nations confront, which may differ from those in affluent ones. The majority of early-stage entrepreneurs who will work full-time in their business come from industrialized countries (Bosma et al., 2007). This shows that in underdeveloped countries, there may be more impediments to entrepreneurship than in rich countries. As a result, more research on barriers is

needed, and this study is an attempt to fill that gap by giving additional insights and information on hurdles. Given this, we believe that the goal of this research should be to identify the impediments to launching a business as viewed by entrepreneurs. This research provides interesting insights into the entrepreneurship barriers faced by from a developing nation where such research is lacking. Importantly, this study will make a substantial contribution by utilizing ANOVA to determine whether there is a significant variance in demographics between obstacles. The purpose of this study is to investigate the impact of hurdles in an entrepreneurial start-up.

REVIEW OF LITERATURE

Entrepreneurial activities are viewed as the driving force behind the country's healthy development, as they reduce unemployment, ensure equitable income distribution, and provide a variety of social benefits. Throughout the world, self-employment or entrepreneurship produces a significant amount of output, and our country is no exception. Self-employment, often known as entrepreneurship, is becoming increasingly

popular as a career option (van Gelderen et al., 2008).

Researchers have been captivated by the demographic aspects affecting entrepreneurial starts since the beginning of the theory of entrepreneurship. According to Ashley et al. (2009), a person's desire to become an entrepreneur is influenced by a variety of personal characteristics. These can be divided into two categories: demographic and psychological factors. In one of his studies, Ismail et al. (2009) stated that age, sex, and education are demographic parameters that are influenced by entrepreneurial activities. The relationship between gender and entrepreneurial intent is a fascinating topic to investigate. This relation has been studied extensively in the literature. According to research, males perceive themselves to be more efficient and motivated to start a new business than women (Sanchez, 2011). Male and female students had significantly different entrepreneurial intentions, according to Zaidatol and Afsaneh (2009), with male students having a higher mean score. Age was a variable of relevance in the investigations of de Kok et al (2010) and Gielnik et al (2012). Krueger and Brazeal (1994) found that an individual's age has a direct and indirect impact on entrepreneurial starting intention and success.

When a person decides to start their own business and follow the route of entrepreneurship, they may discover that they have embarked on an adventure in which they will confront numerous challenges as they grow their firm. However, both extrinsic environmental factors and intrinsic individual traits influence entrepreneurship, including: environmental factors at the state, national, and even worldwide level; personal traits of entrepreneurs; self-efficacy; entrepreneurial parents' backgrounds; education and training; work experience; and social networking. (Jain.R. and Sayed.A., 2015) These elements may have a good or negative impact, and this study will take into account any negative consequences or barriers.

Informal impediments include regulation implementation (Jancauskas, 2000), and corruption (Bohata and Mladek, 1999). Lack of

prior private business experience causes skill-based limitations such as a lack of business-related skill development (Roberts and Tholen, 1998). The survival and expansion of private firms are hampered by a lack of basic business skills.

Different authors (Bates, 1995; Nagarajan et al., 1993) used descriptive surveys to ask people about the barriers to starting a business, and they came up with a long list of them. Barriers to starting a business identified from the review of literature include: lack of entrepreneurship socialization in the home, school, and society; exclusion from traditional business networks; lack of access to capital. Hatala (2005) goes on to say that the main challenges to beginning a new business are a lack of confidence, personal problems, a lack of skills, start-up logistics, financial necessities, and time limits. Furthermore, Choo and Wong (2006) claim that the non-starters' barriers to beginning a business are due to hard realities (e.g., the danger of capital losses), a lack of capital, a lack of skills, low compliance costs, and a lack of confidence. According to Finnerty and Krzystofik (1985), entrepreneurs are discouraged from starting a small business because they are afraid of failing. After all, the future is unknown. The following are some of the barriers that the researcher will consider:

- Risk of capital loss
- Low level of Confidence
- Corruption and bureaucracy
- Family background
- Inadequate social network
- Lack of government support
- Lack of experience
- Political environment

The establishment of a mindset open to self-employment and entrepreneurship is influenced by one's family background in particular. Family members with a business background frequently influence and motivate their siblings to engage in entrepreneurial activity, and they are expected to have a higher proclivity to start a business in the

future (Van Auken et al., 2006). Lack of self-confidence harms entrepreneurial intention. It is regarded as a valuable individual asset and a key personal success factor because it increases an individual's motivation to undertake projects and persevere in the pursuit of his goals. D. Turker and S. S. Selcuk (2009). According to Robinson et al. (1991), entrepreneurs have a higher level of self-confidence than non-entrepreneurs. Entrepreneurial past experiences are another interesting variable associated with one's entrepreneurial behavior. Previous research has shown that prior entrepreneurial experiences can not only help individuals develop their entrepreneurial intentions. According to some studies, prior entrepreneurial experiences have only a minor impact on an individual's knowledge of entrepreneurship and have no significant impact on their entrepreneurial attitudes (Davidsson et. al., 1995). Social networks are defined as "a series of formal and informal ties between a central actor and other actors in a circle of acquaintances that represent channels through which entrepreneurs gain access to the resources required for business start-up, growth, and success" (Kristiansen, S. and Indarti, N.2004). Several previous research studies (e.g., Aldrich and Zimmer, 1986; and Ostgaard and Birley, 1996) revealed a positive relationship between an entrepreneur's networking and the performance of their venture. Entrepreneurs may have mixed feelings about their interactions with the government. The positive viewpoint assumes that government should play a proactive and supportive policy role, such as funding venture capital programs (Lerner, 2002). Chatman et al. (2008) discovered, to their surprise, that local government support was not significantly related to their dependent variable, entrepreneurial climate, when they surveyed entrepreneurs. Entrepreneurs, on the other hand, will be discouraged from starting a new business if they are required to follow an excessive number of rules and procedures. According to Mambula (2002), some of the barriers encountered when dealing with SME businesses include a lack of financing, regulatory (e.g., government policies and corruption, etc.), and other factors that have a negative impact on business growth. Political factors such as corruption appeared to encourage investment and technology, but this will result in a

drop in product and service prices, threatening the income of business owners, according to Kouznetsov, Dass, and Schmidt (2014). Many young entrepreneurs are unable to access government assistance because of lengthy bureaucratic processes or a lack of information about the specific interventions. Among the organisations that provide support to youth entrepreneurs, there is a lack of a clear understanding of the issues confronting the youth at the local level to design and provide relevant information and support (Chigunta, 2002). The researcher wishes to identify and analyse the barriers encountered by entrepreneurs, as well as their relationship to demographics. Before evaluating the study's significant implications, it is necessary to obtain an overview and theoretical understanding of relevant concepts.

Methodology

The data approach includes instrument selection, design, and development, data collection and management, data analysis, and findings interpretation based on the participants' perceptions of barriers. Eight variables are used to quantify entrepreneurs' perceptions of hurdles. The responders were asked to click "Disagree" or "Agree" next to each statement. This study will be conducted among 250 participants at various entrepreneurial events in the Indian state of Jammu and Kashmir by utilising a self-administered questionnaire to collect information on entrepreneurs' profiles and to measure entrepreneur's perceptions of impediments to company success. A total of 204 of these were returned for additional examination. The study hypotheses are based on demographics and are put to the test using analysis of variance as follows:

H0: There is no significant association between the gender of respondents and barriers for entrepreneurship startups.

Findings and Discussion

The information gathered will then be prepared for further examination. The data collected will be analysed with SPSS 20.0. The initial step is to provide descriptive statistical results such as means, standard deviations, and analysis of

variance (ANOVA). The result shows that more male respondents (55.4%) took part in the study compared to females (44.6%) not much difference.

TABLE: ANOVA results for variables between Genders

ANOVA							
		Sum of Squares	df	Mean Square	F	Sig.	H ₀
Risk of capital loss	Between Groups	.134	1	.134	.098	.755	ACCEPTED
	Within Groups	277.410	202	1.373			
	Total	277.544	203				
Low level of Confidence	Between Groups	.076	1	.076	.078	.780	ACCEPTED
	Within Groups	194.846	202	.965			
	Total	194.922	203				
Corruption and bureaucracy	Between Groups	1.844	1	1.844	.200	.656	ACCEPTED
	Within Groups	1867.386	202	9.244			
	Total	1869.230	203				
Family background	Between Groups	1.647	1	1.647	1.200	.275	ACCEPTED
	Within Groups	277.348	202	1.373			
	Total	278.995	203				
Inadequate social network	Between Groups	1.201	1	1.201	1.634	.203	ACCEPTED
	Within Groups	148.461	202	.735			
	Total	149.662	203				
Lack of government support	Between Groups	2.822	1	2.822	2.612	.108	ACCEPTED
	Within Groups	218.252	202	1.080			
	Total	221.074	203				
Lack of experience.	Between Groups	13.614	1	13.614	8.206	.005	REJECTED

	Within Groups	335.131	202	1.659			
	Total	348.745	203				
Political environment	Between Groups	.655	1	.655	.098	.755	ACCEPTED
	Within Groups	259.384	202	1.284			
	Total	260.039	203				

Sig (p value) < 0.05, H₀ is Rejected or Cal F-value > Tabulated

value (3.8) H₀ is Rejected

This study employed ANOVA to detect significant relationships between numerous factors in distinct groups of respondents to further investigate the difference between male and female entrepreneurs encountered during their business tenure with respect hurdles. The estimate of the mean of all the groups being compared on F-VALUE which has shown significant results while looking at the startup barriers, except for lack of experience, where males and females are different concerning gender, as shown in Table, is 0.005, which is less than the 0.05 probability level. This is in line with the findings of (2013), who found that female entrepreneurs had little experience managing businesses, but male entrepreneurs are more creative in finding new company opportunity

Conclusion

The findings of the study conclude that there was a significant difference between a male and female entrepreneur with respect to barriers. It can be seen that females believe that their existing experience can help them succeed in business. Due to time and cost constraints, Entrepreneurs from other parts of the country were excluded from the research as the research is confined to entrepreneurial meet only. Further research can be conducted over a more heterogeneous sample of Indian entrepreneurs with a better formulated in-depth survey to yield more representative results. The findings of this study should interest the policymakers in particular for purpose of outlining entrepreneurship policy and program design as per gender and age.

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