



## Explaining Survival and Growth of Women Entrepreneurship: Organizational Ecology Perspective

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ARTICLE DETAILS	ABSTRACT
<p><b>History</b> <i>Revised format: November 2018</i> <i>Available Online: December 2018</i></p> <hr/> <p><b>Keywords</b> <i>Women Entrepreneurship,</i> <i>Ecology Theory of Organizations,</i> <i>Sociology of Women</i> <i>Entrepreneurship</i></p> <hr/> <p><b>JEL Classification:</b> L22, L26</p>	<p>Sociological perspectives about organizational founding, survival and growth under organizational ecology theory offer research avenues to look into their implications for new organizational forms. Women entrepreneurship or female run businesses in developing countries risk the liability of newness due to lack of their presence in commercial business activities. Though the presence and role of women in rural economy of these developing countries is more than significant yet the urban sector still lacks the luster of new social values to accept and value this new organizational form. There is need to explore into sociological processes involved in the growth of women entrepreneurship. The present study, using qualitative exploratory research design, elaborates the key sociological processes postulated by ecology theory by which female run businesses make their way to create inclusive markets and shared growth in a socially constrained business environment. The organizational ecology framework is postulated to study the women entrepreneurship process i.e. birth, survival, and growth of female run businesses through change in the social value structure of the society. This perspective treats women entrepreneurship as a distinct organizational form and depicts it as a social process involving the population of organizations than the individual process targeting the women entrepreneurs themselves. The propositions resulting from the postulated linkages can be tested using quantitative methods. The theoretical framework developed here nonetheless offers fresh insights into the women entrepreneurship, its process and outcomes.</p>

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Recommended citation: Siddiqui, S. H., Rasheed, R., Nawaz, M. S. and Sharif, M. S. (2018). Explaining Survival and Growth of Women Entrepreneurship: Organizational Ecology Perspective. *Review of Economics and Development Studies*, 4 (2), 293-302

DOI: 10.26710/reads.v4i2.413

### 1. Introduction

Women entrepreneurship, as against women employment, due to its inherent flexibility for work-family balance not only provides financial empowerment to women but also helps them in the performance of their family roles. Thus, the women empowerment through women entrepreneurship may raise quite less opposition from within the family (Langan-Fox, 2005). However, women in business tend to face an institutionalized gender system, which

systematically discriminates the number and composition of business opportunities in the favor of men and thereby excludes women from the markets and social capital accumulation (Shaw, Carter and Brierton, 2001; Paci, 2007). The issue is more pronounced in developing economies. Since the gender roles are mainly socially rooted, the spread and growth of women entrepreneurs may alter the social structures and create a supportive environment for this new organizational form. The resulting social change in turn helps overcome this labor market imperfection which is responsible for relatively low success and earnings of women businesses. Such social change is a great outcome for the economic development and growth process which requires modernity and flexibility in social attitudes and behaviors. Social legitimacy of women in business markets and other social processes in the prevailing social eco system of markets requires investigation into sociology of women entrepreneurship.

Institutional models and population ecology models of organization theory conceptualize and explain the founding, survival and growth of new organizational forms (Zucker, 1987; Meyer and Rowan, 1977; Scott, 1987; Tolbert and Zucker, 1999; Singh, House and Tucker, 1986; Hannan, 1997; Singh and Lumsden, 1990; Carroll and Khessina, 2005; Thornton, 1999). The ecology school of organizational theory explains that the new organizational forms have very high mortality rate. The survival of new organizational forms depends on the social group legitimacy earned by it. This stream of organizational studies has implications to explore into social processes involved in the founding, survival and growth of women entrepreneurship as a new organizational form. There is need to explore the sociology of women entrepreneurship which may explain how this relatively new organizational form influences and is influenced by the social eco system of the society or specific industry in which it operates.

The present study has sought to bridge the organizational ecology theory with the theory and practice of women entrepreneurship specifically in context of developing economies. The qualitative exploratory research methodology based on grounded theory and literature review (Pandit, 1996; Strauss and Corbin, 1997) has enabled the postulation of ecological model of women entrepreneurship. The proposed ecological model of women entrepreneurship theorizes that establishment, survival and growth of women entrepreneurs is both a cause and outcome of socio-cultural conditions and organizational eco-system surrounding this relatively rare and new organizational form. The success of women entrepreneurs would alter the value structure of society in their favor, which is the major impediment to women inclusion in market. Thus, a virtuous circle of poverty alleviation and social change can be generated that may help develop inclusive markets, enhance shared growth and a continuous social change. Such social capital accumulation is pre-requisite for any developmental strategy at Base of Pyramid (BOP) markets (Egal, 2012; Petkoski et al., 2008; Boyer, 2003). The policy focus towards the development of women entrepreneurship helps them earn such legitimacy. In the long run, the change in the social value system evolved through active women participation in economic and social life enable women entrepreneurs to get the desired momentum.

The proposed relationships theorized by the ecological model of women entrepreneurship have implications to further dig into the social processes involved in the establishment and growth of women entrepreneurs. There is also need for further quantitative research to empirically validate the proposed relationships theorized by this model and enrich its explanatory power.

## **2. Literature Review**

This section reviews and synthesizes the key variables of the study and the context provides the foundation of the theoretical framework presented in the next section.

### **2.1 Women Entrepreneurship: Distinct Character and Unique Problems**

Women entrepreneurs and their entrepreneurship process have been the focus of research studies and policy making institutions due to their greater and intergenerational effect on poverty alleviation (Branch, 2003; Langan-Fox, 2005; Arenius, 2003; Orhan, 2005). The international institutions are increasingly giving a priority space to the women empowerment and participation in economic and social activities in developing countries who are facing incidence of feminized poverty (NFWBO (National Foundation for Women Business Owners) and Catalyst, 1998; NFWBO, 2000; OECD, 2007; Commission on the Private Sector, 2004; Larson, 1996). Both women entrepreneurs and their entrepreneurial process is different from that of their male counterparts. The gender and job models of sociology of work and other studies on women entrepreneurs identify them as distinct individual and form of entrepreneurial organization due to the unique problem that they face (Loscocco et al (1991). The studies confirm that the personality characteristics of business women do not differ much from businessmen in a way that can reduce the success of their business (Kalleberg and Leicht, 1991). However, there is ample empirical evidence that there are much less chances of women run business to start and survive or be profitable compared to those run by

male counterparts (Verheul et al., 2004). The structural perspective of gender model attributes this difference to the unique family and social position of women entrepreneurs as influenced by the gender system restricting chances of becoming entrepreneurs and successful entrepreneurs. The gender model explains the gendered differences in the women entrepreneurship process that leads to their concentration in traditional low profit and high competition sectors. The demand-supply side framework also treats the business women and the process of their entry, survival and growth in context of their unique gender framework. This unique characterization of business women requires a different theoretical treatment for its understanding so that according policy measures can be taken to improve their participation in more and better business opportunities while combating with their problems.

Women also represent an important category of population at base of pyramid (BoP) market (Prahalad and Hart, 1999; Pillai, and Amma, 2006; Egal, 2012; Petkoski et al., 2008; Boyer, 2003). Their weak social position signifies economic exclusion of a greater chunk from the market. There is a need to develop market-based yet socially responsible business models that can enable the inclusion of women in exploiting the opportunities at BoP and help develop inclusive markets (Seelos and Mair, 2007; Fielden and Davidson, 2005).

## 2.2 Women Entrepreneurship in Pakistan

A number of studies has looked into women entrepreneurship in Pakistan (Banuri and Texas, 2006). This section provides the empirical pattern of women entrepreneurs in Pakistan using the studies by Goheer (2003), Chaudhary (2009), Aslam and Zulfiqar (2008) and secondary data collected from official statistical sources. Self-employed women in Pakistan represent a very small minority in the population of firms representing less than 5 percent of all self-employed in Pakistan with greater disparity between rural and urban areas (Economic Survey of Pakistan, 2017). Although the women in rural areas in Pakistan are actively involved in farm and related activities but they mostly work as unpaid family workers or do not get full control over their resources and income as entrepreneurs. Due to this, their entrepreneurial role is economically not countable. This represents the prevalence of severe inequality in business opportunities available to women and their ability to capitalize them indicating the existence of a highly institutionalized gender system. The pattern of their sectorial and size distribution is similar to those found in other international studies. Most of the women enterprises are home based micro firms employing 0-3 persons, mostly females. One reason for their concentration is the ease of startup, prior experience or skill of women in the same field, requirement of little business skills, flexibility of business operations, historical/cultural tradition of women being in those businesses. This free entry into certain sectors has led to adverse competition there leading to high mortality rate or low enough profitability to allow scaling of business or helping the business-woman come out of poverty trap. Another explanatory variable for this concentration and its recent growth has been the distribution of micro credit to promote women enterprises in Pakistan. The average loan size to women by these institutions is only Rs. 20000 (Pakistan Microfinance Network, 2008), which is even insufficient to start a self-sustaining micro enterprise. The sectoral distribution of women business reveals their concentration in textile 47 percent, health/education 34 percent, beauticians 33 percent, manufacturing 12 percent, food 5 percent and other 12 percent. The women entrepreneurs in textiles are mostly those who are working for some male entrepreneurs who buy from these women on exploitative prices.

There is striking gender disparity between access to education, health and nutrition, which is also responsible for lack of women participation in employment and self-employment. The gap between male and female unemployment rate are Baluchistan 21.37 percent, NWFP 19.94 percent, Sindh 14.56 percent and Punjab 9.64 percent. The various research studies by researchers and international institutions report the prevalence of a culturally and institutionally rooted gender belief system that is selectively working against women economic and social participation in Pakistan. The disbursement of micro credit reveals that less than one quarter of total credit is targeted to females for establishment or growth of their enterprises. Their loan repayment rate of 97 percent compared to that of men as 72 percent represents their strong business skills and commitment. Business women in rural areas do not have full control over the sourcing and allocation of their business resources and income. They have to share the control with their spouse, brothers or father that diminishes their interest and motivation in business success.

## 2.3 Labor Market for Women

Another issue related to the potential of employment to reduce poverty especially of women and children is the low labor force participation rates in developing countries. The women participation in the formal employment sector is though growing but is still poor and is rooted into their discriminating access to education and vocational training. The employment in the formal sector distant from home and long work hours also means a clear detachment of women from the traditional family roles. The employment, especially if the type of jobs available to women is low

paid is not considered a path out poverty for women at the Base of Pyramid (BoP). The answer to why is that the low paid jobs do not afford women to maintain work-family balance as can be afforded with high paid decent jobs. Better paid jobs for women are correlated with late marriage; low fertility rate and desire for fewer children. The low paid jobs which are mostly available to the women at the BoP do not offer them any relaxation from their family roles prohibiting them to continue longer on their jobs or focus on their career progression. Women, moreover, at the BoP are more exposed to the rigid social value structures in developing countries where the lack of education and social awareness makes it difficult to absorb progressive cultural values. The normative expectations about the women roles coupled with the crowding effect in a male dominated job market prohibit women participation rate in the employment sector especially at the BoP. This implies that growth does little to alleviate the poverty of women even when the employment elasticity is high or growth rates are sufficient to absorb the growing labor force. For growth to alleviate poverty of women through employment requires a fundamental change in the gender belief system that perpetuates the poverty. This gender belief system determines gender roles and identities, gender behavior, gender biased distribution of resources, gender stereo typing and self-assessment of individuals. This gender belief system in developing countries works as an institution giving legitimacy to the male decision power and crowding effect excluding women from economic output stream. The dream to develop inclusive markets and shared growth through employment is far from reachable in the presence of above mentioned labor market imperfections and gender belief system. Figure 1: Inability of Growth to Absorb Labor (Source: World Bank)

### 3. Theoretical Framework

This section postulates and elaborates the important theoretical linkages that help answer the research problem addressed in this study. The hypotheses developed here are supported by the available data on the topic and provide fruitful insight into the processes through which women entrepreneurship impacts poverty alleviation and social change. These processes have implications for developing inclusive markets at the BoP in developing countries.

#### 3.1 Poverty Alleviation through Women Entrepreneurship: A Micro Level Model

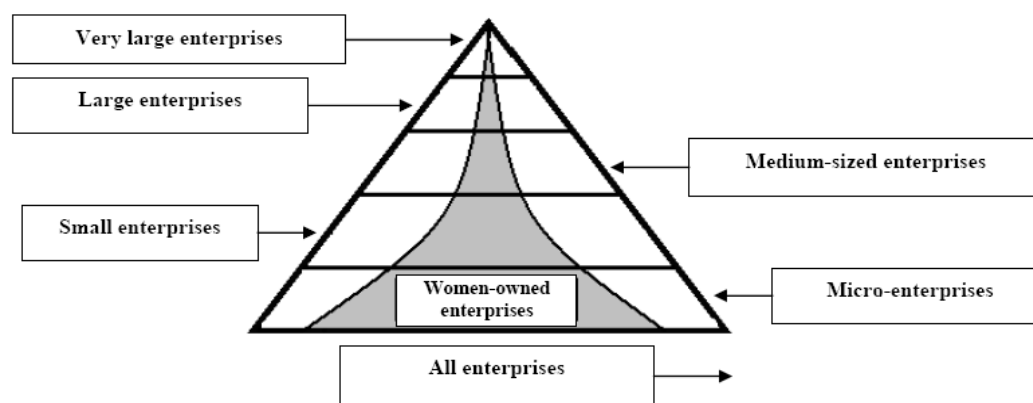
Both theoretical and empirical research studies confirm the impact of women income on poverty alleviation. A larger portion of women's income spends on the health education and nutrition of children thus their income has an intergenerational effect on poverty alleviation. Whereas compare to men they spend their income on the more durable goods like household assets and immovable property etc., which may enhance the social prestige of family but does little to reduce the poverty risk that their children may expose to in future. The pattern of women spending also improves the labor productivity and results in better wages accrued to the family members. Thus supporting the women income is a sure way to reduce the poverty risks and incidence of poverty in developing countries. But, as explained in the previous section, women employment offers little potential for women on their path out of poverty due to labor market imperfections and existence of a traditional gender belief system inhibiting women participation in income generating activities. Moreover, the objective of developing inclusive markets cannot be reached by generating few more jobs to the women from upper middle class families in developing countries who have access to modern education and skills and live under more progressive social value structure. The real challenge is to provide income generating opportunities to the women at the BoP with little access to education and skills and a greater exposure to a rigid gender belief system entrenched under the social value structure of the society. Women entrepreneurship offers potential to meet this challenge due to its inherent characteristics that make it workable for the women at the BoP. It gives women opportunity to bypass the gender biased imperfect labor market in catching up the economic opportunities on their path out of poverty. Women entrepreneurship provides women with the flexibility to create balance between work-family life through a considerable liberty to choose business location and flexible working hours. This in-turn also generates much less resistance by the male family members who are more interested in their traditional gender roles. This outcome is quite great in the prevalence of the traditional gender belief system. The control over resources gives women a chance to expand their income by putting more focus to capitalize over business opportunities.

The increased women role in the economic decision making process enhances their participation in ownership, distribution and control of resources. These processes lead to a self-perpetuating mechanism of poverty alleviation at the BoP. The gender and job models of sociology of work are pointed out by Loscocco et al (1991) to explain the relative lack of differences in the establishment and success of female and male headed businesses.

### 3.2 Role of Women Entrepreneurship in Developing Inclusive Markets at BoP

The role of women entrepreneurship is not limited to eradicating poverty discussed in the preceding section can be extended to development of inclusive markets at the BoP. Literature on BoP discussing the economic potential of almost 4 billion market overlooks the role of women as entrepreneurs and consumers. Women entrepreneurship supports the women income and increases the purchasing power of this large potential target market. Also, at the same time, these women initiate the demand of other basic facilities like health, education, nutrition for their family members, which has an intergenerational effect on poverty reduction and development of inclusive markets. In order to balance the work-family relationship, these women entrepreneurs also generate the demand of the other value added products and services as well. Another aspect of women entrepreneurship in relation to BoP is the concentration of women businesses in high competition-low profit sectors. The majority of women businesses are small and concentrate in services and retail sectors (NFBWO, 1998). Shaw, Carter, & Brierton (2001) identify that women workers, also, are concentrated in low paid, low status and low-skilled jobs. The same result is found in the ILO (2005) report on women entrepreneurship as is shown in figure 1 below.

**Figure 1: Concentration of Women-owned Businesses in low income, high competition sectors (Source ILO, 2005)**



This, in turn, implies their strong business skills; and long and successful experience of providing products and services at low prices in the face of high competition. This makes them ideal business persons for creating and managing business activities at the BoP. Many business opportunities at the BoP can be benefited through low skills and education. Women entrepreneurship, thus, provides them with means to circumvent the socio-cultural biasness, labor market imperfection, unemployment and underemployment in developing countries. Women entrepreneurship also provides the flexibility of creating balance in work-family relationship, which is not as much possible in women employment. The responsibility of child rearing can also be aligned with the management responsibility of small and home based business. This signifies the role of women entrepreneurship in creating businesses for the BoP and, thus, contributing to the growth of inclusive markets.

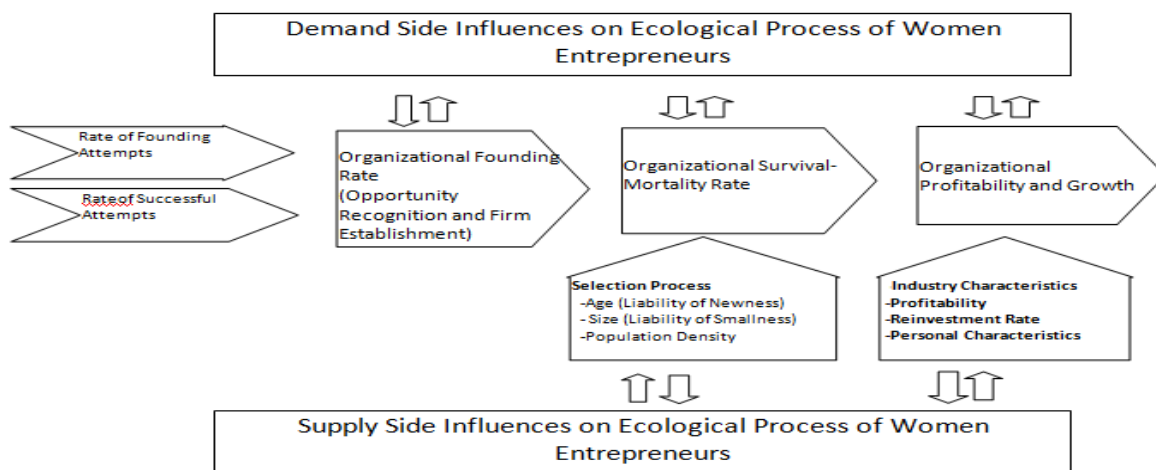
### 3.3 Women Entrepreneurship Success and Social Change: An Organizational Ecology Perspective

According to Hannan & Freeman (1989) the organizational ecology is the most active line of theory and base of research for new organizations with in the frame work of organizational sociology. In the school of organizational theory the ecology explains the birth rate, survival and growth of new and existing organizational forms. The concept of organizational ecology defines how the environment and institutional conditions affects the organizational forms and their future changing compositions. This sociological concept of organizational studies defines organizations' mortality and birth of organizations in the population of organization over long run. Additionally, the organizational ecology theory focuses on how the populations of organizations change over time and how the demographic process of selective replacement affects the organizational founding, mortality and growth. Carroll & Hannan (2000) have explained the major fragments of organizational ecology theory which include the resource partitioning, density dependence, niche width and structural inertia.

Entrepreneurship is a process that can be as a creation of new organization, its survival/growth and the entrepreneur is the person who plays main role in the creation. Carroll and Khessina (2000) characterized entrepreneurial area or industry as high rates of new firm establishment. Both entrepreneurship and ecology are broad research areas with a common focus on new organizational founding, survival and their success/growth.

Carroll and Khessina (2000) have developed the framework for linking the ecological studies with the entrepreneurship process yet their study does not discuss the link between ecological studies and women entrepreneurship. The other studies mentioned in the work of Carroll et al also link the founding, success and growth of entrepreneurial venture with the environmental and institutional factors surrounding the process. Thornton (1999) has also contributed to elaborate the sociology of entrepreneurship linking it with the ecological perspective. Since women entrepreneur and entrepreneurship process is both affected to a greater extent by the environmental and institutional structure, there is a need to understand it in context of ecological perspective. The existing literature on women entrepreneurship does not give a comprehensive linkage between the social/ecological school of organizational studies and the founding and success of women businesses. Though few studies on women businesses (OECD, 2007; Kallegerg&Leicht, 1991; Loscocco et al, 1991) have mentioned the ecological perspective but have not fully elaborated it yet. Women-owned businesses represent a new organizational form in the population of existing firms and, thus, their founding, survival and growth should be analyzed in relation to the population dynamics of male-owned businesses. Given below in figure 3 is the women entrepreneurship process that encompasses various stages from inception to its survival and growth. This process is developed linking the ecological perspective with the Austrian economic model of entrepreneurship, which has been work out by Kirzner 1997; Schumpeter. 2000). This extension of gender in ecology-entrepreneurship framework has not only enriched the explanation of the nature of women entrepreneurs and their businesses but also the process of women entrepreneurship in its relationship with the environmental context. Figure 2 elaborates how the women owned business and the women entrepreneurship process directly affected by the demand and supply side influences. This figure also depicts how the supply and demand side factors influence the founding, survival and growth of women entrepreneurship. Thus, allthese influences are causes and outcomes of women entrepreneurship process.

**Figure 2: Ecological Framework of Women Entrepreneurship and its Process**



The demand side influences also affect the number and nature of roles that can be filled by women in entrepreneurial capacities. These includes political and institutional framework conditions which leads to gender based occupational segregation and closure, family policy and market sources and access to information, education and work experience etc. All these conditions directly impact the entrepreneurial opportunities for women and their success if the opportunity converts into business. Thornton (1999) further explains the supply side school focuses on the availability of appropriate persons to take entrepreneurial roles examining the entrepreneurship by focusing on the individual characteristics of entrepreneurs.

According to OECD (2007), the entrepreneurial process should be seen as an iterative sequences of variation (why only certain kind of opportunities are discovered and by whom), selection (how selection process through competition and institutional forces selectively eliminates women owned businesses) and retention (why selection process retains women businesses in certain industries). The report further referring the work of Aldrich (1999) and Baum & Rowley (2002) goes on to state that the processes of variation, selection and retention are embedded in the history and culture of society, which have attributed women a different role in society and that specific conditions have a strong and deep impact on the women entrepreneurship process.

### 3.4 Founding Rate of Women Business

According to population ecology theory the founding rate is affected by the rate of founding attempts and the rate of successful attempts. The underlying processes of founding rate represent the nature and number of entrepreneurial opportunities available to women and the access to information, skills and other resources by women to capitalize these opportunities through firm establishment. The gender system through demand and supply influences affects the nature and number of entrepreneurial opportunities available to women and their realization by them. Thus, the lower rate of inception of women businesses is attributable to the fewer entrepreneurial opportunities offered to women in the society due to the gender system.

Carroll and Hannan (2000) suggest that rate of founding depends on the organizational density. The population density refers to the number of similar firms already operating the industry. Thus, the number of already established women businesses positively affects the founding rate of new businesses by females by providing role models, increased self-efficacy and reducing the liability of newness. This explains why the founding rate is high among upper middle class urban women in Pakistan and other developing countries where the gender system is transited to provide more conducive social-cultural and institutional environment. Another implication of this analysis is the explanation of high founding rate of women businesses in micro and small business and specifically in services sectors. Since, these businesses require much less financial and human capital, these produces historically high founding rate of women businesses in these sectors and have accelerated further founding rates leading to their concentration. This suggest that the initial increase in the rate of founding of women in modern sectors of economy by providing them with information, skills and resources would create a self-perpetuating increase in the founding rate in these male dominated sectors. The interviews and discussion with our selected business women also pointed out that their opportunity recognition and entry decision was influenced to a great extent by the business operations of their female friends and family members. The other factors pointed out were gendered access to information, lack of skills and social support.

### 3.5 Survival and Organizational Mortality

The women businesses face a very high mortality rate compared to male headed businesses. The ecological explanation of this pattern is the selection process by which some organizational forms are selected and others are eliminated. The Darwinian demographic explanation of organization and institutional theory relates the mortality rate of new organizational forms even if they succeed in establishment to their age, size and population density. Age and size and population density represent liability of newness, liability of smallness and social legitimacy of women businesses; and are negatively related with the mortality rate. The age, size and population density also affect and are affected by the founding rate of women businesses, which in turn enhances age and social legitimacy of women in business. The institutional influence of gender system limits the success of women businesses even when they are established by associating with them liability of newness and smallness and thereby inhibiting the successful operations of women businesses. The survival of women businesses if managed through high founding rate or other measures at the early stage contributes to their age, size and population density over time, which, in turn target the gender system responsible for their lack of age, small size and low numbers in markets. The results of qualitative empirical data also reveal the pattern that most women went out of business because of the size of business too small to generate enough income, difficulties in managing business activities due to restriction on mobility and lack of trust by suppliers and distributors to work with them especially in those sectors where no or less women were doing business, difficulty in employing male employees, social disapproval etc. The women successfully doing business attributed their success to high profits that helped meet risks and losses, guidance/support by the family members, well established supply chain networks doing business with women in their business sector etc.

### 3.6 Organizational Profitability and Growth

The next issue related to women entrepreneurs and the stage in their entrepreneurial process is profitability and growth. The growth and profitability of business is determined by the individual characteristics and situation of entrepreneurs and the features of the business itself. On the individual characteristics front, the women entrepreneurs do not have any such personality differences which can cause them to manage their business poorly than men. The situation of women entrepreneurs in family and society is one dimension where they are disadvantaged compared to men. These disadvantages arise from the gender system which restricts their mobility, time, amount of effort and degree of control to contribute to their businesses profitability and growth. Thus, these are mainly the concentration of women in low sales and profit sectors with micro size that inhibit them to produce enough savings that can be re-invested to boost growth. This gender segregation of businesses is the simultaneous cause and effect of low founding rate and high mortality rate of women businesses in high growth sectors. These

ecological constraints are perpetuated by the gender system and can be effectively altered through women entrepreneurship itself. Role of women entrepreneurship in altering Ecological Constraints: The women entrepreneurs face the market failures like discriminating access to education, health and nutrition, lack of social networking due to traditional patriarchal structure of society, lack of access to finances etc. These market failures discriminate against the women's possibility to become entrepreneurs and successful entrepreneurs and thereby block the establishment and growth of inclusive markets as the base of pyramid. The ecology-women entrepreneurship model identifies them as the outcome of patriarchal social value structure that has established the gender roles and economic and social status of women in the society. These social value structures are more prevalent and rigid at the BoP affecting the socio-cultural behaviors of almost 4 billion people and excluding thereby almost 2 billion from the economic stream. The findings of ecological perspective imply that economic empowerment given by women entrepreneurship would give them social empowerment and thereby serve to overcome the above mentioned market failures by altering the social value structure of the society. Establishment and success of women entrepreneurs would decrease the liability of newness associated with them and give them social legitimacy. The economic role of women would gradually evolve a social structure where the spread of new social and economic roles of women would create legitimacy in the society. The improved social status would make them role models for others and thereby further promote the economic role of women. This implies the role of women entrepreneurs as 'social change agents'. The success of women entrepreneurs breaks the long held and culturally rooted attitudes and behaviors regarding women roles. Successful business women become the role models and affect the social learning process which in turn results into change of cultural frame of reference. Continued success of women entrepreneurs thus helps overcome the gender based social biasness limiting their entry in high growth sectors. This social change in turn helps overcome this labor market imperfection responsible for relatively low success and earnings of women businesses. Such social change is a great outcome for the economic development and growth process which requires modernity and flexibility in social attitudes and behaviors. The process of social change can be best carried out through women entrepreneurship, as against women employment, due to its inherent flexibility for work-family balance. This not only provides financial empowerment to women but also helps in the performance of their family roles. Thus the women empowerment through women entrepreneurship raises quite less opposition from within the family and the society. The process of social change can be speed up if it is linked with women entrepreneurship through the ecological vital rates discussed in the proposed model.

#### **4. Methodology**

Given the novelty of idea and emergent nature of theories explaining population ecology and women entrepreneurs, the study makes use of qualitative research design (Cresswell, 2009) using bibliographic method of literature survey in this area. Personal interviews have been conducted with 10 women entrepreneurs with varying level of business turnover ranging from micro/cottage entrepreneurs to corporate level to further substantiate the propositions postulated by the study. The development of a sound theoretical framework has generated propositions which can be tested using quantitative explanatory research design. The regression model can be developed to measure the impact of women entrepreneurship on poverty alleviation using cross sectional data on traditional measures of poverty like head count ratio, poverty line and improvement in the quality of life regressed over the creation of women enterprises. The longitudinal data on women owned businesses' founding, mortality and survival of women will be used to develop a lagged time series regression model. This time lagged model will be used to measure the impact of founding rate in  $t_1$  on the mortality rate at  $t_2$ . The results of the model will be used to test the implications of organizational ecology theory for women entrepreneurship. This would also confirm the impact of women entrepreneurship on socio-cultural change that may give legitimacy to women businesses in the society. The hypotheses on social change are also supported using the results from qualitative inter-views and focus group discussion.

#### **5. Conclusion**

The paper applies the population ecology theory of organizations to explain the survival, growth and profitability of women owned businesses in the context of a gender belief system that systematically discriminates against this new organizational form. This has allowed analyzing the impact of gender belief system and other social processes that institutionally work against the founding rate, survival and growth of female run businesses. The study also points out the market imperfections emerging from the socially constrained business environment that further weaken their chances of short term survival and long term growth. Lack of social capital creates a business environment that mainly allows business opportunities to female businesses in the perfectly competitive markets. These perfectly competitive commodity and low-level services markets only offer possibilities of losses in short term while



opportunity to barely earn normal profits in the long run. The study thus implicates direct public policy interventions to overcome barriers for founding, survival and growth of female entrepreneurs in the innovation-oriented industries with opportunities of better profits and growth where this new organizational form lacks the due social support process. The ecology framework for analyzing the sociology of women entrepreneurship identifies the mechanism for their establishment, survival and growth through a kind of social change brought about by their continued existence and operations in the society.

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