Barriers for Business Students in Becoming an Entrepreneur in Pakistan

[1]Muhammad Asif Tanveer, [2]Usman Ali Gillani, [3]Shaheer Rizvi, [4]Moaaz Latif, [5]Hashaam Maqbool, [6]Muhammad Rizwan,

[1,2,6]Lecturer, Department of Management Sciences, The Islamia University of Bahawalpur, Pakistan
[3,4,5]Scholar, Department of Management Sciences, The Islamia University of Bahawalpur, Pakistan

Abstract: *Entrepreneurship is very constructive tonic for economic and social development of a country. Intention of youth is strong predictor for future entrepreneurial career. In Pakistan, youth is having moderate entrepreneurial intention. Consequently, the main aim of this study is to investigate barriers and hurdles in choosing entrepreneurship. Using data from 114 undergraduates and graduates of management sciences and getting response with 21 items on Likert scale. Data analysis is mainly executed through descriptive statistics, T test, correlation, Cronbach Alpha, and component factor analysis. The findings suggest that lack of skills, lack of assistance, lack of capital, lack of awareness, and fear of future are major hurdles to starting a business. This study suggests that Government, Nonprofit organizations, Universities and other influential institutions and sectors should endeavor for providing better training, skills and knowledge as well as good environment to feel some comfort in launching a new business.*
Key Words: Barriers, Capital, Skills, Family, Economic, Entrepreneurship

I. Introduction

Entrepreneurship is the serious choice for young people who are facing double digit unemployment in most part of the world. Currently, traditional careers and opportunities for employment and living are drying up at faster pace. Therefore, most of young people are taking initiatives to start their own businesses and a lot of assistance and support is provided in order to create supportive and encouraging environment. In literature, there is no single definition for entrepreneurship. Although, 250 years have passed, there is yet to introduce a single definition for entrepreneurship since Cantillon provided definition about it. Entrepreneurship is the process to create wealth for individual and group in a dynamic environment (Sathiabama, 2010). Herrington et al (2009) pointed out entrepreneurship is the process converting low production resources into higher productive and yield with taking some manageable risk.

Entrepreneurship can be separated at different stages, like cognitive and behavioral stages, these provide information why some people are involve in and why someone not (Baron, 2004). Similarly, entrepreneurship can be explained in two different ways, one is pre-birth also known as entrepreneurial intention or latent or nascent entrepreneurship (means people who are motivated and have intention to start the business) and post-natal stages or actual entrepreneurship (people who are running their business) (Van Gelderen et al, 2005; Masuda, 2006;Pihei, 2009). These phases of entrepreneurship may have further precursor (Van Der Zwan et al, 2010). This study will focus on latent and behavioral side of entrepreneurship. Latent entrepreneurship can be defined as clear preference of being self-employed over work as an employee (Blanchflower et al. 2001; Grilo and Irigoyen, 2006). According to Bird (1989) entrepreneurial intention is the state of mind which provides clear direction and guidance to someone to develop and run a new venture. There are a lot of studies which confirm the relationship of intention and actual behavior (Shavor & Scott, 1991).

In Pakistan, both actual and latent entrepreneurship level is extremely low compared to world level. According to global entrepreneurship & development index 2012, Pakistan GEDI is 0.14 and stand at 73 places out of 79 countries. The Total Entrepreneurship Activity (TEA) which indicates the number of working age adults are engaged in starting and running a business having life of 3.5 years, is also not up to mark. In 2012, The TEA rate in Pakistan is 9.1% which is significantly low from overall 13.2% average of Global Entrepreneurship Monitor (GEM) participant countries; it is also lower from neighboring countries China 14.8% and India 12.1%. In Pakistan, youth are less willing to start their entrepreneurial career. Therefore, there is also low level of entrepreneurial activities prevailing in the country.

In Pakistan, youth contributes as a major portion in the working age population. It is source of opportunity as well as threat for economy of Pakistan. From one aspect, they are young, energetic, innovative and having some desires to uplift their future and on the other hand, they will create some serious social and economic problem for the country. Youth in Pakistan is struggling with some grave constrains like failing to enter in job market, to get handsome salary, have to work for longer hour with minimal pay- it is also with lower level of

education, skills and experience in order to get and survive in the labor market. Around 52% populations of youth are not part of labor force, on the other hand- those who are also having 22% unemployment. It can be examined from the table some of the other problems, youth is facing.

Summary Statistics Youth in Pakistan

Summary Statistics of Youth in Pakistan Labour Force Participation Rate	47.6%
Enrolled as a Student	27%
Combine Work with School	1.2%
Inactive (neither in labour force nor enrolled as student)	30.5%
Have Formal Training	0.8%
Unemployment Rate	21.7%
Unpaid Family Helpers	38.5%
Hours of Work: ● less than 35 hours a week ● more than 48 hours a week	 12.8% 42%
Married (Both Sexes)	20.8%
Male Married	10.8%
Female Married	31.3 %

Source: Ahmad & Azim (2010)

Ahmad & Azim (2010) suggested that youth is heterogeneous in nature and also there are various reasons for unemployment. Therefore, policy makers should develop some new strategies, thinking, and to create some new opportunities for them. If this workforce may be engaged in entrepreneurship, it will be productive to achieve economic empowerment with fewer requirements of government support and assistance. It will also provide clear direction to youth to get self esteem, and become beneficial hand for family, society, and economy by creating employment, taxes and revenues. Youth entrepreneurship also has strong capability to boost economic development and growth, political stability and national security- and also to reduce inequality, crime, and poverty (Fatoki, 2011).

The study attempts to provide some information about youth entrepreneurship in general and what are barriers and hurdles they feel in starting their own business is more specific goal. In this context we identify some key constrains. We anticipate that our findings will be helpful for policy makers to boost entrepreneurship. The target audience of this study is student of management sciences from university. This segment of youth is having more chances than others to participate in entrepreneurship. It has been disclosed after making a Meta analysis of studies that there is no empirical study has been done to investigate the barriers for youth. Therefore, the primary objective of this research is to investigate barriers and obstacles for nurturing youth entrepreneurship.

Entrepreneurial intention has been measured through psychological and behavioral theories. Theoretically, entrepreneurial intention can be explained through using theory of planned behavior (TPB). TBP is employed to clarify a person's intention to carry out a specified behavior. Intention is the sign and willingness of someone to make efforts and attempt to achieve their specific plans and goals in order to perform the behavior (Ajzen and Driver, 1992). TBP has been involved in many studies to explain entrepreneurial intention (Krueger and Brazeal, 1994; Autio et al., 2001; Gird and Bagraim, 2008). According to Ajzan (1991) intention is shaped through an individual attitude towards the behavior, perceived behavioral control, and subjective norm. Attitude towards the behavior is the degree to which person has some favorable or unfavorable response, evaluation, or assessment of the behavior in question.

Subjective norm relates with perceived social pressure against executing the behavior. Finally, perceived behavioral control refers to the individual belief regarding to the act being monitored (Solesvik et al, 2012). Entrepreneurial event theory (EET) is based on work done by Shapero and Sokol (1982), they pointed out that individual is having high perceived desirability and feasibility has a high desirability to become an entrepreneur. Social and cultural factors play decisive role in shaping person's perception of desirability to become entrepreneur. Perceived feasibility relates with provision of resources for creating and identifying opportunities (Krueger, 1993). Ajzen and Fishbein's (1975) theory of reasoned action (TRA) also makes clear that behavior of someone is directly depended on intention of him. This intention shaped by the attitude of that person toward considering behavior. This confirms that intention comes first and is a strong predictor of behavior. Similarly, Bandura (1986) pointed out in his process driven theory that behavior links with the perception of someone carries out for intended action.

After reviewing different theories on entrepreneurial intention, we will carry on our study on Ajzan's (1991) theory of planned behavior (TPB). His research is considered to be most relevant tool to examine the entrepreneurial intention in context of what are hurdles and barriers for youth to start their entrepreneurial career

(Radu and Redien-Collot, 2008). Predominantly, intention to take a preplanned act relate with the perception of participants in term of personal and social desirability of the behavior, and the perception and confidence of understudy person that he will get success or failure for performing such action.

II. Theoretical Framework

Resources, especially financial resources are the universal need of entrepreneurs to start a venture. Lack of financial resources is the biggest hurdle in constituting a new firm (Pretorius and Shaw, 2004; Atieno, 2009). At initial stage, entrepreneur needs financial assistance from internal as well as external sources in order to survive and prosperous. Lack of funds is the major barriers to make intention for entrepreneurship (Fatoki, 2011). In developing countries, there is little trend to have personal and family savings and also great difficulties in accessing finance (Lingelbach, 2005).

As cultural and social are important predictors for individuals in shaping their lives, they are also equally influencer in promoting entrepreneurial intention and culture (Birley, 1987;Kreiser et al, 2001). The social and cultural differences between different nations are important sources of determining entrepreneurial activities and development. A social cultural environment where entrepreneurship valued and failure also regard as an imperative feature of learning and development rather a cause of stigma will produce some fertile results for entrepreneurship (McGrath et al, 1992; Thomas, 2001). Lack of awareness about government facilities and support, female role in the society, and lack of social networking can become source of unfavorable intention (Chigunta, 2002;Mass and Herrington, 2006;Sandhu et al, 2011). Cultural and social factors are considerably negative compared to other countries (Mian and Quershi, 2010).

Lack of willingness to take risk and fear of failure is also an important barrier. In Pakistan, 27.73% of working age population has clarified that fear of failure stop them thinking about to become own boss, which is better compared to many other countries (Mian and Quershi, 2010). But, overall negative social and culture support hindrance to get benefit from this attitude.

Entrepreneurial education, relevant business skills, knowledge and training can significantly improve entrepreneurial intention (Schroder, 2005). Similarly, Charney and Libecap (2000) found that entrepreneurial education and training has significant role in boosting risk taking ability, introducing a new firm and intention to be self employed. High feeling about managerial competency and skills make easier to develop intention for having own business (Peterman and Kennedy, 2003). Mian and Quershi (2010) in the Global Entrepreneurship Monitor report have reveals that lower human skills development, professional management and educational support is the key element of weak entrepreneurial culture in Pakistan.

Developing countries like Pakistan face some serious variation in inflation, interest rate, exchange rate, import, aggregate demand, and investment- all of these unfavorable economic situations make negative impact actual and latent entrepreneurship (Baena, 2012). Similarly, Ali et al (2010) found political instability is negatively correlated with entrepreneurial intention. According to Mollentz (2002) also asserted that market issue and demand for product have positive impact on new venture growth and progress.

III. Methodology

Data for the study is collected from graduate and undergraduate students of department of management science, The Islamia University of Bahawalpur. We regard these respondents very appropriate for this study, as they have higher chances to start their own business after completing education (Frank & Luthje, 2004; Segal et al, 2005; Souitaris *et al.*2007). The research used random sampling method. After taking approval from faculty, there were 150 questionnaires distributed and out of them 114 returned back. In the study, 51% male and 49% took participate and average age of these respondents was 23. Similarly, more than 70% also pointed out that they have studied Entrepreneurship as course subject- we can anticipate that they are having complete understanding and knowledge about entrepreneurial environment.

The data collected through structured questionnaire and each question is measured through Likert scale and move from strongly disagree to strongly agree (1. Strongly disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly agree). There were 21 items were dedicated in order to identify barriers and hurdles in becoming an entrepreneur. The statements for this scale are based on previous studies on entrepreneurial process (Choo & Wong, 2009; Benzing et al, 2009; Fatoki & Chindoga, 2011). In order to measure the reliability of data Cronbach's alpha was applied. Kolmogorov-Smirnov test was employed to check out the normality of data. Descriptive statistics, T test, and intercorrelation analysis of scale items was done to conclude their order of importance. Later, principle component analysis carried on statements in order to examine whether set of stable and reliable factors existed or not. Principle component analysis is a multivariate statistical method which determines the variability among compared to fewer observed variables called factors (Cooper and Schindler, 2003). Principle component analysis has two major advantages- first it is helpful to reduce the data and second to provide a clear structure in a set of variable. An item with at least 0.5 factor-loading was included in this study.

IV.   Results

For respondent, there are many reasons not to start their own business. Some of these barriers and their descriptive have shown in table(). Respondents thought that all the barriers were important in hindering to start a new business. Weak economic environment was regarded as most significant restraining for becoming own boss. The uncertainty about future is the next biggest hurdle. These findings are very consistent with Finnerty and Krzystofik (1985) and Wong and Choo (2009), which found that general business climate is the major hurdle to make intention and to start a new business. The next set of three variables relate with deficiency of financial resources. This included items difficulty in obtaining bank finance, lack of assets, and lack of saving. There are many studies which confirmed that Lack of resources (particularly financial) make difficult to think about having own business (Volery et al, 1997; Robertson et al, 2003). Next set comprised with lack of expertise and skills and finally lack of support from friends and family as well as from government are the other discouraging factor for students. In Pakistan, Friends and family often want to see their relation in safe and stable environment, and they prefer job.

A factor analysis was employed to examine the fundamental structure of barriers for considering items of scale. Factors were taken out from a principle component analysis, after this a varimax rotation method used. The results of factors analysis revealed five factors. These factors include lack of skill, lack of assistance, lack of capital, lack of family and friends support, and fear of uncertainty. These resulting five factors are also steady with previous findings on barriers for starting a new business (Finnerty and Krzystofik, 1985; Wong and Choo, 2009; Fatoki, 2011). This resulting factor solution accounted for 61.85% of variance.

V.   Conclusion And Discussion

This study started with confirming that there is strong positive relationship between entrepreneurial intentions and to become entrepreneur. This study pointed out that there are some major hurdles to promote culture of entrepreneurship in Pakistan. Like GEM 2010 Pakistan report, from this study- it has been confirmed that bad economic condition and uncertainty about future are detracting factors to take involvement in entrepreneurship. GEM report also pointed out that banks lend to government and big parties due to political parties and potential benefits, and not ready to provide capital to new and small firms. Negative social and cultural norms for entrepreneurship, reducing opportunities, and inappropriate support from government are the other major factors which have been from this study and GEM report. Lack of skills, lack of assistance, lack of capital, lack of family support, and uncertain environment are the reasons for Pakistani graduates and undergraduate not take entrepreneurial career.

Most of students think that they are not having required skills, knowledge, and experience to start own business. According to GEM 2010, primary and secondary schooling system is the root cause of this barrier where risk taking abilities discourage. College and University education can play an important role to hinder this issue and create some new skills and knowledge which encourage them to take some risk. Capital issues and access to finance issues can also be resolved by providing education. Therefore, it is suggested that policy maker should initiate some programs, collaboration between public and private training institute, providing some expert financial, marketing, human resource and operation management, accounting, and legal issues training to make their higher level of self efficacy. There is also stronger need to mobilize Egro and IT based entrepreneurship in graduating students to eradicate unemployment issues and challenges in youth.

Cultural and social norms are also source of discouragement among students. Government, universities, and some other public-private institute should take step forward to enhance awareness, importance, and interest of graduating students by making them to realize that they should look towards entrepreneurship for their career rather to depend upon government for job. Media should provide some role models in term of successful entrepreneurs and also highlight youth entrepreneurs. There are many institutions like Ministry Of Youth Affairs, SMEDA, Planning commission of Pakistan, National productivity organization and some other institutions like Academic can use these results to for future improvements.

There are also some limitations relate with this study. Sample size of this study is comprised of 114 students with only one department of single university. Future research can be carried out by taking large sample from multiple departments and universities origin students. Future research can also be done through by taking some moderating mediating variables to confirm the relationship between barriers and their impact on entrepreneurship. There is also high failure in newly born firms in Pakistan; future research can be done by identifying variables for this trend and identifying some success factors.

References

[1].   AHMAD.R and AZIM,P. (2010). YOUTH POPULATION AND THE LABOUR MARKET OF PAKISTAN: A MICRO LEVEL STUDY. *Pakistan Economic and Social Review Volume 48, No. 2 (Winter 2010), pp. 183-208* .

[2].   Ajzen, I. & Fishbein, M. (1975). *Belief, attitude, intention and behavior. An introduction to theory and research.* Boston: Addison Wesley.

[3]. Ajzen, I. (1991). "The theory of planned behavior". *Organizational Behavior and Human Decision Processes, Vol. 50 No. 2, pp. 179-211* .

[4]. Ajzen, I. and Driver, B.L. (1992). "Application of the theory of planned behaviour to leisure choice". *Journal of Leisure Research, Vol. 24 No. 3, pp. 207-24* .

[5]. Ali, I., Tajddini, K., Rehman, K., Ali, J.F., & Ahmed, I. (2010). University students'inclination of Governance and its Effects on Entrepreneurial Intentions: anEmpirical Analysis. . *International Journal of Trade, Economics and Finance. 1(1), 36-39* .

[6]. Atieno, R. (2009). Linkages, access to finance and the performance of small-scale enterprises in Kenya. . *Journal of Accounting and Business Research, 3(1), 33-48.*

[7]. Autio, E., Keeley, R.H., Klofsten, M., Parker, G.G.C. and Hay, M. (2001). "Entrepreneurial intent among students in Scandinavia and in the USA". *Enterprise and Innovation Management Studies, Vol. 2 No. 2, pp. 145-60* .

[8]. Baena, V. (2012). "Market conditions driving international franchising in emerging markets". *International Journal of Emerging Markets, Vol. 7 Iss: 1, pp.49 – 71* .

[9]. Bandura, A. (1991). Social-cognitive theory of self-regulation. *Organizational Behavior and Human Decision Processes, 50, 248-287*

[10]. Baron, R. A. (2004). The cognitive perspective: A valuable tool for answering entrepreneurship's basic ''why'' questions. *Journal of Business Venturing, 19(2), 221–239* .

[11]. Benzing, C., & Chu, M. H. . (2009). A comparison of motivations of small business owners in Africa. *Journal of Small Business and Enterprise Development, 16(1), 60-77* .

[12]. Bird, B.J. (1989). *Entrepreneurial Behavior.* Scott Foresman, Glenview, IL.

[13]. Birley, S. (1987). New ventures and employment growth". *Journal of Business Venturing, 2(2). pp. 155-165* .

[14]. Blanchflower, D. G., Oswald, A., & Stutzer, A. (2001). Latent entrepreneurship across nations. *European Economic Review, 45(4–6), 680–691* .

[15]. Charney, A.; Libecap, G.D. (2000). *The Impact of Entrepreneurship Education: An Evaluation of the Berger Entrepreneurship Program at the University of Arizona, 1985- 1999.* Report to the Kauffman Center for Entrepreneurial Leadership, Kansas City, Missouri.

[16]. Chigunta, F. (2002). *Youth Entrepreneurship: Meeting the Key Policy Challenges.* Wolfson College, Oxford University, England.

[17]. Cooper, D.R. & Schindler, P.S. (2003). *Business Research Methods.* New York: McGraw Hill Inc.

[18]. Fatoki, O. and Chindoga, L. (2011). An Investigation into the Obstacles to Youth Entrepreneurship in South Africa . *International Business Research Vol. 4, No. 2; April 2011* .

[19]. Finnerty J and AT Krzystofik,. (1985). "Barriers to Small Business Formation". *Journal of Small Business Management, Vol 23 No 3, pp 50–58* .

[20]. Gird, A. and Bagraim, J.J. (2008). "The theory of planned behaviour as predictor of entrepreneurial intent amongst final-year university students". *South African Journal of Psychology, Vol. 38 No. 4, pp. 711-24* .

[21]. Grilo, I., & Irigoyen, J. M. (2006). Entrepreneurship in the EU: To wish and not to be. *Small Business Economics, 26(4), 305–318* .

[22]. Herrington, M. Kew, J., & Kew, P. (2009). Tracking entrepreneurship in South Africa: a GEM perspective [Online]. Available: http//www.gemconsortium.org/article (6 September 2010).

[23]. Kreiser, P. M.; Marino, L.; Weaver, K. M. . (2001). "Correlates of Entrepreneurship: The Impact of National Culture on Risk-Taking and Proactiveness in SMEs". *University of Alabama, Department of Management and Marketing* .

[24]. Krueger, N. . (1993). "The impact of prior entrepreneurial exposure on perceptions of new venture feasibility and desirability". *Entrepreneurship Theory and Practice, Vol. 18 No. 1, pp. 5-21* .

[25]. Krueger, N.F. and Brazeal, D. (1994). "Entrepreneurial potential and potential entrepreneurs". *Entrepreneurship Theory and Practice, Vol. 18 No. 3, pp. 91-104* .

[26]. Lingelbach, D., de la Vina, L., Asel, P. (2005). "What's distinctive about growth-oriented entrepreneurship in developing countries?". *working paper No. 1, Center for Global Entrepreneurship, UTSA College of Business, San Antonio, TX* .

[27]. Maas, G., & Herrington, M. (2006). *The Global Entrepreneurship Monitor (GEM) South African Report [Online].* Available: http://budgetspeechcompetition.co.za (29 June 2009).

[28]. Masuda, Tatsuyoshi,. (2006) The determinants of latent entrepreneurship in Japan. *Small Business Economics 26, 227-240.*

[29]. McGrath, R.G.; Macmillan, I.C., Yang, E.A., and Tsai, W. . (1992) "Does culture endure, or is it malleable? Issues for entrepreneurial economic development". *Journal of Business Venturing, 7, pp. 441 458.*

[30]. Mian, S. and Quereshi. (2010) *The Global Entrepreneurship Monitor (GEM) Pakistan Report.*

[31]. Mollentz, J. (2002). *Creating conducive policy environment for employment creation in SMEs in South Africa [Online].* Available: http://www.unido.org/ (August 23, 2010).

[32]. Peterman, N. E., & Kennedy, J. (2003). Enterprise Education: Influencing Students' Perceptions of Entrepreneurship. *Entrepreneurship Theory and Practice, 28(2), 129-144* .

[33]. Pihie, Z. A. L. (2009). Entrepreneurship as a career choice: An analysis of entrepreneurial self efficacy and intention of university students. . *European Journal of Social Sciences. 9(2), 338-349* .

[34]. Pretorius, M., & Shaw, G. (2004). Business plan in bank-decision making when financing new ventures in South Africa. *South African Journal of Economics and Management Science 7(2), 221-242* .

[35]. Radu, M. and Redien-Collot, R. (2008). "The social representation of entrepreneurs in the French press: desirable and feasible models?". *International Small Business Journal, Vol. 26 No. 3, pp. 259-98* .

[36]. Sandhu, M.S., Sidique, S.F., Riaz, S. (2011). "Entrepreneurship barriers and entrepreneurial inclination among Malaysian postgraduate students". *International Journal of Entrepreneurial Behaviour & Research,Vol. 17 Iss: 4, pp.428 – 449.*

[37]. Sathiabama, K. (n.d.). Rural women empowerment and entrepreneurship development [Online]. Available:http://www.microfinancegateway.org/ga (August 15, 2010]. *2010* .

[38]. Schröder, E. (2005). *"Berufliche Selbständigkeit als Ziel? Entwicklung und Evaluation eines "Life Skills" – basierten Trainingsprograms für Jugendliche.* Dissertation, Friedrich Schiller Universität Jena, Jena.

[39]. Segal, G., Borgia, D. and Schoenfeld, J. . (2005). The motivation to become an entrepreneur. *International journal of Entrepreneurial Behavior & research, Vol.11, No.1, pp42-57* .

[40]. Shapero, A. and Sokol, L. . (1982). "The social dimensions of entrepreneurship" . In C. D. Kent, *Encyclopaedia of Entrepreneurship.* Prentice Hall, Englewood Cliffs, NJ, pp. 72-90.

[41]. Shaver, K. G., & Scott, L. R. (1991). Person, process, choice: The psychology of new venture creation. *Entrepreneurship theory and practice, 16(2), 23–45* .

[42]. Van der Zwan, P., Thurik, A. R., & Grilo, I. (2010). The entrepreneurial ladder and its determinants. *Applied Economics, 42(17), 2183–2191* .

[43]. Van Gelderen, M. W., Thurik, A. R., & Bosma, N. (2006). Success and risk factors in the pre-startup phase . *Small Business Economics, 26(4), 319–335* .

[44]. Volery T, N Doss, T Mazzarol and V Thein. (1997). Triggers and Barriers Affecting Entrepreneurial Intentionality: The Case of Western Australian Nascent Entrepreneurs. *42nd ICSB World Conference. June 21–24, San Francisco.*

Table: 1 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.772	.880	21

Table: 2 KMO and Bartlett's Test

oKaiser-Meyer-Olkin Measure of Sampling Adequacy.		.823
Bartlett's Test of Sphericity	Approx. Chi-Square	998.644
	df	210
	Sig.	.000

Table: 3 Descriptive Statistics

	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference Lower	Upper
lack of savings	3.2632	1.03951	.09736	28.381	.000	2.76316	2.5703	2.9560
Difficulty in obtaining bank finance	3.4035	1.08668	.10178	28.528	.000	2.90351	2.7019	3.1051
Lack of assets for collateral	3.3860	1.02628	.09612	30.025	.000	2.88596	2.6955	3.0764
Lack of business skills (financial, marketing)	2.4035	1.09479	.10254	18.564	.000	1.90351	1.7004	2.1067
Lack of information about how to start a business	2.8158	4.04743	.37908	6.109	.000	2.31579	1.5648	3.0668
Lack of business experience	3.0175	1.13654	.10645	23.651	.000	2.51754	2.3067	2.7284
Lack of information about any government agency that can assist in funding a business	3.0702	1.06197	.09946	25.841	.000	2.57018	2.3731	2.7672
Do not how to write a business plan	2.4474	1.10583	.10357	18.802	.000	1.94737	1.7422	2.1526
Fear of crime	2.5789	1.07994	.10115	20.554	.000	2.07895	1.8786	2.2793
Cost of business registration	2.6228	1.00785	.09439	22.489	.000	2.12281	1.9358	2.3098
Did not do any business management or entrepreneurial module	2.6667	1.07807	.10097	21.458	.000	2.16667	1.9666	2.3667
Cannot see any opportunity in the market place	2.7632	1.12338	.10521	21.510	.000	2.26316	2.0547	2.4716
The fear of starting a business because of a risk associated with a business	2.7895	1.15578	.10825	21.150	.000	2.28947	2.0750	2.5039
The uncertainty about the future if I start my own business	3.5088	4.99955	.46825	6.426	.000	3.00877	2.0811	3.9365
Fear of failure	2.9035	1.17473	.11002	21.845	.000	2.40351	2.1855	2.6215

Weak economic environment	3.5263	1.12266	.10515	28.782	.000	3.02632	2.8180	3.2346
Lack of support from family or friend	2.9298	1.17284	.10985	22.120	.000	2.42982	2.2122	2.6475
Nobody in my family has ever gone into business	2.9912	1.41105	.13216	18.850	.000	2.49123	2.2294	2.7531
Convincing others that it is a good idea	2.9825	1.06416	.09967	24.907	.000	2.48246	2.2850	2.6799
No one to turn to for help	2.8421	1.12556	.10542	22.217	.000	2.34211	2.1333	2.5510
Finding right partners	3.3333	1.13408	.10622	26.675	.000	2.83333	2.6229	3.0438

Table: 4 Principal Component Factor Analysis (varimax rotation), Factor loadings and Communalities for Motivation Variables

	Lack of Skills	Lack of assistance	Lack of capital	Lack of family support	Fear of Uncertainty	Communa lities
1. Did not do any business management or entrepreneurial module	.777					.644
2. Fear of failure	706					.665
3. Lack of business skills (financial, marketing)	.661					.480
4. Lack of business experience	.661					.508
5. Cannot see any opportunity in the market place	.647					.538
6. The fear of starting a business because of a risk associated with a business	.647					.578
7. Cost of business registration	.609					.562
8. Lack of information about how to start a business	.556					611
9. Do not how to write a business plan	.508					.749
10. No one to turn to for help		.780				.725
11. Finding right partners		.705				.627
12. Convincing others that it is a good idea		.629				.524
13. Lack of information about any government agency that can assist in funding a business		.543				361
14. Weak economic environment		.508				.486
15. Difficulty in obtaining bank finance			.864			.778

16. Lack of assets for collateral			.816			.740
17. lack of savings			.788			.625
18. Nobody in my family has ever gone into business				.811		.755
19. Lack of support from family or friend				.649		.641
20. The uncertainty about the future if I start my own business					.839	.740
21. Fear of crime					.611	.649
Percentage of Variance Explained	22.775	13.255	11.352	8.231	6.233	**61.85**
Eigenvalue	6.588	2.279	1.748	1.338	1.034	

Table: 4 Relative Importances of Barriers Factors

Factors	Mean	S.D
Lack of Capital	3.35	1.05
Lack of support	3.15	1.10
Fear of Uncertainty	3.04	3.03
Lack of family support	2.96	1.29
Lack of skills	2.71	1.44

Table: 5 Correlations

		lack of savings	Difficulty in obtaining bank finance	Lack of assets for collateral	skills (financial marketing)	Lack of information about how to start a business		government agency that can assist in funding a business	Do not how to write a business plan	Fear of crime	management of entrepreneurial module	Cannot see any opportunity in the	business because of a risk associated with s	start my own business	Fear of failure	Weak economic environment	Lack of support from family or friend	has ever gone into business	Convincing others that it is a good idea	No one to turn to for help	Funding right partners
lack of savings	Pearson Correlation	1	.548**	.526*	0.092	-0.003	-0.004	0.015	0.012	0.131	0.096	0.118	.198*	0.047	0.086	-0.059	0.093	0.088	0.05	0.044	-0.032	0.128
	Sig. (2-tailed)		0	0	0.328	0.974	0.967	0.873	0.898	0.164	0.312	0.209	0.035	0.623	0.361	0.535	0.327	0.353	0.598	0.64	0.733	0.176
Difficulty in obtaining bank finance	Pearson Correlation	.548**	1	.629**	.219*	-0.162	0.03	0.129	-0.078	.244*	0.164	0.048	.231*	0.047	0.149	0.052	0.049	0.182	0.06	0.144	0.045	.292*
	Sig. (2-tailed)	0		0	0.019	0.085	0.751	0.173	0.41	0.009	0.08	0.613	0.013	0.619	0.113	0.586	0.603	0.052	0.526	0.127	0.632	0.002
Lack of assets collatreral	Pearson Correlation	.526**	.629**	1	.238*	-0.07	0.153	.275**	0.01	.228*	.253*	.197*	.249**	.211*	0.034	0.141	.206*	.287*	0.125	.209*	0.061	.345*
	Sig. (2-tailed)	0	0		0.011	0.459	0.103	0.003	0.914	0.015	0.007	0.035	0.008	0.024	0.721	0.134	0.028	0.002	0.187	0.026	0.52	0
Lack of busine skills (financia marketing)	Pearson Correlation	0.092	.219*	.238*	1	.332**	.485**	.386**	.361*	.332*	.404**	.527**	.417**	.327**	0.104	.395**	.214*	0.167	0.111	.295**	.225*	.211*
	Sig. (2-tailed)	0.328	0.019	0.011		0	0	0	0	0	0	0	0	0	0.269	0	0.022	0.076	0.239	0.001	0.016	0.024
Lack of inform about how to s business	Pearson Correlation	-0.003	-0.162	-0.07	.332**	1	.232*	.205*	.284*	.221*	.300*	.349**	.208*	.186*	0.065	.283*	.205*	0.038	0.127	0.172	0.081	0.102
	Sig. (2-tailed)	0.974	0.085	0.459	0		0.013	0.029	0.002	0.018	0.001	0	0.026	0.047	0.492	0.002	0.029	0.686	0.179	0.068	0.392	0.279
Lack of busine experience	Pearson Correlation	-0.004	0.03	0.153	.485**	.232*	1	.608**	.311*	.323*	.323*	.525**	.378**	.447**	0.171	.505*	.360*	.207*	.254**	.278**	.272*	.215*
	Sig. (2-tailed)	0.967	0.751	0.103	0	0.013		0	0.001	0	0	0	0	0	0.068	0	0	0.027	0.006	0.003	0.003	0.022
Lack of inform about any government ag that can assist funding a busi	Pearson Correlation	0.015	0.129	.275*	.386**	.205*	.608**	1	.478**	.497*	.347*	.469**	.348**	.488**	0.105	.403*	.444*	0.146	0.095	.346**	.372*	.421*
	Sig. (2-tailed)	0.873	0.173	0.003	0	0.029	0		0	0	0	0	0	0	0.267	0	0	0.121	0.315	0	0	0
Do not how to a business plar	Pearson Correlation	0.012	-0.078	0.01	.361**	.284**	.311*	.478**	1	.411*	.335*	.431**	.357**	.434**	0.035	.197*	.279*	-0.037	-.185*	.338**	.320*	0.134
	Sig. (2-tailed)	0.898	0.41	0.914	0	0.002	0.001	0		0	0	0	0	0	0.709	0.036	0.003	0.696	0.049	0	0.001	0.155

		98																					
Fear of crime	Pearson Correlation	0.131	.244**	.228*	.332**	.221*	.323*	.497**	.411*	1	.609*	.479**	.574**	.581**	.235*	.414*	.301*	.256*	0.16	.232*	.251*	.275*
	Sig. (2-tailed)	0.164	0.009	0.015	0	0.018	0	0	0		0	0	0	0	0.012	0	0.001	0.006	0.089	0.013	0.007	0.003
Cost of business registration	Pearson Correlation	0.096	0.164	.253*	.404**	.300**	.323*	.347**	.335*	.609*	1	.502**	.421**	.493**	.216*	.455*	.193*	.262*	.265**	.307*	.282*	.289*
	Sig. (2-tailed)	0.312	0.08	0.007	0	0.001	0	0	0	0		0	0	0	0.021	0	0.04	0.005	0.004	0.001	0.002	0.002
Did not do any business management or entrepreneurial module	Pearson Correlation	0.118	0.048	.197*	.527**	.349**	.525*	.469**	.431*	.479*	.502*	1	.541**	.504**	0.147	.477*	.380*	.324*	.242*	.257**	.241*	.251*
	Sig. (2-tailed)	0.209	0.613	0.035	0	0	0	0	0	0	0		0	0	0.119	0	0	0	0.009	0.006	0.01	0.007
Cannot see any opportunity in market place	Pearson Correlation	.198*	.231*	.249*	.417**	.208*	.378*	.348**	.357*	.574*	.421*	.541**	1	.534**	0.037	.385*	.387*	.269*	0.166	.330**	.250*	.236*
	Sig. (2-tailed)	0.035	0.013	0.008	0	0.026	0	0	0	0	0	0		0	0.693	0	0	0.004	0.077	0	0.007	0.011
The fear of starting business because a risk associated with a business	Pearson Correlation	0.047	0.047	.211*	.327**	.186*	.447*	.488**	.434*	.581*	.493*	.504**	.534**	1	0.091	.500*	.523*	.244*	.243**	.364**	.308*	.324*
	Sig. (2-tailed)	0.623	0.619	0.024	0	0.047	0	0	0	0	0	0	0		0.337	0	0	0.009	0.009	0	0.001	0
The uncertainty about the future to start my own business	Pearson Correlation	0.086	0.149	0.034	0.104	0.065	0.171	0.105	0.035	.235*	.216*	0.147	0.037	0.091	1	.302*	0.146	.236*	0.179	0.063	.238*	0.126
	Sig. (2-tailed)	0.361	0.113	0.721	0.269	0.492	0.068	0.267	0.709	0.012	0.021	0.119	0.693	0.337		0.001	0.122	0.012	0.057	0.504	0.011	0.182
Fear of failure	Pearson Correlation	-0.059	0.052	0.141	.395**	.283**	.505*	.403*	.197*	.414*	.455*	.477**	.385**	.500**	.302**	1	.428*	.335*	.304*	.197*	0.136	0.144
	Sig. (2-tailed)	0.535	0.586	0.134	0	0.002	0	0	0.036	0	0	0	0	0	0.001		0	0	0.001	0.036	0.15	0.127
Weak economic environment	Pearson Correlation	0.093	0.049	.206*	.214*	.205*	.360*	.444**	.279*	.301*	.193*	.380**	.387**	.523**	0.146	.428*	1	.270*	.249**	.408**	.325*	.368*
	Sig. (2-tailed)	0.327	0.603	0.028	0.022	0.029	0	0	0.003	0.001	0.04	0	0	0	0.122	0		0.004	0.008	0	0	0
Lack of support from family or friend	Pearson Correlation	0.088	0.182	.287*	0.167	0.038	.207*	0.146	-0.037	.256*	.262*	.324**	.269**	.244**	.236*	.335*	.270*	1	.524**	.290**	.400*	.377*
	Sig. (2-tailed)	0.353	0.052	0.002	0.076	0.686	0.027	0.121	0.696	0.006	0.005	0	0.004	0.009	0.012	0	0.004		0	0.002	0	0
Nobody in my family has ever into business	Pearson Correlation	0.05	0.06	0.125	0.111	0.127	.254*	0.095	-.185	0.16	.265*	.242*	0.166	.243*	0.179	.304*	.249*	.524*	1	.342**	.278*	.356*
	Sig. (2-tailed)	0.598	0.526	0.187	0.239	0.179	0.006	0.315	0.049	0.089	0.004	0.009	0.077	0.009	0.057	0.001	0.008	0		0	0.003	0
Convincing others that it is a good idea	Pearson Correlation	0.044	0.144	.209*	.295**	0.172	.278*	.346**	.338*	.232*	.307*	.257**	.330**	.364**	0.063	.197*	.408*	.290*	.342**	1	.382*	.350*
	Sig. (2-tailed)	0.64	0.127	0.026	0.001	0.068	0.003	0	0	0.013	0.001	0.006	0	0	0.504	0.036	0	0.002	0		0	0
No one to turn to for help	Pearson Correlation	-0.032	0.045	0.061	.225*	0.081	.272*	.372**	.320*	.251*	.282*	.241**	.250**	.308**	.238*	0.136	.325*	.400*	.278**	.382**	1	.499*
	Sig. (2-tailed)	0.733	0.632	0.52	0.016	0.392	0.003	0	0.001	0.007	0.002	0.01	0.007	0.001	0.011	0.15	0	0	0.003	0		0
Finding right partners	Pearson Correlation	0.128	.292**	.345*	.211*	0.102	.215*	.421**	0.134	.275*	.289*	.251**	.236*	.324**	0.126	0.144	.368*	.377*	.356**	.350**	.499*	1
	Sig. (2-tailed)	0.176	0.002	0	0.024	0.279	0.022	0	0.155	0.003	0.002	0.007	0.011	0	0.182	0.127	0	0	0	0	0	

New dimensions in Business and Management Research
Department of Management Sciences, The Islamia University of Bahawalpur, Pakistan
82 | Page