

DETERMINANTS OF ENTREPRENEURIAL ECONOMICS IN BANGLADESH: AN EMPIRICAL ANALYSIS

By

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Abstract

Birkinshaw (2016) argued that the entrepreneurial society to properly take hold, three things are needed: individuals, means, motive and opportunity. He opined that an equally pressing need is for institutional involvement at a society level so that today's would-be entrepreneurs have the means, the motive and the opportunity to succeed. Economic growth is considered as an important objective for national governments. Therefore, it is important to determine the factors that could enhance economic growth and in this sense, entrepreneurship has been recognized by a huge literature as a relevant factor (Bahmani, Galindo, and Méndez 2012). This research work introduces a special issue on the theme of entrepreneurship and infrastructural institutional change and its development in view of past, present and future interventions. This study also contributes to a better understanding of business creation by women and the factors which are instrumental in their success, together with a better understanding of the potential obstacles and barriers. Entrepreneurs are the gale of creative destruction. They are the engines of the local economy and contribute to a country's wealth to a great extent. Accordingly, it is of utmost importance, to create, educate and motivate young adults to become entrepreneurs and start their own enterprises. Several studies and aid programs claim the contribution to welfare resulting from female entrepreneurship to be higher than that resulting from the activity of men. Unfortunately, however, the number of women entrepreneurs is significantly lower than that of men. Although quite a bit of attention has been paid to the existence of gender differences in entrepreneurial behavior, the causes of such differences are significantly less understood. All markets were created by, often operated by, and sometimes destroyed by entrepreneurs. They are the major drivers of economic activity. Without entrepreneurs, not only would it be difficult for an economy to operate efficiently and effectively. Women, Infrastructure and institutional framework play a significant role to expedite the process of entrepreneurial activities. As such, the study considers aforesaid three factors whether they can affect entrepreneurial management.

Entrepreneurs are individuals who, in an uncertain environment, recognize opportunities that most fail to see, and create ventures to profit by exploiting these opportunities. Entrepreneurship development in the country, particularly in Bangladesh, is required as undoubtedly, underlying and substantial social, cultural and economic benefits for male and female entrepreneurs. Instilling the entrepreneurial spirit often depends on the political measures put into place. In this sense, policies on economy, taxation, education, legislation, industry, employment, technology and government subsidies may have a marked influence on the processes and outcomes of new and established businesses (Zerbinati and Souitaris 2005; Michael and Pierce 2009). As such, institutions represent the set of rules which articulate and organize economical, social and political interactions between individuals and social groups, and are being required to work as catalysts. These may have important repercussions for business activity and, consequently, for economic growth and development (Williamson 1985; Alston, Eggertsson, and North 1996). To changes and new progress of entrepreneurial activity, the field of governance in the country like Bangladesh plays an important role. Especially, in the last eight years, dramatic changes were occurred though now Bangladesh Bank is no longer interested in policy on financial inclusion.

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Authors' suggested that more intensive and pragmatic policy should be developed for the development of the social enterprises particularly for self motivated entrepreneurs. Experiences from the research work, we observed that the rural poor are mobilized and working together in self controlled community based organizations which ensures social welfare and Pareto optimality. Not only small and medium enterprises but also micro enterprises should get special priority and inclusion through financial organizations are being required for developing proper steps to poverty alleviation, public-private and foreign strategic alliances are required in the small and medium enterprise sector with special emphasis on micro enterprises of the country.

1.1 Prelude and Background of the Study

Economic development is indispensable to ensure the welfare enhancement of many individuals living in poverty worldwide. Today, entrepreneurship is considered as the economic driving engine for both developed and developing countries and most of the countries are investing considerably on entrepreneurship development. The entrepreneurship development in a community could ensure sustainable employment and economic development. It is also evident that many governments around the world, mostly in developing countries, want to foster entrepreneurship and new firm formations emphasizing on socio-economic development and its sustainability. (Klapper, Laeven & Rajan, 2006).

Entrepreneurship is recognized as the engine of growth in economies worldwide. Over the past 20 years female owned businesses grew dramatically in number, revenues and employment. Evidently for a decade there has been increasing interest of social enterprises (SE) in the globe, particularly in developing countries. The present study is the result of these developments in Bangladesh, is one of the few countries in Asia, where there is high participation in the sector of economy particularly in Social Enterprise Sectors activities.

The political expediency and enterprise development requirements provide an ample rationale to undertake such an interesting studies which is a modest attempt to understand social enterprises and related economic activities as well as its impact on economic growth in a regional context of Bangladesh. The study is organize around certain fundamental socio-economic variables in this developing context. This is also an attempt to examine and analyse the status and structure of social enterprise activities in Bangladesh, so that appropriate policies at the macro and micro levels could be developed to address them. 'A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners.

The growth of the SE has become the most significant feature of today's global economic market. Like many developing countries, Bangladesh has a large NGO society a few of

those are engaged with enterprise activities. The concept of social enterprise has been emerged in the late 70s in Bangladesh.¹

Entrepreneurship is fairly a new field of study that has attracted most of the researchers worldwide as it is important for socio-economic development in recent decades. The definitions of entrepreneurship and an entrepreneur are multiple. After reviewing the bunch of definitions provided, entrepreneurship can be define as the process of innovation and forming new businesses environment in hazardous conditions through discovering opportunities and utilization of available resources. In other words, entrepreneurship means turning a new idea into a product or service which consequently provides increasing productivity, creating wealth, prosperity and employment (Davidsson, 2008; Benzing et al. 2009).

A well-known definition described by Joseph Schumpeter; the entrepreneur “owns and directs an independent firm that innovatively and creatively destroys existing market structures” (as cited in Wennekers&Thurik,1999,p.48). He argued that entrepreneurship is a must for the continued dynamism of the modern market economy through the innovation of older products and production methods are left behind and thus destroy existing market. Later the new studies have articulated that entrepreneurship can foster the economic growth and advancement.

1.2 Statement of the Problem

Literature suggests that entrepreneurship helps to economic and social development through innovations, change and competition (Wong,Ho & Autio,2005). Studies also show that entrepreneurship plays an important role in economic growth and development especially in creating job opportunities. Many governments are try to encourage and direct entrepreneurs as much as they can toward entrepreneurship activities providing with their maximum utilization of facilities and research achievements only due to the pivotal role of entrepreneurs in economic development.

Entrepreneurs with their skill in spotting opportunities and chances are creating and developing this business environment are being considered as real pioneers of economic growth and social developments (Ghavami and Lotfalipoor 2008).

The entrepreneurs are forming small and medium enterprises (SMEs) which have allocated considerable volume of economic deals and workforce and playing a significant role in socio-economic development of the country. Development of small and medium enterprises is envisaged as a key element in this development strategy. For achieving double digit growth in manufacturing, matching development of SMEs is considered critical. Enhanced micro, small and medium enterprise activities in the rural and backward regions constitute a key component of the strategy for rural development and reduction of poverty and regional disparity (GOB 2011). The role of SMEs sector is immense to alleviate the poverty from the country as well. Small and Medium enterprises

¹. Department of Trade and Industry, 2002, Social Enterprise: A Strategy for Success, UK, p.13

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are particularly suitable for the densely populated countries like Bangladesh where SME sector can provide huge employment opportunity with much lower investment. They are expected to create jobs, reduce poverty, and drive a resilient national economy.

The international monetary fund (IMF) Country Report (2012) indicated that SMEs in Bangladesh accounted for more than 99% of private sector industrial establishments and created job opportunities for 70%–80% of the nonagricultural labor force. Although SMEs play dominantly important role in the national economy of Bangladesh, they are not flourishing expectedly in our country as there exist various problems such as- lack of institutional finance, poor infrastructural facilities, lack of technological knowledge, poor managerial and technical skills and lack of motivation and social support for female entrepreneur. A country may have resources but the problem of development is to put those resources into the process of production. In spite of possessing natural and physical resources, machinery and capital may go underutilized or misused if human resources are not properly utilized (Hossain & Rahman, 1999). It is apparent that entrepreneurship development is a precondition of all sorts of a nation's development.

Moreover, woman entrepreneurship development is the key variable which connects socio-cultural environment with the rate of economic development. As Bangladesh is a developing country positioned in South Asian region having 30% of the population falls below income poverty line; without active participation of women in the mainstream of the economy gender discrimination cannot be reduced. Women can be involved in business activities of entrepreneurship where they can contribute directly to their family and the economy. Women make nearly half of the population which means huge potential to be utilized for the socio-economic development of the country. In this connection Chowdhury (2001) discusses that in recent years developing countries of the world including Bangladesh has focused awareness on the most disadvantaged group in the society- the women. All concerned gradually has realized that a society cannot afford to waste nearly half of its human resources discriminating on gender issue. This rising awareness on the part of the government has led to implementation of national policies to facilitate a development process involving women in all spheres particularly on economic activities focusing especially on entrepreneurship development. Entrepreneurship has become an important profession among the women of Bangladesh a different levels of the society. Entrepreneurship development is difficult and it requires numerous studies and examinations. One of the most important steps in developing entrepreneurship for economic growth of our country is to identify the barriers the entrepreneurs encountered. Assessment and identification of these barriers can be used as a guide to be used in making strategic and entrepreneurial background to provide further flourish. The study analyzes various problems and hindrance regarding entrepreneurship development in Bangladesh based on empirical data analysis.

The concept of social capital theory injected a new and strong challenge to the prevailing theories of economic growth. The most prevalent and widely accepted theory was the neoclassical growth model, introduced by Robert Solow, identified physical capital as the sources of economic growth. While the endogenous growth theory, triggered by Paul Romer (1986) injected a new factor, knowledge, into growth models, their was still no

recognition that anything resembling social capital made a difference in generating growth. However, recent work by Putnam (1993, 2002), building on the earlier contributions of Jacobs (1961) and Coleman (1988), identified the importance and role of social capital. However, an important limitation of social capital is that the impact on economic performance is not unambiguous. This is because of the encompassing nature of social capital. In particular, the same social capital that may promote preservation of the status quo may also serve as a barrier to change and entrepreneurship. The purpose of this study is to introduce the concept of a somewhat analogous, albeit decidedly different concept, that of entrepreneurship capital.

Entrepreneurship capital is a specific type of social capital and refers to the capacity of a society to generate entrepreneurial activity. In particular, we suggest that a high endowment of entrepreneurship capital has a positive impact on regional economic performance. We introduce the concept of entrepreneurship capital and explain why it should promote economic growth at the regional level. We measure the impact of entrepreneurship capital on regional economic performance. Empirical results are presented in the fifth section, based on data described in the fourth section. In the final section we make conclusions. In particular, we find compelling evidence linking entrepreneurship capital to regional labor productivity. However, only R&D-oriented measures of entrepreneurship capital lead to a long-term effect and we can observe this effect only in densely populated regions. Infrastructure and institutional development and inclusion need to be required to create a business friendly environment progress.

As per Bangladesh Bank's SME (Small and Medium Enterprises) definition we have adopted following table from their publication :

Table : 1.2.1 Different criteria of Small Enterprise

Serial No.	Sector	Fixed Asset other than Land and Building (Tk.)	Employed Manpower (not above)
01.	Service	50,000-50,00,000	25
02.	Business	50,000-50,00,000	25
03.	Industrial	50,000-1,50,00,000	50

(Source : <http://www.bd.org.bd/sme/smepolicy.pdf>)

From Table : 1.2.1 we observe that both service and business sector employed member will be maximum 25 while for Industrial sector it will be 50.

Table : 1.2.2 Different criteria of Small Enterprise

Serial No.	Sector	Fixed Asset other than Land and Building (Tk.)	Employed Manpower (not above)
01.	Service	50,000-10,00,00,000	50
02.	Business	50,00,000-10,00,00,000	50

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03.	Industrial	1,50,00,000-20,00,00,000	150
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(Source : ibid)

From Table : 1.2.2 we observe that both service and business sector employed member will be maximum 50 while for Industrial sector it will be 150.

1.3 Literature Review

Entrepreneurship has attracted many of researchers and authorities in Bangladesh and other developing countries as one of the most important aspects of socio-economic development in recent decades. The definitions of entrepreneurship and an entrepreneur are multiple. Schumpeter the father of entrepreneurship offered an epic vision of the entrepreneur as someone motivated by the 'dream and the will to found a private kingdom,' the will to conquer; the impulse to fight, to prove oneself superiors to others; and the "joy of creating." To become an entrepreneur it comes with lots of risks. The entrepreneurs must have some kinds of big hearts to accept the risks that will come along. People with faint hearts are not advisable to venture into entrepreneurship. Until today there are no exact definitions of entrepreneurship. MacMiliand (1988) suggested that entrepreneurship be defined as the "creation of new enterprises." Another study by McMuliand and Long (1990) also referred to entrepreneurship as venture creation in their strategic-creativity theory of entrepreneurship.

An entrepreneur is a person who possesses the entrepreneurial qualities, bears the risk provides capital and uses them in setting up business. They generate innovative business ideas, take new business opportunities, make investment by themselves or borrow, take risk and enjoy profit as a reward of their endeavor and expand the business. Begum (1993) identified that an entrepreneur can be defined as one who initiates and establishes an economic activity or enterprise. Entrepreneurship thus refers to the general trend of setting up new enterprises in a society. The International Labor Organization (ILO, 1984), cited in Islam and defined an entrepreneur as a person with a set of characteristics that typically includes self-confidence, result-oriented, risk taking, leadership, originality and future-oriented.

A good number of studies had been done on entrepreneurship in Bangladesh. showed that training is an effective tool for entrepreneurship development in Bangladesh. critically appraised the impact of different programs and policies relating to entrepreneurship and small and medium enterprises (SMEs). Emphasized the importance of project viability, collateral and entrepreneurial evaluation at the project appraisal level of banks, found inadequate cash flows, marketing deficits and discriminating treatment from supportive service agencies to create obstacles to women entrepreneurship development in Bangladesh. Rahman (1999) examined women borrowers' involvement with the microcredit program of the Grameen Bank, and the grassroots lending structure of the

bank. He focused on the processes of village-level microcredit operation and addresses the realities of the day-to-day lives of women borrowers and bank workers and explains informant strategies for involving themselves in this microcredit scheme.

The study also cover some power dynamics. showed that personal attributes are key factors for entrepreneurial success or failure, while focused on the social-economic background of the entrepreneurs. Momen and Begum (2006) measured the impact BRAC's micro credit program had for the development of rural women entrepreneurship. Afrin, Islam and Ahmed (2008) aimed at identifying the factors related to the development of entrepreneurship among the rural women borrowers through micro credit programs. Using a multivariate analysis, they showed that financial management skills and the group identity of the women borrowers have significant relationship with the development of rural women entrepreneurship in Bangladesh. Bangladesh Women Chamber of Commerce and Industry (BWCCI), which was established in 2001, as the country's first trade body working exclusively for women's economic and social empowerment. but they failed to perform any sort of Entrepreneurial Development specially for raising no women entrepreneur.

Bangladesh is a developing country positioned in South Asian region. Per capita national income is US\$ 1214 and which is far beneath in rural areas. About 30% of the population falls below income poverty line. Without active participation of women in the mainstream of the economy gender discrimination cannot be reduced. Women can be involved in business activities of entrepreneurship where they can contribute directly to their family and the economy. Women make nearly half of the population which means huge potential to be utilized for the socio-economic development of the country. In this connection Chowdhury (2001) discussed that in recent years developing countries of the world including Bangladesh has focused awareness on the most disadvantaged group in the society- the women. All concerned gradually has realized that a society cannot afford to waste nearly half of its human resources discriminating on gender issue. This rising awareness on the part of the government has led to implementation of national policies to facilitate a development process involving women in all spheres particularly on economic activities focusing especially on entrepreneurship development. Entrepreneurship has become an important profession among the women of Bangladesh a different levels of the society.

The rationale behind this interest varies according to different class of the society. According to the UNDP: Human Development Report (2004), A woman entrepreneur is defined as a woman who has alone or with one or more partners started or inherited a business, and is eager to take financial, administrative, and social risks and responsibilities, and participate in the day-to-day management activities. Sultana (2006) agreed all developments cannot be achieved without women's participations in the development sectors of the country. In present global economy participation of women is essential to reduce poverty, play their active role in the economy and contribution in the GDP. But implementing these have some problems- the problems and challenges faced by women entrepreneurs.

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Haque and Itohara (2009) and Rahman, (2009) opined that in the context of Bangladesh, in fact, women entrepreneurship development is a challenging phenomenon as women are lagged behind economically and socially compared to men. Hossain and Rahman, (1999), conferred that in Bangladesh women are victimized more because of their illiteracy, deprivation, lack of knowledge, unorganized, powerless or less political representation, rigid social customs, and injustice by their counter partners particularly in rural areas. These challenges should be faced for flourish of women entrepreneurship development. Resource maybe available but they will be of no use if they are not properly utilized for production process. Hossain and Rahman (1999) agreed that despite possessing natural and physical resources, machinery and capital may go underutilized or misused if rural human resources are not properly utilized. It is apparent that women entrepreneurship development is a precondition of all sorts of nation's development. Woman entrepreneurship development is the key variable which connects socio-cultural environment with economic development rate. Braun (2011) explained women entrepreneurs have improved their living conditions and earned more respect in the family and the society. The progress has reached due to participation of governmental and non-governmental financial institutions along with other support services institutions and government policy supports. Bangladesh Bank issues policy guideline for listed banks to give priority to women while disbursing Small and Medium Enterprise (SME) credit.

In the meantime, good number of NGO-MFIs offers microfinance services to the women involving actively in micro, small and medium(SME) enterprises. According to BBS report (2009), women access to land, credits and other property (beside land) has improved increasingly with the point of 0.80, 0.30 and 0.50, respectively which means that women are getting more access to loans than other assets. (Rahman et al., 2011) discussed that these resource mobilizing institutions in fact motivated and encouraged rural women, and made them entrepreneurs, that is agricultural entrepreneurs (crops, livestock and fisheries), small business owners, tailors, handicraftsmen and so on.

Raihan (2001) observed that the 50.53 percent of SMEs have no access to formal source of finance. Only 35.79 percent of SMEs enjoy unrestricted access to the formal credit. The rest (13.68 percent) of them have restricted access to the formal credit. Bank credits used by small percentage of entrepreneurs and provides financing of generally less than 20 percent of their total outlay. Majority of the SMEs (59.6 percent) seek finance for their working capital needs from banks, although only a half-of them get loan from banks.

Ahmed, (1999) pointed out that due to the lack of national quality policy and adequate support system, and also due to the lack of credibility of the quality certification authority, SMEs of Bangladesh have failed to ensure the quality of products and services both in domestic and international markets. He also argued that access to finance possess as one of the most important problems for the SMEs in Bangladesh. Lack of investment or operating funds remains as one of the most prominent complains of the SMEs in Bangladesh.

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Rahman and Mahmood (2007) mentioned that small and medium enterprises are the backbone of the economy in countries like Bangladesh. SMEs suffer from common constraints such as lack of capital, difficulties in procuring raw materials, lack of access to relevant business information, low technological capabilities, problems caused by cumbersome and costly bureaucratic procedures, and policies and regulations that generate market distortions. However, with proper domestic policy support from the government, and an eye towards global market trends, SMEs can build capacity and reap the rewards of globalization.

Hasan and Islam (2008) identified that banks usually do not express interest towards SME financing. The reason behind this conservativeness is higher operational cost, less return and high risk associated with the SME financing. Due to small loan size the operational cost is higher and they require intensive monitoring and supervision. The main reason for higher risk is that the small and medium entrepreneurs are highly unlikely to comply with the collateral requirements as typically they do not have immovable properties. With the excuse of collateral sometimes banks and non-bank financial institutions are reluctant to finance SMEs.

Bangladesh Bank Report (2008) said that the key reasons behind the SMEs are not entering into manufacturing but are financial constrains, dismal state of utilities, technology and policy discriminations. On the other hand, Bank and others financial institutions generally prefer large enterprise clients because of lower transition costs, and greater availability of collateral. Themes also fall outside the reach of micro finance schemes, and thus are compelled to depend on formal sources of funds at much higher interest rates, the Bangladesh Bank report said. However, said that other interrelated problems like shortage of short and long term finance, lack of modern technology and lack of promotional support services are major obstacles in the way of development of the SME sector. Higher growth of the Small and Medium Enterprises (SMEs) can help cut poverty to a satisfactory level by eliminating various prejudices against labor-intensive and creating jobs for the skilled manpower in the SME sector.

Growth of SMEs in developing countries is certainly a desirable goal in view of their perceived contribution to decentralized job creation and generation of output (*Chen, 2011*). In developing economy like Bangladesh, SMEs play a significant role in the development of the economy by creating employment opportunities and producing useful machine substitutes and machinery parts saving huge amount of foreign currency for our country (*Chowdhury, 2008*). About 6.0 million SMEs are actively performing in Bangladesh which were contributing 25 per cent of the total GDP, employing about 31 million people and providing 75 per cent of household income. Various categories of SMEs together contribute between 80 to 85 per cent of industrial employment and 23 percent of total employment in Bangladesh (*Chowdhury, 2008*).

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Khanka (2002) referred to women entrepreneurs as those who innovate, imitate or adopt a business activity. Given that entrepreneurship is the set of activities performed by an entrepreneur, it could be argued that being an entrepreneur precedes entrepreneurship. Schutte et al. (1995) suggested that the male entrepreneurs have been extensively studied and the focus has now shifted to the study of female entrepreneurs, their background, motivation for starting a business and business problems faced by them are based on studies of male entrepreneurs. Further John (2004) discussed that it is important to differentiate entrepreneurs on the basis of gender if women entrepreneurship is to be promoted. Rinkal et al., (2004) recommended that women of today are different from the women of past years in several ways. In present times, they seek social and economic independence and are prepared to take risk for the same. Mitchell (2004) found that women entrepreneurs tend to be motivated by the need to provide security to their families and by their family circumstances. Women entrepreneurs are motivated by the need to be independent, economically and otherwise.

Entrepreneurship allows women to combine caring for their family with bringing in the money needed for day-to-day survival. This trend has also been visible in several Asian countries including Indonesia and Singapore. In the opinion of Watson (2003), there are quite a number of potential systematic differences between male and female owners that might explain why female-owned businesses appear to underperform than male owned businesses. The prominent factors are age of female owned business, family commitments, lesser access to capital, different education levels, prior experience of business and attitude towards risk. According to Jesselyn (2004), developing countries should also tap the potential of women entrepreneurs. Garga and Bagga (2009) defined women entrepreneurship as the women or a group of women who initiate, organize and operate a business enterprise. According to Kumar (2006) Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. In a broad sense, entrepreneurship should be considered as a mindset that can be usefully applied in all working activities and in life. Therefore, entrepreneurship is a key competence for all.

Facing various types of obstacles in entrepreneurial development in developing countries is often similar. Most entrepreneurs in developing countries face an unstable business environment and the bureaucratic rules of private firms, especially business registration and taxation systems, are complicated (Benzing et al. 2009). Lamei (2002) observed that rules and regulations set by the government in the economy, not only provide grounds for entrepreneurial and production activities, but also they act as a barrier to the growth of entrepreneurship in small industries. The study shows that the legal barriers to entrepreneurship development in five areas of starting a business, business law, bank credit, import and export regulations, taxes and duties associated with the weakness of the state in ensuring the ownership right, stabilization of macroeconomic has pulled down the growth of entrepreneurship in small industries.

A study by Benzing et al. (2009) showed complex tax structure, inability to find and hire a trustworthy and reliable staff, lack of familiarity with accounting concepts and a weak

economy are the most important barriers for the entrepreneurs in Turkey. Zhuplev and Shtykhno (2009) studied the barriers of entrepreneurs of Russian small businesses. Their results showed that insufficient capital to start a business, lack of sufficient capital to continue a business, inability to find and hire a reliable and trusted staff, and governmental laws and regulations are considered the most important barriers to entrepreneurship. Studies show that the barriers facing entrepreneurs in developing economies are: weak economy, limited access to financial capital, inability to find and hire a reliable and trusted staff, and tight competition (Benzing et al. 2005; Chu et al. 2007). Cook (2001) also stated that the owners of SMEs in developing economies often complain of insufficient funds.

Ozsoy et al. (2001) also reported that obtaining loans from public and private organizations is another problem for entrepreneurs in Turkey. Business owners often must rely on the financial needs of personal and family resources. Kozan et al. (2006) also reported that insufficient funds to significantly inhibit the growth of businesses in Turkey. Another problem facing entrepreneurs in developing countries is the excessive regulations which often lead to long delays and costly processes (Macculloch 2001).

Hossein (1998) argued that entrepreneurship development limitations in Bangladesh small industries as governmental costs, trade policies, legal and administrative problems and financial constraints. In a study at Metropolis, the most important barriers affecting entrepreneurial behavior among individuals are financial and economic barriers, lack of consultation and other intellectual helps, high risk, lack of confidence in their abilities, lack of entrepreneurial skills, having a good entrepreneurial ideas and lack of sufficient knowledge of the local market and lack of motivation (Robertson et al. 2003). In studied by Yusuf (1995) on the Pacific islanders, good management skills, access to financing individual characteristics and satisfactory support of government are the most important factors for successful entrepreneurs. Similarly, a study by Pratt (2001) on Kenyan entrepreneurs showed that access to capital, having business skills, previous experiences and family support are the most important factors of entrepreneurial success. Kozan et al. (2006) also reported that business and financial management training significantly associated with the development plans of owners of small and medium enterprises. In particular, the Turkish entrepreneurs' growth needed market information, technical assistance, financing, marketing and financial education. DeepiKa and Pandey (2015) argued that the Micro, Small and medium enterprises is an important part of the economy which contribute in the growth and development by creation of job opportunities, developing industrial infrastructure, encourage entrepreneurial development through market encouragement and financial support to entrepreneurs.

Women's entrepreneurship has a tremendous potential in empowering women and transforming society. Yet this potential remains largely untapped, with less than 10 percent of the entrepreneurs in South Asian countries being women. In one study in India (Kaur and Bawa, 1992), 54 per cent of women entrepreneurs had started their business with their own personal savings and some financial assistance from their spouse, 23 per cent received finances from their parents, 13 per cent from relatives and friends and only 10 per cent from government agencies and nationalized banks. Many other studies in

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South Asia have substantiated these findings. A host of barriers prevent women from realizing their full potential as entrepreneurs, where they could make significant contribution to society. Entrepreneurship by definition implies being in control of one's life and activities. It is precisely this independence that many societies have denied women (Vishwanathan, 2001). Women's family obligations often bar them from becoming successful entrepreneurs in both developed and developing nations. As Seymour puts it, "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" (Seymour, 2001).

Sitharam and Hoque (2016) argued that in South Africa several internal factors such as technological capabilities, managerial competence and skills and access to finance while external factor such as regulatory, competition, globalization and crime and corruption have been working in the SME sector.

The transition from nascent entrepreneurship to an operational business or early survival and continuation of a new firm have been attributed to individual characteristics of the founders, structural characteristics of the new firm, or conditions of the environment (Beugelsdijk and Noorderhaven, 2005; Bruderl et al., 1992). The purpose of this empirical effort is to recognize the means, and combinations of means, at the time of nascent entrepreneurship that can distinguish a successful startup transition to an operating business from an unsuccessful 1–4 years later. The specific means we study: motivation and cognitions (who they are), knowledge and experience (what they know) and social support (whom they know). We borrow this classification framework (Read and Sarasvathy, 2005) only for organizing the layout of our review of the prior theoretical developments pertinent to our investigations.

1.4 Rationale of the study

Despite its immense importance, the social Enterprise SE has remained outside the main stream of economy and the policy response to the vital issues of the SE is very little known and even less understood. This is important to review the extent and nature of SE which relate to the past and present strategies, policies and programmes for formal employment generation. Labour constitutes the most important resource of the SE which are highly labour intensive.

The researcher is of the view that the various observations, findings, analysis, conclusion and suggestions etc. of this thesis will be definitely of immense usefulness to all the officials and non-officials dealing with the problems and prospects of SE in particular and also to all those business and social science researchers, social scientists, social workers and those people who are interested and actively involved the amelioration of the SE status in general. It is true that some studies have been brought out on the status and problems and prospect of SE in Bangladesh and abroad, but this research is the first of its kind so far to deal with the problems and its future prospects and development.

Hence, present exercise envisages to highlight the inadequacies of earlier studies and tries to fill the gap in the field of database scientific information regarding the SE condition in Bangladesh present, past and future context in general. This endeavor has its own significance in the sense that it has focused a number of important issues of SE. In this study a wholesome profiles of Social Enterprises particularly relating to socio-economic background of job opportunities, welfare programmes for men and women entrepreneurs as well Government and NGOs' policies towards women development and infrastructure and institutional factor a also being considered and furnished in this research work. Hence, this in-depth study of the problems is confined to the following aspects in view of the several constraints of time, money, paucity of data etc.

1.5 Objective of the Study

a. Broad Objective

The broad objective of the study is to analyze the role of entrepreneurship for socioeconomic development in the context of past, present and future.

b. Specific Objectives

1. To assess the effectiveness of economic factors of the emergences Entrepreneurial management schemes with the help of government and /or financial institutions of Bangladesh;
2. To examine entrepreneurs and compare differences between men and women in terms of the factors contributing to their success and those that act as barriers to entrepreneurial success;
3. To provide strategies and policies of the government and financial institutions for increasing effective and efficient entrepreneurial activities in Bangladesh.

1.6 Conceptual Development/ Framework

Developed and developing countries sustainable employment and economic development. Socio-economic development businesses environment in hazardous conditions opportunities and utilization of available resources. In modern market economy foster the economic growth and advancement. Economic growth skill in spotting opportunities, economic growth and social developments forming Small and Medium Enterprises (SMEs) which is envisaged as a key element in this development strategy. Enhanced micro, small and medium enterprise (MSMEs) technological knowledge, female entrepreneur rules, regulations supply chain management, adding value, inclusion in the financial sector and distribution channel etc are important. Woman entrepreneurship development is the key variable which connects socio-cultural environment. Further economy, infrastructure and institutional factors are vital role to start up new venture.

Concept and main features of social enterprise

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As early as 1996, the Roberts Foundation Homeless Economic Development Fund (RFHEDF) defined social enterprise as “a revenue generating venture founded to create economic opportunities for very low income individuals, while simultaneously operating with reference to the financial bottom-line. On the other hand, the term ‘Social Enterprise’ refers to “the myriad of entrepreneurial or ‘self-financing’ methods used by organizations to generate some of their own income in support of their mission.” Both definitions capture the social and financial characteristics of the social enterprise; however, the Roberts Foundation’s definition emphasizes social enterprise as a program approach, whereas NESsT’s definition stresses it as a funding approach.

The Non-profit Good Practice Guide offers a holistic definition: “A non-profit venture that combines the passion of a social mission with the discipline, innovation and determination commonly associated with for-profit businesses.” “Virtue Ventures proposes the following definition, inspired that captures the specificity of purpose and approach while encompassing the broad range of practical applications: A social enterprise is any non-profit-owned revenue-generating venture created for the purpose of contributing to a social cause while operating with the discipline, innovation and determination for a profit business. In its widespread usage, “social entrepreneur” is the individual and “social enterprise” is the organization. Therefore, social enterprise is an institutional expression of the term social entrepreneur.

1.6.2 Understanding social enterprise

Understanding Social Enterprise is the UK’s first nationally organization qualification based on the new national occupational standards in social enterprise development. The Social Enterprise Partnership (SEP) has developed it; a body that brought together all the leading national social enterprise bodies including Co-operatives, Development Trusts Association, Social Enterprise Coalition and Social Firms UK. The Institute of Leadership and Management (ILM) as a Level 5 VRQ (Vocationally Related Qualification) Award accredit the programme. Bangladesh can setup an institution where Micro and small firms can be developed. Management of MSEs are important for Bangladesh.

The programme is aimed at business advisers, consultants, development workers, project officers, managers and other professionals working with or for social enterprises. It is comprised of four one-day workshops –

- i. Introduction to social enterprise: values and purpose
- ii. Organisational and legal structures for social enterprise
- iii. Finance and support for social enterprise
- iv. Case studies in social enterprise

The programme equips participants with the essential knowledge and understanding of social enterprise they need to meet the new national occupational standards in social enterprise development, produced by the standards setting body SFEDI (Small Firms Enterprise Development Initiative) in partnership with SEP.

Participants studying for the qualification are required to research and write a 1,500 to 2,000-word case study of an emerging or established social enterprise. The case studies

form the learning materials for the final workshop, where participants compare and contrast how social enterprises function in practice. This workshop is only open to participants who are registered candidates for the ILM qualification.

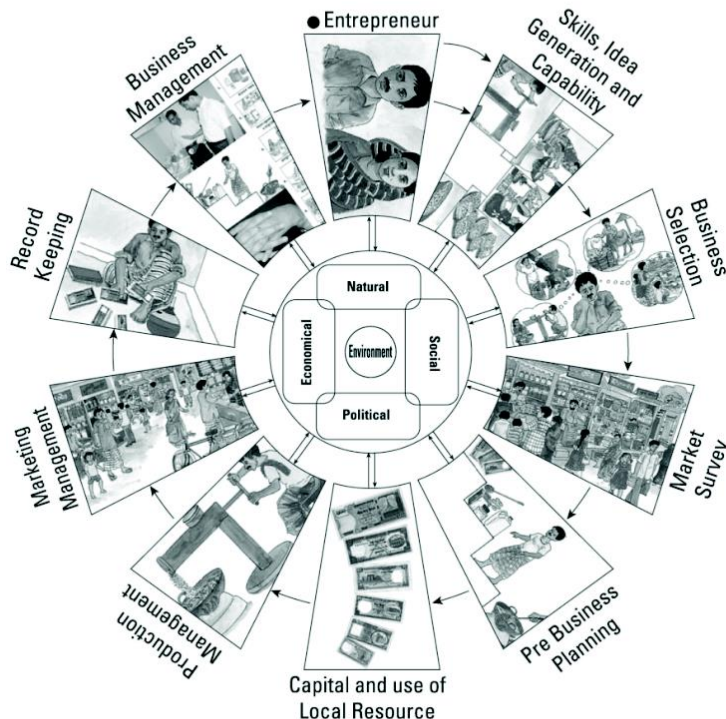
The first three workshops provide participants with the analytical tools they need to investigate their case study of social enterprises. The workshops assume no prior knowledge of social enterprise and are ideal for people who are new to the field, but who already have some experience in either business or community development. The ILM level 5 Award in Understanding Social Enterprise is the first qualification for all people working with or for social enterprises. People, who already have more than two years experience of social enterprise can apply for exemption from the first three workshops, and need only attend the briefing session on the qualification, submit a case study and participate in the final workshop.

Participants do not have to study for the qualification, although previous participants have found that the case study assignment greatly enhanced their learning. The first three workshops have been designed as stand-alone events. The first workshop *Introduction to social enterprise* can be marketed as an awareness-raising workshop for people who need to know about social enterprise, but for whom it is not their main work responsibility. The second and third workshops can be marketed as Continuing Professional Development (CPD) workshops for people who advise organizations on legal or financial issues, and who need to know about social enterprise options.

In Bangladesh, Skill and aptitude to create entrepreneur is required. Both formal and informal “financial sector should play positive role to ease doing business”. Institutional entrepreneurship encouraged by technical institutes.

Entrepreneurship Development Cycle

Figure 1 : Entrepreneurship Development Cycle



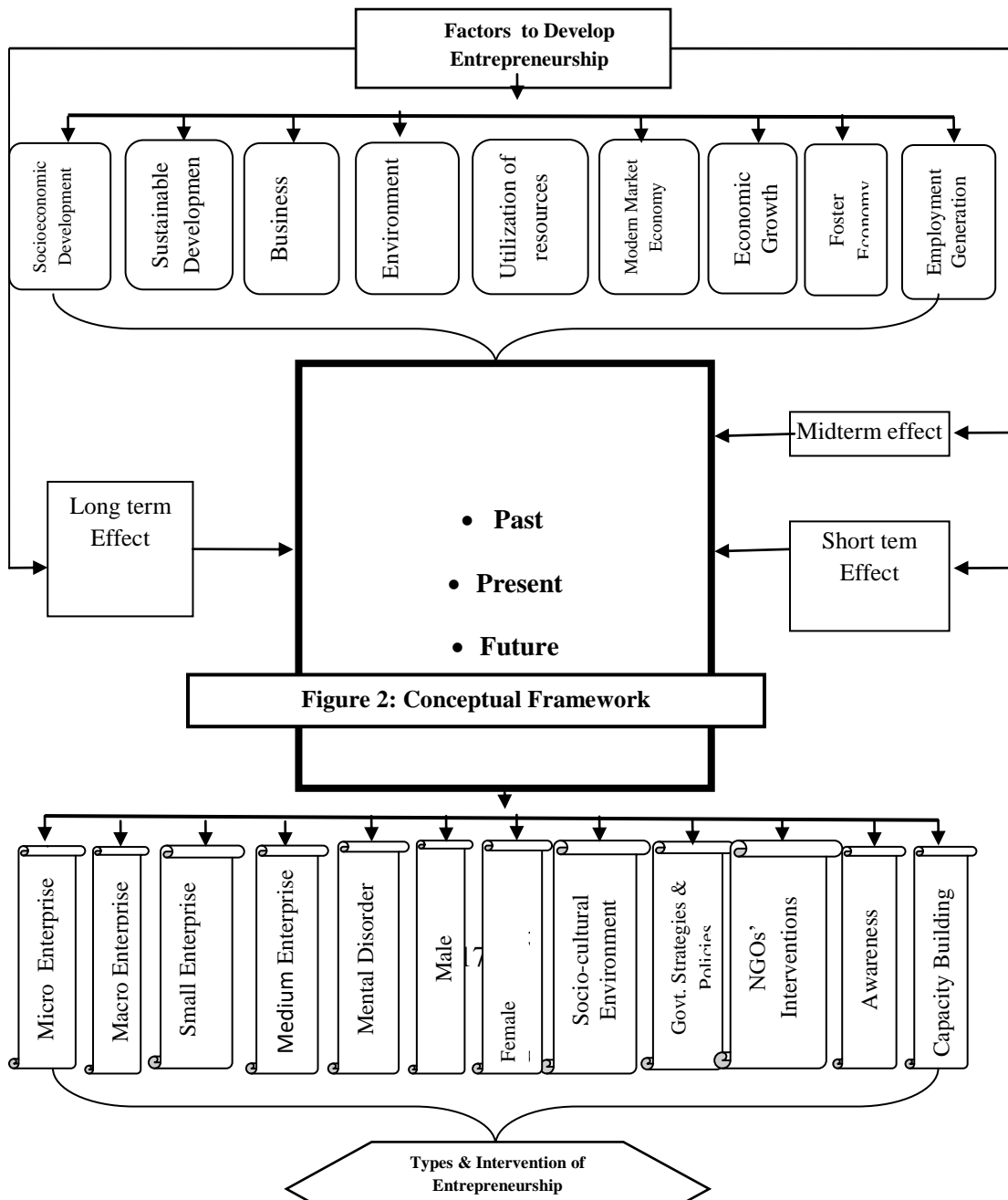
Factors Affecting Entrepreneurial Management in Bangladesh: an Empirical Analysis

Source: By Dr. Rubina Husain Vice President BFWF MD IHMH, 2013

Aforesaid entrepreneurship development cycle in Figure: 1, indicated how hollistic approach for entrepreneurship management can play vital role. Any sort of short cut method is not acceptable.

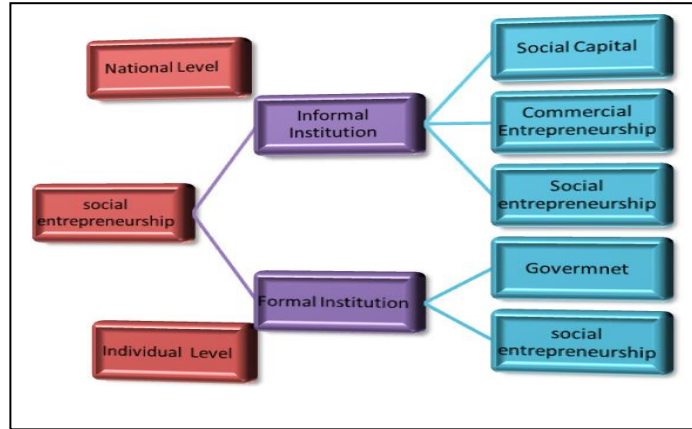
Conceptual Framework (Figure)

In Figure : 2, we have shown a conceptual framework considering past, present and future/



Competencies Model of Successful Entrepreneurs

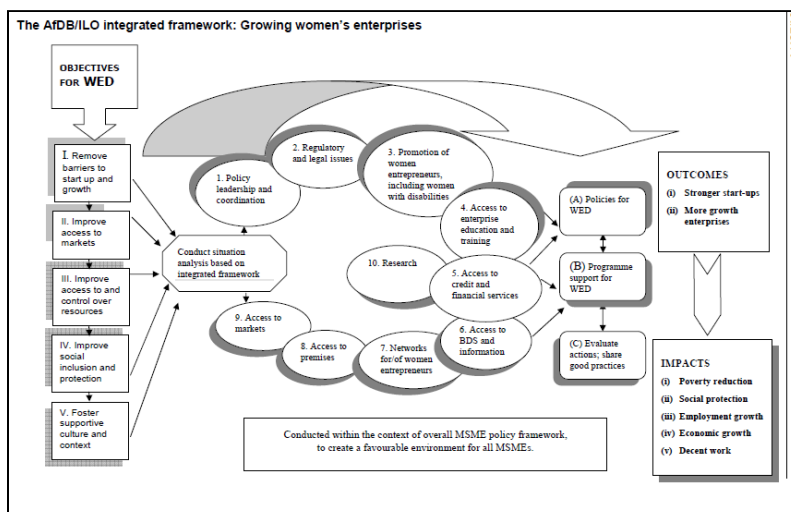
Figure 3: Competencies of Successful Entrepreneurs



In Figure: 3, competencies of successful entrepreneurs have been shown. This includes National level, social entrepreneurship and individual level plays vital role. From these attributes informal and formal institutions are working. From informal sector we gather social capital, commercial entrepreneurship and social entrepreneurship have been occurred. Formal institution relate to govt, & social entrepreneurship.

Integrated Framework: Growing Women's Enterprises

Figure 4: Integrated Framework: Growing Women's Enterprises



(Source : The ADB/ILO)

1.7 Limitations of the Study

This study may have some limitations. The limitations of this study are mentioned below:

- i. Extensive Financial support is essential to conduct a comprehensive study, and as researcher we didn't have that financial capability to conduct the study in a large scale.
- ii. To collect data from the field survey needs more personnel. But there was only two personnel that limits the collecting of information.
- iii. It was too tough to reach a generalized conclusion by considering small numbers of respondents as sample size.
- iv. Data of other districts of the country was not taken.

Besides the study has some methodological limitations that provide opportunities for future research.

In summary, although there are limitations, this study is a first step to opening a new research area in the field of social enterprise and entrepreneurships. This study also focused on gender, infrastructure and institution, so future studies could explore the entrepreneurial experiences of self-employed person in an attempt to explain what are the barriers or motives for self-employment.

The research work has been under taken to explore factors affecting entrepreneurial management in Bangladesh so that we can get insight picture of the progress of the country.

1.2 Entrepreneurship and institutional:

Entrepreneurship and institutional change sets out to examine how entrepreneurship may influence the nature and configuration of institutions within specific socio-economic contexts. Some insights can be drawn from existing theoretical and empirical research on this issue. More specifically, two of the pioneers of institutionalism, Thorstein Veblen as stated by Reinert and viano (2012) and Douglas North (1990), identify two distinct processes of institutional change: (i) as resulting from entrepreneurial innovation, (ii) occurring through direct action to alter institutions. Empirical research conducted within a broad disciplinary setting and often detached from mainstream entrepreneurship research and institutionalisation concentrates predominantly on the latter process focusing upon change through the political process. Regulatory environment plays an important role.

Empirical research distinguishes between three types of entrepreneurial action as part of the political process; moreover, empirical evidence also identifies change through micro-level adaptation to existing institutions. This involves three types of action: passive adaptation and evasion, active adaptation and resistance. In some instances, changes in

institutions through these processes may be the result of unintended action (a point also raised within the context of institutional entrepreneurship research). More importantly, however, the institutional setting is defined by the prevailing state of industrial arts (technology) over that period.

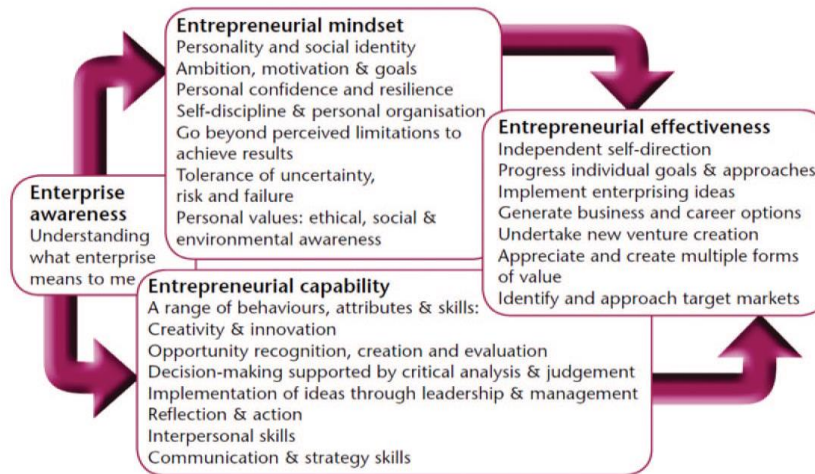
In this context, idle curiosity is instrumental in instigating the process of technological change. It is the generation of new information and the application of creative intelligence, which result in actions that further the state of industrial arts. Even in instances where actions may not succeed in instigating change, they (actions) result in new data and experiences, through learning, which inform subsequent decisions. Within this context, entrepreneurs are of paramount importance, as it is they whose idle curiosity advances the state of industrial arts, and subsequently the institutional setting. Drawing from a very different theoretical tradition (the Austrian School) Yu (2001) also examined the institution changing potential of entrepreneurs through innovation. He used Kirzner's concept of extraordinary discovery (occurring in the long-term and bringing in its wake a major technological breakthrough) as the catalyst that initiates the destruction of prevailing institutions and the creation of market uncertainty.

As a result 'other market participants were found that their stocks of knowledge are no longer adequate to interpret the newly emerging events. The existing institutional framework is incapable of coordinating the ensuing economic activities. Entrepreneurial innovation creates confusion in the market. Thus, new institutions are needed for coordination. An institutional perspective on innovation is also examined by Lounsbury and Crumley (2007) where they demonstrate how performance driven variation in money management practices of the US mutual fund industry spurred field wide efforts to establish a new innovation (997). Interestingly, the second process of institutional change identified in theory is developed by Douglas North (1994), the economist who placed new institutionalism in the centre of contemporary debates.

He argued that the origins of change can be traced to opportunities perceived by entrepreneurial agents. They will assess the gains linked with contracting through existing institutional arrangements in comparisons to the gains that can be derived through investment (of resources) to change (North 1990). The result of this calculation may prompt some entrepreneurs, i.e. those who perceive themselves as the relative losers of economic exchange on account of the prevailing institutions, to pursue change. This can be in North's view through the political process. Thus, changes in formal rules will be the result of legislative changes. Informal rules, according to North, will change also as a result of the political process, though these may occur gradually and sometimes Entrepreneurship & Regional Development 2007 subconsciously as patterns of behaviour alter (North 1990). Douglas North (1990) goes on to develop two important points for the purposes of this study: resistance to change and conflict, and the self-perpetuation logic of organisations such as the state. As far as the former is concerned, the argument goes that the larger the number of changes advanced by an entrepreneurial actor, the greater the number of potential losers and hence the scope for opposition. Thus, institutional change will occur only in those instances where the power of those pursuing change exceeds that of those opposing it. As far as the latter is concerned, North (2005) argued that the political organisations that have to exist within the prevailing institutional context, have an interest in its perpetuation that can produce 'gridlock'.

2.2 Enterprise and entrepreneurship education guidance for UK higher education providers

Figure 5: Enterprise and entrepreneurship education – Guidance for UK higher education providers



Source: Quality Assurance Agency for Higher Education (2012)

Higher education for Entrepreneurship development especially creating techno entrepreneur is very much needed. Daffodil International University in Bangladesh first ever created Bachelor degree on Entrepreneurship inspired and guided by Mr. Md. Sabur Khan. Mindset, awareness, capability, efficiency and effectiveness for entrepreneurial management are needed. Without proper entrepreneurial management through environmental scanning and emotional intelligence success of creating new entrepreneurs may be hard to attain.

2.3 Women and Business growth

The expansion of the firm is an influential factor in female entrepreneurship. Several authors concur in indicating that most women start up small-scale businesses, both in terms of turnover and numbers of employees (Carter & Rosa, 1998; Cowling & Taylor, 2001; Cuba et al., 1983; ENSR, 1996; Hisrich & Brush, 1983; Humphreys & McClung, 1981; Scott, 1986). As a result, the size of the firm, which is often used as a basis for gauging performance, leads to the conception that the generally small-sized firms created by women represent a weakness in their capacity as business owners. Commonly cited causes for the creation of smaller-sized firms by women are, on the one hand, the greater difficulties they encounter in finding resources to finance their projects, and on the other, a lack of specific knowledge to successfully carry out the tasks involved in running a business.

Evidently, both reasons are related to discrimination towards women in the job market. However, other studies (Bird, 1988; Cooper, 1993; Davidsson, 1991; Herron & Robinson, 1993) had shown that business expansion also depends on the motivation of owners and their attitude and intentions with regard to the future of the firm. Other research that examined this issue (Du Rietz & Henrekson, 2000; Fischer, Reuber, & Dyke, 1993; Rosa, Carter, & Hamilton, 1996), indicated that the size of the firm is also related to the different motivation and attitudes towards growth on the part of women entrepreneurs in comparison with men. Although gender differences are not always present in terms of the tendency to take business risks (Masters & Meier, 1988), it appeared to be lower amongst women entrepreneurs (Humphreys & McClung, 1981; Schwartz, 1976).

Women entrepreneurs and project financing is another external factor that influences female entrepreneurship. Firstly, financing is related to the family economy; the state of the family economy is important for start-ups. A lack of capital in the initial stages can have negative long-term effects. Studies have shown that smaller amounts of seed capital for start-ups affect the entrepreneur's ability to obtain money from banking institutions (Storey, 1994). In terms of the number of firms created according to the level of income, Hills, Lumpkin, and Singh (1997) observed that a large number of firms were started in high and low income families, while families in the middle range rarely take the risk of starting up a new business. Secondly, access to financing and seed capital is a critical issue for the survival of small and medium-sized firms, as in situations of insufficient financial resources, the entrepreneur is unable to develop new products and services nor create new jobs, etc. A variety of empirical studies had shown that small and medium-sized firms tend to primarily seek out bank loans rather than any other solution. Ease of access to financing is also affected by the fact that the firm is owned and managed by a woman.

Women entrepreneurs obtained financial resources under less favourable conditions than their male counterparts. Several other theoretical and empirical studies concluded that it is harder for women entrepreneurs to access financial resources to initiate their chosen business activity, and that they encounter credibility problems when dealing with financial institutions. Certain authors (Brush, 1992; Stoner, Hartman, & Arora, 1990) summarized that women perceive discriminatory treatment from banks. However, these financial institutions indicate that such differences are due to the profile of the entrepreneur; reasoning which is supported by the research of Riding and Swift (1990). The above observations might go to explain why there appears to be a tendency among women entrepreneurs to begin business activity with their own personal savings or resort to loans from family members. It would equally explain the small size of firms created by women.

Contingent factors of age, marital status and motherhood amongst women entrepreneurs with regard to age, it appears that there is no direct relation between this factor and economic performance, as indicated by Lerner and However, there is a relation between marital status and the motivation to become a business owner and the activity (Caputo & Dolinsky, 1998; DeMartino & Barbato, 2003; Hinz, 2004; Rees & Shah, 1986), although Carter and Rosa (1998) suggested that firms are more successful when women do not

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attempt to integrate family and business. The literature is ambiguous with regard to the presence of children: some authors found no relation between the activity of the business owner and having young children (Carter & Rosa, 1998), whilst others indicated that children have a negative influence on job creation and, consequently, on firm expansion on the part of women.

Social and physical infrastructure expedite the process of women entrepreneurship. Age, marriage also plays important factor to continuation of entrepreneurial management. The influence of family can also affect business creation on the part of women. Support from the family towards the business owner is a fundamental element for success. After marriage, women may be motivated to entrepreneurship.

Waddell (1983) claimed this percentage to be closer to 64%. Within this theoretical framework, Waddell contrasted the following hypothesis: The family links of women entrepreneurs affect the elements that determine the activity of the firm (motivation, barriers, success). The population for study consists of women entrepreneurs whose business is located in the Valencia Region. In order to identify this segment of the population, information was taken as an initial reference from the databases provided by the Official Chambers of Commerce of Alicante, Castellón and Valencia. Using random sampling, a sample of 155 firms from the services sector was chosen. This sample size guarantees a maximum error of 7.8%, to a confidence level of at least 95%. The instrument used for gathering information for the study was a personalized questionnaire carried out with the collaboration of the woman entrepreneur or the firm's founder. As mentioned previously, researcher focused on the factors of expansion, financing, marital status and the family of interviewees. The quantitative information obtained via the questionnaires to women entrepreneurs was then statistically analysed after codifying the variables in the questionnaire and categorizing the answers.

The dimensions of motivation and barriers are made up of items in the questionnaire that are evaluated in the form of a 1–5 Likert scale (where 1 is the most negative evaluation and 5 is the most positive), whilst the performance dimension is represented by firm turnover for the last tax year, the number of employees the firm currently employed and growth in staff since the firm was founded. With regard to the validity and flexibility of the dependent factors (motivation and barriers) and the independent factor (success factors), they firstly used Cronbach's alpha model of internal consistency to verify the reliability of the scale for each dimension, as this allows them to ascertain whether the scale indicators are homogenous and, therefore, measure the same latent variable. An optimum value is considered to be above or equal to 0.7 (Nunnally & Bernstein, 1994).

An exploratory factor analysis of the principal components was subsequently carried out to detect the barriers and motivation experienced by women in their business activities. This analysis ensures the individual reliability of each of the indicators in their respective dimensions. The criterion for accepting that the indicators belong to the given dimension is a factor value equal to or greater than 0.7. Some researchers suggested that this empirical norm should not be quite so rigid when applied to the initial stages of the development of the scales and that factor values of 0.5 are also acceptable.

For the purposes of the study, they opted to adopt a criterion of an acceptable factor loading of 0.6. Finally, contrast of the hypotheses was completed using linear regressions, so that, if a linear relation exists between one independent variable and another, or between other dependent ones, the regression will determine the equation that explains the relation and it can be used to make predictions. The hypotheses for contrast refer to the existence of a relation between the independent factors relative to women entrepreneurs and the three proposed dimensions: motivation, barriers and success factors.

2.4 Motivating factors to be women entrepreneurs

Factors that encourage women to be an entrepreneur; Inspiration factors are-

- i) To create self-dependency
- ii) Extra income for the family
- iii) Self- inspiration for employment
- iv) Inspiration by friends
- v) For economic freedom
- vi) To upgrade social status
- vii) Pass leisure time
- viii) Economic development
- ix) Inspiration from some organizations
- x) No alternative to have a job
- xi) Inspired by training
- xii) To establish women's rights
- xiii) Eradicate gender discrimination
- xiv) Creating opportunity for others

Women's role in economic development is a well-established issue both globally and locally. There is no denying fact that women in Bangladesh have progressed notably in terms of their participation in labour force.

2.5 Table: Labor Force Survey

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from the below table : 2.5, we found scenario of labor force of Bangladesh.

		1999-2000	2002-03	2005-06	2010
Economically active population or the Labour force (million)	Total	40.7	46.3	49.5	56.7
	Male	32.2	36.0	37.3	39.5
	Female	8.6	10.3	12.1	17.2
Labour Force Participation Rate (%)	Total	54.9	57.3	58.5	59.3
	Male	84.0	87.4	86.8	82.5
	Female	23.9	26.1	29.2	36.0
Unemployment rate (%)	Total	4.3	4.3	4.3	4.5
	Male	3.4	4.2	3.4	4.1
	Female	7.8	4.9	7.0	5.8
Unpaid family worker (million)	Total	4.7	8.1	10.3	11.8
	Male	2.0	3.4	3.5	2.7
	Female	2.7	4.7	6.8	9.1

Source: Labour Force Survey (LFS) 2010

2.5 Labour force participation in Bangladesh

Labour force participation rate of women (percentage of women aged 15 years and above who are part of labour force either employed or unemployed) has increased from 15.8 per cent in 1995-96 to 36 per cent in 2010. However, according to the Labour Force Survey (LFS) 2010, out of 35 million women aged 15 years and above, only 17 million are part of labour force- 16 million are employed and the rest unemployed. Again, 92 per cent of these women are working in the informal sector. While the upward trend in women's participation in labour force is a matter of appreciation, we still have very few women entrepreneurs. Unfortunate that women chamber and commerce and industry Bangladesh or Women Entrepreneur Association of Bangladesh in a true sense do little for creating Women Entrepreneurship in Bangladesh.

2.6 Women entrepreneurs in statistics

According to the LFS, 25 per cent of 16 million employed women belong to the 'self-employed' category, who may be considered as entrepreneurs. Thus there are 4 million women entrepreneurs in Bangladesh. Though the numbers seem attractive, 62 per cent of the self employed women are working in the agricultural sector having limited capacity to generate employment for other women. These activities are cropping, livestock and poultry rearing, fish farming, nursery and tree planting, tool making, handcrafting, food processing, tailoring, rice processing, etc.

Only 12.7 percent women are self-employed in manufacturing, which has higher potential to generate employment for other women. It is to be noted that 20 per cent of self-employed women are involved in wholesale and retail trade. If we consider entrepreneurship to be running an enterprise having capacity to generate employment for others, then the women who are involved in manufacturing and trading meet the requirement. Thus 32.7 per cent of total self-employed women or 8.3 per cent of total employed women are entrepreneurs.

2.7 Main constraints to become a women entrepreneur

There are following constraints to become a women entrepreneur in Bangladesh :

1) Lack of skills including education, 2) unfriendly market environment and 3) lack of access to finance, 4) Lower income level women cannot approach easily for credit to informal and formal sector, 5) Higher income level of women in most of the cases do not want to struggle to be come successful women.

Further Microcredit institutions are charging higher interest rate in the rural area.

Gender equality in primary school enrolment is praise-worthy.

The programme of free education and scholarships for girls has succeeded in attracting more girls in secondary and tertiary level of education; but lacks in supporting environment including transport facilities and social norms discourage many girls to continue their studies. Their dropout rate is higher than their male counterpart. While half of the students at primary and secondary level are girls, the proportion comes down to 44 per cent at higher secondary level and 24 per cent at the university level.

If we look at various vocational training institutes, only 23.6 per cent of the students are girls. Vocational and Training institutes lack of competent teachers-technicians

All these indicate that women are still lagging behind in formal skill training including higher education.

2.8 Unfriendly market environment

An entrepreneur runs a business to cater to specific needs of the market. But our markets are mostly not friendly for women, specially in the rural and semi-urban areas. Women involved in trading activities in the rural areas face the problem of transporting their goods to distant markets.

Again at the rural markets there is not enough or any utility facility for women such as rest rooms. Therefore, women entrepreneurs are usually involved in home based businesses like dress-making or beauty parlors.

Many women both in rural and urban areas do not have enough information on very basic requirements of starting a business, such as registration of business, process of applying for formal loan etc. Some organizations are supporting the women entrepreneurs, but their numbers are very limited and those are mostly urban based having occasional programs in rural areas. A number of NGOs are extending skill training; but those are

mostly ties with their micro-credit programs. Women often start a business without much knowledge on the rules of the game. They often do not have enough money and they have limited market access and knowledge of quality of product. There are also informal barriers in the form of society's reluctance to accept women as business persons.

2.9 Access to finance- most crucial problem faced by women entrepreneurs

- Bangladesh Bank's refinancing scheme is a praise-worthy initiative to help SMEs, specially women entrepreneurs. However, this is yet to reach its anticipated goal.
- According to this scheme, 15 per cent of the SME loan should go to women entrepreneurs, which could not reach even 5 percent level yet.

Who is responsible for above noted situation the commercial banks or the women entrepreneurs?

2.10 SME refinancing scheme of Bangladesh Bank and women entrepreneurship

- The commercial banks that are responsible to disburse the loan, are not always serious about catering to the women entrepreneurs.
- Though a maximum of 10 per cent is supposed to be charged as interest under this scheme, the women entrepreneurs face an effective rate of much more than 15 percent in course of their repayment process.
- In one hand, such high rate of interest discourages women to take loan to start or expand their businesses.
- On the other hand Women should also show professionalism in their business so that they run the business with full information and market access facilities to ensure profitability.

2.11 Way forward

- We want our women to be empowered and creating more women entrepreneurs is a strong step towards that goal.
- We need systematic efforts to improve condition of the women entrepreneurs.
- Women entrepreneurs should form strong networks to address their common challenges such as access to finance, innovating new products and accessing markets.
- Young entrepreneurs specially face the problem of real-life business experiences.
- Successful entrepreneurs may come forward to help them flourish. Moreover, urban-based businesses should take initiatives to be connected with the grassroots-level entrepreneurs.
- The central bank should improve its monitoring mechanism of the SME loan and ensure promised 10 per cent (maximum) interest rate for SMEs.

Under the corporate social activities, commercial banks may jointly support women entrepreneurs in accessing market. They may support online sale of products or give parallel loan to those SMEs which will work for providing marketing services to merchandise producing SMEs. Further, there is a group of women entrepreneurs who take loan in their name but utilize in the name of male relatives friends in Bangladesh.

According to the Bangladesh's demographic structure the total population consists of 50% women. But they constitute a very negligible proportion of the total entrepreneurs only 10% of the total business entrepreneur in Bangladesh. Entrepreneurial traits and competencies have not been well developed amongst the women entrepreneurs. The importance of women entrepreneurs in the national development process has been acknowledged by successive governments and steps initiated to realize these objectives. Consequently, under successive 7th Five-Year-Plans of GOB, women's development initiatives have been gradually integrated into the macro framework and multi-sectoral economy to bring women into the mainstream of economic development and encourage potential women entrepreneurs realizing their business plans. As per Industrial policy-2010 size of Micro enterprises no of workers are in between 10 and 24.

2.12 Industrial policy and women entrepreneurship

The Industrial Policy stipulates several useful goals to broaden the participation of women entrepreneurs from different perspective. Some statements are given below as examples:

Identifying women entrepreneurs capable of running independent and self-sufficient industries and businesses, Designing various incentive packages, Reserving plots in EPZs, Providing proper training in respect of starting and continuing enterprises, Establishing separate banks to have credits, capitals and collateral free loans, Offering advanced training opportunities to create women entrepreneurs of high standard, Improving the standard of goods produced, Creating new markets, established in small and cottage industries women entrepreneur will be encourage on a greater scale in setting up and running agro-based industries in the country. The participation of women entrepreneurs in policy making in the field of industrial development will be ensured. The establishment of separate bank so that women entrepreneurs can have easy access to credit.

(Source : www.bdtradeinfo.com/business-investment/industrial_policy.php)

2.13 Support services for women entrepreneurship development

Different types of organizations provide either direct or indirect supports to women entrepreneurs besides the government. Among various supporting organizations, the financial institutions are considered most important. A list of supporting organizations is given subsequently but only government policy supports and financial institution's supports are illustrated broadly: (a) Bangladesh Small and Cottage Industries Corporation (BSCIC), (b) Bangladesh Bank, (c) State and private commercial banks, (d) Financial

institutions, (e) Bangladesh Rural Development Board (BRDB), (f) Bangladesh Management Development Institute (BMDI), (g) Directorate of Women Affairs (DWA), (h) Development of Youth Development (DYD), (i) Bangladesh Manpower Training Bureau (BMTB), (j) Micro industries Development and Assistance Services (MIDAS) (k) Job Opportunities and Business Support (JOBS) and (l) NGO-MFIs MSME program

The women who succeed in overcoming the barriers of skill-needs and market access still face the problem of access to finance. This is the most common and painstaking problem of women entrepreneurs. As the women entrepreneurs mostly belong to small and medium level businesses, they naturally face the unfriendly attitude of banks and financial institutions towards small and medium enterprises (SMEs). The unfriendliness is even more severe towards women SME owners as mistrust on women is added over mistrust on SME entrepreneurs on the whole. Things do not change in one day. Women of Bangladesh have shown their ability to become engine of economic growth. They will grow further as entrepreneurs even without much help. However, a friendly hand towards them will make their journey towards empowerment a little more easy and comfortable.

2.14 The size, activity and location of the social enterprise sector

In an extremely collective society such as Bangladesh, huge reservoirs of ‘social capital,’ exist. Put in simple terms, this means that deep and mutually beneficial relationships of trust and respect have developed between individuals and families over time, linking them to each other. In most cases some individuals within the Bangladesh social fabrics can access a larger degree of social capital than others may be due to profession, wealth, family strength of personality, they command more respect from the people of their community and have more access to these people’s time and skills. In such individuals entrepreneur, potential as an agent of social change becomes high. The area confined in Bangladesh social enterprise development as the bridging the NGO-community gap through process of developing social entrepreneurs and identifying potential entrepreneurs. Forming SMEs through experience sharing and organize capacity building programmes of the SMEs of the self-enthusiastic people in Bangladesh.

The most comprehensive national survey of social enterprises to date was undertaken for the SBS by IFF Research Ltd in 2004. This survey was not exhaustive of all social enterprises. For practical purposes it surveyed those which are registered as Companies Limited by Guarantee (CLG) or Industrial & Provident Societies (IPS) and derive at least 25% of their income from trading. On the basis of the survey it is estimated that: There are around 15,000 social enterprises (CLG or IPS) in the UK accounting for around 1.2% of all employing enterprises in the UK.

The annual turnover of UK social enterprises is just under £18 billion or 0.8% of the turnover of all UK businesses which have employees. The median turnover is £285,000. The vast majority of this turnover (84%) is from trading revenues, which account for £14.5 billion in total. Three quarters of those surveyed receive over 50% of their income from trading. Social enterprises employ 450,000 people, of whom two-thirds are employed full-time. A further 300,000 people work for social enterprises on a volunteer basis. The typical social enterprise employs 10 people. Social enterprises are involved in

a wide range of trading activities. The most common activity is “Health & Social Care” (33%), followed by “community or social services” (21%) and “real estate/renting” activities (20%). The largest number of social enterprises is found in London – which accounts for almost a quarter of the total (23%), more than its share of all UK businesses (14%). In Bangladesh, SME foundation cannot work dynamically. Integrated Association of Micro, Small and Medium enterprises of Bangladesh was established but errantly is not active to promote entrepreneurship. Bureaucratic Mannerism in the country creates slow growth of entrepreneurship. Women leaders in Bangladesh are not playing due role.

The vast majority are located in urban areas (93%) and they are disproportionately likely to be situated in areas of high multiple deprivation. Perhaps the most comprehensive mapping other than the SBS survey is that conducted by the Welsh and Scottish Devolved Administrations. In Wales, the mapping has identified some social enterprises using a definition similar to that used in the SBS survey. In Scotland, a different approach has been taken, defining a much broader set of activity, as the social economy. This approach identifies some 3,700 organisations, which is well over three times that indicated by the UK survey.

The East Midlands Case Study identified an EMDA commissioned mapping report on the sector. The sector, when measured by constituted organizations (IPs and companies limited by guarantee or without shares), comprised just over 1,900 organisations. This represents 2.5% of the number of registered businesses. This is around three times larger than that indicated for the region by the UK survey, although a slightly broader definition was used by EMDA.

Ali (2016) described that in Bangladesh, Policy makers of the country ought to arrange to obtain better institutional support, infrastructure, ease of rules and regulations of lending, corruption free banking system, corporate governance and eliminating gender biasness of SMEs financing.

2.15 Financial Institutions

When Bangladesh became independent, private enterprises were confined only two percent of the total population. It was irony that the at that time non-Bangles especially West Pakistanis largely controlled industries-banks-insurances etc. Bangladesh was called as Second colonial era from 1947 to 1971 by Faaland and Parkinson (2003). To achieve low income group of middle income country, most important part of contribution is small and medium businesses. This is due to the fact that SMEs can create employment generation. Currently banking sector of Bangladesh is trying to work as a connecting hub on SME financing to create proper industrial sector of the country. International Finance Corporation (2010) described that if very few SMEs have a positive awareness of a bank, capturing large segments of the market may be more of a challenge. More broadly, each of the activities of the competitor landscape evaluation will depend on a bank's competitive and client intelligence, and enhance its ability to position itself strategically and develop a tailored customer experience for the SME client.

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Wibe (2015) described that United Nations expected to launch a ground-breaking set of global Sustainable Development Goals (SDGs) in 2015, business will have a newly relevant framework to guide their strategic priorities and efforts towards society – representing a huge opportunity to drive sustainable business. Bangladesh is trying to achieve target and focused oriented development procedure for which SMEs can be utilized as an important tool and can act as a vehicle for attaining sustainable development goal starting from reducing worse effect of climate change or skill manpower etc.

After independence of Bangladesh in 1971, small and medium enterprises are gradually functioning with more zeal, creativity, innovativeness, and dynamic characteristics, which contribute economically both rural and urban areas of the country. Governor of Bangladesh Bank Rahman (2015) commented that Micro, small and medium enterprises (MSME's) contribution to GDP is 30 percent. 90 percent of private sector enterprises are MSMEs, employing 25 percent of the total labor force covering 80 percent of industrial jobs and hence, reducing rural-urban gap with faster poverty reduction. Virtually, Small and Medium Enterprises (SMEs) are generating employment opportunities and contributing in the economic benefits of the country (Islam et al.,2008). Banking sector of the country is now trying to expedite the process of SMBEs. SMEs can help both formal sector and informal sector of the economy as they can act complementarily. Bangladesh Bank is now giving importance on financial inclusion which has positive impact on the formal economy of the country. However, shadow economy is still playing vital role in the economy.

Watson (2010) remarked that variety of SMEs definition of success and failure creates confusion. He opined that actually SMEs varies from country to country a regulated by each countries rules, regulations, financial institutions approaches, social attitude, and breadth of the economy etc. Definitely definition of SMEs of Bangladesh and UK won't be the same. Successes of SMEs are largely related to failure provided cost of failing is bounded (Watson, 2010).However, banking sector of Bangladesh as a whole is trying to finance SMEs for expansion of employment generation as Bangladesh bank as a central bank is trying heart an soul to encourage financing in this sector.

Asian Development Bank (2014) urged that increasing bank efficiency is a common shared problem in Asian and OECD countries, although the problem is more acute in Asia. Nevertheless, both areas present the challenge of improving the instruments and enhancing the supply of bank options for SMEs.

Below in Table: 2.15.1, we have shown size and growth rate of GDP at manufacturing sector in Bangladesh.

Table : 2.15.1 Size and growth rate of GDP at manufacturing sector in Bangladesh
(In Crore Taka)

Industry	2009-10	2010-11	2011-12	2012-13	2013-14 (provisional)
Small and Cottage industry	20039.0 (8.17)	21176.0 (5.67)	22569.1 (6.58)	24557.9 (8.81)	26179.4 (6.60)

Medium and large industry	79631.4 (6.26)	88475.3 (11.11)	97998.3 (10.76)	108436.2 (10.65)	118364.0 (9.16)
Ratio of Medium and large industry in terms of Small and Cottage industry	3.97	4.18	4.34	4.42	4.52

(Source: Bangladesh Arthanaitic Samikhya ,2014, p.108)

Note: Ratio (Fourth Row) is calculated by the authors

From Table : 2.15.1, it is observed that while in the year 2009-10 ,contribution of Small and cottage industry is 8.17% while in the year 2013-14 (Provisionally) it is 6.60%. But small and cottage industry has relatively labour intensive and generates employment opportunities especially poorer section of the society. On the other hand for 2009-10,meium and large industry has 6.27% which is estimated to become 9.16% in the year 2013-14 (provisionally).Ratio of medium and large industry in terms of small and cottage industry in the year 2009-10 is 3.97 while it is estimated as 4.52 in the year 2013-14 (provisionally).

3.1 Method of the Study

The study based on both primary and secondary data sources. The endeavor involves both quantitative and qualitative research. Secondary data were collected from research reports, journals, newspapers, websites, and statistical reports of various relevant organizations as indicated in the references. The study considered economic factors, the contribution of male and female entrepreneurs, barriers of entrepreneurial activities, infrastructural and institutional requirements in the context of past, present and future. This study uses primary data to address the objectives, questionnaire survey, meetings and stakeholder consultations. Data from the respondents were collected during the period from 15 September, 2015 to 15 February, 2016.The questionnaire which is concentrated on both men and women entrepreneurs only, wants to assess the demander side views of the entrepreneurs.

Entrepreneurs were purposively selected from different areas of the Dhaka District. The study used hypothesis testing considering two or more factors of entrepreneurial facilities such as male and female entrepreneurs, infrastructural and institutional requirements, economic factor helps to enhance growth of entrepreneurial management of the country. The response scales dependent on the questionnaire items. After gathering data, then tabulate the data and prepare Chi- square test as well as factor analysis.

3.2 Data collection

This study uses primary data to address the objectives, questionnaire survey, meetings and stakeholder consultations are the main sources for collecting primary data. A purposive sampling procedure is used to select questionnaire survey responders for the study. The study uses a structured questionnaire to conduct the based on the knowledge gained from field visits, The questionnaire contains households information on: (i) socio-economic issues (ii) knowledge and awareness about to information on technologies (iii)

business capital, education of the entrepreneur (iv) government interventions, entitlements, social protection, rights and service accessibility (v) information on market, environment, health and safety regulations and (vi) tax regulation, imperfect competition, corruption, bribery supported by business activities by the target respondents.

3.3 Nature of the study

The study is descriptive and explanatory in nature tried to explain the relationship between entrepreneurship development and its implications in the past, present and future for both men and women empowerment. How investing that capital in productive work and promoting the little step of entrepreneurship development to a broader one, in what dimension economic freedom of women specially are heading towards their empowerment approach was the main concern of the study.

3.4 Study area

10 Thana/ Upazila of Dhaka district in Bangladesh were purposively selected for the study.

3.5 Population of the study and unit of analysis

From the 10 Thanas/ Upazilas of district was considered as the population and 164 firms unit were selected for the study. According to the unit of analysis 105 men and women entrepreneur proportionately from Dhaka district.

3.6 Sampling procedure and sample size determination

Simple random sampling technique was applied to collect data from those men and women entrepreneurs for the purpose of study and whole data were collected based on the study objectives. The total sample was **105**, Confidence level **95%**, confidence interval **7.03** (Survey System, 2012) and sample size was calculated according to the following formula-

Sample Size Calculation Formula

$$SS = \frac{Z^2 \times P(1 - P)}{C^2}$$

$$SS_i = \frac{SS}{2a + \frac{SS - 1}{Pop}}$$

Here,

SS = Sample Size

SS_i = Sample Size, according to Population

Z = Confidence Level (*i.e.* 1.96 for 95% confidence level)

P = Percentage of Picking a Choice (*i.e.* 0.5 used for sample size needed)

C = Confidence Interval (*i.e.* 7.03)

Pop= Population

3.7 Techniques of data collection

Data were collected by the interviewer from the field through the interview schedule.

3.8 Development of study instrument(s)

An interview schedule in English was developed primarily and was given to the supervisor for correction and suggestion. Then finally corrected interview schedule was finally used for data collection from the field.

3.9 Field work

Mainly primary data were collected to conduct the study 15 September, 2015 to 15 February, 2016. and the data were collected by the researchers themselves in face-to-face situation.

3.10 Processing of data

Raw information was found from the field and was processed by removing unnecessary codes, reducing logical inconsistencies, dropping improbabilities and by solving ambiguities. Coding was used to classify the data in accordance to its quality, quantity, periodical basis etc. and then data will be tabulated. Tabulated data processed by computerizing and using computer software's like SPSS. In the interview schedule different information such as the participation in income generating activities, control over income, expenditure, credit and savings, participation in household decision, participation in social and political activities, mobility of women and exposure to media were asked. Answers of those responses were counted through different value as given in the question. And according to the total response value of those answer table the information was categorized (e.g. high, medium, low) in the time of data processing.

3.11 Analysis and Interpretation of Data

Processed data were analyzed and interpreted by using descriptive as well as inferential statistical techniques. Different computer software like SPSS, was used for analyzing and interpretation of data. Findings had been presented through written research report.

3.12 Hypothesis Testing

Four hypotheses testing will be done. The study will accept or reject the null hypothesis based on findings, which are:

Type of Hypotheses	Hypotheses	Type of test
H ₁ :Alternative Hypothesis	Economic factors do not have positive impact on Entrepreneurial management	Chi-Square test
Ho: Null hypothesis	Economic factors have positive impact on Entrepreneurial management	Chi-Square test
H ₁ :Alternative Hypothesis	There are no significant differences between men and women in terms of the factors contributing to their success as Entrepreneurs.	Chi-Square test
Ho: Null hypothesis	There are significant differences between men and women in terms of the factors contributing to their success as Entrepreneurs.	Chi-Square test
H ₁ :Alternative Hypothesis	Men and women Entrepreneurs based on gender do not face barriers to entrepreneurial success.	Chi-Square test

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Ho: Null hypothesis	Men and women Entrepreneurs based on gender face barriers to entrepreneurial success.	Chi-Square test
H ₁ : Alternative Hypothesis	Infrastructural and institutional factors are not working for Entrepreneurial management of the country.	Chi-Square test
Ho: Null hypothesis	Infrastructural and institutional factors are simultaneously working for Entrepreneurial management of the country.	Chi-Square test

Research milestones

The study will be undertaken over a period of more than one year, tentatively from March 2015 to June 2016. The research milestones are outlined below.

March – July: literature review, development of web-based questionnaire, preparation of distribution list of respondents, deliverables: questionnaire

August – Mid September: Questionnaire administration

Mid September– mid February: data entry, data analysis, and deliverables: preliminary findings

Mid February– June: write up of results, deliverables: The research is expected to result in several conference papers and journal articles.

Gantt chart

Following Gantt chart of the research milestone can be shown below:

	March – July, 2015	August – September, 2015	mid September , 2016 – mid February, 2016	Mid February , 2016– June, 2016
Literature review, development of web-based questionnaire, preparation of distribution list of respondents, deliverables				
Questionnaire administration				
Data entry, data analysis, deliverables				

Write up of results, deliverable				
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Chapter- Four

Findings and Result Discussion

4. 1. Presentation of Data

4.1.1 Background Information of the Respondents

As we stated in Chapter :3, from 10 Thana Upazila of Dhaka District, respondents were purposively selected.

Descriptive Analysis

Of the 164 units included in the initial sample, 105 firms were contacted and interviewed successfully. Therefore, these 105 units comprised the final sample. The response rate was over 80 percent of the initial sample. As shown in Table-3.1, 59 firms were dropped out from the initial sample mainly for three reasons: firms were reported as shut-down; the owners were not available for interview purposes and locations were not traceable at the addresses given.

Table 3.1: Information about Entrepreneurs

Particulars	No. of Respondents (sample)	Parcentage (%)	Mean	Minimum	Maximum
Total Sample Firms	105	-	-	-	-
Industry Sector					
Food & allied	29	27.6	-	-	-
Textile & apparels	48	45.7	-	-	-
Furniture/fabricated metal/electronics	14	13.3	-	-	-
Paper, printing etc.	9	8.6	-	-	-
Others	5	4.8	-	-	-
Sales in 2015 ('000 Tk.)	96 (105)		1924.5	340	17500
Male entrepreneur	62	64.6	2476.3	750	17500
Female entrepreneur	34	35.4	781.7	340	985
Full-time employee in 2015 (person)	96	-	17	3	165
Male entrepreneur	62	-	24	5	165
Female entrepreneur	34	-	8	3	20
Age of firm, January 2016 (year)	105	-	6.65	1	28
Form of Ownership					
Sole trading	78	74.3	-	-	-
Partnership	21	20.0	-	-	-
Private Ltd. Co.	6	5.7	-	-	-

Sex of Entrepreneurs					
Male	68	64.8	-	-	-
Female	37	35.2	-	-	-
Age of Entrepreneurs, January 2016 (year)	105		42	22	70
Educational Qualifications:	105				
No education/Below SSC	41	39.0	-	-	-
SSC	16	15.2	-	-	-
HSC	23	21.1	-	-	-
Graduate	16	15.2	-	-	-
Post-graduate	9	8.5	-	-	-
Managerial Experience of Entrepreneurs (year):	105		10.2	1	30
Male entrepreneur	68	-	8.3	2	30
Female entrepreneur	37	-	3.4	1	11

Source: Authors compilation based on field survey

The sectoral composition of the sample firms was Textile & apparels (45.7%) with highest composition of business ownership by female entrepreneur (as shown on Table-4.1.2). Other industry sectors covered in the study sample were Food & allied (27.6 %); Furniture/fabricated metal/elec. (13.3%); Paper, printing etc. (8.6 %). The average age of the small enterprises surveyed was 6.65 years, reporting an annual turnover of Tk. 1.9 million per firm in the year of 2015 where the female entrepreneur possess lower characteristics than male entrepreneur (as shown on Table-4.1.2) . In the same year, it was also revealed that the number of average full-time employees was reported 17 persons where the female entrepreneur considered as the owner of small size industry than the male entrepreneur. On the question about the Managerial Experience the entrepreneurs possess, they reported an average of 10.2 year. In this case, female entrepreneur possess less experience regarding business management than the male entrepreneur.

Constraints to entrepreneurship development

Researchers have identified variables that constrain the entrepreneurship development and success in SMEs on the basis of opinions of entrepreneurs (both male and female) and review of existing literatures which are tabulated below in table (Table-4.1.3). The researchers have collected opinions from 105 sample professionals on five point Likert scale in order to identify the factors that constrain the entrepreneurship development in SMEs. The study has identified the variables undertaken for the study as most significant to less significant based on mean score, opinions taken from both male and female entrepreneur in five point Likert scales. It is evident from Table-3.2 that, thirty two constraints have been found as the constraints of the entrepreneurship development and success. These are shown in following table:

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Table 3.2: Constraints to Entrepreneurship Development and Successes

	Factors	Mean Weighted Scores	
		Male Entrepreneur (N=68)	Female Entrepreneur (N=37)
Most influential constraints/barriers			
1.	Insufficient government supports	4.21	4.67
2.	The existing government programs on SMEs are not helpful	4.14	4.48
3.	Insufficient capital to maintain and expand the business.	4.06	4.37
4.	No guarantees for bank loans	4.11	4.21
5.	High interest rates on bank loans	4.01	4.33
6.	Long loan application processing	4.13	4.27
7.	Limited business network to run the business	4.43	4.16
8.	Competition in domestic market	4.52	4.74
9.	Competition in foreign market	4.71	4.81
10.	Limited access to information on technologies to support the business	4.23	4.45
11.	Limited access to customers	4.03	4.43
12.	Limited access to information on market	4.17	4.67
13.	Limited access to suppliers	4.08	4.13
14.	Existing technology is not maintainable	4.16	4.34
15.	Limited information on finance sources	4.19	4.12
16.	New technology is not easily attainable	4.02	4.16
Influential Constraints/barriers			
17.	Lack of market knowledge	3.33	3.91
18.	Lack of information on market opportunities	3.54	3.96
19.	Complicated process in registering and licensing of business	3.49	3.89
20.	Too long waiting for documents to be prepared and sent to firms	3.14	3.37
21.	Too many documents are needed for submission	3.39	3.56
22.	Limited access to information on government regulations that are relevant to the business	3.69	3.79
23.	Additional payments to corruption	3.02	3.15
24.	Too much queuing in all offices	3.18	3.16
25.	Corruption and bribery among officials	3.13	3.22
26.	Tax regulations is complicated	3.46	3.41
27.	Family/ Husband do not support my business activities	2.31	3.78
Less Influential Constraints			
28.	Complicated regulations on employment	2.93	2.76
29.	Complicated regulations health & safety	2.59	2.66
30.	Complicated environmental regulations	2.82	2.65
31.	Imperfect competition in "black market"	2.48	2.61
Value for the Factors: 5 = Strongly agree; 4 = Agree; 3 = Neutral/No opinion; 2 = Disagree; 1 = Strongly disagree Note: Data have been compiled by the researchers			

Source: Authors compilation based on field survey

It can be observed from Table-4.1.3 that among the thirty one factors that constrain entrepreneurship development and success sixteen factors- Insufficient government supports; existing government programs on SMEs are not helpful; insufficient capital to maintain and expand the business; no guarantees for bank loans; high interest rates on bank loans; long loan application processing; limited business network to run the business; competition in domestic market; competition in foreign market; limited access to information on technologies to support the business; limited access to customers; limited access to information on market; limited access to suppliers; existing technology is not maintainable; limited information on finance sources; new technology is not easily attainable- identified as the most influential constraint associated with entrepreneurship development on the basis of the value of five point Likert scale.

4.2 Other Ten Factors

It has also identified that ten other factors, as influential constraints on the same basis. These are- lack of market knowledge; lack of information on market opportunities; complicated process in registering and licensing of business; too long waiting for documents to be prepared and sent to firms; too many documents are needed for submission; limited access to information on government regulations that are relevant to the business; additional payments to corruption; too much queuing in all offices; corruption and bribery among officials; tax regulations is complicated; family/ Husband do not support my business activities. Among the thirty one factors, four factor have been identified as less influential barriers to the entrepreneurship development, which are- complicated regulations on employment; complicated health & safety regulations; complicated environmental regulations; and imperfect competition in "black market".

4.3 Reliability Analysis:

Table 4.3: Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.880	.893	33

Source: Authors compilation based on field survey

Cronbach's alpha is a test reliability technique that requires only a single test administration to provide a unique estimate of the reliability for a set of variables (Gliem and Gliem, 2003). To assess the reliability of the instrument in a study, Cronbach's coefficient alpha is the most commonly used method to compute the internal consistency reliability. In this study, Cronbach's alpha was used to assess consistency of three constructs and their sub constructs (Leech et al., 2005). Here from the **Table-4.3**, it can be found that the cronbach's alpha score ($\alpha=0.880$) which is higher than acceptable limit of > 0.70 . This indicates good internal consistency of the variables in the scale for the factors effecting entrepreneurship development.

Construct Validity:

The raw data captured on a 5 point Likert scale. Yet, the scaling had altogether a different measurement with a set of questions are measured on scale having choices as Not very important, Not important, Important, Very important, No opinion. In this regard, the items were transformed into z-scores and then sum them to form the composite z-score. Non-parametric test is applied to transformed z-scores.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.852
Bartlett's Test of Sphericity	Approx. Chi-Square	4726.681
	df	528
	Sig.	.000

Source: *Authors compilation based on field survey*

The exercise of conversion of different scale into standard scale has been carried out before subjecting to factor analysis. KMO and Bartlett's test is conducted before factor analysis. Large value (KMO=0.852), (Bartlett's Sphericity=0.000) indicates that data collected for factor analysis is adequate as shown on the table-4.3.1. A principal component factor analysis with Varimax Rotation was performed for items or dimensions indicating entrepreneurship development. An examination of Eigen values has led to the retention of six factors. These factors have accounted for 37.401%, 16.685%, 13.913%, 6.340%, 6.045% and 4.558% of variation. This implies that the total variance accounted by all six factors is 84.941% and the remaining variance is explained other factors (Table : 4.6). The rotated factor matrix has been shown in the table-3.5. This shows that variables under study have constituted six groups factors, which have been discussed in the following.

Table-4.3.2: Factor loadings of correlation coefficient based on Varimax rotation of factors influencing entrepreneurship development and success

Rotated Component Matrix ^a						
	Factors					
	1	2	3	4	5	6
Marketing products	.589					
Plan the operations of the business	.714					
Experiment new different ways	.658					
Good functional competences	.798					
Good management competences	.666					
Good entrepreneurial competences	.841					
Identifying goods or services that the customers want	.804					
Hard work	.619					
Use specific techniques / tools relevant to the business	.877					
Location of the business		.872				
Structure of the business		.852				
Good public infrastructure		.876				
Liberal Industrial Policy		.861				
Access to new technology		.865				
Financial resources			.821			
Capital markets			.880			
Credit management			.818			
Financial agencies and collaterals security			.812			
Organize resources			.870			
Economics research			.818			
Satisfactory government support				.935		
Efficient tax system				.929		
Good regulatory environment				.973		
Favorable registration and licensing policy				.943		
Assistance from supportive agencies				.957		
Previous work experience					.939	
Access to skill training					.958	
Technological knowledge					.918	
Access to Information					.922	
Network relations					.947	
Political stability						-
Maintaining law and order situation						.843
Improving promotion						-
						.826
						-
						.857
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						
a. Rotation converged in 7 iterations.						

Source: Authors compilation based on field survey

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Accordingly, these 33 items are classified in three main components or factors

Here,

Factor-1 (comprising 9 items) is labeled as ‘**Strategic and Management Competencies**’

Factor-2 (comprising 5 items) is labeled as ‘**Infrastructural Factors**’

Factor-3 (comprising 6 items) is labeled as ‘**Economic Factors**’

Factor-4 (comprising 5 items) is labeled as ‘**Government and Institutional Factors**’

Factor-5 (comprising 5 items) is labeled as ‘**Information and Knowledge Factors**’

Factor-6 (comprising 3 items) is labeled as ‘**Political and Legal Factors**’

Analysis of Factors

Factor-1: Strategic and Management Competencies

Factor-1 explains 37.401% of the total variations existing in the variable set. This factor has significant factor loading on these variables that have formed a major cluster, which belongs to marketing products, plan the operations of the business, experiment new different ways, good functional competencies, good management competencies, good entrepreneurial competencies, identifying goods or services that the customers want, hard work, use specific techniques or tools relevant to the business. Therefore, it provides a basis for conceptualization of a dimension which may be identified as Strategic and Management Competences.

Factor-2: Infrastructural Factors

Factor-2 explains 16.685% of the total variation existing in the variable set. This factor has also significant factor loading ranging from moderate to high on these variables, which formed second important cluster. This factor is concerned with- location of the business, structure of the business, good public infrastructure, liberal industrial policy, access to new technology. So this factor has provided a basis for conceptualization of a dimension, which may be labeled as Infrastructural Factor.

Factor-3: Economic Factor

Factor-3 explains 13.913% of the total variations existing in the variable set. This factor has significant factor loading on these variables that have formed a major cluster, which belongs to financial resources, capital markets, credit management, financial agencies and collaterals security, organize resources, economics research. Therefore, it provides a basis for conceptualization of a dimension which may be identified as Economic Factor.

Factor-4: Government and Institutional Factor

Factor-4 explains 6.340% of the total variations existing in the variable set. This factor has significant factor loading on these variables that have formed a major cluster. This factor includes the variables- satisfactory government support, sufficient tax system, good

regulatory environment, favorable registration and licensing policy, assistance from supportive agencies. Therefore, it provides a basis for conceptualization of a dimension which may be identified as Government and Institutional Factor.

Factor-5: Information and Knowledge Factors

Factor-5 explains 6.045% of the total variations existing in the variable set. This factor has significant factor loading on these variables that have formed a major cluster, which belongs to the variables- previous work experience; access to skill training; technological knowledge; access to information, network relations. Therefore, it provides a basis for conceptualization of a dimension which may be identified as Information and Knowledge Factor

Multivariate Analysis of Variance (MANOVA)

MANOVA have been applied to these factors and the result is depicted in Table -3.6

Table 4.5: Multivariate Tests – Impact Factors for Entrepreneurship Development and Success.

Multivariate Tests ^a						
Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.996	3854.672 ^b	6.000	98.000	.000
	Wilks' Lambda	.004	3854.672 ^b	6.000	98.000	.000
	Hotelling's Trace	236.000	3854.672 ^b	6.000	98.000	.000
	Roy's Largest Root	236.000	3854.672 ^b	6.000	98.000	.000
gender	Pillai's Trace	.156	3.030 ^b	6.000	98.000	.009
	Wilks' Lambda	.844	3.030 ^b	6.000	98.000	.009
	Hotelling's Trace	.186	3.030 ^b	6.000	98.000	.009
	Roy's Largest Root	.186	3.030 ^b	6.000	98.000	.009
a. Design: Intercept + gender						
b. Exact statistic						

Source: Authors compilation based on field survey

It is observed from **Table-4.5** (MANOVA result) that there is a significant (Statistically) difference between men and women in terms of factors contributing to entrepreneurship development and their success as entrepreneurs.

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Table-4.6: Tests of Between-Subjects Effects for Factors Contributing Entrepreneurship Development						
Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Strategic and Management Competencies	.005 ^a	1	.005	.019	.892
	Infrastructural Factor	.225 ^b	1	.225	.253	.616
	Economic Factor	.959 ^c	1	.959	2.370	.127
	Government and Institutional Factors'	1.119 ^d	1	1.119	1.707	.194
	Information and Knowledge Factor	7.545 ^e	1	7.545	15.297	.000
	Political and Legal Factor	.198 ^f	1	.198	.281	.597
Intercept	Strategic & Management Competences	1956.048	1	1956.048	7739.369	.000
	Infrastructural Factor	1298.657	1	1298.657	1459.926	.000
	Economic Factor	1781.911	1	1781.911	4404.185	.000
	Government and Institutional Factors'	1656.052	1	1656.052	2526.723	.000
	Information and Knowledge Factor	1340.695	1	1340.695	2718.319	.000
	Political and Legal Factor	1042.323	1	1042.323	1480.246	.000
gender	Strategic & Management Competences	.005	1	.005	.019	.892
	Infrastructural Factor	.225	1	.225	.253	.616
	Economic Factor	.959	1	.959	2.370	.097
	Government and Institutional Factors'	1.119	1	1.119	1.707	.194
	Information and Knowledge Factor	7.545	1	7.545	15.297	.001
	Political and Legal Factor	.198	1	.198	.281	.597
Error	Strategic and Management & Infrastructural Factor	26.032	103	.253		
	Economic Factor	91.622	103	.890		
	Government and Institutional Factors'	41.673	103	.405		
	Information and Knowledge Factor	67.508	103	.655		
	Political and Legal Factor	50.800	103	.493		
		72.528	103	.704		
Total	Strategic & Management Competencies	2170.827	105			
	Infrastructural Factor	1525.600	105			
	Economic Factor	2021.528	105			
	Government and Institutional	1910.76	105			

	Factors'	0				
	Information and Knowledge Factor	1592.840	105			
	Political and Legal Factor	1223.889	105			
Corrected Total	Strategic & Management Competences	26.037	104			
	Infrastructural Factor	91.848	104			
	Economic Factor	42.632	104			
	Government and Institutional Factors'	68.626	104			
	Information and Knowledge Factor	58.345	104			
	Political and Legal Factor	72.726	104			
a. R Squared = .000 (Adjusted R Squared = -.010) b. R Squared = .002 (Adjusted R Squared = -.007) c. R Squared = .022 (Adjusted R Squared = .013) d. R Squared = .016 (Adjusted R Squared = .007) e. R Squared = .129 (Adjusted R Squared = .121) f. R Squared = .003 (Adjusted R Squared = -.007)						

Source: Authors compilation based on field survey

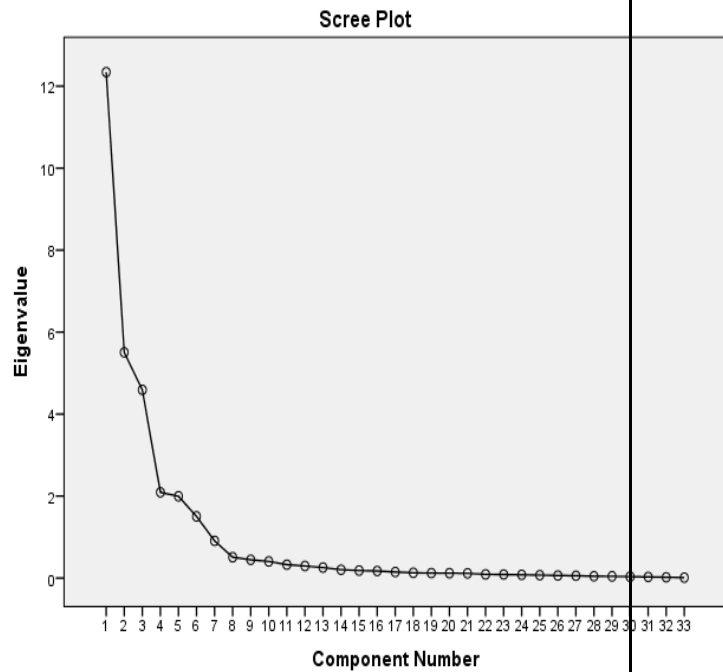
It is observed from Table 4.6 that there are significant differences between men and women in terms of Information and Knowledge Factors contributing to entrepreneurship development and their success as entrepreneurs ($F=15.297$, $p=0.001$, $p<0.01$). On the other, interestingly, there are no statistical evidence to conclude that the sub component namely- Strategic and Management Competencies ($F=.019$, $p=.892$, $p>0.05$); Infrastructural Factor ($F=.253$, $p=.616$, $p>0.05$); Economic Factor ($F=2.370$, $p=.097$, $p>0.05$); Government and Institutional Factor ($F=1.707$, $p=.194$, $p>0.05$); Political and Legal Factor ($F=.281$, $p=.597$, $p>0.05$) have significant influence on entrepreneurship development and success. Now below we have given Total variance explained in Table : 4.7

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Appendix-1

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.342	37.401	37.401	12.342	37.401	37.401	5.702	17.280	17.280
2	5.506	16.685	54.086	5.506	16.685	54.086	5.348	16.207	33.486
3	4.591	13.913	67.999	4.591	13.913	67.999	5.052	15.310	48.796
4	2.092	6.340	74.339	2.092	6.340	74.339	4.691	14.216	63.012
5	1.995	6.045	80.383	1.995	6.045	80.383	4.589	13.907	76.919
6	1.504	4.558	84.941	1.504	4.558	84.941	2.647	8.022	84.941
7	.909	2.753	87.694						
8	.508	1.541	89.235						
9	.447	1.355	90.590						
10	.406	1.230	91.820						
11	.328	.994	92.814						
12	.295	.893	93.707						
13	.256	.775	94.482						
14	.204	.619	95.101						
15	.183	.556	95.657						
16	.174	.527	96.183						
17	.146	.443	96.626						
18	.129	.390	97.016						
19	.121	.368	97.384						
20	.119	.361	97.745						
21	.115	.349	98.094						
22	.090	.274	98.367						
23	.088	.267	98.634						
24	.080	.242	98.877						
25	.072	.218	99.095						
26	.063	.189	99.284						
27	.056	.171	99.455						
28	.045	.136	99.591						
29	.042	.127	99.718						
30	.034	.103	99.821						
31	.028	.086	99.907						
32	.019	.058	99.965						
33	.012	.035	100.000						



Extraction Method: Principal Component Analysis.

Source: Author's compilation based on field survey, 2016

4.8 Analysis of the Findings:

Bangladesh economy is still growing. As such proper SMEs financed by the banking sector may be helpful to reduce poverty, creating employment generation and fulfillment of basic needs along with GDP growth rate. More emphasis should be given on industrial loan under SMEs rather than business sector. In case of financing SMEs projects banks should be cautious about green business and environmental friendly industry. Furthermore, products of SMEs may be exported to abroad for which strategic alliance with international companies are required. In this case banks may have special wings so that those who want to export, they can get special advise from the how to export their products at abroad. On the other hand to mitigate the domestic need, import substitution industrialization should be set up under SMEs. There should be vertical and horizontal coordination between import substitution industrialization and Export led growth strategy. This is vital to achieve upper middle income economy of Bangladesh.

Though Bangladesh Bank is trying hard to expedite the process of financial inclusion as well as creation of new entrepreneurs and also women entrepreneurs, banks ought to be more pragmatic. Banks must have vision, mission and goal oriented activities regarding disbursement and recovery of SMEs loan. As such conventional banking approach should be replaced by innovative banking. International Finance Corporation's (2010) idea regarding banks to put more emphasis on SMEs for which using competitive intelligence and rivalry reaction is required. Actually SMEs should work as a growth of engine. Not only in the domestic sector but also in the global sector through export more income can be generated in the economy. On the other hand in the industrial sector if SMEs can be properly guided they can work as an import substitution industrialization sector. Ganbold (2008) rightly pointed out that SME finance is related to relationship-intensive banking. Banking sector as a whole should undertake holistic approach for entrepreneurs of the SMEs to provide services starting from the domestic market to the international market. SMEs should be well acquainted with environmental friendly projects so that green industries can get importance. Under the umbrella of banking services not only providing loan is sufficient but also advices, strategic help as per need based for service/business and industry sector, training, proper monitoring, advocacy, marketing, channel of distribution, recovery of loan properly in time and if needed then help to do international business etc.

Corruption free society is needed for the nation but at the same time policy makers of the country should be aware that in any transitional period there might be problem especially for the poorer section of the country. SMEs financing should be required so that to create employment opportunities as well as purchasing power may be raised. If this cannot be arranged then this may create a vicious circle of poverty and lead to remain low level income country trap. As per vision 2021, the country needs to become upper middle income country. Marginal social benefit will have to be outweighed marginal social cost. World Bank (2012) justifiably commented that financial right of entry is serious for

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SMBE expansion and progress, and the accessibility of outer finance is definitely linked with productivity and development.

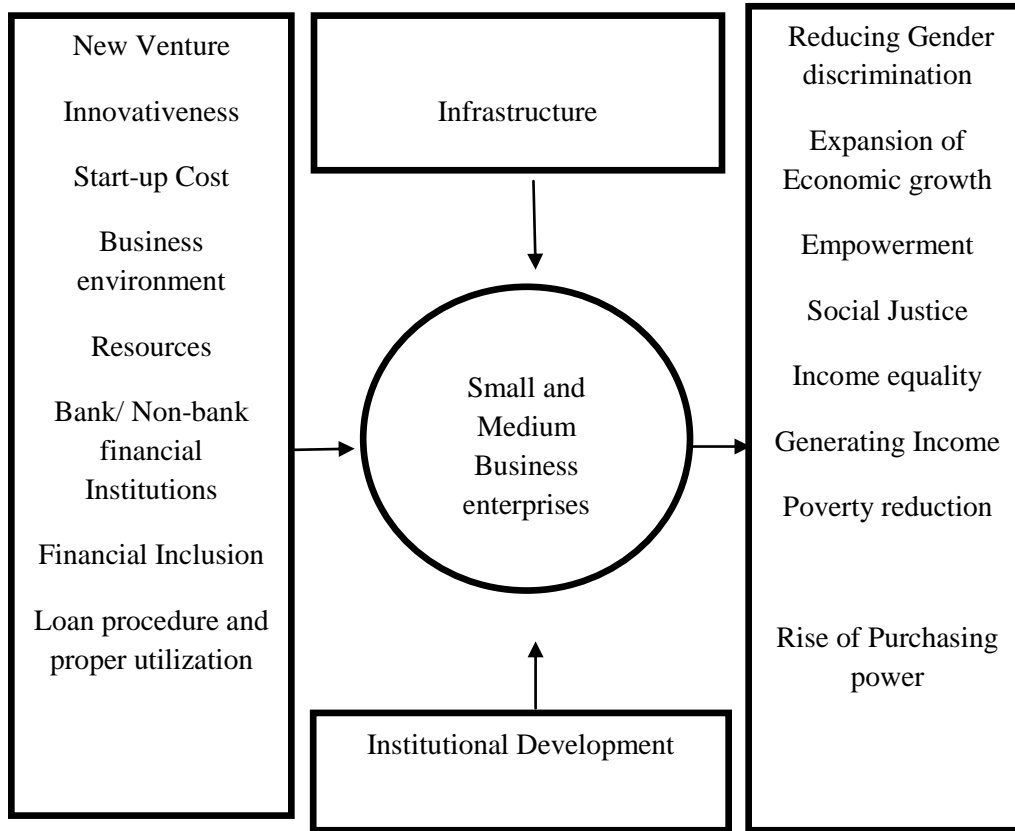
Proper initiatives from the private sector for SMEs financing is required as advocated by Khan and Hyder (2006). Actually, the country faces huge unemployment considering nature of underdevelopment so labour intensive industrial process may get more emphasis. Sardar's (1999) observation is partly accurate as the majority of the government agencies of the country is still suffering from bureaucratic mannerism which has negative cost but unfortunately private sector of the country is also mostly functioning under red-tapism, equally inefficient and corrupt. SMEs can work more progressively if driven out of inefficiency and dishonesty like public and private sector, regulation control cost can be minimized and, supply chain management can be improved. Moazzem's (2006) observation is very important as not only taking appropriate plan is sufficient for the country but there should be a bridge between planning and implementation of the policy. Govt. has been going to undertake seventh five year plan from 1st of July 2015. Plan should be properly implemented. Remarkable development in the progress of poverty reduction has been occurred which will be below 10% when Vision 2021 will be fulfilled. In spite of the government's several mechanisms to giving more finance in SMEs, creation of entrepreneurs especially women entrepreneurs are low. As such performance of this sector is still below in comparison to the international level for which policy makers should take more pro-active role under Seventh five year plan.

Chowdhury's (2001) comment is justified, as the country cannot develop its economy without empowerment of women at a larger scale. Women entrepreneurs are getting facilities relatively more than previous period but it will have to be extended as around 50% of the total population is women. However, from Table 1 in appendix, we observed that only 4.82% new women entrepreneurs were created in terms of total number of entrepreneurs during the period of 2012 to 2015 (Jan-March). Bangladesh Federation of Women Entrepreneurs, Bangladesh Women Chamber of Commerce and Industry, Women Entrepreneur Association of Bangladesh etc. are claiming that they are encouraging to creation of women entrepreneurs. But real fact is that in practical field their activities are not very much pro-women oriented at grass root level for developing through SMEs. Besides Govt., private sector must do strategic plan for creating women entrepreneurship at a grass root level. As such contribution towards GDP growth rate by the women entrepreneurs should be raised through public and private partnership. Even in the name of social business Dr. Yunus is exploring the poor.

6. A model for SMBEs:

A model for Small and Business enterprises has been suggested by the authors in figure 6 below:

Figure : 6 Model for SMEs



(Source: Developed by the authors)

Actually New Venture, innovativeness, Start-up Cost, Business environment, Resources, Bank/ Non-bank financial Institutions, Financial Inclusion, Loan procedure and proper utilization have positive impact on raising small and medium business enterprises. Further, infrastructure and institutional development has effective and efficient impact on SMBEs expansion. Growths of SMBEs will lead to following factors: reducing Gender discrimination, Expansion of Economic growth, Empowerment, Social Justice, Income equality, Generating Income, Poverty reduction and Purchasing power will rise.

5.1 Conclusion

At the very outset that the present study although does not include a large proportion of entrepreneurship development both in formal and informal sector in Bangladesh. Despite,

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this study empirically examined and tried explored the role entrepreneurs is critical not only to understand the creation, operation, and destruction of markets but also because of its important role in long-term economic growth in the present, past and future interventions. By and large, based on findings the present study, social enterprise activities may have potentials to resolve the existing poverty alleviation problems. However, the data lead us to conclude that the nature of SE activities is less favourable for men particularly women entrepreneur vulnerable in position in the society. This may be due to high degree of discrimination, insufficient resource utilization and less capital investment and poor status of SE development and in sufficient capital and logistic support of both government and private sectors.

Due to the limitations of the formal sector to accommodate the growing SE into employment the informal sector appears to be the major source of employment in Bangladesh. As finding shows the existing legal framework is also not very conducive to SE growth. So, it is essential to integrate and expansion the SE with the main stream of economy expanding demand potentials, stimulating favourable structure of the self motivated social enterprises. Need not to emphasize that social enterprise sector has immense potential for employment. It can generate high production and great income as it is very large and diversified sector. Thus it can play a vital role in the rural urban poverty alleviation. It is sufficiently clear that the SE development will continue to be a significant component of the Bangladesh economy.

Most of low employed men and women concentrate at low earnings position. Low demand for female labor, due to unequal access to labor market, factors related to their limited education and unskilled working capacity. There is also a small scale self employed groups in SME sectors. Most of these activities are still running without any formal support and approval by the government. Poverty of the population causes low rate of economic growth and unfavorable income opportunities between male and female workers. Social Enterprise contributes a lot for the national economy and as such they should not remain unsecured and unprotected and less privileged. The persistent expansions of social enterprise pose both a challenge and an opportunity to the local, national and international market. A separate labor department may be created which will monitor the pragmatic problem of SE. The emergence of social enterprise and economic development cannot be explained without reference to formal policies of government. So the government policies should be oriented to support, to enhance large employment potentials with the growth of social entrepreneurships. More intensive and pragmatic policy should be developed for the development of the SE particularly for self motivated entrepreneurs.

Policy makers of Bangladesh ought to arrange better institutional support, infrastructure, ease of rules and regulations of lending, corruption free banking system, corporate governance and eliminating gender biasness of SMEs funding. SMEs financing should be given more importance to the industry sector than the business sector. Creation of industry under environment friendly atmospheres will help to achieve the target of creating employment opportunities. Mills and McCarthy's (2014) observation for a developed economy has some effective implications for low income middle income

country like Bangladesh. Loan application procedure and sanctioning procedure of loan including disbursement of loan may be digitized. A database may be created in all commercial banks for proper monitoring of the SMBE loans. Before classification if feasible proper advocacy, marketing, training and help to build capacity for doing the business may be arranged by the banks at a nominal price. Besides government sector, private sector must encourage small and medium business enterprises so that employment creation and income generation is being feasible.

Bangladesh needs to increase double digit ratio to GDP rather than 6.7% in the year 2012 from the contribution of the SMEs. Financial inclusion policy of the Bangladesh Bank is quite good. Private sector of the country has under gone through a shift of paradigm especially through SMEs. Development of legal frameworks and pro SMBE friendly fiscal and monetary policy, modern banking mechanism and infrastructural development are essentially needed. Moreover, public and private partnership should be developed through eradication of bureaucratic mannerism so that SMEs of the country can be able to contribute in the economic expansion with greater enthusiasm and zeal. By the year 2021, Bangladesh intends to become upper middle income country for which expansion and growth SMEs financing are vital.

Growth of SMBE financing especially for creating entrepreneur also depends on psychological and behavioral pattern of the society. The society itself is not able to encourage entrepreneurs of SMBEs in true sense as reported by 60.06 % of the respondents. Moreover, the nature of human being in a larger context is individualistic attitude. Both corporate governance and corporate social responsibility in this country is not still practiced in true sense. Service sector requires information about the current and prospective borrowers' needs and demands. Bank should not only provide loan but also assist through providing more logistic, operational, marketing and export services etc. to the entrepreneurs of the SMEs. As such behavioral and psychological pattern of the society as well as banking services towards pro –borrower and helping attitude should be arranged. Behavioral pattern of the financial institutions especially banks should be changed. They should not only provide with the lending but they should also work as a facilitator i.e. involved in the process of creation of value chain which can be arranged through starting to doing business to product marketing at home and abroad. Effective cell in this regard must set up and in true sense they should systematically work to create new entrepreneurs for doing small and medium businesses especially women starting from grass root level to upper level. Both rural and urban areas should give equal importance of creating new entrepreneurs through SMEs financing which ultimately reduce poverty and help to attain employment opportunity, generating income and fulfillment of basic needs. As such integrated policy to achieve the target is being required.

SMBE is the sector which may be driven out disparity between urban and rural and create continuous source of employment and generating income through sustainable competitive advantage and adding value creation. SMEs sector as a whole has immense potentialities for economic efficiency, localization of economy, cost advantages; superior capability for innovation, and better capacity should be built to the business, industry and also service area. But those who are the entrepreneur as well as bankers should be cautious so that

fund cannot be misappropriated, default culture cannot rise, repayment schedule can be tightly maintained and recovery rate can be much higher than current scenario. Argument made by Wennekers and Thurik (1999) to create entrepreneurship through small firms should be considered as a vital factor for economic growth, removing economic vulnerability and improving human development index.

To attain international benchmark of SMEs, pro- SMBE rules and regulations, government initiatives, removal of bureaucratic mannerism, structural barriers of lending will be eliminated, training, capacity building and both physical and social infrastructural development including institutional development are required which will provide sustainable growth of SMEs. Not only central bank's (Bangladesh Bank) wish and guideline is sufficient but also commercial banks and other financial institutions which deals with SMEs must be efficient one as Asian Development Bank (2014) advocated for increasing bank efficiency. When integrated way financial sector will be restructured for SMEs financing then shadow economy of Bangladesh will be decreased and contribution of formal economy will rise, employment will be created, generate income and accelerate the economic growth

5.2 Implications

Initiating economic improvements: the social enterprise can play a role in poverty reduction strategies. Experiences from the field indicate that once the rural poor are mobilized and working together in self controlled community based organizations, they can better harness local resources for income generating activities and form coalitions with other social forces to make their voices heard in regional and national policy-making. In view of these observations the following suggestion may be made for the consideration of the policy makers, planners, practitioners, scholars, government bureaucracy, NGOs, human rights activists, and the organizations interested in the development social enterprise:

5.2.1 Creating awareness:

Community development workers motivate the rural poor to analyze their situation and develop a vision for improved livelihood, including food security, income generation, education, health and participation in community based organizations. In response to their shared needs the poor themselves can propose concrete actions to meet their objectives. That will be a foundation on which the rural poor become motivated to commit themselves for social action and for overcoming the culture of poverty i.e. powerlessness and apathy for initiating change, the feeling of helplessness etc.

5.2.2 Forming group:

The information of local group is a core element of most development interventions particularly social enterprise development in both private and public spheres. Community based groups allow their members to perform certain activities together which the individual persons or family could not do on its own. Essential needs such as food security, access to financial services and social recognition can be better addressed through small, homogenous groups. Such groups may provide a sense of solidarity,

strength in numbers, security, unity of purpose, pride, confidence and dignity of self entrepreneurship activities.

5.2.3 Capacity development:

Success in social mobilization and poverty reduction is linked to the knowledge, skills and attitudes of the rural poor. For effective community development to take place, some basic capacities must exist, which allow rural people to identify and analyze causes of their poverty and help them to realize activities to overcome it through self-reliant motivation. Capacity development refers to strengthening the abilities of individuals, communities and organizations to make proper use of resources and to bring about required changes with collective conscience.

5.2.4 Farming and non-farming activities:

Three quarters of the poor live in the countryside and the majority of the rural poor's main sources of food and income include cultivation of land, domestic livestock, home gardening, use of common property resources such as fishing, hunting and logging. Hence, improved cultivation and diversification of land use, small-scale irrigation and sustainable agricultural practices are key points of entry. Improvement of farming activities is to be complemented by awareness activities about land rights and advocacy to protect the rights of farmers. Income opportunities outside the agricultural sector usually contribute between 10 to 30 percent to the total budget of a rural family. Poverty reduction is strongly linked to the ability of rural people to diversify and complement their often meager agriculture-based sources of income through agro-processing, manufacturing, trading, service and rural tourism. Several factors contribute to the development of alternative income sources: skills training for the rural poor, especially for women and landless people, availability of appropriate technologies, access to markets, financial as well as non-financial services.

5.2.5 Starting up micro-enterprises

At the start, micro-enterprises are usually linked to processing and marketing of agricultural products. Later on complementary services, local transport, handicraft production, brick manufacturing, and other small business centres gain ground. As the number of landless wage labourers and unemployed youth is steadily growing, the promotion of small-scale, non-farm business activities enjoys high priority. Often, this process of micro-enterprise development is supported by outside agencies, which supply a package of inputs and services. All intervention however must be carefully designed to avoid unsustainable dependency relationships.

5.2.6 Networking

Community-based organizations can maximize their potential by establishing vertical and horizontal linkages with actors outside their community. Horizontal networks link up rural communities to external organizations that provide various forms of financial and non-financial services such as entrepreneurship and vocational training, market information, consultancy services, micro-finance and access to cost-effective

technologies. Vertical linkages can be established between the rural poor at grassroots level and local governments, private sector, civil society, and media. These vertical networks can be an advocate for the social mobilization approach at policy level and can initiate a dialogue among various actors. In countries or regions with limited experience in social mobilization, a combination of national and international networks may be of assistance to promote and replicate good practices.

5.2.7 Conducive polices at national and local level

To bring about sustainable economic and social change in rural areas requires a change in the institutions that govern the poor. A stable microeconomic environment at national level is important, but it will not guarantee improvements in livelihoods in the countryside. Mobilization of the poor can only work alongside and enabling political environment that releases political authority downward and recognizes the interest at the grassroots. Poor people and other marginalized groups need to be enabled to participate, negotiate, change, and hold accountable the institutions that affect their well being.

5.2.8 Future of social mobilization

Social mobilization is about creating an environment in which people can develop their full potential and lead a productive, creative life, which is in line with their rights, aspirations, needs and abilities. The objective of a social mobilization is the development of people. Social mobilization is an important approach in the poverty alleviation process, as it enables communities and the poor themselves to engage actively in solving their own problems and effectively tackling poverty in its multi dimensional form. Effective social mobilization goes beyond the border of rural communities, it will harness the potential of government and non-governmental sector, and civil society to work towards holistic social, economic and political development.

5.2.9 Technological advancement

The innovation of modern technology and providing financial assistance to improve the situation government authority can take long-term strategic plan which can help the SE development in the self-entrepreneurs level. Also needs of legislation interventions. This irregularity and insecurity of the expansion of SE can be overcome to a great extent by developing and strengthening the forward and backward linkages.

5.2.10 Volunteer recruitment

A key success factor for many social enterprises as the availability of reliable and interested volunteers to support their work. Some felt that it was getting harder to recruit volunteers in their work, and that more government support should be given to social enterprises to help them engage community volunteers, not least given the 'social' benefits of the organizations.

5.2.11 Attracting professions to the social enterprise sector

It is difficult to attract professionals with the appropriate skills and expertise into the social enterprise sector because "the wages are very low". To overcome this, it was

recommended that there was a need for government support, not least as the sector “is limited by the amount of unpaid and subsidized work we undertake”. Supporting social enterprises to become better businesses are being required.

5.2.12 Start-up funding

Based on their experience of receiving grant funding to ‘start-up’ their organizations, some interviewees felt that it was important for these start up funds to be expanded from 3 years to 5 years. It was felt that this would give the enterprises a realistic opportunity to start trading, and to move towards becoming more financially independent.

5.2.13 Social environment

The observation of the present study shows that environment at work places is un-conducive and stringent. Creation of favorable social environment for the growth of SE and increase of their efficiency and their stability in the working places, each of these factors is very much dependent of the social environment of the workplaces. Good cooperative relationship annexes the owner, entrepreneurs’ employers is very important for the improvement of social environment

5.2.14 Providing legal assistance

For being a less educated and financially weak of the entrepreneurs cannot take help of legal assistance. NGOs can play fruitful role in providing legal assistance and awareness for SE development. More non-government organization should come forward to address these issues.

5.3 Direction for further research

The issues of Social Enterprises have not been extensively studied in Bangladesh. The present study aims to fulfill the research gap in this regard. But all aspects could not be covered. Hence there is a number of areas where further research can be undertaken. For instance, in the backdrop of poor SE performance in the business enterprises of Bangladesh, a study as to the socio-political-economic factors affecting SE and the resulting poor performance of SE activities of both the sectors’ enterprises may be undertaken. The detail study in relation to variation of performance of SE and poor performance thereby can be ascertained which paves the ways to improving the situation with respect to social responsibility performance. Secondly, in this age of modern challenges of business organization, strategic decision to get a competitive advantage can be found by identifying the means adding values to the stakeholders of a business. It is clear from the study that stakeholders’ expectations from the businesses are changing, the role of government in case of SE is shrinking and it is shifted to business organization, and finally business managers of giant business houses are emerging to be a leaders of the society. Thirdly, micro enterprises should be studied so that social welfare can be attained and betterment of the livelihood of pauper can be improved. In search of sustainable development, how micro enterprises can play better role, may be studied in future.

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