

Fostering Women's Entrepreneurial Success: The Significance of Informal Institutional support in Venture Creation

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ABSTRACT

The significance of women entrepreneurs in creating jobs and driving social and economic progress cannot be overstated. In less developed economies like Pakistan, the participation and impact of women entrepreneurs are notably lower as compared to more advanced nations. This research aims to investigate the effect of informal institutions on venture creation in Pakistan within the framework of institutional theory. Employing a quantitative approach, the study concentrates on women entrepreneurs operating in Hazara and Peshawar divisions. Data collection involved the utilization of five-point Likert scale questionnaire through simple random sampling. Empirical analysis of the collected data was executed employing the path analysis methodology within the framework of structural equation modeling (SEM) facilitated by Smart PLS 3. Findings from the research revealed a significant positive impact between informal institutional support in women entrepreneurship and venture creation. The study underscores the significance of government and relevant bodies focusing on critical determinants such as family support, fear of failure, and social networking to enhance the landscape of venture creation. This research contributes to the theoretical literature and sheds light to bring clarity to the particular role of informal institutional factors generally, social networking, family support and fear of failure constraints in enhancing venture creation. It's crucial to evolve women entrepreneurship support programs by government. These programs necessarily address the unique challenges being faced by women when handling the informal institutions. Raising awareness and stimulating societal norms and stereotypes that curtail women's economic participation is decisive. Launching campaigns to mold societal perceptions can aid break down gender-based obstructions and promote a more comprehensive entrepreneurial setting.

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INTRODUCTION

Female entrepreneurship emergence finds its roots in past shifts in societal criteria and economic dynamics. Traditionally, women's engagement in entrepreneurial activities was restricted to existing cultural norms and gender roles (Brush et al., 2019). Women constitute a significant portion of Pakistan's population, yet merely 25-30% engage in its economic advancement (Sabir & Majid, 2023). Franzke et al. (2022) concluded that the influence of culture and various religious beliefs and social norms appear as a hindrance to the education and financial activity of women entrepreneurs in Asia. Moreover, family bonds anticipate an essential role in fabricating the leadership styles possessed by

female entrepreneurs across the Asian landscape. Women entrepreneurship in Asia has become an important driving force for social progress and economic development. Institutions in Asian nations have gradually accepted the significance of women's involvement in entrepreneurship and have taken key steps to create the contributory environment. The recent studies consider female entrepreneurship within family businesses into three well-defined clusters. The first cluster paradigm on an investigation of family successiveness mechanism alongside the roles taken by women within this context. Within the second cluster, the focal themes rotate around the elaboration of the succession operation, gender biases prevailing in these environments, as well as exploring the intersections between leadership and entrepreneurship. The third and final cluster primarily centers on themes encompassing women leaders and the construction of their identities within the familial entrepreneurial landscape (Bağış et al., 2023). Entrepreneurial education and social norms showed a notable correlation with entrepreneurial intentions (Sarwar et al., 2023).

Women entrepreneurs in Asia contribute to export-oriented manufacturing, technology-driven enterprises, and service sectors, propelling regional economic diversification and innovation (Cho et al., 2020). In Pakistan, entrepreneurial activity has traditionally been low, and within this context, the gender gap is particularly evident. Female business owners comprise only 14.4% of the total business owners in Pakistan, whereas male business owners account for the majority at 85.6% (World Bank, 2023). The growth and size of businesses were positively influenced by entrepreneurs' educational background, family size, and the time they dedicated to their businesses (Ge et al., 2022). For an extensive theoretical framework capable of insensitive depiction of the diverse integration of institutional factors impacting Women's Informal Entrepreneurship (WIE) and its correlated business. To achieve this, the author united gender-related constructs and considerations of literature to shed light on and bring clarity to exploration highlighting the necessity for a significant comprehension of institutional voids, essential for a robust theoretical combination and practical utilization of related to conceptualization. The author proposes a refined explanation by centering informal principles instead of institutions within institutional theory (North, 1990) framework. Institutional theory emphasizes that gender, interacting with both institutional principles, generates distinct and complex institutional voids, significantly influencing WIE prevalence. This proposed integrated theoretical perspective offers researchers a flexible yet cohesive framework for conducting context-specific empirical studies, thereby enhancing comprehension of the underlying logics that shape WIE and its associated agency (Ejaz et al., 2023).

The women Chambers of Commerce and Industry have recommended to the Federal Board of Revenue that women entrepreneurs be provided with a fixed tax regime and receive both financial and technical assistance while filing their taxes. In response, the government has assured to introduce initiatives that support entrepreneurs in remote regions and simplify tax compliance for those operating in urban centers (Hassan, 2022).

Although there is a good involvement rate of female venture activities in developed and emerging countries of Asia but in the global context, women exhibit one of the lowest rates of labor force participation, standing at a mere 25%. Especially in the South Asian region countries like Pakistan and

Sri Lanka, women participation is extremely low. Despite constituting nearly half of the total population of Pakistan, women in this context are severely underrepresented in the labor force, accounting for only 21.4% (Pakistan Bureau of Statistics, 2022)

Women entrepreneurship faces institutional challenges that primarily originate from informal institutions. These factors interested in how socio-cultural variables are affecting women's entrepreneurship, like beliefs (Yetim, 2008), values and norms (Bullough et al., 2014; Noguera et al., 2013), family (Acker, 1992; North, 1990; King et al., 1995; Powell & Eddleston, 2013; Eddleston & Powell, 2012; Danes et al., 2009; Rogoff & Heck, 2003; Gutek et al., 1991; Jennings & McDougald, 2007; Hanson, 2009; Jennings et al., 2016; Poggesi et al., 2019)

The number of female entrepreneurs is rising rapidly throughout the world, but still, this number is behind in developing nations like Pakistan. There are many reasons behind this lack of numbers, but from the literature, it is evident that most of the hindrances are because of formal and informal institutions. The basic reason behind the low involvement of women entrepreneurs in Pakistan is the obstacles that could be due to informal institutions. Informal institutions affect women's entrepreneurship. However, informal institutions can vary across societies due to the process of attitudes concerning individuals and social interactions, where these informal institutions are closely tangled with personal beliefs and convictions.

Saleem et al. (2022), study reveal that informal institutions consists of wide range of important variables such as social networking, fear of failure and family structure. Women entrepreneurs duty towards economical progress is intricately tangled with the informal institutional frameworks. Empirical data indicates that in order for women entrepreneurs to effectively contribute to financial growth, it is necessary to provide an atmosphere in which they perceive tailored support. Stakeholders and politicians may promote women's entrepreneurial journeys and advance societal and economic development by acknowledging the distinct institutional opportunities and difficulties that women entrepreneurs encounter and coordinating institutional assistance. The study aims to demonstrate how venture creation is influenced by the three variables of family dynamics, social networking and and fear of failure.

The concept of women entrepreneurship is expanding quickly on a global scale and has recently attracted the attention of researchers. Women entrepreneurs can contribute a momentous role in creating new jobs, economic evolution, eliminating poverty and social welfare (Hechavarría et al., 2017). Scott (2008), further divides institutions into three pillars. Formal institutions fall within the regulatory pillar. While informal institutions are represented by the social-normative and cultural-cognitive aspects. Informal institutions encompass practices and cultural values, sometimes interchangeable in cross-cultural research (Stephan et al., 2015).

Informal institutions consist of intangible, culturally transmitted, and socially constructed elements such as attitudes, norms, values, code of conduct and social networks (Hörisch et al., 2017; Stephan et al., 2015). These informal institutions significantly impact how entrepreneurs perceive opportunities, access resources, and utilize those (Welter & Smallbone, 2011). Informal institutions

are intertwined with the normative, social, and cognitive aspects of Scott's (2008) pillars they encompass societal views on gender roles, social networks, familial responsibilities, gender-related expectations, social networking and belief systems, as well as cultural and ethnic influences.

The study aims to examine how family support, fear of failure, and social networking impact the success of ventures led by women entrepreneurs. It seeks to reveal practical insights and managerial implications to develop support structures within entrepreneurial networks for women. The subsequent sections of the article comprise of a review of literature, methodology, and data collection, presentation of results, and subsequent discussion and conclusion.

LITERATURE REVIEW

Informal Institutions and Women Entrepreneurship

In the realm of Institutional Economics, institutions are aptly regarded as the "rules of the game" (North, 1990). These institutions encompass both informal and formal components (North, 1990; Helmke & Levitsky, 2004; Williamson, 2000). Informal institutions stand out as fundamental determinants of women's inspiration to embark on entrepreneurial journeys. Crucially, gender roles exert a substantial influence on these informal institutions, which encompass social norms, family dynamics, and prevailing ideologies. It is sensible to affirm that gender beliefs exert a profound impact on the evolution and establishment of institutions (Acker, 1992). Social norms, originating from informal institutions, play a vital role in shaping what is considered to be acceptable or anticipated behaviour for women and men entrepreneurs (Gupta et al., 2014).

Giménez and Calabrò (2018) research work depicts that for entrepreneurship, the behaviours and the motivations of people to a great extent are impacted by the informal institutions. Due to sociocultural hurdles and the relation of the psychology of people which prevent them in Pakistan, the women entrepreneurial efforts is very clear due to the influence of informal institutions. There are numerous structural, informal institutional and sociocultural barriers. The informal institutions are backed up by a mixture of powerful elements, which includes normative and social foundations (Scott, 2005)..

Family Characteristics and Women Entrepreneurship

Informal institutions also exert influence on women entrepreneurs' ability to balance business concerns and family responsibilities. Supportive family makeup and societal attitudes toward work-life equilibrium can significantly affect women's decisions to pursue entrepreneurship (Loscocco & Robinson, 1991). The family role in influencing entrepreneurs, peculiarly in women's decisions to engage in entrepreneurship, has gained increasing attention (Faisal et al., 2017; Powell & Eddleston, 2013; Welsh et al., 2014).

It is often acknowledged that familial traits and support constitute a vital kind of social networking that gets deeply ingrained in people, inspiring them to pursue entrepreneurial endeavors (Welsh et al., 2014). According to Jennings and McDougald (2007), family characteristics is an informal institution that embedded in social and cultural norms of society. Family support can be described into two

distinct components: family norms, containing the cultural and regulatory aspects within a family; and family social networking, comprising advisory and emotional support. Both emphasize the significant role that social networking assumes in facilitating family support for women who aspire to embark on entrepreneurial paths, particularly within highly collective cultural contexts. Family structures and responsibilities are integral components of informal institutions. Family support, the role of women as caregivers, and the impact of family obligations on entrepreneurship have been explored in the literature (Jennings & McDougald, 2007; Eddleston & Powell, 2012).

Aljarodi (2022), study addition to the existing literature concerning Women entrepreneurship and institutional determining factors by examining women's cognition of entrepreneurship, including both formal sections like authorization regulations and engagement policies and informal sections such as fear of failure, family support, and women's role models. The research investigates how institutional factors hinder or support women in entrepreneurship, providing updated display into female entrepreneurial behaviors within developing institutional contexts. Furthermore, it investigates the relation between female's fear of failure and their attitudes toward entrepreneurial activities, as well as the family-related factors that contribute to women's success in the entrepreneurial realm.

Women should receive support from both their families and government incentives, they are more inclined to initiate their entrepreneurial endeavors. While some women enter the entrepreneurial field out of necessity, there exists a significant demographic in certain countries where women engage in business ventures to attain social status, foster social connections, enhance self-esteem, gain experience, and express themselves. Such women benefit from robust familial support, marking a vital pathway from family dynamics to business enrichment (Hechavarria et al., 2017). This shows that the role of the family support is important in making successful women entrepreneurs in society, as they return to society more than men entrepreneurs (Giménez & Calabrò, 2018). Thus, based on above discussion the study formulated the following hypothesis.

H1: Family support have an impact on venture creation.

Fear of Failure and Women Entrepreneurship

Informal institutions, including the fear of failure, and the presence of family characteristics, are closely associated with an elevated rate of entrepreneurial engagement and performance (Aldrich & Cliff, 2003; Caliendo & Kritikos, 2019; Noguera et al., 2013; Shinnar et al., 2012; Stephen et al., 2005; Urbano et al., 2017; Wagner, 2007). Fear of failure is a psychological barrier for men and women to become entrepreneurs. Women, as compared to men, consider the fear of losing in the business, so they wish to get a secure job rather than become an entrepreneur. This barrier is more of a fear of failure for women entrepreneurs than for their male counterparts (Noguera et al., 2013; Koellinger et al., 2013). Welter and Smallbone (2006) explained the influence of reduced levels of fear of failure among women, particularly within a collective culture. The authors found that institutional collectivism plays a pivotal role in creating a supportive social environment that encourages entrepreneurial performance. In Singapore, government officials reported it as a top reason for low women's entrepreneurial activity (Kim & Ling, 2001). The study of Saleem et al. (2022) results

showed a positive and significant impact of fear of failure on entrepreneurial performance. According to motivation theory, McClelland (1958), people avoid risks to reach their goals safely. When this theory is applied in entrepreneurship, avoiding failure is associated with lowering risks that may be associated with establishing a new business venture (Wagner & Sternberg, 2004; Arenius & Minniti, 2005; Morales-Gualdrón & Roig, 2005; Minniti & Nardone, 2007; Frese & Rauch, 2007; Langowitz & Minniti, 2007; Bosma & Schutjens, 2011).

Women believe that their fear is preventing them from starting a new business. However, many scholars concluded that entrepreneurship as a whole, by its nature and role in society and economy, cannot be risk reluctant (Battistella et al., 2012; Bhasin, 2012; Ekelund et al., 2005; Kirby, 2004). Women entrepreneurs believe that every business, whether new or old, always involves some risk; the important thing is how a person can overcome these risks before implementing their business ideas or how to reduce them when already running a business. It depends on the entrepreneurs' credibility, not their gender (Conroy et al., 2002; Minniti & Nardone, 2007).

Most researchers report that fear of failure negatively influences the decision to become an entrepreneur (Wagner, 2007; Autio & Pathak, 2010; Hessels et al., 2011); Singh Sandhu et al., 2011; Shinnar et al., 2012). The fear of failure varies among non-entrepreneurs deciding to start a new business and entrepreneurs already in the business (Brixy et al., 2012). It has been reported that fear of failure is higher among new entrepreneurs or non-entrepreneurs (Arenius & Minniti, 2005), and the literature suggests that the fear of failure rate is on the higher side in women entrepreneurs as compared to men (Koellinger et al., 2013). According to Wagner (2007), there is a difference between men's and women's behaviors in adapting and reacting to their environment. Women are much risk hesitant than men because of fear of failure, which is why the women entrepreneurship rate around the world is lower. Thus, study formulated the hypothesis 2 stating the relationship between fear of failure and venture creation.

H2: Fear of failure have an impact on venture creation.

Social Networking and Women Entrepreneurship

Informal institutions like social networks, both household and societal, have a far-reaching impact on women entrepreneurs. Access to strong networks and mentorship can provide critical guidance, resources, and opportunities that contribute to women's entrepreneurial success (Brush, 1992). Social networking can be described as a cooperative network emerging from interactions to mutually assist one another, literature supports that entrepreneurs cannot operate in isolation. They must cultivate social networks through interaction and collaboration to facilitate the growth of their businesses. This is particularly crucial for women in entrepreneurship, given that they often lack familial support and access to substantial capital. Hence, establishing robust social networks becomes imperative for their survival and success in competitive markets. (Anne Schmidt & Parker, 2003; Smith-Hunter & Boyd, 2004).

According to (Marlow & Carter, 2004) the reduced operation of women-owned businesses is directly linked to the under-capitalization of their business compared to men-owned businesses. The scarcity of social capital among women entrepreneurs is not solely referable to limited financial access but also to deficient social networks. Several factors contribute to this deficit, mainly rooted in societal norms, cultural values limiting interactions between genders, and a lack of managerial experience hindering access to relevant professional networks and expertise. (Bird & Brush 2002; Butler, 2003; Fielden & Davidson, 2005). It is essential for women to increase their social capital in order to access financial access because financial suppliers treat women as non-serious clients (Azam et al., 2009).

Entrepreneurial endeavors expand within robust social networks; operating in isolation is not feasible for entrepreneurs. Social interaction is crucial, as it grants access to resources beyond an entrepreneur's individual reach. (Simoni, 2006). The social networking theory explains how the construction of social networks through interaction and cooperation influences the performance of women entrepreneurs. The core principle of this theory revolves around getting resources and information through goodwill, trust within social relationships, collaborative ventures, and rational transactions. Evidence supports the notion that social trust and cooperation significantly contribute to enhancing the entrepreneurial skills of women in entrepreneurship (Mamun et al., 2016). Social networking is a need of both men and women, but to earn that networking, women face more difficulties than men. Women need to make a strong network of individuals they can employ to share ideas and information that help their businesses run efficiently (Azam et al., 2009). Thus, the study concluded the relationship between social networking and venture creation in the form of hypothesis 3.

H3: Social networking has an impact on venture creation.

RESEARCH METHODOLOGY

Drawing upon various philosophic formulations, a deductive research methodology was implemented to investigate the interrelationship between independent and dependent variables. This research employed a correlational design with the specific aim of exploring the impact of informal institutions on entrepreneurial ventures among women in the Khyber Pakhtunkhwa (KPK) region of Pakistan. The study's population comprises an extensive set of foundational parameters, while the sample encompasses the individuals participating in the research endeavor. Specifically, the population under scrutiny consists of women entrepreneurs within the KP province of Pakistan. The target subset focuses on women entrepreneurs affiliated with Women Chambers of Commerce in Peshawar and Hazara Division, all operating under the Small and Medium Enterprise Development Authority (SMEDA) within the KP province, Pakistan. Data collection involved the use of self-administered questionnaires distributed among active women entrepreneurs in Peshawar and Hazara divisions. The determination of the sample size was based on the Yamane formula, resulting in the collection of 300 questionnaires from women entrepreneurs in both Hazara and Peshawar divisions, with 150 respondents from each division. To ensure robust measurement, a previously established five-point Likert scale was employed. The scale utilized for assessing the variable of informal institutions was adapted from Eddleston and Powell (2012) work on family support. Similarly, the

evaluation of Social networking utilized a scale developed by Yetim (2008), while Fear of Failure was assessed using scales crafted by Ray (1994). For the statistical analysis of the collected data, the study utilized the path analysis methodology under the structural equation modeling (SEM) framework. Statistical analysis of the data was comprehensively conducted using Smart PLS 3 software, employing the path analysis technique within structural equation modeling (SEM).

Demographic Analysis

This study obtained data through 300 self-administered research questionnaires distributed among female entrepreneurs in Khyber Pakhtunkhwa (KPK) in January 2023. The demographic profile of respondents is described as follows. Regarding age distribution, responses were categorized into three segments: 47% fell within the 20–29 age bracket, 43% within the 30–39 range, and 10% within the 40–49. Education-wise, the majority of respondents held intermediate-level qualifications (44%), while 48% possessed matriculation degrees. The study focused on two primary divisions, Peshawar and Hazara. Approximately half of the data was collected from each division. Analyzing the nature of business engagement among female entrepreneurs revealed that 58% were engaged in boutique activities, while 37% were involved in beauty parlor entrepreneurship. When considering funding sources, over half of the respondents (64%) arranged investments independently. Meanwhile, 22% relied on familial support, and another 22% secured funding from commercial sources like banks.

The descriptive analysis of the data facilitated an in-depth examination and evaluation of respondents' perspectives on the questionnaire statements and their perceived significance (Pallant et al., 2016).

RESULT AND DISCUSSION

Model Validation

Discriminant validity assessment, as posited by Cronbach and Meehl (1955), aims to distinguish whether constructs that are theoretically distinct demonstrate low interrelation. Employing the Heterotrait-Monotrait Ratio (HTMT) criterion, this study investigates discriminant validity (refer to Table 1). A guideline for HTMT suggests that interrelated values should fall below the recommended threshold of 0.85. The findings presented in the table below indicate that all interrelated values remain below 0.85, affirming discriminant validity. The study model is shown in Fig1.

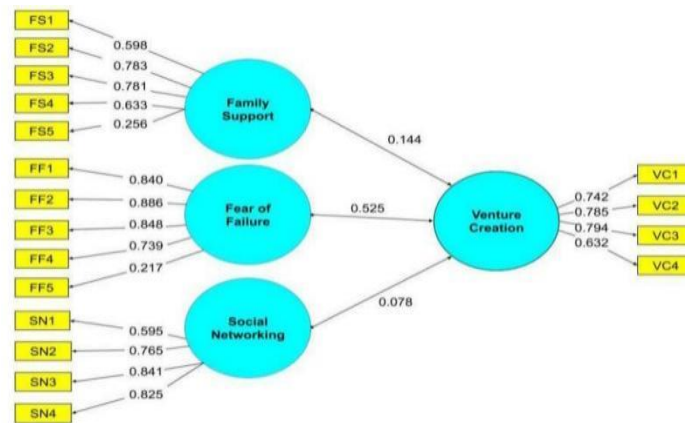


Fig 1: Study Model

Table 1: Discriminant Validity through the Heterotrait-Monotrait Ratio (HTMT)

	Family Support	Social Networking	Venture Creation	Fear of Failure
Family Support				
Social Networking	0.200			
Venture Creation	0.385	0.203		
Fear of Failure	0.407	0.239	0.724	

Validity and Reliability

Evaluating internal reliability encompasses both the Cronbach's alpha test and composite reliability analysis, as established by (Hair et al 2016) setting the threshold at > 0.70 for both measures. Table 2, depicted below, substantiates that the solution Cronbach's alpha and composite values of the constructs range between 0.595 to 0.772 and 0.759 to 0.850, respectively, meeting the criteria for acceptable internal reliability. Moreover, Hair et al. (2016) suggested that values exceeding 0.4 can enhance the model's composite reliability. In this context, the extracted values surpass this threshold, further validating the model's reliability. Additionally, assessing convergent validity via the average variance (AVE), Hair et al. (2016) suggested a threshold of > 0.50. The AVE values obtained, ranging from 0.409 to 0.582, signify significant achievement in convergent validity within this study's model.

Hence, based on the outcomes presented in Table 2, this study's conclusion indicates that the model effectively influences both discriminant reliability and validity.

Table 2: Reliability and Validity of Constructs

	Cronbach's Alpha	(CR)	(AVE)
Family Support	0.595	0.759	0.409
Social Networking	0.765	0.846	0.582
Venture Creation	0.724	0.829	0.549
Fear of Failure	0.772	0.850	0.560

The coefficient of determination (R-square), a measure assessing the accuracy of the model, also referred to as an indicator of the model's adequacy of fit, ranges between 0 and 1. In this study's inner path model, the results exhibit a favourable association of independent variables—Family Support, Social Networking, and Fear of Failure—with Venture Creation (0.344). Consequently, the R-square values in Table 3 highlight an impact of these variables.

Table 3: R-Square

	R Square	R Square Adjusted
Venture Creation	0.351	0.344

The table presents the regression coefficients, standard deviations, t-statistics, and associated p-values for the independent variables—Family Support, Social Networking, and Fear of Failure—related to their impact on the dependent variable, Venture Creation. To evaluate the significance of variables, bootstrapping using 5000 data samples was conducted. The findings reveal that a majority of the extracted variable values exceed the conventional thresholds for P-values and test statistics (10% - 1.645, 5% - 1.96), indicating their significance. The regression coefficient for Family Support is 0.157, Fear of Failure is 0.524 and Social Networking is 0.087 suggesting a positive relationship with Venture Creation.

The p-value of 0.000 is less than the significance level of 0.05, signifying a highly significant impact of Fear of Failure on Venture Creation. The p-value of 0.002 is below the 0.05 significance level, indicating a significant impact of Family Support on Venture Creation. The statistical significance level at 10% for the p-value of 0.064 is observed among venture creation and social networking.

Table 4: Path Coefficients

	Beta Coefficient	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Family Support -> Venture Creation	0.157	0.047	3.096	0.002
Social Networking -> Venture Creation	0.087	0.042	1.855	0.064
Fear of Failure -> Venture Creation	0.524	0.049	10.658	0.000

The study marks the notable impinging of women's fear of failure on their entrepreneurial judgement, orienting with earlier studies that certify the psychological obstruction preventing women from pursuing entrepreneurial undertaking. Family support is a foundational element for women to pursue entrepreneurship as per the results of the study carried out by (Aljarodi et al., 2022). It not only implies contributive support but also the emotional assistance is requisite to set up and proceed entrepreneurial ventures. Furthermore, Hörisch et al. (2017) research work strengthens the economic value of social networks by spotlight the critical function these networks manoeuvre in rendering women-led ventures with access to essential resources, mentorship, and knowledge that is compulsory for their prosperity.

The three informal institutional variables i.e. family support, social networking and fear of failure have an significant influence on family led ventures creations and its maturation. It is impracticable to neglect the role of informal institutional support in serving women progress as entrepreneurs, peculiarly when starting a new venture.

The findings of the study shows that family support plays a key element in the foundation for women entrepreneurs and also to encourage family support for women empowerment by creating favourable environment. Moreover, the acknowledgment of the impact of fear of failure on entrepreneurial endeavors underscores the necessity for strategies aimed at modifying this fear through educational, psychological, or support-based interventions. Moreover, the positive correlation between social networking and venture creation among women highlights the importance of establishing and development networking platforms and communities tailored to support and amplify the entrepreneurial aspirations of women.

CONCLUSION AND POLICY IMPLEMENTATION

This section elaborates on the study's implications and is followed by the overall conclusion of the study.

Theoretical Implications

The presented study paved foundations in the theoretical and empirical literature that aroused researchers' attention to deeply dig out how institutional determinants affect venture creation. The study significantly enriches the women entrepreneurship field. It extends institutional theory by shedding light on the influence of informal institutions. The study carefully tested given assumptions through analysis of data acquired from women entrepreneurs in the Hazara and Peshawar divisions of KPK, Pakistan. The study's findings showed that all hypothesis was approved. Informal institutional elements that are important in affecting women's entrepreneurship include social networking, fear of failure, and family support. These components affect venture creation. In any case, these casual institutional qualities present huge deterrents to women entrepreneur's businesses in KP territory and require exhaustive ways to deal with survive. Empowering strategies that target women business visionaries specifically are believed to be a crucial stage since they empower them to lead cultural standards and orientation-based obstructions that block their enterprising undertakings. In addition, it is essential to assist institutions and organisations that uphold the social bonds that enable asset transparency and company growth in order to provide the frameworks necessary to enable women's long-distance interpersonal connection. The results of this research work have tangible implications for managers and other stakeholders who wish to support the conditions that lead to women becoming successful entrepreneurs. To start with, programmes that foster support networks and inclusive families inside business ecosystems are necessary. It can be quite helpful to put in place initiatives that inform and enlighten families about the importance of encouraging women to pursue their business endeavours.

Practical Implications

The study has a wide range of practical applications. For stakeholders, support groups, and legislators aiming to encourage women's entrepreneurship in Pakistan, they provide specific recommendations. Addressing informal institutional barriers is also crucial. To address and modify cultural attitudes and practices that impede women's entrepreneurship, this calls for campaigns, educational initiatives, and community engagement. When taken as a whole, these useful ramifications help Pakistan's economy grow overall, reduce gender inequality, and give women greater financial autonomy. Treating the anxiety of fear of failure is as important. Managers should create workshops or mentoring programs that emphasize resilience building, coaching, and creating an environment where failure is viewed as an opportunity for learning instead of a setback. Moreover, given the significance of social networks, management endeavors ought to focus on establishing venues, gatherings, or conferences that enable networking possibilities customized especially for female entrepreneurs. This could include virtual networking gatherings, or mentorship programs that link female business owners with resources and seasoned professionals.

Limitations and Directions for Future Research

Research restrictions are a constant in research. Consequently, it is crucial to undertake study while keeping in mind the restrictions of the study. The survey approach was the main emphasis of this study project. No doubt survey method is important for collecting primary data, but other methods like reference groups, interviews and observation methods can be utilized to collect more in-depth responses from respondents. There are numerous options for extra work. For the purpose of longitudinally evaluating the impact of the study variables, it would be helpful to follow women-owned businesses over time. To better comprehend the motivations and obstacles faced by women entrepreneurs, additional research is required. Women's involvement in other economic fields can be the subject of future research. In order to gain a deeper understanding of the factors that influence women entrepreneur's self-efficacy and ethical decision making, qualitative research is also encouraged.

Conclusion

In conclusion, acknowledging the influence of informal institutional factors such as family support, fear of failure, and social networking can significantly enhance the system for women entrepreneurs, thereby fostering a more inclusive and supportive environment conducive to their entrepreneurial success.

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