

UNDERSTANDING BEHAVIORAL, DECISION-MAKING, AND MOTIVATIONAL DRIVERS AMONG SELF-EMPLOYED INDIVIDUALS IN KARACHI

Imran Azeem¹, Waheed Akber Khaskheli² and Irfan Ghaffar³

Abstract

This research investigates into the intricate dynamics of self-employment by examining the perceptions, behaviors, decision-making approaches, and motivational drivers among self-employed individuals based in Karachi, Pakistan. Through a qualitative investigation, this study explores the multifaceted nature of self-employment, shedding light on how individuals perceive and navigate the challenges and opportunities inherent in entrepreneurial endeavors. By analyzing the daily lives of self-employed individuals, their reactions to various situations, and their relationship with the myriad aspects of self-employment, this research provides valuable insights into the mindset and practices of this unique demographic. Moreover, the study uncovers the motivational drivers that propel individuals to pursue self-employment, elucidating the underlying factors that influence entrepreneurial aspirations and sustain entrepreneurial endeavors. This comprehensive analysis contributes to a deeper understanding of self-employment phenomena and offers implications for policymaking, entrepreneurial education, and support initiatives aimed at fostering self-employment and economic development.

Keywords: Self-Employed Individuals, Dynamics, Behaviors, Decision-Making Approaches, Motivational Drivers

INTRODUCTION

Self-employment refers to the state of working for oneself rather than being employed by a company or another individual (Knapková, 2023). Self-employed individuals operate their own businesses, freelance, or work as independent contractors. This form of employment offers flexibility, the potential for higher income, and the autonomy to make business decisions. However, it also involves risks such as financial instability, lack of benefits, and the challenge of securing a consistent client base.

Self-employment has emerged as a prominent form of work globally, offering individuals autonomy, flexibility, and economic opportunities (Ciešlik & van Stel, 2024). In Karachi, Pakistan's largest city and economic hub, self-employment plays a crucial role in the livelihoods of many individuals. However, the factors driving individuals to choose self-employment over traditional employment remain understudied in the local context. This literature review aims to address this gap by examining the dynamics of self-employment in Karachi, focusing on behavioral aspects, decision-making processes, and motivational drivers.

Exploring the dynamics of self-employment unveils a complex interplay of personal aspirations, economic factors, and societal trends. Self-employment represents a significant segment of the global workforce (Weicht, 2023). Its dynamics encompass a myriad of factors, including motivation, risk-taking propensity, financial resources, and market demand. Scholars such as Shane (2003) emphasize the role of opportunity recognition and exploitation in self-employment dynamics, highlighting how individuals identify gaps in the market and leverage their skills to address them. Moreover, Baumol (1990) argues that self-employment flourishes in environments where regulatory barriers are low, and self-employment

¹PhD Scholar, Department of Social Work, University of Karachi, Karachi, Pakistan. Email: Imranazeem.se@gmail.com

²PhD Scholar, Department of Social Work, University of Karachi, Karachi, Pakistan. Email: khaskheliwaheed@usindh.edu.pk

³PhD Scholar, Department of Social Work, University of Karachi, Karachi, Pakistan. Email: irfanb506@yahoo.com

is culturally celebrated. However, the journey of self-employment is not devoid of challenges. Financial instability, lack of access to resources, and uncertain market conditions pose significant hurdles for aspiring entrepreneurs (Reynolds et al., 2004). Additionally, the rise of the gig economy and technological advancements reshape the landscape of self-employment, offering both opportunities and threats (Katz & Krueger, 2019). Understanding these dynamics is crucial for policymakers, educators, and individuals aspiring to venture into self-employment, as it informs strategies for fostering entrepreneurship and supporting sustainable economic growth.

Understanding the behavioral aspects of self-employment involves examining individuals' attitudes, beliefs, and personality traits that influence their decision to become self-employed. Several psychological theories provide insights into these aspects (Tampouri et al., 2023). For instance, the theory of planned behavior suggests that individuals' intentions to engage in self-employment are influenced by their attitudes toward entrepreneurship, subjective norms, and perceived behavioral control. Studies conducted in diverse cultural contexts indicate that factors such as risk-taking propensity, locus of control, and entrepreneurial self-efficacy significantly affect individuals' likelihood of pursuing self-employment. In Karachi, cultural norms, social networks, and family expectations may also play a crucial role in shaping individuals' perceptions and behaviors related to self-employment (Muhammad & Siddiqui, 2023). Male participation in self-employment is higher compared to females, primarily due to cultural and social norms.

However, initiatives promoting women's entrepreneurship are gradually increasing female participation. Self-employed behavior is influenced by various factors, including personality traits, prior work experience, and environmental conditions. Research suggests that individuals with higher levels of autonomy, risk-taking propensity, and creativity are more likely to pursue self-employment opportunities (Rauch & Frese, 2007). Moreover, the decision to become self-employed often stems from dissatisfaction with traditional employment arrangements, seeking greater control over one's work-life balance, and the desire for financial independence (Stephan & Roesler, 2010). Understanding these behavioral dynamics is essential for predicting entrepreneurial intentions and facilitating successful transitions to self-employment.

Decision-making in self-employment involves evaluating opportunities, assessing risks, and committing resources to entrepreneurial ventures. Behavioral economics provides insights into the cognitive biases and heuristics that may influence individuals' decisions in this context. Prospect theory suggests that individuals' risk preferences deviate from rationality, with a tendency to overweight potential losses compared to gains. In Karachi, where economic uncertainty and institutional constraints are prevalent, individuals may exhibit risk-averse behavior or engage in risk-mitigation strategies when considering self-employment opportunities. Moreover, bounded rationality and satisficing behavior may lead individuals to rely on heuristics rather than exhaustive decision-making processes when evaluating entrepreneurial options.

The role of social networks and information asymmetry in shaping decision-making outcomes cannot be understated (Davidsson & Honig, 2003). Research suggests that successful self-employed individuals exhibit a combination of analytical thinking and intuitive decision-making, leveraging their experience and expertise to navigate uncertain environments (Mitchell et al., 2002). Understanding these decision-making processes can inform strategies for fostering entrepreneurial success and mitigating risks associated with self-employment.

Understanding the motivational drivers behind self-employment entails examining individuals' intrinsic and extrinsic motivations for pursuing entrepreneurial endeavors (Lu et al., 2023). Self-

determination theory posits that autonomy, competence, and relatedness are fundamental psychological needs that drive human behavior. In the context of self-employment, individuals may be motivated by factors such as autonomy, mastery, and purpose in their work. Additionally, economic factors such as income potential, wealth accumulation, and job security may serve as extrinsic motivators for self-employment. In Karachi, where formal employment opportunities may be limited, individuals may turn to self-employment as a means of economic survival and upward mobility. However, a significant portion of self-employed individuals in Karachi are young entrepreneurs (Nawaz et al., 2023). Youth-led startups and tech-driven self-employment opportunities are on the rise, supported by various incubators and accelerators.

Motivation plays a central role in driving individuals towards self-employment and sustaining their entrepreneurial endeavors. While financial incentives are commonly cited as motivators, intrinsic factors such as passion, autonomy, and personal fulfillment also significantly influence entrepreneurial behavior (Shane, 2003). Moreover, the pursuit of social impact, innovation, and the desire to leave a legacy contribute to the motivational landscape of self-employment (Stuetzer et al., 2010). Research indicates that intrinsic motivation is a more potent predictor of entrepreneurial success than extrinsic rewards alone, highlighting the importance of aligning personal values with business goals (Baum & Locke, 2004). Understanding these motivational drivers is crucial for designing effective policies and interventions aimed at fostering entrepreneurial ecosystems and supporting self-employed individuals.

Self-employment epitomizes a multifaceted phenomenon shaped by a confluence of behavioral, economic, and sociocultural factors (Duffy, 2023). In Karachi, Pakistan, comprehending the dynamics of self-employment is imperative for fostering entrepreneurship, spurring economic growth, and catalyzing job creation. This literature review has offered insights into the behavioral intricacies, decision-making processes, and motivational impetuses underpinning self-employment in Karachi. Nevertheless, further research is warranted to delve deeper into the subtleties of self-employment dynamics in this context and devise targeted interventions to support budding entrepreneurs. By augmenting our understanding of self-employment, policymakers, scholars, and practitioners can nurture a thriving entrepreneurial ecosystem in Karachi and beyond.

Self-employment is a complex phenomenon influenced by a myriad of behavioral, economic, and sociocultural factors (Alyavi & Schulz, 2024). In Karachi, Pakistan, understanding the dynamics of self-employment is crucial for fostering entrepreneurship, economic development, and job creation. This literature review has provided insights into the behavioral aspects, decision-making processes, and motivational drivers shaping self-employment in Karachi. However, further research is needed to explore the shades of self-employment dynamics in this context and develop targeted interventions to support aspiring entrepreneurs. By enhancing our understanding of self-employment, policymakers, researchers, and practitioners can facilitate the growth of a vibrant entrepreneurial ecosystem in Karachi and beyond.

Research Objectives

1. To examine the behavioral patterns exhibited by self-employed individuals in their entrepreneurial pursuits.
2. To analyze the decision-making processes involved in self-employment.
3. To identify the socio-economic factors influencing individuals to opt for self-employment over traditional employment.

Research Hypotheses

H1: Self-employment is positively correlated with socio-economic empowerment, which in turn supports sustainable social development.

H2: Social challenges, including poverty and unemployment, drive individuals toward self-employment.

H3: An individual's persistence, along with family support, significantly contributes to the success of self-employed individuals.

Important and Relevance

Self-employment is a significant aspect of the modern economy, and understanding its dynamics is crucial for policymakers, educators, and support organizations (Adelaja et al., 2023). This research delves into the perceptions, behaviors, decision-making approaches, and motivational drivers among self-employed individuals. Such insights are invaluable for comprehending the intricacies of self-employment. The study analyzes the relationships with various aspects of self-employment among individuals. Such insights provide a comprehensive understanding of the behavioral and decision-making patterns, which can inform the design of targeted interventions and support mechanisms. Identifying the motivational drivers behind self-employment is crucial for understanding why individuals choose this path and what sustains their entrepreneurial endeavors. By uncovering these drivers, the research offers valuable insights into the underlying factors that influence entrepreneurial aspirations. The findings of the research have implications for policymaking, entrepreneurial education, and support initiatives. Policymakers can use these insights to design policies that foster self-employment and economic development effectively.

Similarly, educational institutions can incorporate these findings into their curriculum to better prepare aspiring entrepreneurs, while support organizations can tailor their programs to address the specific needs of self-employed individuals. Overall, this research contributes to a deeper understanding of self-employment phenomena and provides practical implications for various stakeholders directly or indirectly involved in promoting self-employment and fostering economic growth.

LITERATURE REVIEW

The study of self-employment behavior, decision-making processes, and motivational drivers is critical in understanding the dynamics of entrepreneurial activities, especially in urban contexts (Raimi et al., 2023) like Karachi. Karachi, as Pakistan's largest metropolitan area, offers a diverse and complex environment where self-employment is a significant economic activity. This literature review examines existing research on the behavior, decision-making, and motivations of self-employed individuals, focusing on the socio-economic landscape of Karachi.

Several studies have identified various determinants influencing self-employment in Pakistan. Khan and Jan (2017) highlighted that factor such as education level, access to finance, family background, and entrepreneurial skills significantly affect individuals' propensity to engage in self-employment. Moreover, cultural norms and societal expectations also play a vital role in shaping attitudes towards entrepreneurship (Ali & Raza, 2019). Additionally, macroeconomic factors, including economic growth, inflation rates, and labor market conditions, influence the prevalence of self-employment (Rizwan & Waqas, 2020). Research highlights that self-employment in urban areas is influenced by various factors, including economic necessity, market opportunities, and social networks. Urban environments provide both challenges and opportunities for self-employed individuals, with dense markets and diverse populations creating a unique entrepreneurial ecosystem (Lloyd & Mason, 2015).

Higher levels of education are associated with a greater likelihood of choosing self-employment.

Education provides the necessary skills and knowledge to identify and exploit business opportunities effectively (Miço & Cungu, 2023). In Karachi, individuals with tertiary education are more likely to pursue entrepreneurial ventures due to their ability to innovate and adapt to market needs (Hussain, 2018). The potential for higher income is a significant motivator for self-employment. Research indicates that individuals perceive self-employment as offering better financial returns compared to traditional employment, particularly in high-growth sectors (Hamilton, 2000). In Karachi, sectors such as retail, services, and small-scale manufacturing present lucrative opportunities for self-employed individuals (Shah & Rizvi, 2018).

Another study revealed; Karachi, being an economic hub, has a thriving informal sector where self-employment is prevalent. The city's economic diversity, ranging from street vending to tech startups, reflects a broad spectrum of self-employment activities (Qureshi, 2018). In Karachi, high unemployment and underemployment rates are significant factors influencing the decision to pursue self-employment. The informal sector absorbs a large portion of the labor force that cannot find traditional employment (Ghani & Anjum, 2020). Bureaucratic hurdles and rigid employment practices in the formal sector can push individuals toward self-employment. In Karachi, the informal sector's relatively lower entry barriers make self-employment an attractive option (Ali, 2019). Several studies have identified key behavioral traits common among self-employed individuals, such as risk-taking, innovation, and resilience (Gartner, 1988). In Karachi, these traits are often shaped by the socio-economic context, where self-employed individuals must navigate a complex and often volatile market (Khan & Afzal, 2020).

In Karachi, vocational training and the acquisition of specific skills can drive individuals toward self-employment, especially when traditional employment does not utilize their skills effectively (Hussain, 2018). Another study also revealed; access to vocational training and skill development programs also influences the decision to opt for self-employment. Such programs equip individuals with practical skills that are directly applicable in various trades and industries (Haque, 2019). A research derived decision-making among self-employed individuals is influenced by a combination of rational economic considerations and socio-cultural factors. Research suggests that in Karachi, decisions are often driven by immediate economic needs and long-term aspirations of financial independence (Haque, 2019).

Cultural attitudes toward entrepreneurship and family traditions play a significant role. In many societies, including Pakistan, family businesses and entrepreneurial activities are culturally valued and supported (Dana, 1995). The informal sector in Karachi offers relatively lower entry barriers compared to the formal sector. This ease of entry makes self-employment an attractive option for many individuals, despite the associated risks and lack of formal protections (Ali, 2019). Self-employment is also seen as a strategy for poverty alleviation. By creating their own jobs, individuals can potentially improve their economic conditions and support their families, thereby contributing to poverty reduction efforts (Naseem, 2016).

Family plays a critical role in supporting self-employment. In Karachi, family networks often provide the necessary capital, mentorship, and emotional backing to start and sustain businesses (Kamal, 2021). The desire for autonomy and greater job satisfaction drives many individuals toward self-employment. Self-employed individuals often experience higher levels of job satisfaction due to the freedom to make their own decisions and control their work environment (Benz & Frey, 2008). A study reported self-employment as a pathway to socio-economic empowerment, especially among marginalized groups. It provides individuals with the means to improve their living standards and achieve financial independence (Naseem, 2016). Another study found family support plays a crucial role in motivating individuals to pursue self-employment. In Karachi, extended family networks often provide the initial

capital and emotional support needed to start and sustain a business (Kamal, 2021).

The desire for financial independence and control over one's income is a strong motivational factor. In Karachi, many individuals opt for self-employment to gain control over their economic futures and reduce dependence on traditional employment, which may offer limited growth (Shah & Rizvi, 2018). Despite the challenges, self-employed individuals contribute to poverty alleviation by creating livelihood opportunities for themselves and others (Haq & Farooq, 2018). Additionally, self-employment fosters innovation and economic diversification, thereby enhancing the resilience of the economy against external shocks (Ali et al., 2020). Exploring the dynamics of self-employment requires a comprehensive understanding of the behavioral, decision-making, and motivational aspects that characterize entrepreneurial behavior. By drawing on insights from behavioral economics, decision sciences, and entrepreneurship research, scholars can gain valuable perspectives on the factors influencing the actions of self-employed individuals. Future research should continue to delve into these dynamics, considering the contextual factors and individual differences that shape the behavior and decision-making patterns in diverse settings.

RESEARCH METHODOLOGY & ANALYSIS

This study employs a quantitative research methodology, utilizing statistical and numerical data to examine research objectives and hypotheses. This approach, common in social science research, tests hypotheses, evaluates variables, and identifies patterns and relationships (Creswell, 2014). Data was collected through a semi-structured survey questionnaire, administered via face-to-face interviews and online forms to accommodate respondents' preferences (Bryman, 2016). The data, coded and processed using Microsoft Excel, facilitated numerical analysis and enabled conclusions, predictions, suggestions, and informed decision-making (Neuman, 2013). The primary respondents are self-employed adults aged 20 to 50 years in Karachi, with representation from all sub-districts, including East, West, South, Central, and Malir. The study focused on innovative self-employed entrepreneurs from incubation centers. Researchers used a purposive sampling technique, strategically selecting cases to ensure high-quality data. A sample of 200 self-employed individuals was surveyed, ensuring geographical spread and representation from both genders and prominent incubation centers, with quotas set to capture maximum diversity, though not strictly followed.

Table 1

Division - According to the Respondent's Location

Startups' Residence / Location	Total	Male	Female	Percentage
Karachi Central	37	26	11	18.50%
Karachi East	70	49	21	35.00%
Karachi Malir	46	37	9	23.00%
Karachi South	23	14	9	11.50%
Karachi West	24	14	10	12.00%
Grand Total	200	140	60	100%

Table 2

Respondents' Opinions on Social Problems that Triggered their Business Startups

Reasons to be self-employed	Total	Male	Female	Percentage
Empowering Women	12	2	10	6.00%
Environmental Pollution	6	3	3	3.00%
No problem	61	50	11	30.50%
Illiteracy	19	13	6	9.50%
Lack of health care facilities	6	3	3	3.00%
Poverty	27	15	12	13.50%
Un-employment	69	54	15	34.50%
Grand Total	200	140	60	100%

An in-depth analysis of respondents' motivations for launching their enterprises reveals a multifaceted landscape of drivers. A significant majority, constituting 57.50%, embarked on their entrepreneurial journey as a response to pressing social issues such as rampant unemployment, poverty, and illiteracy. This substantial proportion underscores the proactive role that entrepreneurship plays in addressing systemic societal challenges and creating opportunities for socioeconomic advancement. Additionally, 30.50% of respondents cited purely commercial motivations as the impetus behind their business ventures, emphasizing profitability and market demand as primary considerations. Notably, a noteworthy segment of entrepreneurs initiated their enterprises with a dual focus on social impact and economic sustainability, aiming to improve the livelihoods of women and enhance community access to essential health facilities. This diversified spectrum of motivations highlights the intersectionality of economic, social, and humanitarian imperatives driving entrepreneurial endeavors, underscoring the role of entrepreneurship as a catalyst for holistic societal development.

Table 3

Respondents' Opinions on the Association between Self-Employment and Socio-Economic Development

Self-employment is directly associated with socio-economic development	Total	Male	Female	Percentage
Strongly disagreed	6	6	0	3.00%
Disagreed	1	0	1	0.50%
Neutral	27	19	8	13.50%
Agreed	50	39	11	25.00%
Strongly agreed	116	76	40	58.00%
Grand Total	200	140	60	100%

An overwhelming 83% of respondents expressed alignment with the assertion that "Self-employment is directly associated with socio-economic development." Among this majority, 26% demonstrated strong conviction by strongly agreeing with the statement. Moreover, 13.5% adopted a neutral stance, indicating a reserved position on the matter. In contrast, only 3.5% of respondents voiced disagreement or strong disagreement with the statement, signaling a minority viewpoint. This robust consensus underscores a widespread acknowledgment of the positive nexus between self-employment initiatives and broader socio-economic advancement. It suggests a prevailing belief among respondents in

the transformative potential of entrepreneurial endeavors in fostering economic growth, job creation, and community development.

Table 4

Respondents' Opinions on the Association between Persistence & Family Support and the Success in Self-employment

Success in self-employment is directly associated with persistence & family support	Total	Male	Female	Percentage
Strongly disagreed	5	5	1	2.50%
Disagreed	5	5	1	2.50%
Neutral	35	21	14	17.25%
Agreed	51	35	16	25.25%
Strongly agreed	105	76	30	52.50%
Grand Total	200	140	60	100.00%

A significant majority of respondents, comprising 78%, concurred that persistence, characterized by constant efforts, hard work, and dedication, along with family support, are crucial factors contributing to the success of self-employment. They emphasized that self-employment is a journey requiring consistent commitment rather than a one-time action. Family support not only provides emotional backing but also often extends to practical assistance, such as childcare, financial backing, or sharing household responsibilities, which are crucial for navigating the challenges inherent in self-employment. This high percentage reflects the widespread recognition among respondents of the invaluable contribution that supportive family networks make to the attainment and sustainability of self-employment success. In contrast, 17% remained neutral on the matter, while only 5% expressed disagreement with the statement. This collective sentiment underscores the recognition of the multifaceted and ongoing nature of self-employment success.

DISCUSSION

Hypothesis 1

Self-employment is positively correlated with socio-economic empowerment, which in turn supports sustainable social development.

Null Hypothesis (H₀): There is no relationship between socio-economic empowerment and sustainable social development.

Alternative Hypothesis (H_a): There is a relationship between socio-economic empowerment and sustainable social development.

Variables: 1) Socio-economic empowerment 2) Sustainable social development

Table 1
Observed Values

Self-employment is Directly Associated with Socio-Economic Development	Total	Male	Female	Percentage
Strongly disagreed	6	6	0	3.00%
Disagreed	1	0	1	0.50%
Neutral	27	19	8	13.50%
Agreed	50	39	11	25.00%
Strongly agreed	116	76	40	58.00%
Grand Total	200	140	60	100%

Table 2
Key Observations

Strongly Agreed	Agreed	Neutral	Disagreed	Strongly Disagreed
a) Total: 116 (58.00% of the total responses)	a) Total: 50 (25.00% of the total responses)	a) Total: 27 (13.50% of the total responses)	a) Total: 1 (0.50% of the total responses)	a) Total: 6 (3.00% of the total responses)
b) Male: 76	b) Male: 39	b) Male: 19	b) Male: 0	b) Male: 6
c) Female: 40	c) Female: 11	c) Female: 8	c) Female: 1	c) Female: 0

Analysis

Strong Agreement

- The majority of respondents (58.00%) strongly agreed that self-employment is directly associated with socio-economic development. This indicates a strong belief in the positive impact of self-employment on socio-economic development.
- A higher number of males (76) compared to females (40) strongly agreed, suggesting a stronger belief among men in the positive correlation.

Agreement

- An additional 25.00% of respondents agreed with the hypothesis, further supporting the idea that self-employment contributes to socio-economic development.
- Together with the "strongly agreed" category, this represents a significant 83.00% of respondents who believe in the positive correlation.

Neutral

- A smaller portion of respondents (13.50%) remained neutral, indicating that some individuals might consider other factors equally or more important for socio-economic development.

Disagreement

- A very small percentage of respondents (0.50% disagreed and 3.00% strongly disagreed) do not see a direct association between self-employment and socio-economic development. This suggests that there are few who discount the significance of this relationship.

The data strongly supports the hypothesis that self-employment is positively correlated with sustainable

social development. With a combined 83.00% of respondents agreeing or strongly agreeing, it is clear that self-employment is widely recognized as contributing to socio-economic development.

Hypothesis 2

Social challenges, including poverty and unemployment, drive individuals toward self-employment.

Null Hypothesis (Ho): There is no relationship between social challenges including poverty, unemployment, etc. and the driving individual towards self-employment.

Alternative Hypothesis (Ha): There is a relationship between social challenges including poverty, unemployment, etc. and the driving individual towards self-employment.

Variables: 1) Social challenges 2) Increasing rate of self-employment

Table 3
Observed Values

Reasons to be Self-Employed	Total	Male	Female	Percentage
Empowering Women	12	2	10	6.00%
Environmental Pollution	6	3	3	3.00%
No problem	61	50	11	30.50%
Illiteracy	19	13	6	9.50%
Lack of health care facilities	6	3	3	3.00%
Poverty	27	15	12	13.50%
Un-employment	69	54	15	34.50%
Grand Total	200	140	60	100%

Table 4
Key Observations

Unemployment	Poverty	Other Reasons
a) Total: 69 (34.50% of the total reasons)	a) Total: 27 (13.50% of the total reasons)	a) Empowering Women: 12 (6.00%)
b) Male: 54	b) Male: 15	b) Environmental Pollution: 6 (3.00%)
c) Female: 15	c) Female: 12	c) No problem: 61 (30.50%)
		d) Illiteracy: 19 (9.50%)
		e) Lack of health care facilities: 6 (3.00%)

Analysis

High Impact of Unemployment

- Unemployment is the most significant driver of self-employment, with 34.50% of the total responses. This suggests that individuals facing unemployment are highly motivated to become self-employed, possibly as a means of generating income and achieving financial stability.

Significant Impact of Poverty

- Poverty is the second most significant social challenge driving self-employment, accounting for 13.50% of the total responses. This indicates that individuals experiencing poverty may turn to self-employment as a way to improve their economic situation.

Other Factors

- Although issues like illiteracy, lack of health care facilities, and environmental pollution contribute to the decision to become self-employed, their impact is relatively lower compared to unemployment and poverty.
- The category "No problem," which represents individuals, who do not face significant social challenges, accounts for 30.50% of the responses. This suggests that a considerable portion of the population chooses self-employment for reasons unrelated to social challenges, possibly due to personal preferences, opportunities, or other motivations.

The data strongly supports the hypothesis that social challenges, particularly poverty and unemployment, drive individuals toward self-employment. Unemployment is the most compelling factor, followed by poverty. These challenges likely push individuals to seek alternative means of livelihood through self-employment. While other factors also play a role, their impact is less pronounced in comparison.

Hypothesis 3

An individual’s persistence, along with family support, significantly contributes to the success of self-employed individuals.

Null Hypothesis (Ho): There is no relationship between individual’s persistence, along with family support and success of self-employment.

Alternative Hypothesis (Ha): There is a relationship between individual’s persistence, along with family support and success of self-employment.

Variables: 1) Persistence & family support 2) Success of self-employment

Table 5
Observed Values

Success in Self-Employment is Directly Associated with Persistence & Family Support	Total	Male	Female	Percentage
Strongly disagreed	5	5	1	2.50%
Disagreed	5	5	1	2.50%
Neutral	35	21	14	17.25%
Agreed	51	35	16	25.25%
Strongly agreed	105	76	30	52.50%
Grand Total	200	140	60	100.00%

Table 6
Key Observations

Strongly Agreed	Agreed	Neutral	Disagreed	Strongly Disagreed
a) Total: 105 (52.50% of the total responses)	a) Total: 51 (25.25% of the total responses)	a) Total: 35 (17.25% of the total responses)	a) Total: 5 (2.50% of the total responses)	a) Total: 5 (2.50% of the total responses)
b) Male: 76	b) Male: 35	b) Male: 21	b) Male: 5	b) Male: 5
c) Female: 30	c) Female: 16	c) Female: 14	c) Female: 1	c) Female: 1

Analysis

Strong Agreement

- More than half of the respondents (52.50%) strongly agreed that success in self-employment is directly associated with persistence and family support. This indicates a strong belief in the critical role of these factors for achieving success in self-employment.
- A higher proportion of males (76) compared to females (30) strongly agreed, suggesting a greater emphasis on these factors among men.

Agreement

- An additional 25.25% of respondents agreed with the hypothesis, further supporting the idea that persistence and family support are important for success in self-employment.
- This combined with the "strongly agreed" category, represents a significant 77.75% of respondents who believe in the importance of these factors.

Neutral

- A notable portion of respondents (17.25%) remained neutral, indicating that some individuals might consider other factors equally or more important for success in self-employment.

Disagreement

- A very small percentage of respondents (2.50% each for both "disagreed" and "strongly disagreed") do not see a direct association between persistence, family support, and success in self-employment. This suggests that there are few who discount the significance of these factors.

The data robustly supports the hypothesis that an individual’s persistence, along with family support, significantly contributes to the success of self-employed individuals. With a combined 77.75% of respondents agreeing or strongly agreeing, it is clear that these factors are widely recognized as crucial to achieving success in self-employment.

CONCLUSION

The analysis reveals compelling insights into the perceptions surrounding self-employment and its implications on socio-economic development, driven by a survey conducted among respondents.

- Over half of the respondents (54.50%) exhibited a strong consensus, firmly believing in the direct correlation between self-employment and socio-economic advancement.
- A substantial majority (70%) of respondents acknowledged that the scarcity of traditional employment opportunities serves as a catalyst for individuals to pursue self-employment ventures.

- A resounding 76% of respondents collectively emphasized the indispensable role of persistence, hard work, and dedication as fundamental factors contributing to success in self-employment endeavors.
- A significant proportion, accounting for 77% of respondents, emphasized the pivotal role of family in the success of self-employment. Family support, ranging from financial backing to emotional encouragement and practical guidance, emerges as a critical factor in bolstering the entrepreneurial journey, underscoring the interconnectedness between personal and professional spheres.
- 67% of respondents affirmed the significant societal contributions of social entrepreneurship, which transcends mere profit motives to address pressing social issues and foster sustainable livelihoods. This acknowledgment reflects a growing awareness of the potential of business as a force for positive change and emphasizes the importance of aligning entrepreneurial endeavors with broader societal needs.
- Interestingly, a considerable majority (70%) of respondents expressed aspirations for self-employment, underscoring a pervasive entrepreneurial spirit characterized by passion and readiness to embark on entrepreneurial ventures. This highlights the intrinsic motivation and enthusiasm driving individuals towards self-employment, essential for navigating the challenges inherent in entrepreneurial pursuits.
- A consensus among 71% of respondents emphasized the importance of resilience in confronting unforeseen challenges inherent in entrepreneurial pursuits, underscoring the indispensable role of adaptability and fortitude in navigating the uncertainties of self-employment.
- 65% of respondents recognized the significance of risk-taking propensity as a critical attribute for successful entrepreneurship, highlighting the willingness to venture into the unknown and embrace uncertainty as integral to entrepreneurial success.
- Over half (54.50%) of the respondents expressed that their family played a significant role in encouraging their journey into entrepreneurship. This highlights the pivotal role of familial support in fostering entrepreneurial aspirations.
- The majority (66.50%) of respondents indicated a disregard for external opinions regarding their career choice as self-employed individuals. Their confidence and commitment to their decisions reflect a strong sense of self-assurance and autonomy in navigating their entrepreneurial paths.
- A significant majority (71%) of self-employed individuals emphasized the importance of planning and exhibited high confidence in achieving their goals. Their belief in the power of entrepreneurial mindset, personality, and unique skill set underscores their proactive approach towards success.
- The vast majority (79%) of respondents affirmed that individuals with an entrepreneurial mindset tend to prefer self-employment and value independence over traditional employment. Moreover, they acknowledged the importance of logical thinking in decision-making processes, highlighting a critical cognitive skill essential for entrepreneurial endeavors.
- In summary, the analysis explains various dimensions of attitudes and perceptions towards self-employment and entrepreneurship, highlighting the aspirations and challenges inherent in entrepreneurial pursuits, as well as the broader societal implications of entrepreneurial endeavors.

Recommendations

Study highlights the importance of promoting self-employment as a means of achieving sustainable social development. Programs and policies that encourage and support self-employment could enhance socio-economic development, particularly in regions where traditional employment opportunities are limited.

The study highlights the strong need for policies and programs that address unemployment and poverty to potentially reduce the necessity for individuals to resort to self-employment out of economic desperation.

Programs and policies aimed at encouraging importance of fostering persistence and securing family support for individuals pursuing self-employment could enhance the success rates of self-employed individuals, particularly in communities where such support structures are currently lacking.

REFERENCES

- Adelaja, A. A., Akinbami, C. A. O., Jiboye, T., & Ogbolu, G. (2023). Students' intention towards self-employment: An application of ELT theory on the effectiveness of entrepreneurial education types. *The International Journal of Management Education*, 21(2), 100738.
- Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.
- Aldrich, H. E., & Zimmer, C. (1986). Entrepreneurship through social networks. In D. L. Sexton & R. W. Smilor (Eds.), *The art and science of entrepreneurship* (pp. 3–23). Cambridge, MA: Ballinger.
- Alyavi, S., & Schulz, M. (2024). Multiple jobholding among the self-employed—trends and implications of hybrid entrepreneurship for public policy. In *Research Handbook on Self-Employment and Public Policy* (pp. 49-65). Edward Elgar Publishing.
- Baum, J. R., & Locke, E. A. (2004). The relationship of entrepreneurial traits, skill, and motivation to subsequent venture growth. *Journal of Applied Psychology*, 89(4), 587-96.
- Baumol, W. J. (1990). Entrepreneurship: Productive, unproductive, and destructive. *Journal of Political Economy*, 98(5), 893-921.
- Benz, M., & Frey, B. S. (2008). The value of doing what you like: Evidence from the self-employed in 23 countries. *Journal of Economic Behavior & Organization*, 68(3-4), 445–455.
- Bryman, A. (2016). *Social Research Methods*. Oxford university press.
- Charmes, Jacques. (2012). The Informal Economy Worldwide: Trends and Characteristics. *Margin The Journal of Applied Economic Research*. 6, 103-132. 10.1177/097380101200600202.
- Cieřlik, J., & van Stel, A. (2024). Solo self-employment—Key policy challenges. *Journal of Economic Surveys*, 38(3), 759-792.
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage Publications.
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Dana, L. P. (1995). Entrepreneurship in a Remote Sub-Arctic Community. *Entrepreneurship Theory and Practice*, 20(1), 57-72.
- Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301-331.
- Duffy Jr, M. (2023). *Heart-Break/Break-Through: Entrepreneurs' Vulnerability and Wellbeing* (Doctoral dissertation, University of Sheffield).
- Gartner, W. B. (1988). “Who is an entrepreneur?” is the wrong question. *American Journal of Small Business*, 12(4), 11-32.
- Ghani, U., & Anjum, Z. (2020). Economic Determinants of Self-Employment in Karachi. *Economic Review of Pakistan*, 35(1), 112-125.
- Glaeser, E. L., Sacerdote, B., & Scheinkman, J. A. (2003). The social multiplier. *Journal of the European Economic Association*, 1(2-3), 345–353.

- Hamilton, B. H. (2000). Does entrepreneurship pay? An empirical analysis of the returns to self-employment. *Journal of Political Economy*, 108(3), 604-631.
- Haq, R. U., & Farooq, S. (2018). Entrepreneurship development, job creation, and poverty reduction in Pakistan: A case study of Khushhali bank. *Journal of Enterprising Communities: People and Places in the Global Economy*, 12(2), 168-187.
- Haque, N. (2019). Decision-Making Processes in Small Businesses: The Karachi Perspective. *Economic Review of Pakistan*, 34(2), 78-91.
- Hussain, S. (2018). Skill Development for Self-Employed Workers in Urban Pakistan. *Journal of Vocational Education & Training*, 70(4), 525-543.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263-291.
- Kamal, S. (2021). Family Dynamics and Entrepreneurial Success in Pakistan. *South Asian Journal of Business Studies*, 10(1), 105-123.
- Katz, L. F., & Krueger, A. B. (2019). The rise and nature of alternative work arrangements in the United States, 1995-2015. *ILR review*, 72(2), 382-416.
- Khan, A. A., & Jan, F. A. (2017). Exploring factors affecting youth entrepreneurship in Pakistan. *International Journal of Entrepreneurial Behavior & Research*, 23(1), 144-165.
- Khan, A., & Afzal, M. (2020). Risk-Taking and Innovation Among Self-Employed Youth in Karachi. *Journal of Entrepreneurship in Emerging Economies*, 12(2), 163-181.
- Knapková, M. (2023). Genuine, False and Dependent Self-Employment-Review. *Mladá Věda*, 11(4), 35-43.
- Lloyd, A., & Mason, C. (2015). The Role of Urban Environments in Shaping Entrepreneurial Decision-Making. *Urban Studies*, 52(4), 743-761.
- Lu, I. R., Kwan, E., Heslop, L. A., Brouard, F., & Isabelle, D. A. (2023). Entrepreneurial motivation in university business students: A latent profile analysis based on self-determination theory. *Entrepreneurship Research Journal*, 13(2), 345-380.
- Miço, H., & Cungu, J. (2023). Entrepreneurship education, a challenging learning process towards entrepreneurial competence in education. *Administrative Sciences*, 13(1), 22-34.
- Mitchell, R. K., Busenitz, L., Lant, T., McDougall, P. P., Morse, E. A., & Smith, J. B. (2002). Toward a theory of entrepreneurial cognition: Rethinking the people side of entrepreneurship research. *Entrepreneurship Theory and Practice*, 27(2), 93-104.
- Muhammad, I. J., & Siddiqui, D. A. (2023). How Culture, Religion, and Ethics affect Entrepreneurial Aspirations of Persons with Disabilities in Pakistan: The Role of Training, Finance, and Networking. *Religion, and Ethics affect Entrepreneurial Aspirations of Persons with Disabilities in Pakistan: The Role of Training, Finance, and Networking (April 28, 2023)*.
- Naseem, S. (2016). Socio-Economic Empowerment Through Entrepreneurship: A Study of Women Entrepreneurs in Karachi. *Pakistan Journal of Gender Studies*, 14, 125-140.
- Nawaz, S. M., Napolano, E., Batool, E., Gul, K., & Mukhtar, B. (2023). Understanding the Barriers and Challenges Faced by The Women-preneurs of Karachi, Pakistan. *Pakistan Business Review*, 25(3), 315-340.
- Neuman, W. L. (2013). *Social Research Methods: Qualitative and Quantitative Approaches*. Pearson Education Limited.
- Qureshi, R. (2018). The Informal Economy in Karachi: Characteristics and Challenges. *Journal of Urban Economics*, 23(1), 112-128.
- Raimi, L., Panait, M., Gigauri, I., & Apostu, S. A. (2023). Thematic review of motivational factors, types of uncertainty, and entrepreneurship strategies of transitional entrepreneurship among ethnic minorities, immigrants, and women entrepreneurs. *Journal of Risk and Financial Management*, 16(2), 83-97.
- Rauch, A., & Frese, M. (2007). Let's put the person back into entrepreneurship research: A meta-analysis on the relationship between business owners' personality traits, business creation, and success. *European Journal of Work and Organizational Psychology*, 16(4), 353-385.

- Reynolds, P. D., Bygrave, W. D., Autio, E., Cox, L. W., & Hay, M. (2004). Global entrepreneurship monitor: 2003 executive report. Babson College, Babson Park, MA, London Business School, London, UK.
- Rizwan, M., & Waqas, M. (2020). Determinants of self-employment in Pakistan: Empirical evidence from panel data. *Theoretical and Applied Economics*, 27(4), 157-174.
- Shah, S. A., & Rizvi, S. R. (2018). Financial Independence and Self-Employment in Urban Pakistan. *Pakistan Journal of Applied Economics*, 28(1), 65-85.
- Shane, S. A. (2003). A general theory of entrepreneurship: The individual-opportunity nexus. Edward Elgar Publishing.
- Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review*, 25(1), 217–226.
- Stephan, U., & Roesler, U. (2010). Health of entrepreneurs versus employees in a national representative sample. *Journal of Occupational and Organizational Psychology*, 83(3), 717–738.
- Stuetzer, M., Goethner, M., & Cantner, U. (2012). Do balanced skills help nascent entrepreneurs to make progress in the venture creation process?. *Economics Letters*, 117(1), 186-188.
- Tampouri, S., Kaliris, A., & Kakouris, A. (2023). Researching entrepreneurial beliefs in career decision-making. *Business & Entrepreneurship Journal*, 12(2), 33-50.
- Weicht, R. (2023). *Towards researching decent self-employment: a three country comparison of social protection for the self-employed* (Doctoral dissertation, Manchester Metropolitan University).