

Microfinancing and Entrepreneurial Processes Among Females: A Role Congruity Theory Perspective

Riaheen Farzana
Converse University

Steven J. Karau
Southern Illinois University at Carbondale

This research qualitatively investigates the activities that female entrepreneurs perform to become successful in their ventures with the support of microfinancing. Based on interviews with 34 female entrepreneurs from five regions of Bangladesh, this study sought to identify significant categories of start-up companies related to the development of entrepreneurship among rural women borrowers through microfinancing. Specifically, this study examined obstacles faced by females of Bangladesh and explored how they overcame those barriers and became successful entrepreneurs. A grounded theory approach was used to categorize critical obstructions and facilitating factors, and role congruity theory helped inform the nature of the emerging categories. Nine compelling themes emerged from the analysis, identifying vital factors influencing the nature and outcome of the small business ventures. From a role congruity theory perspective, the nine themes converge to suggest that microfinancing allows women to operate their businesses in a manner that enables them to maintain high congruity or fit with their family roles and other lifestyle requirements, contributing to successful business operations.

Keywords: microfinancing, entrepreneurial processes, role congruity theory, grounded theory

INTRODUCTION

This research qualitatively scrutinizes the activities that female entrepreneurs perform to become successful in their ventures with the help of microfinancing. The scenario of female entrepreneurship in Bangladesh is somewhat different from other countries. In developed countries, people start their businesses if they have money. However, in rural areas of Bangladesh, women often start a business when they do not have any money to survive. In this paper, we discussed the rural poor women who have immensely suffered in their family life and are determined to start their own businesses with the help of microfinancing.

The number of men and women in Bangladesh is approximately equal. Among them, around 84% of people live in rural areas (Afrin, Islam, & Ahmed, 2010). Other than significant cities, Bangladesh is almost entirely an agricultural country. Usually, men work in the field, and women do the household work. However, nowadays, many rural poor women are trying to become entrepreneurs. Despite facing many challenges, such as cultural expectations, social obstacles, religious barriers, and financial obstructions, these rural women are often forced to go outside to operate their business, mainly because of their family needs.

Entrepreneurship is the engine of progress in economies worldwide. Over the past 20 years, women-owned businesses grew intensely in number, incomes, and employment (Afroze, Alam, Adther, & Jui, 2015). Entrepreneurship has become a significant occupation among Bangladeshi women today at various levels of society, whether in urban or rural areas. The development of women entrepreneurs, especially in rural areas, was vitally influenced by Bangladeshi economist Muhammad Yunus, who developed microcredit. Yunus's involvement is a redemptive strength for women who face extreme conditions in their societies, who are the principal borrowers from microfinance institutions. These institutions offer more microloans to women because they perceive women to be very dependable and creditworthy.

Obstacles that impoverished women in Bangladesh face on their path to entrepreneurship include poor educational backgrounds, an absence of investment capital, lack of family support, and strict religious norms (Afrin et.al., 2010). Afrin et. al. (2010) indicated that access to financial investment has a constructive correlation with the progression of female entrepreneurship in Bangladesh. One of the primary historical causes of poverty in Bangladesh was the denial of loans to women, the poor, and rural individuals by banking institutions. Female entrepreneurs may encounter funding managers that do not possess knowledge and information about their business ventures, which may lessen their chances of receiving the capital they need (Alsos and Ljunggren, 2017). Yunus (2010) discovered that this lack of lending had been driving rural women to peddle their handicraft or dairy products to the middlemen at a fraction of the valued price. Yunus created the collateral-free microcredit program for females that aspired to become entrepreneurs. Nawaz (2009) has emphasized access to debt capital, which supports normative factors that influence females to become entrepreneurs. Approximately 95% of female entrepreneurs who live in rural parts of Bangladesh rely on financial investment to keep their businesses operating. Regulative factors are in play as well, such as government and institutional risk analysis procedures and business education and training.

The current research uses a grounded theory qualitative data gathering approach and uses role congruity theory to help inform, refine, and better understand the categories and themes that emerge from the qualitative analysis. Specifically, in light of the compelling impact of the microfinance movement and a currently limited understanding of the dynamics underlying success of female microfinanced entrepreneurs, the current research pursue four main objectives: (1) to inductively explore the different modes of operation of female entrepreneurs in Bangladesh supported by microfinancing, (2) to qualitatively identify categories of obstacles and supporting factors that influence the success or failure of microfinance small business entrepreneurs, (3) to qualitatively analyze the relationship between female entrepreneurs' dominant modes of operation and entrepreneurial success, and (4) to apply core concepts of role congruity theory to understanding the patterns and themes that emerge from qualitative analysis.

Contribution

This study contributes to entrepreneurship research by scrutinizing how and under what circumstances microfinancing enhances the entrepreneurship of rural and poor females in Bangladesh. First, this research is one of the rare studies that attempts to explore, in a detailed qualitative manner, the relationship between female entrepreneurship and access to debt capital. Secondly, this study also sheds light on the impact of role congruity theory on entrepreneurship in the context of Bangladesh. Third, this study contributes to the entrepreneurship literature by forming a base for conducting future research on the fairly new phenomenon of female entrepreneurship and microfinancing. Fourth, this paper contributes novel insights into the nature of gender roles and entrepreneurial roles from the perspective of role congruity theory and extends the theory more directly to the domain of women entrepreneurship. Finally, this research provides a compelling, grounded theory-driven account of role congruity theory of prejudice and extends this logic to the domain of microfinancing and entrepreneurial processes of rural women in Bangladesh.

Background

Various factors have been shown empirically to be associated with the motivation of women to become entrepreneurs. Entrepreneurship is the aptitude and inclination to establish, organize, and manage one's enterprise as well as deal with various risks that arise to make a profit. An entrepreneur is an individual

who has different skills or qualities and can work as a risk-taker, innovator, manager, and negotiator (Alexandre-Leclair, 2014). Start-up capital is a vital part of starting almost any new business venture. It is difficult for a poor rural woman to be an active entrepreneur, especially when there is no precise method for acquiring startup capital.

The rural female can take part in highly labor-intensive small and medium enterprises, such as poultry, dairy, horticulture, rice husking, fisheries, and handicrafts. Discrimination against women artificially restricts half of the country's workforce and highlights the extensive measures that Bangladesh is taking to not only empower its females to become independent and support their families but also to alleviate poverty faced by the entire nation (Parvin, Jinrong, and Rahman, 2012). In Bangladesh, the traditional bank could not reach the poorest and most rural women, mainly for two reasons. First, for granting a loan, they want collateral, which is not possible for a poor woman who does not have assets to post as collateral. In the traditional banking sector, females had to pay higher interest rates and keep more collateral than males (Coleman, 2000). Second, illiterate and poor women were not traditionally given guidance from the bank on how to start their businesses and become successful.

The word "microcredit" did not exist before the 1970s, but has since become a buzzword. In 1976, Dr. Muhammad Yunus introduced microcredit by advancing \$27 to 42 impoverished females in the Bangladeshi village of Jobra to assist them in becoming independent and free from exploitation. Then he established Grameen Bank (GB) in 1983 as a specialized private bank to provide microcredit to the rural poor women in Bangladesh. Thus, Dr. Yunus was the creator of microfinancing to alleviate poverty (Yunus, Moingeon, & Lehmann-Ortega, 2010). Gradually, a new word, "microcredit," was created that refers to collateral-free small loans for income-generating arrangements of poor people. The terms microcredit, microfinance, microlending, and microloans are often used interchangeably, although they have a slight difference in the state of rural finance and the nature of poverty (Armendáriz & Morduch, 2010).

Conceptual Development

The current study uses grounded theory (Strauss & Corbin, 1994) complemented by role congruity theory (Eagly and Karau, 2002) to examine and identify critical aspects, dynamics, and processes of small microfinance businesses run by female entrepreneurs in Bangladesh. Specifically, a grounded theory approach was used to identify themes and patterns regarding obstacles, opportunities, family dynamics, and gender-related processes of such businesses. Role congruity theory was used to help guide decisions about the emerging themes and patterns by suggesting special attention to areas of congruity (or match or fit) versus incongruity (or mismatch or lack-of-fit) between the entrepreneurial role and gender roles or expectations.

The grounded theory approach suggests detailed scrutiny of an area of interest to the researcher to highlight the core concerns that emerge from the field by collecting data, observations, or interview responses and seeking to identify the basic categories that arise. According to two prominent researchers in grounded theory, Glaser and Strauss (1967), this approach is a means of arriving at a conceptual understanding suited to the research question. Jointly investigating the dissimilarity between the everyday realities of practice areas and the perceptions of those everyday realities of the participants could assist in developing the new theory. In the current study, it was used to understand females' views of microfinancing themes and patterns that emerge with role congruity theory being used to help identify potentially promising questions to ask and to organize the topics. Stinchfield, Nelson, and Wood (2012) used a grounded theory approach informed by the logic of Levi-Strauss's analysis of distinct entrepreneurial forms to identify five categories of entrepreneurial behavior- art, craft, engineering, bricolage, and brokerage- among a diverse set of 24 entrepreneurial business. This study takes a similar approach by using RCT to help inform categories and themes as they emerge from a grounded theory exploration of 34 female entrepreneurs running a range of small businesses in Bangladesh. Role congruity theory (RCT) of gender and leadership focuses on the perceived mismatch that exists between the female gender role and many traditional leadership roles. The theory builds on the social role theory of more general differences in social behavior (Eagly, 1997). Social role theory suggests that expectations regarding the appropriate response for women and men are associated with the different roles they have played historically in work and family contexts.

Specifically, this theory highlights agentic and communal attributes. Communal traits are typically ascribed more strongly to women and include interdependence, friendliness, concern for others, unselfishness, and expressiveness. Agentic traits are usually ascribed more strongly to men and refer to independent, assertive, controlling, dominant, or aggressive tendencies. Applying this logic to leadership contexts, as Eagly and Karau (2002) state, RCT "...proposes that perceived incongruity between the female gender role and leadership roles leads to 2 forms of prejudice: (a) perceiving women less favorably than men as potential occupants of leadership roles and (b) evaluating behavior that fulfills the prescriptions of a leader role less favorably when it is enacted by a woman. One consequence is that attitudes are less positive toward female than male leaders and potential leaders. Other consequences are that it is more difficult for women to become leaders and to achieve success in leadership roles" (p.573). RCT suggests that bias is likely to be greatest when a leadership role is broadly construed in more masculine or agentic terms or when the role has traditionally been dominated by males. In contrast, women are less likely to face a disadvantage in roles that have had greater female representation or that are construed in more feminine, communal, or social terms.

Role congruity theory also highlights two essential types of expectations or norms: (1) descriptive norms (describing the behaviors and roles that men and women *typically* engage in), and (2) prescriptive or injunctive norms (the practices and roles that perceivers feel men and women *should* participate in). Injunctive norms may be especially impactful on negative perceptions toward female entrepreneurs if they are perceived as not having the expected role attributes. Gender roles derive, in part, from these two (descriptive and prescriptive) norms associated with women and men. These two norms are also related to beliefs about gender as influenced by the occupational roles and characteristics typically occupied, or expected from, men and women in society. According to RCT, females have historically been less likely to become leaders when compared to males because there has existed perceived incongruence between being female and the expected characteristics of a leadership role.

Regarding entrepreneurial roles, these have been traditionally perceived as highly masculine and as requiring traits more typically held by men than by women. Even gender diversity of employees has an interaction effect on supply chain practice and firm performance (Farzana, 2019). Traditionally, the traits expected from leaders have been more agentic (such as directive or task-oriented), though more recent perspectives on leader effectiveness, such as transformational leadership, include both agentic and communal qualities (Eagly, Johannesen-Schmidt, & Van Engen, 2003). The current study examined the possibility that small microfinance businesses in Bangladesh may pose a situation in which the role expectations are highly suitable to women, thereby helping them overcome many of the usual barriers to success as entrepreneurs.

The current study posits that many of the perceived barriers or incongruity in the traditional or more corporate entrepreneurial settings focused on in past research may be reduced or eliminated in the microfinance context. Although women's rise to power in the traditional entrepreneurial world is hampered by biased perceptions of operational leadership (Khattab and Leroy, 2016), such perceptions should not pose barriers when women are operating small micro-financed businesses in a location in manner than readily allows them to also attend to family expectations and role obligations. From the perspective of RCT, the current study examined whether congruity expectations and perceptions affect the success of female entrepreneurs in the novel and under-studied context of microfinance. Thus, although females likely often face major drawbacks from perceived incongruity in traditional entrepreneurship contexts, particularly in male-led organizations, women may have advantages in some aspects of leadership when socially skilled and transformational behaviors are expected.

METHODOLOGY

As noted earlier, the current study used a general grounded theory approach combined with insights from RCT to help identify and clarify the emerging themes and categories identified from interviews. Grounded theory (Glaser and Strauss, 1967) refers to an inductive method to understand patterns of behavior and activity to arrive at a novel argument. This approach delivers pertinent predictions, clarifications,

interpretations, and applications. When using this technique, the conceptual categories and themes emerge from the data rather than being forced upon the data. Theoretical sampling, constant comparison, and frequently moving between data collection and data analysis are the three main elements of grounded theory. The current study examined how female entrepreneurs create value in their ventures by identifying significant categories and themes in the nature and operation of these ventures.

The study samples were selected through theoretical sampling. The goal was to gather data on somewhat diverse businesses and entrepreneurs from among the broader pool of female micro-financed entrepreneurs in Bangladesh. Entrepreneurs' reflections and perceptions based on detailed interviews were used to identify emerging themes and patterns regarding factors influencing business success. The emerging themes and patterns were informed by RCT regarding business aspects that were likely to be high in either congruity (i.e., fit or match) or incongruity (i.e., lack of fit or mismatch) between the gender role and the entrepreneurship role of the participants.

During the summer of 2019, the first author collected face-to-face responses from 34 female entrepreneurs, from five different districts of Bangladesh, who started their businesses with microfinancing. We focused on customers who took microcredit from Grameen Bank (GB) because microfinance originated with GB and it is the only specialized microfinance bank in Bangladesh. The interviews started with demographic background and business details. Then participants spoke about what makes their businesses successful, how they feel about microfinancing, what obstacles they faced, how they addressed barriers, and so on. The questions were open-ended so that the respondents could share their experience in their own words and enhance the study with their valuable knowledge. Responses were confidential. There were no right or wrong answers.

An initial goal of achieving diversity among the business of female entrepreneurs on criteria of business orientation, industry served, and geographical distribution was maintained. We collected data from rural villages within five different districts of Bangladesh in the following order – Tangail (Karatia union, 3 responses), Gazipur (Bason, 10 responses), Dhaka (Dakshinkhan union, 9 responses), Manikganj (Dakuli, 5 responses), and Cumilla (7 responses). The primary data collection process was challenging, as it was summer with temperatures averaging around 90 degrees (Fahrenheit). The questions were asked in Bangla. The questions were translated into Bangla and then back translated into English to assure the meaning of the questions had been retained (Brislin, 1970). The interviewer was also accompanied by a bilingual assistant.

After collecting data through the face-to-face interviews, written summaries were created for each of the thirty-four cases. These summaries were analyzed to identify themes regarding how the female entrepreneurs approach their work, the categories of their businesses, the processes they went through, the advantages and disadvantages of microfinancing, the obstacles they faced, and their perceived success rates. Through an intensive process of primary data collection and data analysis, the distinctive properties of different types of businesses and nine significant themes and categories emerged.

This study followed the principles of grounded theory by using theoretical sampling, asking a variety of questions, developing summaries, and frequently moving between information collection and analysis. The diversity of the sample being studied may contribute meaningfully to the external validity and generalizability of the results. Regarding internal validity, this study's primary purpose was to identify properties and categories rather than to assess causal relationships directly. There are three aspects of this research that increase its external validity, and may also contribute somewhat to the reliability of responses across participants. First, it studied 34 rural female entrepreneurs with varying demographic traits and running a variety of businesses in the context of microfinance in a developing country. Second, it involved the investigation of practicing entrepreneurs operating under real-world conditions, which is valuable in qualitative research. Third, it strategically included participants from five different regions of the country.

FINDINGS

Final Purposive Sample Characteristics

Individuals are referred to by participant number to preserve confidentiality. Respondents varied widely in age, from 27 to 70 years. The youngest entrepreneur, participant 19, started her business very early when she was unmarried. All participants except one (a widow) were currently married and had children, ranging in number from one to eight. Participants had varying levels of education. More than 25% of respondents were not fundamentally literate and could only sign their names. Only participant 17 from Dhaka is a graduate. The majority of respondents classified themselves as Muslim (94%), with two participants (6%) identifying as Hindu. Most of the participants were poor and at least partially motivated by financial reasons, although the needs for achievement (Farzana, 2018) and self-efficacy were also clearly significant motivational factors towards entrepreneurial intention expressed by most participants.

Types of Businesses

A total of fifty-nine businesses were examined in the study, as eighteen participants engaged in two or more businesses. The top five categories of businesses were room renting (17%), retail store (15%), vegetable business (15%), tailoring (10%), and livestock farm (10%). Additional business categories included fruits and vegetable retail, poultry, rickshaw and easy-bike renting business, and so on. Table 1 summarizes the industries.

TABLE 1
INDUSTRY SERVED

Industry served	Entrepreneurs (Participant Number)
Room rent (10)	4, 6, 8, 9, 10, 11, 12, 13, 17, 19
Retail store (9)	2, 3, 5, 11, 21, 23, 24, 25, 26
Vegetables (9)	13, 14, 18, 21, 28, 29, 31, 32, 34
Tailoring (6)	1, 5, 7, 16, 22, 26
Livestock (6)	10, 13, 18, 23, 28, 32
Fruits and vegetables retail (4)	15, 27, 33, 34
Poultry (3)	13, 20, 23
Other rent business (6)	4, 6, 20, 23, 28, 31
Other business (6)	8, 11, 13, 17, 22, 30

Out of 34 respondents, 10 operated lodging and boarding businesses. They supervised the construction, maintenance, and rental of rooms, typically consisting of one bedroom and a shared toilet. Because many individuals work in but do not live in the locations of their jobs, the demand for boarding has risen. These female entrepreneurs have learned where to buy bricks and cement and how to interact with contractors to build these rooms.

Retail stores and vegetable businesses were the second most common categories (9 respondents each). In the retail stores, owners purchased various products to resell from wholesalers. The women have the advantage of not having to travel to sell or receive their products because the customers come to the store, and the wholesalers deliver the goods. In the vegetable businesses, rural women grow vegetables in the unoccupied land beside their houses. Not only do the crops provide food for their families, but they can also sell their seasonal produce to market for a profit. Another common business was tailoring clothing. Three-piece sets with the salwar, kameez, and orna (scarf), bed sheets, and pillows are the standard offering. Conveniently, this can be operated from home with customers placing orders with design instructions and delivery of the finished product. During special occasions, such as Eid, Christmas, and Puja, demand

increases. Purchasing the stitching machine is the most significant and only fixed investment in this business.

Livestock farming is another accessible business. Many rural entrepreneurs have some extra land beside their houses suitable for raising livestock. This business has a variety of profit-making avenues such as leasing or selling cattle or selling milk. The entrepreneurs typically first buy only one animal, usually a goat or cow. Every year those cattle give birth so the women can choose to either sell or lease to other hopeful entrepreneurs. A lessee will often keep any first offspring but return the second born to the lessor. The pattern continues with future descendants. In the past, livestock farming was not seen as appropriate for women, so Grameen Bank has offered the 'livestock loan' to encourage women to participate.

Beyond the five most common business categories, many other startups were also identified. A few women not only grow fruits and vegetables but also engage in retail trade. Several women have discovered that renting unused land for a variety of purposes has excellent earning potential. Three of them have even been leased for brickfields and factories. Brick can be purchased in the winter months cheaply and sold for a profit in the summer or during rainy seasons.

Other creative businesses were also in operation, such as the easy-bike rental company. Participant 28 from Cumilla invested in a three-wheel battery-operated bike. It charges at night and can run the entire day. The woman is free to stay home, earn money, and rent out the bike. Running easy-bike is a low-maintenance cost business as it does not need fuel. Similarly, the rickshaw rental business is also profitable. Additional businesses included storage rental and growing honeybees.

Key Findings: Major Categories and Themes

Considering the qualitative data that emerged from a combined grounded theory approach, as informed by RCT concepts, nine compelling themes and patterns emerged. We summarize our findings via textual summaries, tables, and direct quotes from participants that are representative, noteworthy, or especially revealing or insightful.

Funding Amounts: A Little Can Go a Long Way

Without the microfinance program, the female entrepreneurs of Bangladesh could not even entertain the idea of opening their business. If we consider the amount of capital required to start a business, surprisingly, half of the entrepreneurs started their business with fifty dollars or less. Participant 1 borrowed Taka 500, which is less than \$7 (\$1 = around Taka 80), in the year 1999 to start her business. Now her yearly loan amount is \$1,875 (Taka 150,000), which in comparison to other countries, is also a very minimal amount of capital to operate a business. Now, four of the entrepreneurs have financed more than six thousand dollars.

Participant 34 of Cumilla has received \$8,700, which is the highest amount observed. She said, "I took only \$25 loan in the year 2000 to start a tea stall. Then we started the business of wholesale rice. We bought four warehouses and rented two of them. Then we endeavored into wholesale vegetables and bananas. I took different types of loans, including a house loan, and a vegetable loan. This is our family business." Five (14%) of the rural entrepreneurs have taken two or more types of loans for different purposes. Participant 4 started her vegetable business with just \$38 in 1999. Within 20 years, she expanded her business and constructed a brickfield. In addition to the primary loan, participant 13 has taken a \$375 short-term loan to install latrines for her tenants.

Changes in Business Categories Over Time

Because the grounded theory technique of purposeful sampling was used, it was necessary to have an initial idea of the category to which each entrepreneur belonged before making contact with the venture's owner. As the iterative process of data collection and analysis unfolded, some entrepreneurs changed their businesses from their initial conception. For example, Participant 4 from Gazipur district switched to room renting and brickfield renting businesses from the vegetable business when she had access to more substantial financing. Participant 5 started her business with tailoring at home for three years. Then, she got

the idea from her sister-in-law to start her retail store. Now she has one cosmetic and jewelry store that she runs with her husband.

Table 2 summarizes the changes. In total, seven (20%) women entrepreneurs switched their business from their initial venture.

TABLE 2
CHANGES IN BUSINESS CATEGORIES

Participants	Initial business	Final category	Notes or primary reason for the changes
4	vegetable	room rent and brickfield rent	To increase the loan amount.
5	tailoring	retail store	To expand the business.
6	cattle	room rent and factory land rent	The initial business grew to 35 cattle. Then she switched to a bigger and more profitable business. She has also become adept at managing and utilizing money.
17	mobile phone business	room rent	The business was initially successful when private mobile phone ownership was rare, but as most people in Bangladesh acquired phones, she switched her business model.
22	mobile phone business	tailoring, honey bee culture, decorator	Started with the phone business, then switched to sewing and other businesses for more profit.
33	poultry business	fruit business	She stopped the poultry business and started fruit business for more profit and also to collaborate with her husband.
34	tea stall	vegetable and fruit business	She moved from retail to wholesale trade.

Employees.

The entrepreneurs prefer to run their businesses either alone or with family. The profit from their small businesses is typically insufficient to provide a salary to an employee. Out of 34 respondents, only six participants (17%) have employees. Participant 30 said, “In one year, I had a great loss. I struggled a lot to pay the installment. My kids almost stopped going to school. Then I talked to Dr. Yunus in one meeting. He grants me an education stipend for my kids’ education when he heard that we had faced a great loss in our business. My relatives, friends, and neighbors used to discourage me. However, my family was very supportive. Now my situation is good. I can even pay the salary of three employees, too.” Participant 14 employs some part-time employees (in Bangla, ‘borga chashi’) in the harvest season. Many of the entrepreneurs are trying to preserve their businesses at a specific limit so that they can run it by themselves. As Emran, Morshed, and Stiglitz (2007) have noted, the value of microcredit is precise because it allows the household to make full use of its labor endowment in a setting with imperfect labor markets.

(4) Training and Business Issues.

For tailoring, livestock, poultry, and other small business activities, entrepreneurial training is very helpful. GB and a couple of other institutions provide training for unskilled women. They encourage rural women to become educated and get proper training for their business. However, it appears that the women in this study were not aware of these initiatives and did not receive any formal training.

Advantages of Microfinancing

Our research revealed a number of key advantages to microfinancing. Access to microfinancing is unparalleled. The microloan is need-based and there is no collateral needed to get this loan. Most applicants to GB were poor when applying for the loan. GB is the key source for funding for those in desperate poverty. Table 3 summarizes the major advantages of microloans identified in the current study.

TABLE 3
ADVANTAGES OF MICROLOANS

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- A. Financial benefits**
- Ease of funding
 - Facilitates the ease of business
 - No collateral
 - Loans available to everyone, irrespective of their age
 - Can obtain funding at more than one time.
- B. Flexibility in financing and loan structure**
- Different types of loans
 - Can get a maximum of 3 kinds of loans at a time.
 - There are yearly, half-yearly, and different kinds of microloan for various purposes, such as for vegetable, cattle, education, or home loans.
 - Annual or semi-annual credit at the beginning
 - Can obtain more credit gradually
 - Easy to manage funds
 - Weekly installments
 - Easy to repay with weekly installments
 - Just 44 weeks in a year to pay the installments, which is shorter and more comfortable than other loans.
- C. Responsiveness and support from the bank**
- Support from banking staff
 - Bankers are very helpful and their behavior is courteous and professional.
 - Bankers provide valuable suggestions and information.
 - The manager helps members to arrange the installments.
 - Location
 - Many branches and centers
 - The bank comes to near their houses to sanction a loan
 - Decision within one week
 - Get the decision in one week, whether they will get the loan or not.
 - Stipend for members' children
- D. Psychological factors**
- Network building
 - By meeting other GB members weekly.
 - Social support from other members
 - Sometimes one member helps another to pay an installment
 - Members become the guarantor of the new member to get a loan.
 - Proxies can be used when members cannot attend a meeting.
- E. Prestige factors**
- The prestige associated with being a member
 - Pride and positive feelings associated with running a successful business
 - Bringing other family members into business and into working with GB
 - Increase in standard of living
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The microloan is need-based and there is no collateral necessary. Participant 12 mentioned that GB gives credit to any woman regardless of age, as she still gets a loan at age 70. The members can get a maximum of three types of loans at a time. There are yearly, half-yearly, and different kinds of microloans for various purposes, such as loans for vegetables livestock, and so on. The common term of payments is only 44 weeks. Members can save their money into a Grameen Pension Scheme (GPS). Participant 8 mentioned, “I have basic microloan, short-term loan, and GPS in Grameen Bank. If I cannot pay the installment, I can withdraw money from my GPS and repay the loan.”

GB officers help members arrange the amount of installment. Participant 16 said, “GB allowed me not to pay the rest of the amount of installment in 2014 when my husband died.” The customers do not have to go to the bank, the bank comes to near their houses. Women entrepreneurs can build an impressive network by meeting other members weekly. They have been known to assist one another in their loan payments and even become guarantors for new member financing. Also, if anyone fails to come to the meeting place any week, they can send a proxy. There is also great prestige associated with being a member of GB. Using microfinancing toward entrepreneurship can lift one’s social standing. Participant 19 said, “First, I did not want to come as it is a loan that I have to repay every week. My mom encouraged me to take microloan and start my business. I am very grateful to my mom and Grameen Bank because it positively changed my life.”

Disadvantages of Microfinancing

Although most of the entrepreneurs told of the benefits of the microloan program from GB, they also mentioned some shortcomings, as shown in Table 4. The conditions were not ideal early in the program, but they have typically overcome these weaknesses. Four participants (11%) mentioned that it can be a frustratingly slow process to obtain a large loan. Some members do not like the procedure that they have to sign on a stamp paper for getting a higher amount of credit, or that the GPS is only offered to those who have loans. Seven women (20%) complained about difficulty with making weekly payments. Participant 26 said, “It is mandatory to pay the installment every week. If we do not pay, the bankers come to our house, which is very shameful.”

**TABLE 4
DISADVANTAGES OF MICROLOANS**

A.	<p>Slow process to get a considerably larger loan</p> <ul style="list-style-type: none"> • Some members could not get the amount according to need. • It takes time to get more money. • It takes time for loan-takers to earn trustworthiness to obtain a significant amount of loans. • To get a big loan they first have to start with a small loan. • Members have to take a loan to start GPS. • There are no long-term loans. • To get more money, members have to sign on a stamp paper.
B.	<p>Weekly installments</p> <ul style="list-style-type: none"> • The installment is only weekly and only on a specific day. • The week passes quickly, which can create anxiety. • Installment started just one week after getting a loan, which feels very early for some members. • Members need to be creative and resourceful to meet each weekly installment.
C.	<p>Challenging to reach the Grameen Bank center</p> <ul style="list-style-type: none"> • One member used to come to the GB center by swimming during the rainy season to pay installments
D.	<p>Interest rate</p> <ul style="list-style-type: none"> • The interest is higher than other traditional banks.

E. Historical Rigidities in Program Administration

- Earlier, the bankers were very strict about making the members follow the leading “16 decisions” of the bank (sholo shiddhanto)
 - If the members could not learn the “16 decisions” correctly, the banker did not give them money on that week.
 - Early in the program, some bankers used to scold those who could not repay the loan at the right time.
 - If members do not pay the installment, the bankers can come to their house, which some members view as very shameful.
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Although GB opens centers close to many members, travel is sometimes difficult, with participant 23 stating she had to swim to the bank because of flooding, as she did not have option to miss the installment. Participant 26 mentioned that the interest rate of Grameen Bank is high compared to other micro-lending institutions. Thus, although knowledge has accumulated about how microfinance affects poor borrowers, consideration of how microfinance organizations themselves finance their lending activities is also necessary (Cobb, Wry, & Zhao, 2016). Customers of the GB are the actual owner of the bank. GB also charges a higher interest rate to survive in the long run.

Sholo Shiddhanto

Although the primary purpose of GB was to alleviate poverty, microcredit was not enough for the poor women to manage their businesses. They also face challenges in housing, nourishment, health, and education. To overcome the situation, GB established 16 rules and regulations that every member should follow to improve living standards, referred to as “sholo shiddhanto” in Bangla, which means “16 Decisions.” These rules have both benefits and potential limitations. Participant 13 noted, “I love the 16 rules and regulations of GB. It has some rules, like; we should not take more than two kids and should make them educated. I have only one daughter and one son, and I educate both of them. I tried to follow all the rules. It made my life easier.” Principles of Discipline, Unity, Courage, and Hard work are fundamental components of success within sholo shiddhanto. Nevertheless, some members think it is a burden for them to remember and follow all of the guidelines. In the early days of GB, the bankers were often very strict regarding these rules. Members were required to memorize and maintain the 16 Decisions of the institution. When lacking the ability to read, committing these regulations to memory is difficult. If the members could not learn the rules and regulations accurately, the banker did not extend money that week. As Participant 9 noted, “Earlier, the bankers were very strict in making us remember and follow sholo shiddhanto, which was very hard for us.”

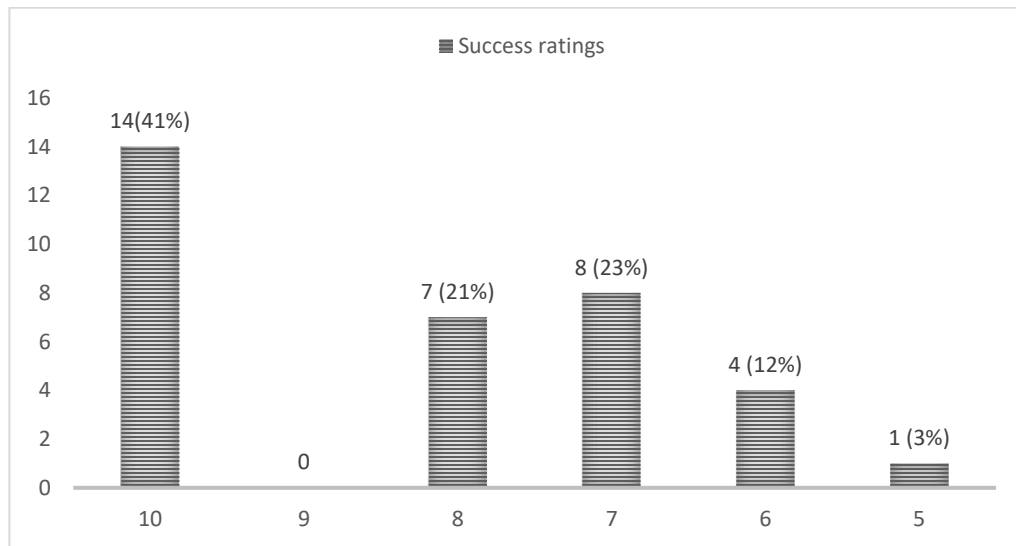
Potential Unique Obstacles for Women

Despite some notable and impressive achievements toward enhancing development of women entrepreneurs, there are still some unique obstacles that these rural women face. Because women do occupy entrepreneurship roles in this context, it is important to consider whether men and women are perceived and evaluated differently once they attain these roles (Eagly & Karau, 2002). Twenty participants (60%) said that they did not face any unique obstacles that a man would not have faced. Participant 6 said, “I used to face some obstacles from relatives. They did not want me to do business. However, now they do not say anything, as they can see how successful I am today.” Participant 24 from Dakuli, Manikganj, mentioned, “I am working inside the local market. So as a woman, I have to cover myself. I have to spend lots of time outside. My working hour is 5:00 a.m. -1:00 p.m. and then 3:30 p.m. to 11:00 p.m.” Participant 7 from Gazipur said, “I wanted to start a store. However, it would hamper giving time to my kids. So, I work from home. I could not make my business bigger.”

Perceived Success

Our study participants were running their businesses steadily and in an approved manner to achieve the ultimate goal of becoming successful entrepreneurs. As a measure of perceived success, participants were asked to rate their businesses on a scale ranging from 0 (not at all successful) to 10 (very successful). As shown in Figure 1, the results show that all of the entrepreneurs, except one, feel that they are generally successful to very successful in their ventures. Participant 20 said, “First, I started poultry business. Then I got the idea to buy an easy-bike to rent. I want to expand my business by acquiring more easy-bikes.” Thus, she rated her success as 5 (i.e., not unsuccessful, but just a moderate rating). Compellingly, fourteen women entrepreneurs (41%) rated their success as 10 out of 10, even though they are operating their businesses from underprivileged origins. Thus, it appears that microfinancing allows women entrepreneurs to operate successful businesses in a manner that allows them to cope with the competing pressures of their domestic and social responsibilities.

FIGURE 1
SUCCESS RATINGS BY PARTICIPANTS



DISCUSSION

The current study provides valuable insights into the literature on gender, entrepreneurship, and microfinance. Based on in-depth face-to-face interviews with thirty-four female entrepreneurs of rural areas of Bangladesh, the current study identifies a range of themes that are important for success. A key implication from the perspective of role congruity theory (RCT) is that microfinance in Bangladesh provides an entrepreneurial context that allows women to maintain a high perceived congruity between entrepreneurial role expectations and obligations related to family, social, community, and other roles.

Findings, Theoretical Insights, and Implications

One prediction of RCT is that attaining and succeeding in leadership roles is typically more challenging for women than for men, because of common perceptions that women possess communal traits that are less congruent with the agentic traits typically expected from traditional leaders (Eagly and Karau, 2002). However, in the current study, we find that women can attain in perform very well in entrepreneurship roles in which they can maintain both communal and agentic traits and operate businesses in a manner that does not conflict substantially with family, social, or community role expectations. Thus, they can both exhibit knowledge, skills, and decision making power within their businesses while also maintaining communal and supportive behavior in their broader life contexts. The initiation and success of women’s ventures are

related to their social networks, access to technology, and appropriate timing (Venkatesh, Shaw, Sykes, Wamba, & Macharia, 2017).

Therefore, perhaps the most compelling pattern overall, that cuts across many of the findings, is that microfinance in this context provides a high degree of congruity between the specific entrepreneurial role and the family, social, and other role obligations of the women entrepreneurs. Thus, many of the sources of perceived incongruity between gender and entrepreneurial roles that have been documented in past research are primarily overcome in the microfinance setting in Bangladesh. The women entrepreneurs can operate their businesses in a way that allows them to maintain family and social roles without having to deal with expectations of a more agentic leadership or corporate nature. Thus, they can maintain a communal orientation in their personal lives and not have to adopt such a strongly agentic orientation in their businesses as they would have to in a corporate setting.

Our research also highlights nine overarching themes and insights that are crucial to understanding the success of the 34 rural women entrepreneurs in Bangladesh from the perspective of RCT. Specifically: (1) Surprisingly small amounts of microfinancing can produce viable businesses; (2) Microloan business models often change significantly over time, with many of the entrepreneurs running multiple businesses; (3) Such businesses are typically run individually or with family assistance, and only rarely hire employees; (4) These businesses are run almost exclusively without any formal training, even though such training might well be beneficial if available and utilized; (5) Microfinancing has a number of compelling distinct advantages for these rural female entrepreneurs; (6) Microfinancing also has a few notable disadvantages or challenges; (7) The principles of *sholo shiddanto*, or the “16 Rules” have important historical and continuing importance for microloan entrepreneurs working with GB; (8) The female entrepreneurs in our sample do not perceive major distinctive challenges as compared with men, but nevertheless noted a few unique ones; and (9) The entrepreneurs reported experiencing good to excellent levels of perceived business success. Regarding the distinctive advantages of microloans, participants revealed that these included (a) financial benefits, (b) flexibility in structuring loans, (c) receiving support and assistance from the bank, (d) psychological benefits such as network building and social support from other entrepreneurs, and (e) prestige factors from being associated with GB or increasing one’s standard of living over time. Potential disadvantages or challenges included (a) a slow process to obtain larger loans, (b) difficulties with meeting weekly installments, (c) geographic or weather-related challenges in reaching GB centers, (d) higher interest rates than traditional bank loans, and (e) some past historical rigidities in program administration. Taken collectively, these insights provide a rich and detailed road map for enhancing entrepreneurial potential in the microfinance realm among female rural entrepreneurs of Bangladesh and may well have implications for broader entrepreneurial contexts as well.

Our in-depth qualitative research illustrates that with the assistance of microcredit loans, the female entrepreneurs of Bangladesh have pursued activities that produced successful businesses. Each of these women has founded a business endeavor with a minimal amount of financing. Through work and patience, the amount of funding available to them gradually increased, allowing them to expand their enterprises. The richness of our qualitative data reveals a great deal of diversity and creativity in the types of businesses run successfully by rural women entrepreneurs supported by microloans, sheds light on a number of benefits and challenges of microfinancing, and integrates these findings in terms of RCT. Given the impressive number of individuals in Bangladesh that have utilized microfinancing to fund successful businesses, there is no reasonable doubt that the program represents something of a victory in creating entrepreneurial opportunities for those who had historically been greatly disadvantaged previously in starting and operating successful small businesses. From a western corporate perspective, it may be hard to imagine that any business could be established for \$50, let alone \$7, but the GB microloan program and the many women who have worked so very hard to succeed, including the 34 participants in the current study, clearly demonstrate that it is both possible and readily obtainable.

Strengths and Limitations

An important strength of this research is the careful and detailed collection of primary data from an understudied culture and population. Data were collected through open-ended face-to-face interviews that

contribute much richer data than a simple survey. Specifically, detailed information was gained about participants situation, emotional state, experiences, and thoughts about microfinancing and the perceived success of their start-ups. The diversity of the sample and businesses being studied also contributes meaningfully to external validity and generalizability. The participants are from five different districts of Bangladesh that possess differences in culture, mentality, and new venture potentiality. The entrepreneurial ventures were diverse regarding industry served, participation (or lack thereof) of family members or employees, date of taking microfinance and establishing of business, educational and demographic backgrounds of the founder, variation in financial success, and various other facts.

Despite its strengths and contributions, the current study also has some inherent methodological limitations. The current research is a conceptual, qualitative, and descriptive study. Experimental studies would be needed to establish causality. Moreover, this study considers only one country, Bangladesh. Thus, the results may not be generalizable across countries or cultures. Another limitation is that the measure of each entrepreneur's success was self-reported. Yet, although scholarly interest in entrepreneurship research has risen steadily over the last four decades, it still often disregards essential variation among necessity entrepreneurs (Dencker, Bacq, Gruber, & Haas, 2019). This study helps contribute by considering how variety in rural poor women's needs influences the entrepreneurial process, from the beginning to the success level.

Future Research

Collectively, the above-noted findings of research provide robust evidence of the success stories of microfinancing and women entrepreneurship. Still, there is ample opportunity for future research. First, longitudinal studies could be deployed to examine how small business change and grow (or decline) over time. Promising areas of study could include motivational reasoning, cognitive or emotional influences on perceptions of success or failure, and key factors influencing the trajectory of small businesses founded initially from microloans. For the successful women entrepreneurs in this study, and their counterparts in other microloan context, their progression could be studied further. Also, as relevant to GB and the people of Bangladesh, future research could delve into the factors that make its microfinance program successful and whether it can be duplicated elsewhere. Similarly, future researchers could focus further on undiscovered issues related to female entrepreneurship and microfinancing in other countries. Finally, a comparison study of places where microcredit has succeeded, and also failed, could expose essential details as to why this would happen, and responses and adaptations to crisis and stress (such as during the recent COVID-19 pandemic) are also important areas for additional emphasis.

CONCLUSION

The current research suggests that women can possess advantages as entrepreneurs in contexts such as microfinance that are not male-dominated or otherwise defined in primarily masculine or agentic ways. Many of the difficulties and challenges that women face stem from the women performing in entrepreneurial roles that may conflict with traditional gender roles within their society (Eagly and Karau, 2002). This societal incompatibility can create vulnerability whereby women encounter prejudicial reactions that restrict their access to entrepreneurial roles and negatively bias judgments of their performance as leaders. However, in this study, we have seen that women can achieve successful entrepreneurial status. These results highlight the promising potential for contexts that reduce perceptions of incongruity between the female gender role and entrepreneurship, such as microfinancing, to enhance women's entrepreneurial participation and business success. The current research will provide a strong starting foundation for future studies seeking to identify and better understand the conditions under which traditional gender-based disadvantages in entrepreneurship can be reduced, eliminated, or potentially even reversed.

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