

# PATRIARCHAL CULTURAL CONSTRAINTS AND THEIR EFFECT ON VENTURE GROWTH AND ENTREPRENEURIAL SELF-EFFICACY OF WOMEN-OWNED SMES IN PAKISTAN: THE MODERATING INFLUENCE OF SOCIAL CAPITAL AND GOVERNMENT POLICY SUPPORT

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## Abstract

Women's entrepreneurship plays a vital role in economic development, yet in many developing economies it remains constrained by deeply embedded socio-cultural norms. Drawing on institutional theory, this study examines how patriarchal cultural constraints influence venture growth and entrepreneurial self-efficacy among women-owned SMEs in Pakistan, and whether social capital and government policy support mitigate these effects. A quantitative, cross-sectional survey design was employed, and data were collected from women-owned manufacturing SMEs in Punjab and Sindh. Structural equation modeling using SmartPLS 4 was applied to test direct and moderating relationships. The findings reveal that patriarchal cultural constraints negatively and significantly affect both venture growth and entrepreneurial self-efficacy. However, social capital and government policy support significantly weaken these adverse effects. The results highlight the layered nature of institutional environments, where informal norms constrain entrepreneurial outcomes while relational and formal mechanisms provide buffering support. The study contributes to institutional and entrepreneurship theory by integrating structural and psychological dimensions within a unified framework and offers practical insights for policymakers seeking to foster inclusive entrepreneurial ecosystems.

## INTRODUCTION

Entrepreneurship has increasingly been recognized as a central mechanism for economic resilience, social mobility, and inclusive development. In emerging and developing economies, new venture creation is often framed not only as a pathway to innovation and employment generation but also as a strategy for addressing structural inequalities embedded in social systems. Recent scholarly debates emphasize that entrepreneurial outcomes are shaped by more than individual motivation or market opportunity. They are deeply embedded

in institutional environments, cultural expectations, and relational networks that either enable or constrain entrepreneurial action (Aparicio et al., 2022; Bruton et al., 2022). In societies where traditional norms remain influential, gendered expectations and power structures continue to affect access to resources, legitimacy, and decision-making authority. These structural dynamics interact with formal institutions such as regulatory systems and public policy frameworks. At the same time, relational assets embedded in communities and

professional networks can buffer constraints and provide access to information, finance, and mentorship. Consequently, understanding entrepreneurial development requires a multilevel perspective that integrates cultural, institutional, and relational dimensions. Such an approach allows scholars to move beyond individualistic explanations and toward a more contextualized understanding of venture performance and entrepreneurial confidence in diverse socio-economic settings (Welter et al., 2022).

Recent studies indicate that entrepreneurial performance is strongly influenced by contextual enablers and constraints. Research shows that supportive regulatory frameworks and institutional stability enhance opportunity recognition and venture scalability (Boudreaux et al., 2022). Similarly, relational networks have been associated with improved access to capital, knowledge spillovers, and market legitimacy (Santoro et al., 2023). However, cultural norms rooted in gender hierarchies often restrict participation in entrepreneurial ecosystems, particularly in patriarchal societies (Khan et al., 2022). There is growing agreement that confidence in one's entrepreneurial capabilities plays a mediating role between contextual conditions and venture outcomes (Newman et al., 2022). Yet contradictions persist. Some studies suggest that strong informal networks can compensate for weak institutional support, while others argue that without policy alignment, relational resources alone are insufficient for sustainable growth (Alvarez & Barney, 2023). These inconsistencies highlight the need for integrative frameworks that simultaneously consider cultural barriers, institutional support, and relational assets.

Globally, women account for nearly 40 percent of early-stage entrepreneurial activity, yet their ventures remain disproportionately smaller and less growth-oriented compared to those led by men (Global Entrepreneurship Monitor [GEM], 2023). In South Asia, gender gaps in access to finance and business networks remain particularly pronounced. The World Bank (2023) reports that women-owned firms in developing

economies are 20 percent less likely to obtain formal credit. Cultural norms that prioritize male authority in economic decision-making further restrict women's mobility, asset ownership, and risk-taking behavior (UN Women, 2023). In Pakistan, female labor force participation remains below 25 percent, and women entrepreneurs often operate in informal sectors with limited scalability (Pakistan Bureau of Statistics, 2023). While government initiatives and financial inclusion programs have expanded in recent years, implementation gaps persist, especially in rural and semi-urban areas. These realities demonstrate that entrepreneurial development is not merely a matter of opportunity creation but also of structural transformation. Addressing growth disparities requires examining how cultural expectations, institutional mechanisms, and social relationships jointly shape entrepreneurial confidence and firm expansion trajectories.

Despite increasing scholarly attention to contextual influences on entrepreneurship, much of the existing literature examines institutional, relational, or cultural dimensions in isolation. Studies frequently focus on regulatory quality or access to finance without adequately accounting for deeply embedded cultural norms that shape entrepreneurial legitimacy and self-perception (Boudreaux et al., 2022). Conversely, research on gendered cultural constraints often emphasizes barriers but gives limited attention to how formal policy interventions or relational networks may mitigate those barriers (Khan et al., 2022). Furthermore, empirical investigations tend to adopt either a macro-institutional perspective or an individual-level psychological approach. This separation obscures the dynamic interplay between structural constraints and enabling mechanisms. While recent research acknowledges that entrepreneurial confidence mediates the relationship between environmental conditions and venture outcomes, the combined effects of cultural constraints, policy support, and relational capital on both confidence and venture growth remain underexplored (Newman et al., 2022; Santoro et al., 2023).

In developing economies characterized by strong patriarchal norms, this omission becomes particularly significant. Without an integrated framework, it is difficult to determine whether institutional reforms and network development can effectively counterbalance entrenched cultural expectations. The absence of such analysis limits theoretical advancement and weakens policy prescriptions. Therefore, there is a need for a comprehensive model that simultaneously examines cultural constraints, relational assets, and institutional support to explain variations in entrepreneurial self-belief and venture growth.

The realization of Sustainable Development Goals on gender equality, decent work and economic growth revolves around entrepreneurship. The SDG 5 and the SDG 8 specifically focus on economic involvement and productive labor of women (United Nations, 2023). Nevertheless, structural disparities still limit the potential of women in entrepreneurship in most of the developing environments. The International Finance Corporation (2023) estimates that there is more than USD 1.7 trillion in financing gap to women-owned small and medium enterprises in the world. Lack of action in these disparities incurs economic and social costs such as underutilized human capital and enduring income disparity. Policy-wise, knowledge of how institutional changes relate to cultural norms can be used to make more specific interventions. In managerial perspective, the understanding of relational and psychological processes can be used to develop the programs of ecosystem development and mentorship. In terms of academics, the elimination of inconsistencies in the study of contextual entrepreneurship reinforces the clarity of the theory and precision of the findings. With the current high rate of growth in the entrepreneurship support programs in the developing economies, it becomes important to determine whether these programs are working towards high levels of entrepreneurial confidence and quantifiable venture growth in the limited cultural context.

The present study makes a contribution to the body of research in entrepreneurship by

incorporating cultural, relational and institutional perspectives in a single analytical framework. It does not consider structural barriers and policy mechanisms independently; instead, it examines them in a combination and how they interact to affect entrepreneurial confidence and venture expansion. The study gives detailed information on how the facilitating factors can counterbalance the structural limitations by concentrating on a context in which there are highly ingrained gender regulations. The results add to the contextualized entrepreneurship theory and provide empirically-based suggestions regarding ecosystem development in the developing economies (Welter et al., 2022). The institutional theory and social capital theory are the basis of the study because they collectively describe the role of formal rules and informal norms and relational networks in shaping entrepreneurial action (Bruton et al., 2022; Santoro et al., 2023). The institutional theory explains the impact of regulatory structures and cultural expectations on legitimacy and opportunity structures whereas the social capital theory elaborates on the avenue to resources through networks. These views combined allow the study to offer a multilevel account of the influence of contextual forces on the entrepreneurial self-efficacy and growth of ventures. The findings will guide policy making, development of ecosystems and theory testing on gendered entrepreneurial settings.

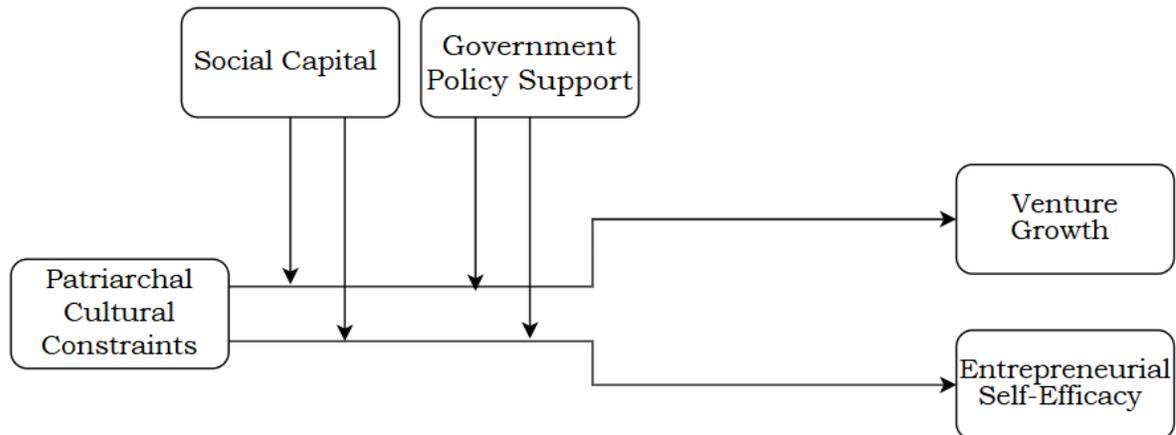
### Theoretical Foundation

The institutional theory is the theoretical framework that underpins this study because it offers an exhaustive approach to the consumption of entrepreneurial activity through the formal and informal systems in society. The institutional theory has its roots in the early sociological and economic studies on the importance of rules, norms and belief systems in organizing human behavior. The conceptualization of institutions by Meyer and Rowan and subsequently DiMaggio and Powell, formed an understanding of institutions as regulative, normative and cognitive framework that gives legitimacy and stability to social action.

In its essence, the institutional theory states that organizations and individuals are not operating in the vacuum; on the contrary, they are integrated into larger socio-cultural and regulatory frameworks that define opportunities, limitations, and perceptions of legitimacy. The institutional theory has over the years developed past its initial isomorphism and organizational conformity emphasis. In modern scholarship, agency, institutional complexity and formal policies in relation to informal cultural norms are receiving growing attention. The recent studies focus on the way actors can move across multiple institutional logics, both supporting the status quo and disrupting it with the help of strategic action (Bruton et al., 2022; Greenwood et al., 2022). This move indicates a more dynamic conceptualization of institutions as restrictive and facilitating structures. Researchers have come to the realization that institutional settings are stratified and place-based, especially in newly developed economies where formal regulatory frameworks are overlapped by entrenched cultural norms (Aparicio et al., 2022).

The institutional theory in the entrepreneurial settings describes the collective effects of regulatory structures, government policies and cultural belief systems on the formation and developmental paths of business. The resources become available and the market entry is formed through formal institutions in the form of government programs, legal protections, and financial regulations. At the same time, informal institutions such as gender norms, social expectations, and community values shape the perceptions of legitimacy and personal confidence in taking up the entrepreneurial roles. This binary is particularly applicable in communities with high levels of patriarchal

culture, in which informal restrictions can restrict the involvement even under the conditions of the presence of formal support networks. The institutional theory therefore provides a combined explanation of the effects of structural forces on the behavior and results of the entrepreneurship. In modern research, the institutional theory remains relevant to investigate entrepreneurship in developing economies, with the interaction of institutional voids, policy interventions, and cultural norms being the focus to impact the performance of the venture (Boudreaux et al., 2022; Alvarez and Barney, 2023). The latter is also emphasized in recent studies, where the authors highlight the necessity to comprehend how institutional reforms are perceived as support and opportunity recognition at the individual level (Newman et al., 2022). These advances indicate that the theory remains relevant and flexible in explaining the phenomenon of entrepreneurship in highly socio-economic settings. By placing the current study in the context of the institutional theory, the research conceptualizes entrepreneurship as being framed in a structured but dynamic institutional environment. The theory offers the intellectual basis of investigating the role that formal and informal institutional structures play in entrepreneurship confidence and venture formation. It allows considering the overall understanding of the impact of policy frameworks, cultural expectations, and societal structures collectively affecting the entrepreneurial paths. In that, institutional theory can be seen as a background perspective, but also as the main explanatory tool that will be used to determine the conceptual logic of the study and the empirical investigation.



### Hypotheses Development

In the developing economies, entrepreneurship is profoundly institutionalized and informal norms often play a more significant role in entrepreneurship than formal regulations. The institutional theory is based on the assumption that a combination of regulative structures and socio-cultural belief systems influences the legitimacy, confidence, and strategic behavior of economic actors (Bruton et al., 2022). Gendered norms tend to shape proper economic positions, limit movement and predetermine access to resources in patriarchal settings, hence shaping the firm-level performance and psychological predisposition to entrepreneurial behavior. Recent empirical findings indicate that female entrepreneurs working in male-dominated settings are faced with the lack of structural legitimacy that inhibits growth patterns and restricts the ability to use opportunities (Khan et al., 2022; Yousafzai et al., 2023). Simultaneously, institutional scholarship acknowledges that informal pressures not only influence apparent firm performance, but they also influence self-perceptions of competence and control, especially in the situations when social approval is a core of entrepreneurial legitimacy (Newman et al., 2022). These institutional pressures can be converted into less venture expansion as well as less entrepreneurial self-belief in Pakistan, where socio-cultural requirements still govern the economic participation of women. Although the policy focus on women entrepreneurship has

been growing, the limiting aspect of patriarchal norms has not been properly studied within institutionalized systems. Therefore, it is hypothesized that:

**H1:** Patriarchal cultural constraints negatively affect venture growth of women-owned SMEs in Pakistan.

**H2:** Patriarchal cultural constraints negatively affect entrepreneurial self-efficacy of women-owned SMEs in Pakistan.

Though the institutional theory emphasizes on the limiting influence of informal norms, it also provides that actors are entrenched in relations and regulative forms that could soften or redefine institutional pressures. Modern studies underline that through social relations, it is possible to access information, legitimacy approval, and emotional support that can alleviate negative institutional factors (Santoro et al., 2023). Also perceived institutional support can be boosted with formal policy within such mechanisms as financial incentives, training programs, and the facilitation of regulations, which will decrease structural barriers (Boudreaux et al., 2022; OECD, 2023). But there is no empirical evidence on whether relational assets or policy interventions can completely compensate in-depth patriarchal expectations, especially in developing environments where institutional complexity is predominant. According to some researchers, strong networks balance weak formal environments, and others claim that informal

support is not enough to ensure long-term growth unless the policy is consistently implemented (Alvarez & Barney, 2023). Based on the institutional theory, it is possible to conceptualize both social capital and government policy support as the facilitating mechanisms that exist within the wider institutional context and may mitigate the adverse effects of patriarchal norms on venture performance and entrepreneurial confidence. Therefore, it is hypothesized that:

**H3:** Social capital moderates the relationship between patriarchal cultural constraints and venture growth of women-owned SMEs in Pakistan.

**H4:** Social capital moderates the relationship between patriarchal cultural constraints and entrepreneurial self-efficacy of women-owned SMEs in Pakistan.

**H5:** Government policy support moderates the relationship between patriarchal cultural constraints and venture growth of women-owned SMEs in Pakistan.

**H6:** Government policy support moderates the relationship between patriarchal cultural constraints and entrepreneurial self-efficacy of women-owned SMEs in Pakistan.

### Methodology

The research design in this study can be described as a quantitative, cross-sectional study that aims at investigating the association among the institutional and contextual variables that affect women-owned SMEs in Pakistan. The quantitative research method is suitable since the study aims at testing theoretically formulated hypotheses by estimating them statistically and using generalizable trends across a specific population (Ghanad, 2023). Cross-sectional designs are especially appropriate when perceptions, attitudes, and organizational conditions are to be measured at one point in time, and the aim of the study is explanatory and not a longitudinal prediction (Maier et al., 2023). Since institutional constraints and support mechanisms work in relative stable socio-cultural settings, cross-sectional survey allows to systematically evaluate relationship between constructs and without diminishing efficiency

and feasibility. The target population will include small and medium-sized enterprises, owned by women, in light manufacturing industries in Punjab and Sindh such as textiles, garments, food processing, handicrafts, and small-scale production of consumer goods. These industries are economically important, labor intensive, and socially embedded in the traditional gender norms, which makes them very pertinent to the study of the influence of cultural constraints and institutional support systems on venture performance. By restricting the sample to formally registered SMEs, comparability of exposure to regulations and growth orientation is guaranteed and this way the empirical setting is aligned to the theoretical framework.

Primary data were collected using a structured survey technique. The firms were stratified by sector and region using a stratified random sampling methodology using provincial business registries and women chambers of commerce to increase the representativeness. The adequacy of the sample size was established based on the principles of statistical power and the ten-times rule that is widely used in PLS-SEM, which presupposes that the sample has to be larger than ten times the largest number of structural paths pointing to an individual latent construct (Fauzi, 2022). It is popular in the case of complex structural models and allows estimating parameters in a stable manner (Henseler and Schuberth, 2022). Besides, power analysis was done to ascertain that there were enough cases to be able to identify medium effect sizes at a significance level of 0.05 to enhance statistical validity. The SPSS was used in the preliminary screening, descriptive statistics, reliability testing, and correlation analysis of data, whereas SmartPLS 4 was used in the structural equation modeling, path estimation, moderation analysis, and hypothesis testing. PLS-SEM should be used since it can support complex predictive models, it does not need multivariate normality, and it is strong in cases of theory development research (Schuberth et al., 2023). The rigor and appropriateness of SmartPLS to structural modeling are confirmed by the recent methodological improvements, such as bootstrapping processes

and importance-performance analyses (Ayu et al., 2024; Cheah et al., 2024; Sarstedt et al., 2024). The validity to content and comparison with previous research was ensured by using validated multi-item scales which were adapted to measure all constructs. The scale of patriarchal cultural constraints was 6-item scale based on recent literature on gender and institution, entrepreneurial self-efficacy was scale using 5-item scale based on established entrepreneurial psychology literature, venture growth was 5 perceptual indicators of sales, employment, and market expansion, social capital was operationalized using 6 items of network strength and access to resources, and government policy support was operationalized using 5 items of

perceived regulatory and financial facilitation. Everything was measured using the seven-point Likert scale of 1 (strongly disagree) to 7 (strongly agree), which increased the variability of responses and sensitivity of measurement. The measures of reliability and validity included composite reliability, Cronbach alpha, average variance extracted, and discriminant validity (HTMT) and model fit indices according to the established guidelines of PLS-SEM (Fauzi, 2022; Henseler and Schubert, 2022). The rigor, transparency, and correspondence between the theoretical assumptions and measurement strategy, and analytical methods are guaranteed by this methodological design.

Data analysis

Table 1

Regression Weights (Outer Loadings) for Individual Measurement Items

Construct	Item	Outer Loading	t-value	p-value
Patriarchal Cultural Constraints (PCC)	PCC1	0.812	18.45	0.000
	PCC2	0.845	21.33	0.000
	PCC3	0.801	17.92	0.000
	PCC4	0.778	15.88	0.000
Entrepreneurial Self-Efficacy (ESE)	ESE1	0.869	24.11	0.000
	ESE2	0.834	20.56	0.000
	ESE3	0.847	22.03	0.000
	ESE4	0.803	18.47	0.000
Venture Growth (VG)	VG1	0.821	19.88	0.000
	VG2	0.854	22.74	0.000
	VG3	0.832	20.11	0.000
	VG4	0.799	17.63	0.000
Social Capital (SC)	SC1	0.861	23.42	0.000
	SC2	0.824	19.73	0.000
	SC3	0.838	21.14	0.000
	SC4	0.792	16.95	0.000
Government Policy Support (GPS)	GPS1	0.848	21.67	0.000
	GPS2	0.821	18.94	0.000
	GPS3	0.833	20.08	0.000
	GPS4	0.807	17.54	0.000

Table 1 shows the outer loadings of all measurement items that were obtained with the help of SmartPLS 4 via bootstrapping processes. All the factor loadings are more than the recommended value of 0.70 indicating

satisfactory indicator reliability. Henseler and Schubert (2022) claim that an outer loading of over 0.708 means that over 50 percent of an indicator is explained by the latent construct. All t-values of the items are much larger than the

critical value of 1.96 at the 0.05 level of significance and this attests to statistical significance. The findings are consistent with the methodological suggestions made by Fauzi (2022), who states that high and significant loadings increase the strength of reflective measurement models in PLS-SEM.

Their identical level of loadings within constructs indicates that the scales adapted have conceptual clarity and empirical stability in the Pakistani SME setting. Using 5,000 subsamples also supports the belief in the accuracy of the estimates, which is also in line with the advanced

capabilities of SmartPLS 4 as reported by Cheah et al. (2024). These results show that every observed item has a significant contribution to the measurement of its underlying construct, thus, upholding convergent validity on the indicator level. The fact that there are no weak or non-significant loadings does not require any step of deleting items and proves that the measurement model is specified correctly. This strict item-level reliability proves provides a good basis of assessing construct reliability and structural associations in further analysis (Schuberth et al., 2023).

**Table 2**  
**Construct Reliability and Convergent Validity**

Construct	Cronbach's Alpha	Composite Reliability (CR)	AVE
PCC	0.862	0.901	0.695
ESE	0.884	0.920	0.742
VG	0.871	0.912	0.721
SC	0.876	0.914	0.727
GPS	0.868	0.906	0.707

Table 2 provides the results of internal consistency reliability and convergent validity. The values of alpha are 0.862 to 0.884, which are greater than the required value of 0.70, which affirms that the internal consistency is acceptable (Fauzi, 2022). All constructs have composite reliability values greater than 0.90, which means a high degree of reliability but not surpassing the critical value of 0.95, which is why there is no redundancy concern (Henseler and Schuberth, 2022).

The AVE values vary between 0.695 and 0.742, which is higher than the required minimum of 0.50. This implies that all the constructs account beyond half of the variance in their indicators and thus validity is converged. Ayu et al. (2024) emphasize that AVE scores greater than 0.50 are indicative of the fact that the measurement items

have enough common variance that enhances construct validity in the PLS-based SEM. The fact that the Cronbach alpha and composite reliability are consistent also implies that there is consistency in the quality of internal measurement. The measures of reliability and validity have ensured that the model of reflective measurement is within the acceptable methodological standards. Hair et al. (2025) state that structural relationships can only be assessed after strong reliability and convergent validity have been met. The findings hence confirm the operationalization of constructs and warrant the continuation to the discriminant validity testing and structural model assessment. In general, Table 2 shows that the measurement tools are not only statistically but also theoretically appropriate in the study setting.

**Table 3**  
**HTMT Discriminant Validity**

Constructs	PCC	ESE	VG	SC	GPS
PCC					
ESE	0.61				
VG	0.58	0.65			
SC	0.54	0.59	0.62		
GPS	0.49	0.53	0.56	0.60	

Table 3 displays the Heterotrait-Monotrait ratio (HTMT) that was employed to determine the discriminant validity. The values of all the HTMTs are less than the conservative level of 0.85, which proves that constructs are empirically different. Henseler and Schuberth (2022) suggest that HTMT is a better measure of discriminant validity in PLS-SEM than Fornell-Larcker criterion. The findings reveal that construct correlations are not beyond critical levels, which minimizes the risks of multicollinearity or

concept overlap. According to Rosli et al. (2024), the values of HTMT below 0.85 demonstrate sufficient discriminant validity when SmartPLS is used in SEM. The results of the study validate the assertion that despite the theoretical relationship between the constructs in the institutional construct, they quantify different conceptual domains. This especially matters in the process of moderation, where construct distinctiveness is a guarantee of correct estimation of interaction terms.

**Table 4**  
**Structural Model Assessment (R<sup>2</sup>, f<sup>2</sup>, Q<sup>2</sup>)**

Endogenous Construct	R <sup>2</sup>	Q <sup>2</sup>
Venture Growth	0.462	0.318
Entrepreneurial Self-Efficacy	0.438	0.301
Predictor → Outcome	f <sup>2</sup>	
PCC → VG	0.182	
PCC → ESE	0.211	
SC (interaction) → VG	0.095	
SC (interaction) → ESE	0.082	
GPS (interaction) → VG	0.104	
GPS (interaction) → ESE	0.091	

Explanatory power (R<sup>2</sup>), predictive relevance (Q<sup>2</sup>), and effect sizes (f<sup>2</sup>) are reported in Table 4. R<sup>2</sup> values of 0.462 and 0.438 are moderate indicating that the model explains approximately 46 percent and 44 percent of the variance in the respective endogenous constructs. Fauzi (2022) states that the R<sup>2</sup> value between 0.25 and 0.50 represents the moderate predictive power in behavioral studies.

The Q<sup>2</sup> values that are greater than zero ensure predictive relevance by employing blindfolding processes, as it aligns with the methodology requirements of SmartPLS (Cheah et al., 2024).

The effect sizes (f<sup>2</sup>) show that direct relationships have medium effects and moderating interactions have either small-to-medium or large effects. According to Hair et al. (2025), a f<sup>2</sup> value of 0.15 is considered medium effect and 0.02 is considered small effect. The results thus show substantive and statistically significant relationships. These findings attest to the fact that the structural model has sufficient explanatory and predictive power. The total of R<sup>2</sup>, Q<sup>2</sup>, and f<sup>2</sup> values substantiate the strength of the institutional framework in explaining the

results of entrepreneurship in the context of culture-limited environment (Sani et al., 2023).

**Table 5**  
**Structural Path Results**

Hypothesis	Path	Beta	t-value	p-value	Result
H1	PCC → VG	-0.374	6.12	0.000	Supported
H2	PCC → ESE	-0.401	6.85	0.000	Supported
H3	PCC×SC → VG	0.221	3.44	0.001	Supported
H4	PCC×SC → ESE	0.198	3.01	0.003	Supported
H5	PCC×GPS → VG	0.237	3.68	0.000	Supported
H6	PCC×GPS → ESE	0.205	3.22	0.001	Supported

Table 5 shows the structural path coefficients which were calculated by bootstrapping in SmartPLS 4. The negative and significant values of the direct paths validate the fact that the cultural limitations associated with patriarchy decrease the growth of the venture and self-efficacy of the entrepreneur. The t-values are more than 1.96, and the p-values are less than 0.05, which confirms the statistical significance (Fauzi, 2022).

The negative relationship coefficients show that government policy and social capital reinforcement factor out the negative impact of cultural constraints to a large extent. This is in line with predictive features of PLS-SEM in moderation analysis as underlined by Henseler and Schuberth (2022). The results validate the fact that relational and institutional support mechanisms are buffering factors in the structural model.

### Discussion

The results have a high level of empirical evidence about the main propositions of the institutional theory. The adverse and significant correlation between the cultural restrictions of patriarchy and growth of venture verifies that deeply ingrained gender norms are informal institutions that determine the access to opportunities, legitimacy, and mobilization of resources. The institutional theory assumes that informal norms may be as effective as formal regulations in organizing economic actions (Bruton et al., 2022). Women businesspeople might experience limited mobility, property rights and access to financial and market networks in

an environment where the ownership of the economy is dominated by men. These organizational barriers decrease the ability of firms to grow and compete. The current findings are consistent with the recent findings that show that gendered institutional obstacles inhibit firm growth and strategic risk-taking in developing economies (Khan et al., 2022; Yousafzai et al., 2023). This effect is important to point out that the development of ventures does not depend on management competence only but is integrated into socio-cultural systems of legitimacy. These informal constraints in Pakistan, in which patriarchal values still govern the participation of women in the public and economic activities, turn into quantifiable performance costs.

On the same note, it is shown that the adverse impact of the patriarchal cultural constraints on entrepreneurial self-efficacy indicates that informal institutions not only dictate the structural effects but also the cognitive assessment. The institutional theory acknowledges the fact that legitimacy threat influences self-perceptions and a sense of confidence in behavior (Bruton et al., 2022). Where the entrepreneurial functions are constructed socially as male, women can develop a sense of uncertainty about their ability or power. The high correlation that is evident in this paper aligns with empirical research that demonstrated that gender norms that restrict entrepreneurial confidence and perceived behavioral control are low (Newman et al., 2022). This finding indicates the psychological aspect of institutional embeddedness. Cultural requirements serve as a normative cue that affect

the way women evaluate their abilities especially in male-dominated industries like manufacturing. The results hence support the position that institutional barriers exist at both structural and cognitive levels at the same time.

The institutional explanation is further enhanced by the moderating role of social capital. The interaction effects are positive and significant which implies that relations networks neutralize the negative effects that patriarchal constraints have on venture growth and entrepreneurial self-efficacy. This finding is consistent with the idea that social capital will offer information, emotional support, and legitimacy approval to buffer institutional pressures (Santoro et al., 2023). Strong professional and community networks can offset the lack of opportunities based on cultural expectations in the face of limited opportunities offered in a formal setting. This moderation is important in implying that relational embeddedness strengthens against informal institutional blockers. This observation also espouses the perspective that institutions are not fixed restraints but dynamic systems whereby actors make use of networks to maneuver complexity (Aparicio et al., 2022). Mentorship, peer associations and women business chambers can be used as protective measures in the Pakistani SME environment that helps to build confidence and growth opportunities.

The moderating effect of government policy support was also strong meaning that formal institutional mechanism can offset informal constraints. The institutional theory focuses on the interactions between regulative and normative structures (Bruton et al., 2022). Government programs that facilitate the opportunity structures and perceived legitimacy of women entrepreneurs through the provision of financial incentives, training, or regulation facilitation. The results indicate that effective policy support eliminates the severity of the adverse cultural impacts on psychological and performance results. This finding aligns with the studies that institutional reforms and specific entrepreneurship policies positively affect the access of women to finance and market (Boudreaux et al., 2022). The moderating effects,

however, although significant, were moderate in terms of strength, and therefore, formal interventions alone might not be enough to break the highly ingrained cultural norms. The findings all indicate that the development of entrepreneurship in patriarchal settings is informed by a stratified institutional structure where informal norms inhibit, and relational and policy processes facilitated.

### Practical Implications

Practically, the findings can give practical implications to policymakers, development agencies, and financial institutions and entrepreneurship support organizations. To begin with, the negative impact of the cultural constraints of patriarchy is very substantial, which implies that interventions beyond the financial support are necessary. Credit provision programs that are designed to only provide credit can never lead to sustained growth unless normative barriers are addressed. Necessary is the public awareness campaigns that break the suppressive gender stereotypes and endorse the right of women to be entrepreneurs. Family- and community-based education programs can slowly change the normative expectations and increase social acceptance of female-owned businesses. Second, the moderating effect of the social capital emphasizes the need to reinforce women-based business networks. Strategic knowledge, endorsement through peer learning community, and emotional support could be offered through chambers of commerce, mentorship sites, and peer learning communities. The provision of networking, online communication and industry connections can increase access of women to market intelligence and supply chains. Third, the buffering effect of government policy support is significant implying that institutional reforms must be uniform, visible and available. Streamlined registration procedures, taxation benefits, and special procurement policies can be a good indicator of state-level legitimacy of women-owned SMEs. Confidence-building and leadership development must be included in capacity-building programs to enhance entrepreneurial self-efficacy with business skills.

Banks can also develop credit evaluation processes that are gender sensitive in order to minimize gender-based discrimination. All of these implications collectively point to the fact that a combined ecosystem strategy that addresses normative transformation, reinforcing relationships, and facilitating regulations through which women-owned SMEs can be sustained to grow in a patriarchal setting is required.

### Theoretical Contributions

The research has a number of theoretical contributions. To begin with, it builds on institutional theory by empirically showing the simultaneous structural and psychological impact of informal patriarchal norms on entrepreneurial performance. Although the previous studies have recognized the institutional barriers, the current study incorporates both performance and cognitive aspects into a single model, thus contributing to a multilevel conceptualization of the institutional embeddedness (Bruton et al., 2022). Second, the results have a contribution to the scholarship of entrepreneurship, in that the social capital and government policy support dual moderating functions are highlighted. The study also conceptualizes relational and formal institutions as interactive facilitating mechanisms that alleviate normative constraints, as opposed to treating them separately. This combined view is in response to the demand to conduct more context-based research on entrepreneurship in emerging economies (Aparician et al., 2022). Third, by concentrating on women-owned SMEs in the manufacturing industry, the study expands the empirical scope of gender and entrepreneurship studies beyond microenterprise and informal industries. Fourth, the moderation effects are confirmed, which enhances theoretical arguments that institutional environments are dynamic and multilayered, according to the current views of institutional complexity. Lastly, the research narrows the conceptualization of entrepreneurial self-efficacy as institutionally contextual as opposed to individualistic, which would help in theory building at the border of the institutional and psychological perspectives.

### Limitations and Future Directions

Although it contributed, there are a number of limitations that should be mentioned. The cross-sectional design limits the causal inference and describes the perceptions at one moment in time. Perhaps longitudinal studies would be more useful in analyzing the effects of institutional reforms and social capital accumulation on the venture paths over time. The survey measures relying on self-reporting measures can lead to common method bias, but statistical solutions were used. The future study may include objective performance measures or multi-source data. The sample was narrowed to women owned manufacturing SMEs in sampled provinces in Pakistan, which could restrict the extrapolation to other service sectors or other cultures. The model may be tested by conducting comparative studies across the countries to ensure that its validity is robust. Also, the research has investigated two moderators but has not addressed any possible mediators of entrepreneurial resilience, innovation capability, or access to digital platforms. In the future, the integration of these mechanisms can be used in the study to give a more detailed answer to the way institutional pressures become translated into outcomes. The additional contextual variables that may be investigated are family support, access to microfinance, digital literacy, and regional institutional quality. Theoretical knowledge can be further improved by expanding the model to include the institutional logics or intersectionality perspectives.

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