



# **Barriers to Entrepreneurship in Healthcare Organizations in Pakistan**

**Sidra Farooq<sup>a</sup>, Syeda Noor Israr<sup>b</sup>, Babris Gul<sup>a</sup>  
and Syed Hassan Danish<sup>a\*</sup>**

<sup>a</sup> Department of Health Care Management, Ziauddin Medical College Ziauddin University, Karachi, Pakistan.

<sup>b</sup> Department of Science of Dental Materials, Baqai Dental College, Baqai Medical and Dental University, Karachi, Pakistan.

## **Authors' contributions**

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

## **Article Information**

DOI: 10.9734/AIR/2023/v24i2933

## **Open Peer Review History:**

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/95854>

**Review Article**

**Received: 15/11/2022**

**Accepted: 24/01/2023**

**Published: 02/02/2023**

## **ABSTRACT**

There are many barriers to starting a medical institution in Pakistan. Some of the career barriers are entrepreneurship, gender barriers, and lack of knowledge about funding issues. Additionally, purchasing power parity (PPP) related barriers can hinder starting a healthcare startup. Additionally, academic issues can cause a lack of entrepreneurship in healthcare organizations. By understanding these barriers and working to overcome them, healthcare organizations can drive more innovation and growth within their organizations. Job barriers, gender barriers, funding issues, and barriers related to purchasing power parity are some of them. However, while expanding these barriers further, the structural issues are at the core of Pakistan's prevention of healthcare entrepreneurship. According to numerous studies, the state's small business policy, administrative procedures (new company registration, licensing, etc.), tax laws, access to finance (bank loans, grants, etc.), ensuring private property protection, and the standard of living in the country, political

\*Corresponding author: E-mail: danishali81128@gmail.com;

instability/corruption, international trade barriers, a shortage of skilled manpower (HR), and an inefficient judicial system are structural barriers to healthcare startups in Pakistan. This critical reflection discusses these factors in detail and provides empirical evidence to support his claims.

*Keywords: Barriers; entrepreneurship; healthcare organizations; Pakistan.*

## 1. INTRODUCTION

There are many barriers to entrepreneurship in healthcare organizations in Pakistan. Some of the professional barriers include a lack of knowledge about entrepreneurship, gender-based barriers, and financing issues. Additionally, purchasing power parity (PPP) related barriers can also be a hindrance to starting a healthcare startup. Additionally, academic issues can cause a lack of entrepreneurship in healthcare organizations. By understanding these barriers and working to overcome them, healthcare organizations can encourage more innovation and growth within their ranks. Professional barriers, gender-wise barriers, financing issues, and purchasing power parity-related barriers are some of them. However, while expanding these barriers further, the structural issues are at the core of the prevention of healthcare entrepreneurship in Pakistan. Numerous studies show that state policy toward small and medium-sized companies, administrative procedures (registering a new company, licenses, etc.), tax legislation, access to finances (bank credits, grants, etc.), security of private property protection, life standard in the country, political instability/corruption, international trade barriers, absence of qualified human resources (HR), and inefficient judicial system is the structural barriers preventing healthcare startups in Pakistan. This critical reflection will discuss these factors in detail and provide empirical evidence to support its claims.

## 2. METHODOLOGY

The methodology of this reflection was based on a keyword search that explored articles from Google Scholar, JSTOR, Academia, and ScienceDirect. Besides, the data are qualitative and it incurred literature related to the study subject. The following keywords were mentioned in searches to discover literature available on the healthcare entrepreneurship barriers:

- Healthcare entrepreneurship in Pakistan
- Issues of entrepreneurship

- Healthcare startups
- Challenges faced by SMEs in Pakistan
- Entrepreneurship in healthcare organizations of Pakistan.

## 3. DISCUSSION

Provision and access to quality health services have been critical issues in developing economies. On the one hand, quality health is a basic right and requirement of every human being living, while on the other hand, it is considered an indicator to gauge the status of the human capital of an economy. According to World Bank, approximately 2.3 billion people in the world do not have access to basic health services [1]. This includes a large population in developing countries like Pakistan. Nonetheless, Pakistan has been facing numerous barriers that impede the growth of entrepreneurship in healthcare organizations. The country suffers from a weak institutional framework that has not been able to address the needs and requirements of entrepreneurs. In addition, there is a lack of awareness about entrepreneurship among healthcare professionals [2,3]. This is because medical institutions are not well-equipped to provide quality healthcare services. Furthermore, there are high costs associated with starting up businesses in the healthcare and pharmaceutical sectors [4]. All in all, the barriers to healthcare entrepreneurship in Pakistan include lack of professionalism, sexist culture, absence of financing mechanisms, academic loopholes, inappropriate policies, complex administrative procedures, inefficient tax regime, political instability and corruption, inefficient human resource, tech-obsolete state of affairs, outdated equipment and cancer-oriented barriers.

### 3.1 Scarcity of Professionalism in Healthcare

One of the most common obstacles to starting a healthcare business is the lack of experience and knowledge among professionals. Many healthcare employees have backgrounds in medical sciences or nursing, but little

understanding of business concepts and no experience in entrepreneurship [5]. This can be a major barrier to starting a healthcare business because it is difficult to find the resources necessary to start and run the business. Healthcare businesses often require significant financial investment from both the entrepreneur and their investors, which can be difficult for someone who lacks experience in finance or accounting. Another obstacle that practitioners face when starting a healthcare business is professional barriers [6]. Many healthcare professionals are not familiar with the unique challenges faced by female entrepreneurs, which can make it difficult for them to provide support and guidance. Additionally, many healthcare professionals may be resistant to change, which can pose a major challenge for female entrepreneurs [5,7].

### 3.2 Women-oriented Barriers

Besides, women also face significant challenges when trying to start and grow a healthcare business. They are often less likely to have the same level of experience and knowledge as their male counterparts, and they may not be able to access the same financial resources. This can make it difficult for women to start and grow a healthcare business, especially if they do not have family members or friends who can help support them [8].

### 3.3 Healthcare Startup Financing Concerns

Considerably, financing issues are also frequent in the country. Studies have indicated that entrepreneurs are not able to survive the initial costs on their own. This is especially problematic for health startups, as they need a lot of capital to get off the ground and create new jobs. In addition, healthcare organizations in Pakistan are often bureaucratic and resistant to change, which makes it difficult for new entrepreneurs to get started. In terms of gender, women particularly lack access to financing [3,9]. Healthcare businesses often require a high level of investment to be profitable, but this is often out of reach for small businesses without access to angel investors or venture capitalists. This can make it difficult for women to start and grow a healthcare business, especially if they do not have the financial resources necessary. Emphatically, one of the biggest obstacles that women face when starting a healthcare business is purchasing power parity [10]. Healthcare

businesses often require high levels of equipment and materials, which can be difficult for female entrepreneurs to afford. This can make it difficult for women to start and grow a healthcare business, especially if they do not have the financial resources necessary.

### 3.4 Academic Loopholes

One of the main reasons that healthcare entrepreneurs are less likely to start and grow a healthcare business is due to academic issues. Many healthcare organizations are infested with bureaucracy, which can impede female entrepreneurs' ability to access important resources and information. This can make it difficult for them to start and grow a healthcare business, especially if they do not have the necessary academic qualifications. Another barrier is the lack of access to information. Healthcare organizations often do not have the resources or knowledge necessary to support entrepreneurship [11]. They also need to be open to change and willing to embrace innovative ideas. Finally, there are a number of professional barriers that healthcare entrepreneurs face. They often lack the necessary skills or experience, and they face gender-based discrimination [11].

### 3.5 Policy-oriented Deficiencies

At another level, several studies have also indicated that state policy towards small and medium-sized companies, administrative procedures (registering a new company, licenses, etc.), tax legislation, access to finances (bank credits, grants, etc.), security of private property protection, life standard in the country, political instability/corruption, international trade barriers, absence of qualified human resources (HR), and inefficient judicial system are the structural barriers preventing healthcare startups in Pakistan [12].

### 3.6 Cumbersome Administrative Procedures

Administrative procedures, such as registering a new company, can be extremely time-consuming and difficult. Licenses are also necessary for most businesses but can be difficult to obtain. Licensing can also be burdensome, with many requirements that are not always clearly defined [12]. Furthermore, regulations concerning the medical industry can be complex and difficult to understand. This can make it difficult for

healthcare startups to comply with these regulations, or to find qualified professionals who are familiar with these requirements [13].

### 3.7 Inept Tax Legislations

Tax legislation is also a significant barrier to entrepreneurship in the healthcare sector. Healthcare providers must pay taxes on their profits, as well as on their income from investments. However, taxation rates can vary greatly from one business sector to another, making it difficult for healthcare startups to compete in an environment where margins are thin. Additionally, taxes can be very complex and difficult to understand [14]. This can make it difficult for healthcare startups to comply with taxation requirements, or to find qualified professionals who can assist them with this process. Besides, the security of private property is another major barrier to entrepreneurship in the healthcare sector. Healthcare providers must protect their intellectual property (IP) rights and must deal with the potential consequences of theft or vandalism [15]. This can be a significant problem for those businesses that operate in highly regulated industries, where corruption is common [13].

### 3.8 Political Instability and Corruption

Nonetheless, political instability and corruption are also significant barriers to healthcare startups. Many healthcare providers operate in politically sensitive areas, where the risk of political violence or extortion is high. This makes it difficult for them to attract capital, or to protect themselves from intimidation [14]. Moreover, many healthcare providers are exposed to corruption at both the governmental and private levels. This can make it difficult for them to get their businesses off the ground, or to expand them into new markets. At the same time, International trade barriers are a significant challenge for healthcare startups in Pakistan [15]. Many of these businesses must deal with difficult import and export regulations, as well as high tariffs. This can make it difficult for them to get their products into the market, and can also lead to high costs associated with importing materials and equipment [16].

### 3.9 Human Resource Issues

In addition to these structural barriers, many healthcare providers in Pakistan suffer from a

lack of qualified human resources. This is due in part to the fact that many graduates from Pakistan's universities are not interested in pursuing careers in the healthcare sector. Furthermore, many healthcare professionals who do enter the industry are not able to find jobs that are appropriate for their skills and training [17]. This leaves healthcare providers with few options for obtaining a steady income. Finally, the Pakistani judicial system is often inefficient and slow. This makes it difficult for businesses to resolve disputes or gain access to important legal resources. This can lead to delays in getting new projects off the ground, or to problems with accessing existing resources. Furthermore, the healthcare system in Pakistan is often burdened by significant barriers to entrepreneurship [15]. This is due to the fact that healthcare providers are often poorly paid, and there are few opportunities for patients to find new doctors or hospitals. In addition, the government has placed a number of restrictions on the sector over the years, making it difficult for new providers to enter the market [14].

### 3.10 Lack of Tech-savvy Culture in the Healthcare Sector

Technology is an important barrier to entrepreneurship in healthcare organizations in Pakistan. The lack of access to technology, as well as the reluctance of healthcare staff to adopt new technology, has hindered the development of innovative products and services. Supplier relations are also a major obstacle to business growth [17]. Healthcare organizations often find it difficult to secure reliable supplies of medical equipment and medications, and they have difficulty negotiating discounts from suppliers. In addition, healthcare organizations face significant regulatory hurdles when attempting to launch new products or services [18]. The country's health regulatory system is complex and burdensome, making it difficult for healthcare organizations to comply with regulations and open up new markets. Finally, access to finance is also a major barrier to enterprise growth in Pakistan's healthcare sector. Healthcare organizations struggle to obtain loans from traditional financial institutions due to the high levels of risk associated with the industry. This lack of access to finance often forces healthcare startups to seek alternative financing options, such as venture capital or crowdfunding [7].

According to a [19] study, the health information system in Islamabad and Rawalpindi districts is

not well established. Equipment availability was moderate at district, sub-district, tertiary, and secondary care levels. However, the study also found that there was no evidence of a collaborative environment between different healthcare providers. The study also found that there was low awareness about the benefits of using information technology in healthcare and few health workers were trained in using IT. These findings suggest that barriers to entrepreneurship in healthcare organizations are significant in Pakistan.

Moreover, studies have shown that the health information system in Islamabad and Rawalpindi districts is not well established [20]. The equipment (desk PCs, laptops, printers, etc.) were moderately available at district, sub-district, tertiary, and secondary care levels. However, the study also found that there was no evidence of a collaborative environment between different healthcare providers. The study also found that there was low awareness about the benefits of using information technology in healthcare and few health workers were trained in using IT. These findings suggest that barriers to entrepreneurship are significant in Pakistan [21].

### 3.11 Outdated Equipment

Several barriers stand in the way of entrepreneurship in healthcare organizations in Pakistan. One of the most common reasons for staff dissatisfaction is outdated equipment, which is often seen in primary healthcare setups. This outdated equipment often creates difficulties for patients due to its lack of functionality and safety concerns. Additionally, a lack of training and knowledge about entrepreneurship can also be a barrier to starting businesses in healthcare settings. There is a significant need for education on entrepreneurship within healthcare organizations so that staff can learn about the various opportunities available and develop their skills accordingly. Similarly, a study conducted in Saudi Arabia found that computer availability - particularly laptops - was limited at different healthcare levels. The study, which was carried out by business consultancy Ernst & Young and the Saudi Chambers of Commerce and Industry, found that despite the availability of laptops in hospitals, only a small percentage of healthcare workers were using them [21]. The study also found that there are a number of barriers to entrepreneurship in healthcare organizations. These include a lack of awareness about the benefits of starting or running a business in

healthcare, inadequate infrastructure and skills, and insufficient financial resources [22].

### 3.12 Cancer-related Barriers

Similarly, cancer hospitals are also meager in Pakistan. Several social entrepreneurship startups like Shaukat Khanum Memorial Hospital exist in the country only. Cancer patients have to travel long distances to get treatment, and even then, many hospitals are not equipped to deal with cancer patients. There is also a lack of awareness about cancer among the general public, which makes it difficult for potential entrepreneurs to start cancer-focused businesses in Pakistan [23]. Professional barriers such as a lack of experience in cancer care, poor working conditions, and a shortage of skilled medical professionals are some of the major barriers to entrepreneurship in healthcare organizations. In terms of gender-wise barriers, women often face discrimination when it comes to obtaining cancer-related jobs [24]. Moreover, financing issues and purchasing power parity-related barriers are also significant hurdles for healthcare startups in Pakistan. Academically, several issues prevent entrepreneurs from starting cancer-focused businesses in Pakistan. For example, many medical students are not taught about entrepreneurship in their courses, which hampers their ability to start their own businesses [25]. All in all, the issues are multiple and their consequences are far-reaching in the country.

## 4. CONCLUSION AND RECOMMENDATIONS

Despite these barriers, there are a number of healthcare startups that are succeeding in Pakistan. One example is Medtronic Pakistan, which manufactures medical devices. In addition, there are a number of female-led startups that are succeeding in the Pakistani market. One way that healthcare organizations can help support entrepreneurship is by providing incubation programs that provide mentorship and support. These programs should focus on giving entrepreneurs the skills they need to succeed, and they should be open to change and willing to embrace innovative ideas. Healthcare organizations also need to be sensitive to the different barriers that different groups of entrepreneurs face [26] [18]. For example, female-led startups often face gender-based discrimination, while startup entrepreneurs from rural areas often have less access to financing.

In conclusion, it can be contended that the barriers to entrepreneurship in healthcare organizations in Pakistan are numerous and complex, they do not seem insurmountable. With the right tools and resources, healthcare organizations can overcome these challenges and begin to develop new products and services. However, support from government officials and other influential figures is essential for enterprise growth [27] [22]. Without the necessary backing, healthcare startups will struggle to survive and prosper. There are a number of ways that healthcare organizations can help support entrepreneurship in their midst. They can provide guidance and funding for early-stage ventures, work with established businesses to share best practices, or create incubation programs that provide mentorship and support [28]. If healthcare organizations want to support entrepreneurship in their midst they need to be open to change and willing to embrace innovative ideas. They also need to be sensitive to the different barriers that different groups of entrepreneurs face. Though progress has been made, much work still needs to be done in order to improve the situation for healthcare providers in Pakistan [29] [30]. In particular, the government should continue to implement policies that help businesses thrive, and the judicial system should be made more efficient and accessible.

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

## REFERENCES

1. Vorisek, Dana Lauren, and Shu Yu. Understanding the cost of achieving the Sustainable Development Goals. World Bank Policy Research Working Paper 9164; 2020.
2. El Alaoui, Aicha, et al. Obstacles to entrepreneurship in Albania, Georgia, Morocco, Nigeria, and Pakistan. *European Scientific Journal*. 2016;12(34): 1-22.
3. Shah, Priya, Shailabh Shubhisham. Social entrepreneurship in Pakistan: Unlocking innovation through enterprise incubation. Report for EPG Economic and Strategy Consulting. London; 2012.
4. Ahmed, Shoaib. Feasibility study and business plan for a new men fairness cream in Pakistan an entrepreneurship venture; 2019.
5. Khawar, Hasaan. Universities-driven entrepreneurship model-creating pockets of high entrepreneurial activity in Pakistan. Available at SSRN 1135115; 2008.
6. Ahmad, Sacha St-Onge, Mohsin Bashir. Social entrepreneurship as a success factor in public-private partnerships: three case studies from Pakistan. *The Emerald Handbook of Public-Private Partnerships in Developing and Emerging Economies*. Emerald Publishing Limited; 2017.
7. Sardar, Taiba, et al. "Revolution of ICT: Women entrepreneurs in Pakistan. *Human Systems Management*. 2019;38(4):357-364.
8. Wasim, Bushra. "Role, Importance of ORIC and Entrepreneurship in Universities."
9. Roomi, Muhammad Azam, Guy Parrott. Barriers to development and progression of women entrepreneurs in Pakistan. *The Journal of Entrepreneurship*. 2008; 17(1):59-72.
10. Shabbir, MALIK SHAHZAD. "The Level of entrepreneurship growth and obstacles in trade openness: A comparative study of Asian countries Pakistan, India and Malaysia. *Journal of Contemporary Management*. 2014;3(4):33-47.
11. Nasir, Mishal, Rimsha Iqbal, Ch Akhtar. Factors affecting growth of women entrepreneurs in Pakistan. *Pakistan Administrative Review*. 2019;3(1):35-50.
12. Masood, Fazeelat, Shuaib Soomro, Akhtiar Ali. State of growth barriers of SMEs in Pakistan: A review based on empirical and theoretical models. *The NICE Research Journal*. 2018;11:158-182.
13. Rehman, Sumaira, Muhammad Azam Roomi. Gender and work-life balance: A phenomenological study of women entrepreneurs in Pakistan." *Journal of Small Business and Enterprise Development* ; 2012.
14. Mahmood, Samia. Microfinance and women entrepreneurs in Pakistan. *International Journal of Gender and Entrepreneurship*; 2011.
15. Aslam, Sumaira, Madiha Latif, Muhammad Aslam. Problems faced by women entrepreneurs and their impact on working efficiency of women in Pakistan. *Middle-East Journal of Scientific Research*. 2013;18(8):1204-1215.
16. Hussain, Javed, Samia Mahmood, Jonathan Scott. Gender, microcredit and poverty alleviation in a developing country:

- The case of women entrepreneurs in Pakistan. *Journal of International Development*. 2019;31(3):247-270.
17. Khan, Touseef Ahmed, et al. "Microfinance facility for rural women entrepreneurs in Pakistan: An empirical analysis." *Agriculture*. 2020;10(3):54.
  18. Salahuddin, Ambreen, Qaisar Khalid Mahmood, and Akhlaq Ahmad. Breaking second glass ceiling: Lived experiences of women entrepreneurs in Pakistan. *Quality & Quantity*. 2022;56(1): 61-72.
  19. Malik, Madeeha, Ahmad Furqan Kazi, Azhar Hussain. Adoption of health technologies for effective health information system: Need of the hour for Pakistan. *PloS One*. 2021;16(10): e0258081.
  20. Shabbir, Rabia, Sheikh Saeed Ahmad. Use of geographic information system and water quality index to assess groundwater quality in Rawalpindi and Islamabad. *Arabian Journal for Science and Engineering*. 2015;40(7):2033-2047.
  21. Akmal, Tanzila, Faisal Jamil. Assessing health damages from improper disposal of solid waste in metropolitan Islamabad–Rawalpindi, Pakistan. *Sustainability*. 2021; 13(5):2717.
  22. Anwar, Fozia, Azra Shamim. Barriers in adoption of health information technology in developing societies. *International Journal of Advanced Computer Science and Applications*. 2011;2(8).
  23. Baig, Mirza Amir Liaquat. Using geographical information systems in epidemiology: Mapping & analyzing occurrence of diarrhea in urban–residential area of Islamabad, Pakistan. Master Thesis in Geographical Information Science; 2017.
  24. Rastoka, Jelica, Saša Petković, Dragana Radicic. Impact of entrepreneurship on the quality of public health sector institutions and policies. *International Journal of Environmental Research and Public Health*. 2022;19(3):1569.
  25. World Health Organization. Everybody's business--strengthening health systems to improve health outcomes: WHO's framework for action; 2007.
  26. Sendawula, Kasimu, et al. "Training, employee engagement and employee performance: Evidence from Uganda's health sector." *Cogent Business & Management*. 2018;5(1):1470891.
  27. Hinz, Vera, Stefan Ingerfurth. Does ownership matter under challenging conditions?: On the relationship between organizational entrepreneurship and performance in the healthcare sector." *Public Management Review*. 2013;15(7):969-991.
  28. Okoroh MI, Gombera PP, Ilozor BD. Managing FM (support services): Business risks in the healthcare sector. *Facilities*; 2002.
  29. Parashakti, Ryani Dhyana, et al. "The influence of work environment and competence on motivation and its impact on employee performance in health sector." 3rd Asia Pacific International Conference of Management and Business Science (AICMBS 2019). Atlantis Press; 2020.
  30. Tillmar, Malin. Societal entrepreneurs in the health sector: crossing the frontiers. *Social Enterprise Journal*; 2009.

© 2023 Farooq et al.; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

*Peer-review history:*  
The peer review history for this paper can be accessed here:  
<https://www.sdiarticle5.com/review-history/95854>