



CHALLENGES FACED BY YOUNG ENTREPRENEURS AND HOW TO OVERCOME THEM

Omar Ashurbaev

Senior Lecturer, Department of Business
Management, Millat Umidi University
Email: omar.ashur@icloud.com

Shahzodbek Khakimov

Student, Department of Business Management, Millat Umidi University

Abstract

The youth experience various barriers in their business which include; access to capital, appropriate role models, and channels. additionally, psychological barriers like stress, and questioning the self. Such barriers are significantly offered in developing locations as there are superior infrastructural hurdles as well as restricted business environments. This paper aims at identifying some of the major challenges experienced by young people intending to engage in entrepreneurship, and discuss how challenges could be overcome with interventions such as mentoring, networking, and tailored support initiatives. The current study asks the following questions: What are the most important concerns for young entrepreneurs aged 18-24? This research provides recommendations for overcoming challenges in helping these young adults succeed. The implications help to explain how it is possible to create an effective intervention package that will support a young person to turn a threat into strength.

Keywords: Starting Entrepreneurs, Encounters, Counselling, Social Networks, Capital Search, Business Environment, Business Success, Emergent Countries, Perceptual Restrictions, Small Business Assistance.

Introduction

Starting a business at a young age is an ambitious goal and a significant step forward, but it has its fair share of challenges. Additionally, the path of an entrepreneur comes with hurdles that are difficult to navigate. Young people entering the industry often face more of such challenges. For example, the lack of access to capital, professional experience and credibility can be some of the challenges they face. These factors aside, the ability to manage time, develop networks and deal with unforeseen events adds more strain to an already tough journey.





However, the young business owners should perceive their challenges not as barriers and limits but as possibilities and chances for development and improvement. In fact, the young entrepreneurs can turn such challenges into advantages by implementing the right plans. Whether it means finding a mentor, thinking outside-the-box, or just showing grit there are tangible steps that can be taken in order to turn these challenges around.

Research Hypothesis

Young entrepreneurs face significant challenges such as limited funding, lack of experience, and inadequate networking opportunities, but targeted mentorship programs and access to entrepreneurial ecosystems can significantly improve their success rates.

Literature review

Research on young entrepreneurs indicates that they encounter a variety of challenges, such as financial limitations, scarce resources, and psychological hurdles like stress and self-doubt. Numerous studies highlight the critical role of mentorship and networking in helping them navigate these difficulties. Nevertheless, there remains a lack of research on how these challenges vary across different regions and cultures. This literature review aims to summarize these insights and identify the existing gaps in research, laying the groundwork for further exploration into the issues young entrepreneurs face and potential solutions.

1.1. The Challenges Faced by Young Entrepreneurship in Informal Trading in Bindura, Zimbabwe

The paper points out serious constraints for the youth engaged in informal trading, including the lack of finances, insufficient business education and various regulations (Chirisa et al., 2021). Due to the informal setting of their trade, many young traders are compliant in securing even the slightest financing option, facing dry harassment from the authority. In Chirisa et al. (2021) stress the point, as well, that low penetration into formal markets and poor infrastructure is an additional factor that inhibits growth potentials. Further, young entrepreneurs are limited by social pressure and lack of guidance to propel their growth. These constraints necessitate the development of funds, training on how to be an entrepreneur, and reforming policies that bring informal traders into formal frameworks. These steps can help achieve better business outputs and more job openings for the youth (Chirisa et al., 2021).



1.2. Digital Innovations in MSMEs during Economic Disruptions: Experiences and Challenges of Young Entrepreneurs

Proponents of the research, ie Cueto et al. (2022) have found that attempts of relocation were made by young entrepreneurs towards digital businesses because of external factors, such as geographic location and local market appeal, as well as internal factors, such as the desire for oneself to evolve. Nonetheless, numerous obstacles remain including unsophisticated use of technologies in business, issues with the target market, lack of basic internet provisions and limitations enforced because of the epidemic.

1.3. Constraints of Youth Entrepreneurs in Ethiopia

The article authored by Ahmed and Ahmed (2021) examines the barriers encountered by the young would-be entrepreneurs of the country's small and micro-enterprises sector. The study identifies a number of major obstacles such as government policies that are not favorable, restricted availability of funds, markets, information, facilities, business development services and resources for training in and around entrepreneurship. Moreover, absence of social networks, administrative barriers and poor networking among institutions also hinder the youth in becoming enterprising. The authors recommend the need for undertaking several strategies to do away these obstructions so that youth are motivated and provided with adequate enabling environment for engaging in productive businesses in Ethiopia.

1.4. Research gaps and limitations

Research on the issues encountered by young entrepreneurs has several gaps and shortcomings. A glaring issue is the absence of longitudinal studies which follow how these challenges develop. Moreover, most of the studies are concerned with developed and Western countries, ignoring particular issues in the developing countries contexts. The impact of resource poverty concerning additional finance, mentorship, and networks is still emphasized too little. Psychological barriers: for instance, mental health challenges, are also frequently forgotten. In addition, in the studies there is a lack of consistency in the definition of the concept of "young entrepreneur" resulting in discordant and at times divergent findings, making the conclusions of the studies less applicable.

Problem Statement

Young entrepreneurs encounter numerous challenges, such as limited access to funding, mentorship, and networks, along with psychological hurdles like stress and



self-doubt. Although there is an increasing interest in entrepreneurial studies, research on how these challenges change over time and vary across different geographical and cultural contexts is lacking. Furthermore, many existing studies do not offer a clear and consistent definition of what a "young entrepreneur" is, making comparisons and generalizations difficult. Filling these gaps is essential for grasping the unique difficulties faced by young entrepreneurs and developing effective solutions.

Research Questions

1. What are the primary financial and resource-related challenges faced by young entrepreneurs across different geographical contexts?
2. How do psychological barriers, such as stress and self-doubt, impact the entrepreneurial journey of young individuals?
3. What role does mentorship and networking play in helping young entrepreneurs overcome their challenges and achieve success?

Young entrepreneurs face a wide range of challenges, including financial struggles, limited access to resources like capital and business networks, and psychological hurdles such as stress and self-doubt. These challenges can vary greatly depending on geographic location, with those in developing countries often encountering more significant obstacles due to underdeveloped infrastructure and fewer funding options. Mentorship and networking play a crucial role in overcoming these difficulties, providing guidance, emotional support, and essential business connections. To effectively tackle these challenges, it is important to create policies and programs that address both the practical and psychological needs of young entrepreneurs, fostering an environment that promotes their growth and success.

Purpose of the study

This study aims to explore the various challenges faced by young entrepreneurs on their entrepreneurial journey. It will particularly focus on financial obstacles, limited access to crucial resources such as capital, mentorship, and business networks, as well as psychological issues like stress, self-doubt, and mental health concerns. The research will also examine how these challenges vary across different geographical areas, highlighting the unique difficulties encountered by young entrepreneurs in developing countries, where infrastructure is often lacking, funding opportunities are scarce, and access to business networks is limited. Furthermore, the study seeks to understand the importance of mentorship and networking in helping young entrepreneurs navigate these challenges. It will investigate how strong mentorship



relationships and professional networks can provide essential support, guidance, and resources to assist young entrepreneurs during the initial phases of their ventures. The goal is to offer valuable insights that can aid policymakers, organizations, and the entrepreneurs themselves in creating targeted programs and initiatives. These initiatives could address the specific needs of young entrepreneurs, especially in underdeveloped regions, by improving their access to resources, mental health support, and networking opportunities. Ultimately, this study aims to enhance our understanding of the barriers young entrepreneurs face and propose practical solutions to overcome these challenges, fostering a more supportive and sustainable entrepreneurial ecosystem for the next generation of business leaders.

Research Methods

This research work adopts a quantitative research methodology and involved the administration of a survey to identify youth-led enterprise challenges and ways to address them. Standardized issues including financial difficulties, lack of role models, competition, and time management were covered in a structured and multiple choice questionnaire. The respondents were taken 25, who received the survey through convenience sampling and were young and active entrepreneurs running business ventures. The subjects were asked to participate willingly so that they could give out information willingly without any biased and their identity was not revealed.

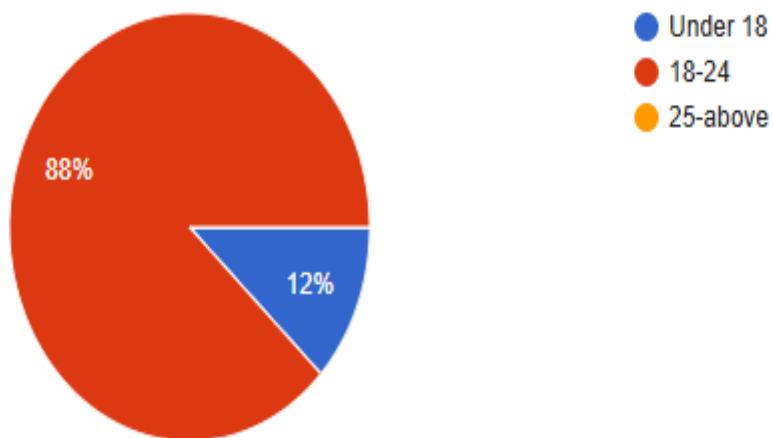
The collected data were analyzed by means of descriptive statistics to determine the frequency of occurrences. The most frequent and percentage of challenges and favored solutions stated by the participants were computed as well. Although multiple choice questions lent themselves well to analysis, they imposed constraints on the range and extensiveness of the answers which could be given. Further, respondents interviewed were only twenty-five making it somewhat difficult to generalize the findings.

Findings

The findings of this article such as qualitative and quantitative research will be analyzed here.

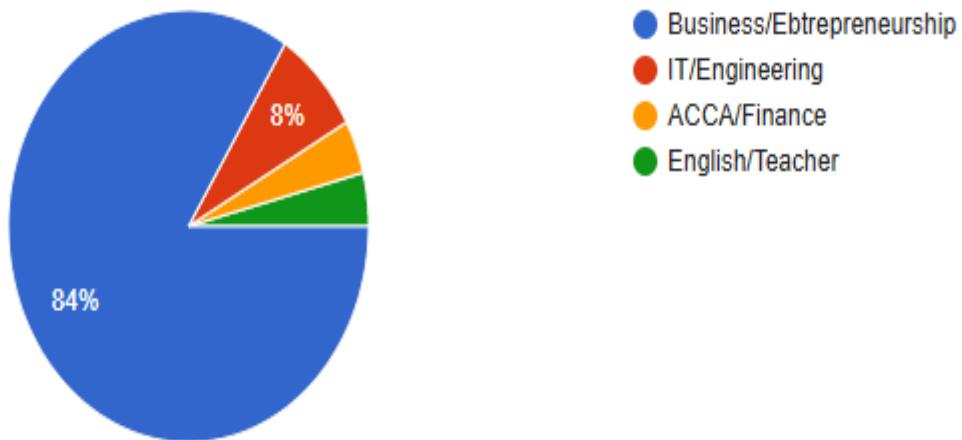
Demographic overview

Age groups: 88% of the respondents are the people from 18-24 years old. And other 12% are under 18. This means that adults responses have more reflect on our survey.



Field of Study

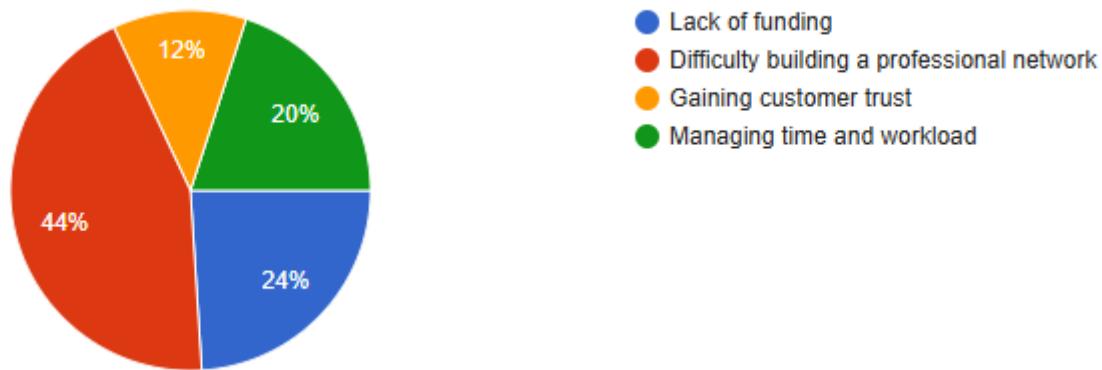
84% of respondents are the students of business management, while other 8% are IT students, 4% ACCA and 4% English teachers. It shows that every respondent know what the topic really means.



Top challenges faced by young entrepreneurs

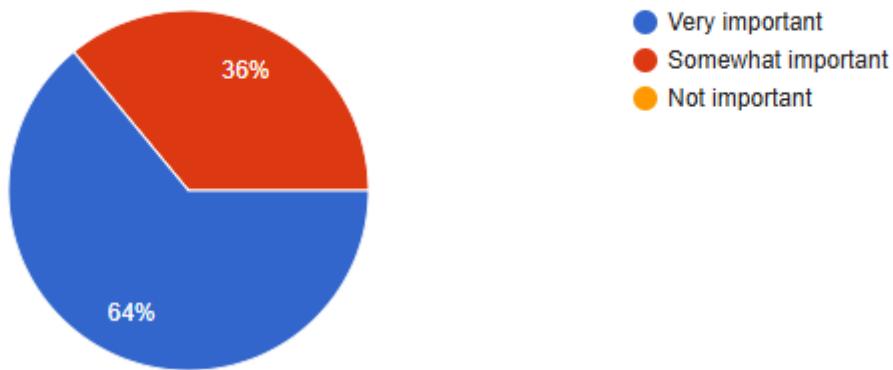
44% of them answered that young entrepreneurs have difficulty to build professional network, while 24% of them think lack of funding is the top challenge. Managing time and workload is selected by 20% of respondents and last 12% thought gaining customer trust is the most challenging challenge.





Importance of access to funding for young entrepreneurs

64% respondents think that it is very important while other 36% said this is somewhat important



Major obstacle is lack of experience

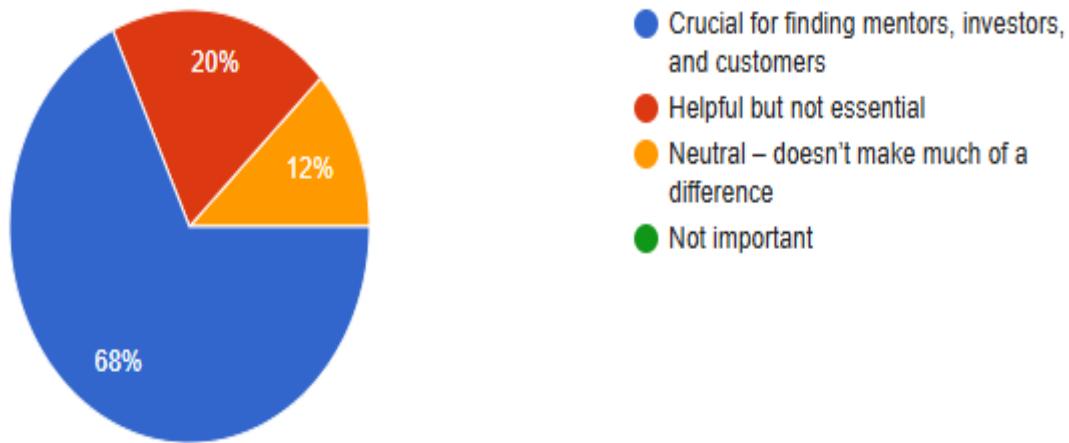
As you can see in the chart, 48% respondents answered that it is somewhat an obstacle but it can be solved with mentorship, while 40% of them answered it is a major obstacle. But other 8% believed that young entrepreneurs are more likely to learn quickly.





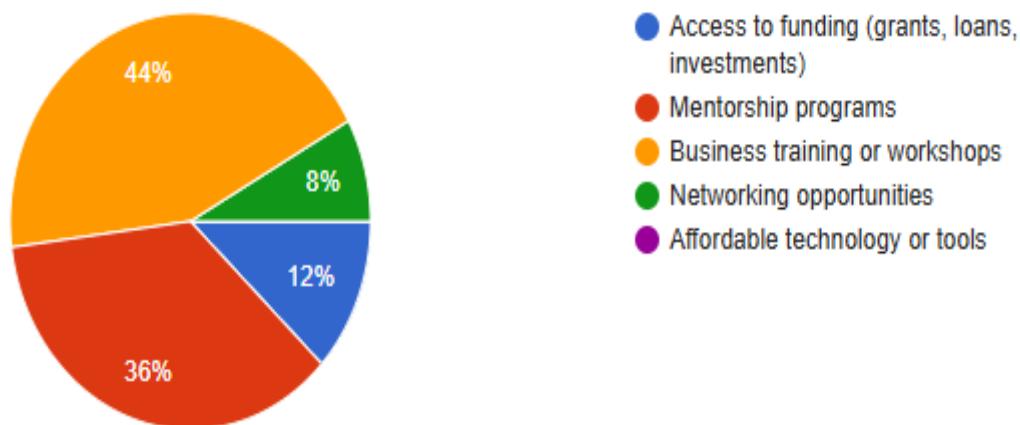
Role of networking for overcoming challenges

As we look at the results of a survey, 68% respondents said it is crucial for finding mentors, investors, and customers, 20% answered it is helpful but not essential, last 12% answered that they are neutral about this question.

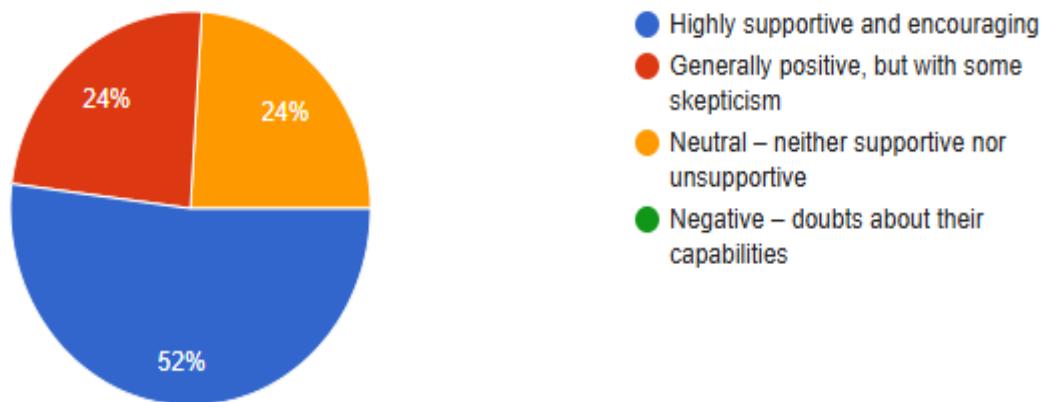


Types of support for young entrepreneurs

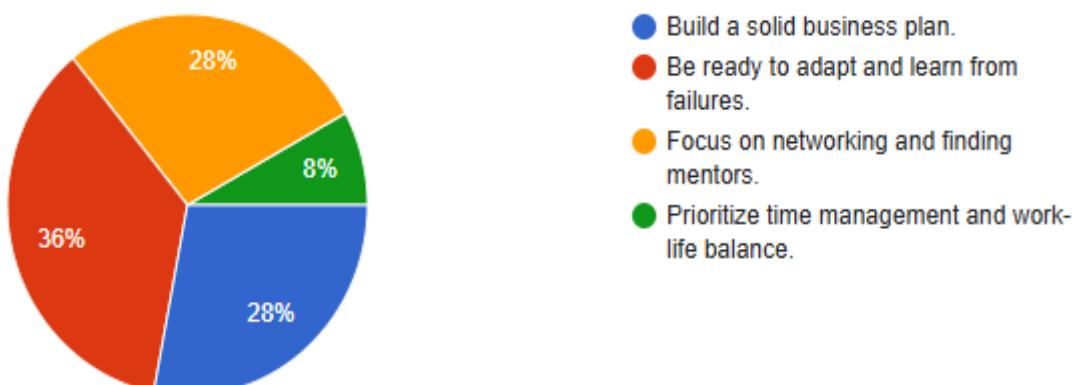
44% respondents preferred business trainings and workshops, and 36% mentorship programs, 12% believe that access to funding would help them while last 8% thinks networking opportunities are the key support.



How do you perceive society's attitude toward young entrepreneurs?

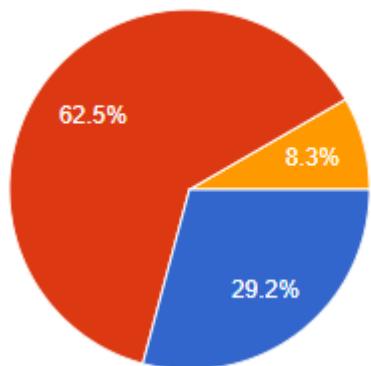


What is one piece of advice you would give to a young entrepreneur starting their journey?





What are your thoughts on government or community programs to support young entrepreneurs?



- They are very effective and accessible.
- Somewhat effective, but more awareness is needed.
- Neutral – they don't make much of a difference.
- Not effective – they lack proper implementation.

Conclusion

The concerns young people have as they start a business include; funding, access to networks and lack of experience. To these barriers, one can add social perceptions and lack of resource services. Still, the difficulties mentioned above are eased by the use of the mentorship programs, business workshops, and networking initiatives. It therefore reveals that through the correct measures that include training, access to financial and social capital young entrepreneurs can turn their difficulties into strengths. It becomes the responsibility of policy makers and organizations to launch end-to-end support systems that will ensure nurturing of active and vibrant entrepreneurial environment that can enhance the development of the next generation business leaders.

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