

Title of the Paper:
Problems of Women Entrepreneurship -
Understanding Perceptions of Women Entrepreneurs and Non Entrepreneurs

Submitted By,

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Abstract

Women empowerment across the globe has been the subject of discussion in many conferences. Women unlike their men counterparts have been considered socially weak. The role of women in the male-dominated corporate era was simply ignored. However with the changing mindsets, women too are getting same honour and grace like men. Women entrepreneurship has become a contemporary concept of business world. It is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20% of the entrepreneurial force. With corporates eager to associate and work with women-owned businesses, and a host of banks and non-governmental organisations keen to help them get going, there has rarely been a better time for women with zeal and creativity to start their own business. However things are not easy for them. The real empowerment of women through entrepreneurial activities is still a distant dream. This paper on “*Problems of Women Entrepreneurship - Understanding Perceptions of Women Entrepreneurs and Non Entrepreneurs*” deals with problems and prospects of women entrepreneurship through a structured survey.

Outline:

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1. Introduction: Women Entrepreneurship in India

Women in business is considered a recent phenomenon in India. The fact that almost half the population of this large country comprises of females while businesses owned and operated by them constitute less than 5%, is a reflection on social, cultural as well as economic distortions in the decades of development. Indeed, women's participation in economic activity and production of goods and services is far greater than formal statistics might reveal since much of it takes place in the informal sector as also in the households.

But as education has spread and compulsions for earning have grown, more and more women have started to go out of the homes and get employment. Sooner or later therefore, their entry into ownership of businesses had to happen as a natural course which entrepreneurial movement takes; i.e. work experience develops capabilities, motivation and often compulsions to leave jobs and be self employed. Employment to self employment has been a noticeable phenomenon in the emergence of new entrepreneurs.

In case of women, however, handicaps to entry into business ownership have been far too many given the traditional conservative, orthodox Indian society. The process of breaking many of these shackles has been rather slow. However, changes have started taking place as far as role of women in economic development is concerned and strides have been made by women in setting up and managing businesses; a fairly large number has 'graduated' out of the initial phase of going out of the home to work for somebody. And many of them not only own small businesses but have set up and run manufacturing enterprises, the ultimate in the entrepreneurship movement. And by doing so successfully, they have unquestionably established the fact that women can be as capable and successful entrepreneurs as men in business and industry. Increasingly, evidence is piling up that they can even be better entrepreneurs. And yet, the society at large continues to suffer from a variety of misconceptions (myths), apprehensions and suspicions about women entrepreneurs in business and industry.

This present study focuses on understanding the problems faced by women entrepreneurs and perceptions of women non entrepreneurs about the problems which they could face if they initiate the entrepreneurial activities.

2. Objectives:

The paper serves the following objectives:

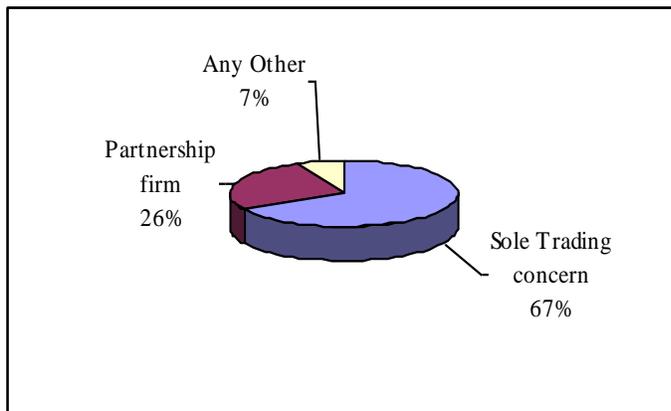
1. To comprehend the knowledge of women entrepreneurship
2. To know the nature of women enterprises
3. To understand the problems faced by women entrepreneurs.
4. To suggest measures to overcome these problems

3. Findings: Survey Part – I (Comprehending Nature of Women Enterprises)

This part of the survey deals with understanding the nature of women entrepreneurs. The survey was conducted in the district of Thane, Maharashtra with sample size of 100 women entrepreneurs and method of sampling used was random sampling. Some major findings of the survey are as follows:

3.1 Forms of Business Organization

Sole Trading Concern is the most common form of business organization among the women



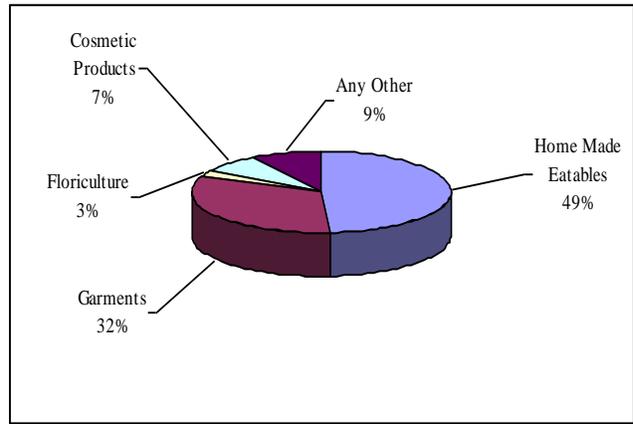
entrepreneurs. The same has been picturised through the survey where 67 out of 100 women are involved in sole trading concern. The second common form of business is Partnership Firm. However, this form of business organization is not much very popular when women in business are not properly

educated. This is represented by 26% of respondents. Thus, these two are the major forms of business enterprises in which women entrepreneurs engage their business.

3.2 Products

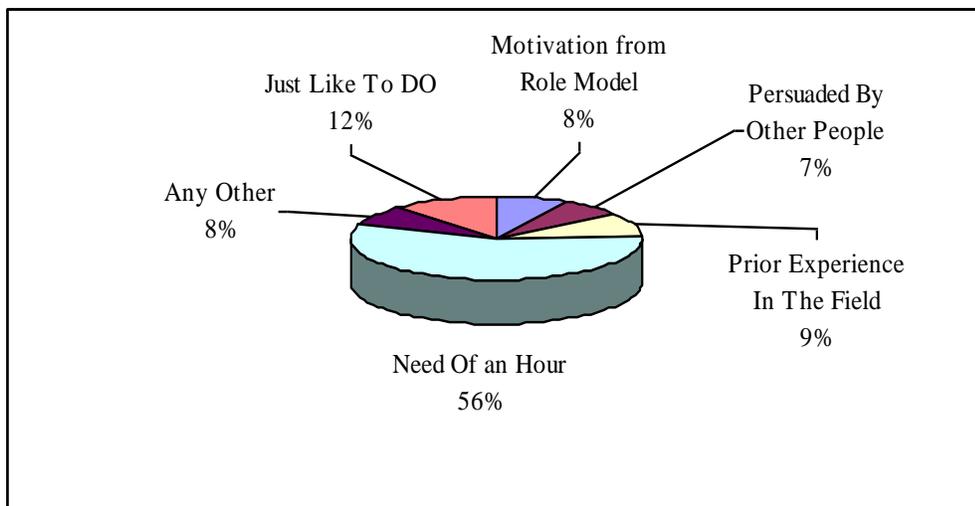
Home made eatables are the popular category of products among the women entrepreneurs. This includes pickle, papad, dhoklas, khakras, idlis, batter of idlis & dosas and so on. Almost 50% of the respondents in the survey conduct their business through products. Garments is the another famous concept among women entrepreneurs. This again includes tailoring, free lance embroidery, etc. 32% of the women are involved in the garment and alike products. Running

beauty parlours and supplying beauty products like face packs, mehndi and other cosmetic is business of 7 women, respondent to the survey. Some women are involved into business of floriculture, manufacturing of toys, equipments of heavy machineries, artificial jewellery, and variety of paintings.



3.3 Choosing the Business:

Indian industry has observed that most of the business women join their business due to urgent

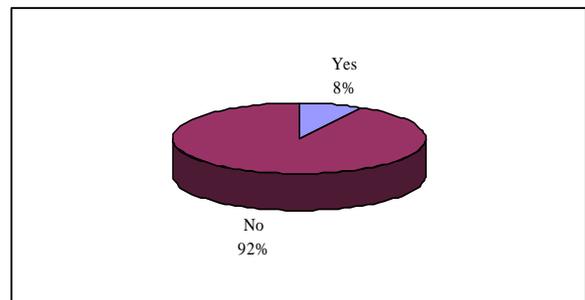


need. Some women join because either they are inspired through their role model or persuaded by other people. Prior experience in the field of ventures

another reason that makes women to opt for business. Some other joins because of their interest in the field. The response from the respondents under this heading is picturised in the following pie diagram that clearly shows 56% women join the business because of the need of an hour and all other reasons acquire hardly 7% - 8% of the total population.

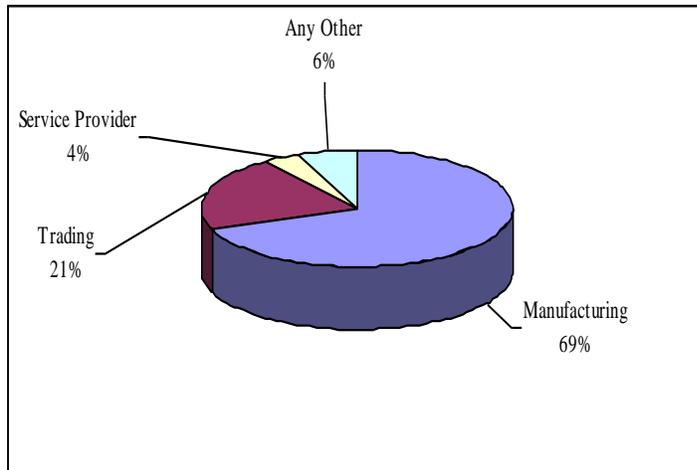
3.4 Aid from Support Institution:

Number of women entrepreneurs lack knowledge about the support institutions and schemes developed for their benefit. This is mainly because of improper education and lack of awareness. Only 8 women out of 100 are taking the of support institutions like DIC and EDP programmes.



3.5 Type of Venture:

Manufacturing is the common kind of venture observed in women entrepreneurs and training

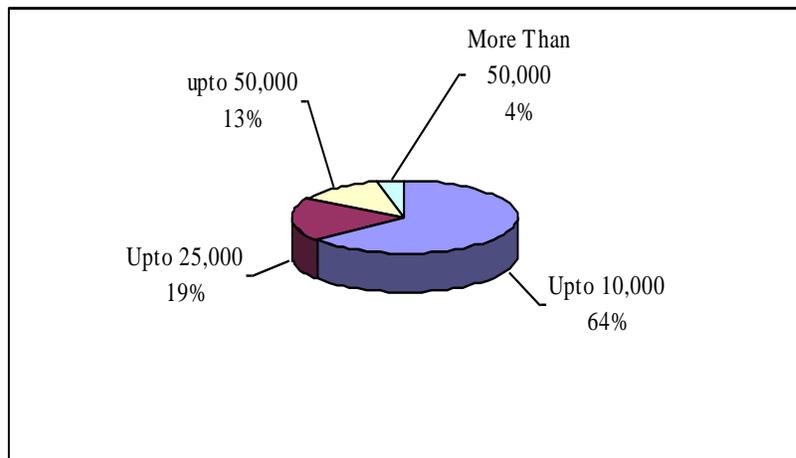


stands second. Some women are into the business of providing services also. As stated earlier, manufacturing activities mainly consist of home made eatables and garments. The trading of garments, ready to eat food packages, floriculture, etc. comes under the category of trading venture. Service provider includes women running

beauty parlours, cyber cafes, tuition classes, etc.

Income

No doubt, Indian industry has witnessed million dollar income incase of women entrepreneurs. However, all the women are not very much lucky. The income generations of the respondents of survey are summarized in the pie chart:



4. Findings: Survey Part – II (Problems of Women Entrepreneurship)

Research in the women entrepreneurship development in India by various people and institutes has identified some common problems which are the obstacles to women entrepreneurship in India. In this part of the survey 200 women were interviewed to comprehend their perception on entrepreneurial activities conducted by women. Of these 200 women, 100 are already into business with whom Survey Part I was carried out and 100 other women are either home makers or on jobs or pursuing higher education but not interested in entrepreneurial activities, they are women non entrepreneurs. The survey among the two categories endeavors to seek firstly, the

perception of women in general regarding what problems they think they can face if they enter into any kind of business venture and secondly to know what problems are being faced by most of the women entrepreneurs. The survey was conducted in Thane district, Maharashtra.

These problems can be categorized as:

1. Functional Area Problems
2. Family Matters

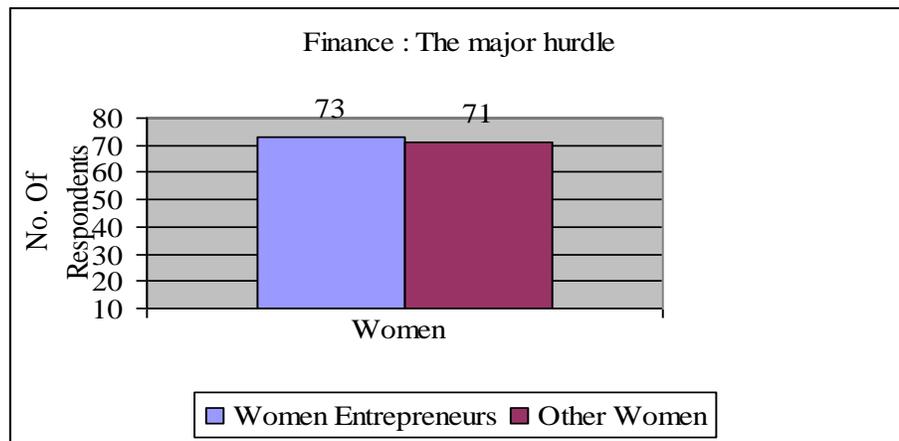
Let us elaborate these problems in detail:

4.1 Functional Area Problems:

These are the problems that are associated with the operational activities in the venture. Being women, they have to play a dual balancing role with their venture as well as the family. So these matters are very much common. The following list depicts these problems:

4.1.1 Finance

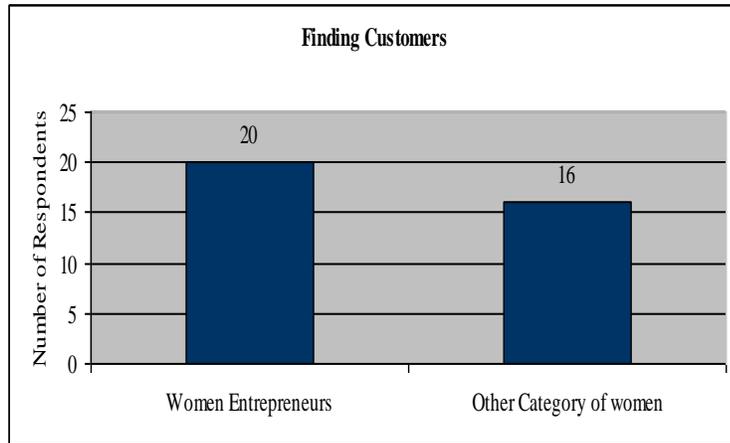
Money is the first hurdle in the woman entrepreneur's operationalizing of her plans. Having been fed by the blitzkrieg of state sponsored ads in the media about the easy availability of a loan, she approaches a bank with hope and confidence. Reality, mostly turns out to be disillusioning. The banks are often unaware of the special incentive schemes available to women and do not even stock the



application forms. Getting a loan sanctioned has been the night mare of many of the women particularly with no contacts. So with no option left, the steps taken are selling of their jewellery, or land or paying larger amount of money to agents for getting loan sanctioned. Of the 100 women entrepreneurs surveyed, 73 consider arrangement of finance as the main hurdle. Similarly, out of 100, 71 other woman surveyed also considers finance as the main problem area.

4.1.2 Finding Customers

It is not easy for women to get a toe hold in the male dominated marketing arena. Typically, she

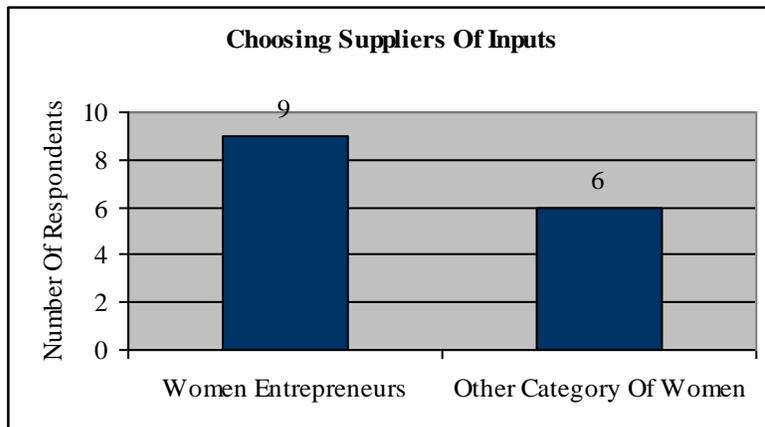


explores avenues familiar to her personal contacts, past work experience, contacts, selective clients. With limited funds and support, it is often difficult for her to find the right customers. If the customers are not easily available then problems of selling at cheaper rates persists into

that doesn't make any business sense. Of 100 women entrepreneurs in a survey, 20 considers Marketing as the main problem & and other 16 women also have the same perspective.

4.1.3 Choosing Supplier of Inputs

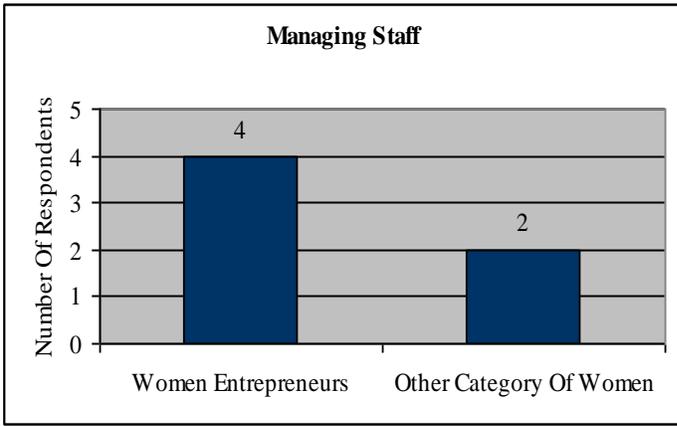
Inputs, into any business venture is one of the important critical factor towards success, so as selecting the proper customers. It has been observed that women are not very much strong in choosing the proper kind of suppliers, due to this the quality of raw material desired is not obtainable. This becomes a serious problem for number of women entrepreneurs. That's



why 9% of the women entrepreneurs consider selecting the raw material vendor as a major hurdle amongst all the operational activities. Even other 6% women considers the same.

4.1.4 Managing Staff

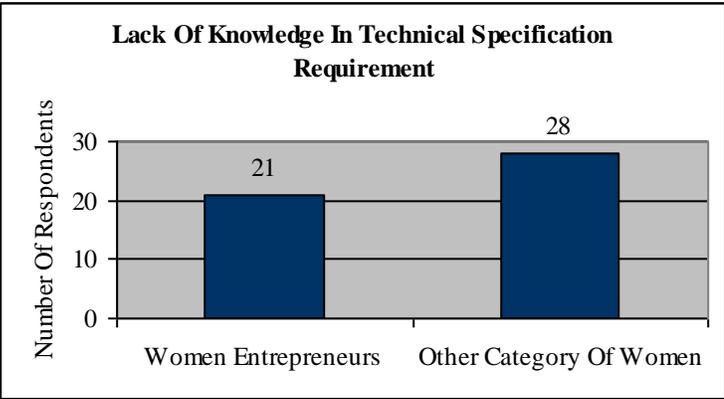
Some studies have clearly indicated that a women entrepreneur opts to employ women workers mainly. It is not possible for them to adjust with the male employees. Only few women entrepreneurs are exactly educated to manage the personnel in a right direction.



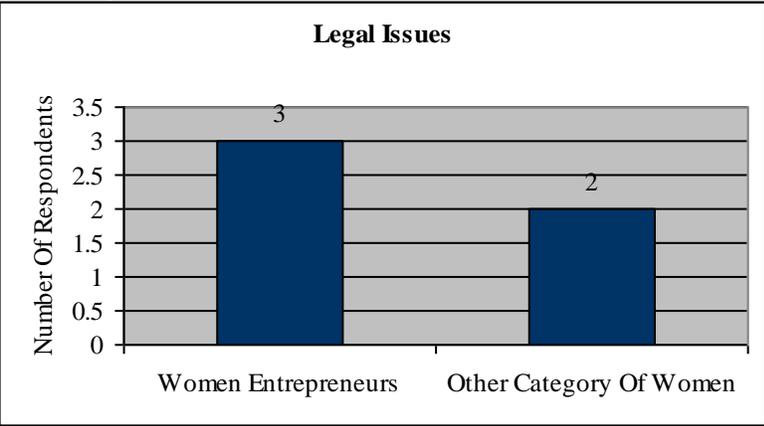
The above graph indicates four women entrepreneurs consider managerial issues as a major problem. The same views of the two other women also.

4.1.5 Lack of Knowledge in Technical Specifications Requirement:

The knowledge of technical specification requirements is often lagged by the women entrepreneurs. Under this category, managing production and locating the business are the major constraints for women into their business. The management of production requires complete understanding of layouts and production types. Location is primarily concerned with the space from which the business operations can be conducted. In most of the cases it is observed that they begin their commercial activities, atleast initially, in the available space of their residents. After finance, this is the second main area of concern for the women entrepreneurs. In the survey 21 women entrepreneurs and 28 other women opts this as the major area of concern.



4.1.6 Legal Issues:

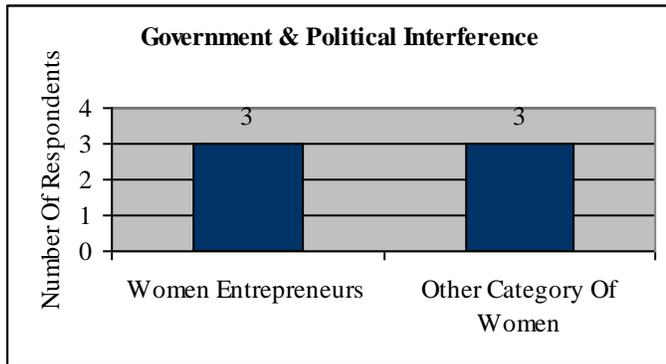


Legal issues like property tax, income tax, sales tax, excise and other legal formalities are inseparably associated with every business venture. So, the women enterprises are not in exception to this. In the survey conducted 3 women entrepreneurs opted for

legal issues as a prime area to be looked for. This is the response of the women entrepreneurs who are into the company or partnership form of business organisation. Even 2 women of the hundred understands legal issues as one amongst the major complexities of business.

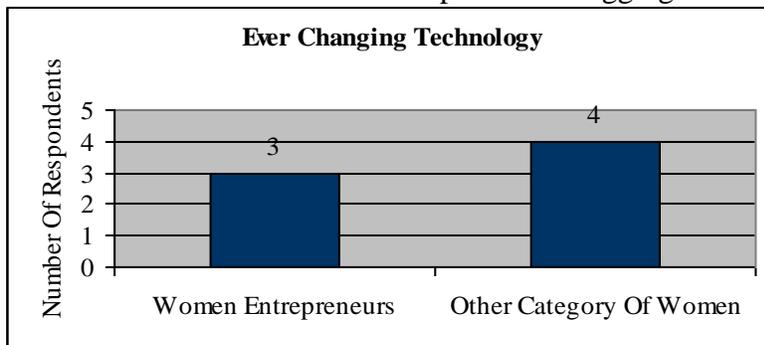
4.1.7 Government & Political Interference:

Government shall act as prop up apparatus to the entrepreneurs. On the contrary, government bureaucracy and red tapism is another obstruction in the development of women entrepreneurs. Like male, women entrepreneurs cannot easily taken their stride malaises of the government machinery such as needless delays and bribe taking. The same is represented in a chart given below where 3 women each from both the categories considers this as the major problem.



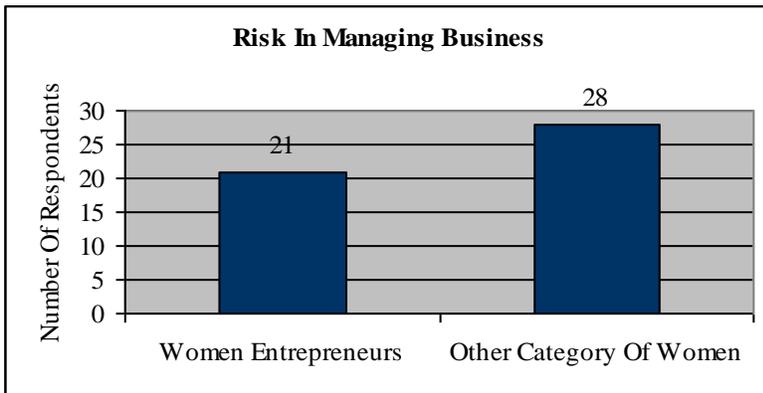
4.1.8 Ever Changing Technology:

Another area where women enterprises are lagging behind is technology upgradation. Due to limited funds, it is not easily possible for them to be at par with the ongoing technological changes in the business front. Though, in the survey, only 3 women entrepreneurs and 4 other women talked about changing technology as the attribution which halts the business growth, this is a very serious matter if viewed with its deep insight. The following graph shows this picture.



4.1.9 Risk in Managing Business:

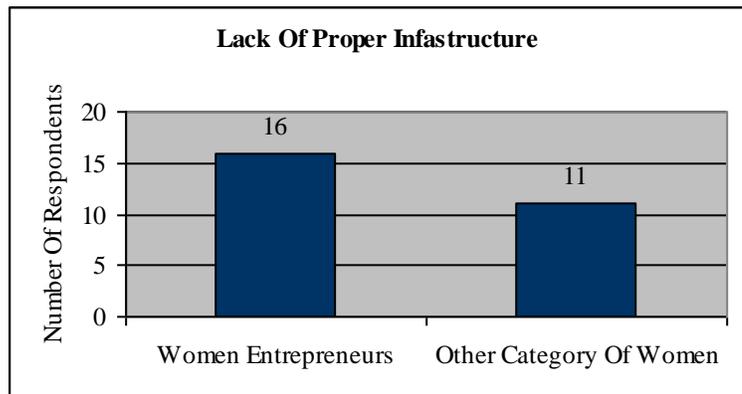
Risk is an added area of concern for every kind of entrepreneurs. The steps into the business are highly influenced by the risk taking capability of a entrepreneur. It has been discerned that, the risk assuming capability among women entrepreneurs is lowest that’s why many women opted in the survey this as the foremost dilemma.



Not only, 28 women entrepreneurs, but also, the 28 other women have developed a common view towards the risk as a constriction in the success of the venture.

4.1.10 Lack of Proper Infrastructure:

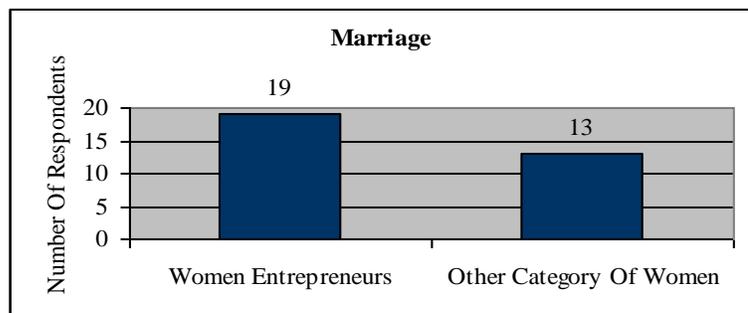
Marshalling the proper infrastructure is one amongst the important factors that contributes towards venture’s success. However, the women, who are surrounded with lot of responsibilities find thorny to set up a proper infrastructure. Due to unseemly set of infrastructure many a times opportunities do knock the doors but disappear as time waits for no one. Among 100 women entrepreneurs surveyed, 16 reflect requirement of infrastructure as an unattached factor towards the augmentation of business. Almost the same number, exactly speaking 11, other woman believe in the same theory.



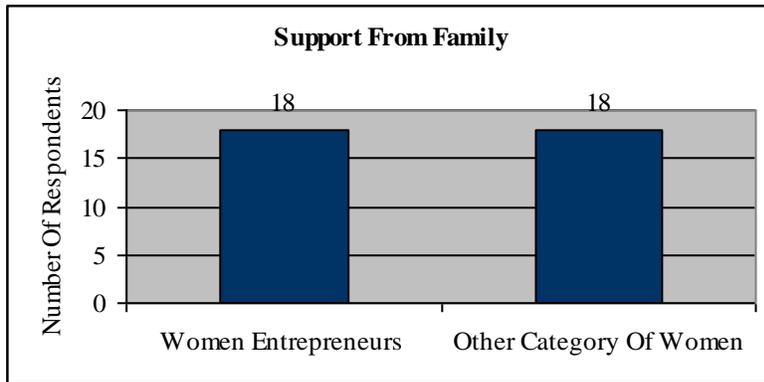
4.2 Family and Social Matters Problems

4.2.1 Marriage:

Some of the women feel that marriage as a problem in their career as it wont be possible for them to prolong their work after their marriage. Out of 100 women entrepreneurs surveyed, 19 consider marriage as a problem for them while 13 women from the other category feel the same.



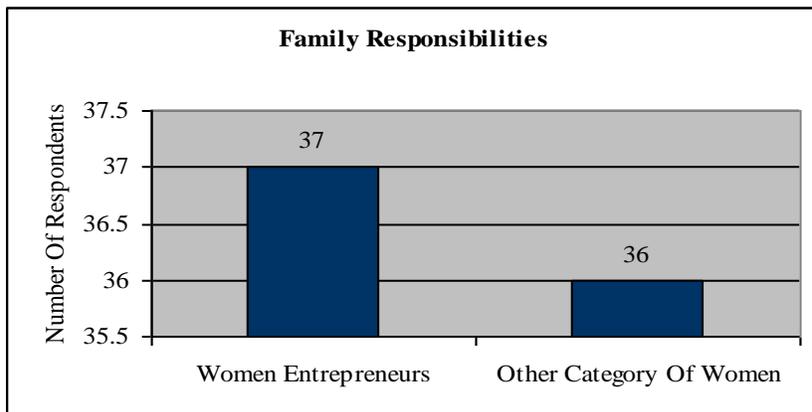
4.2.2 Support from Family:



In this category, some of the women feel that they don't get proper support from their family. Not only 18 women entrepreneurs but also 18 other women have developed the common view towards this problem.

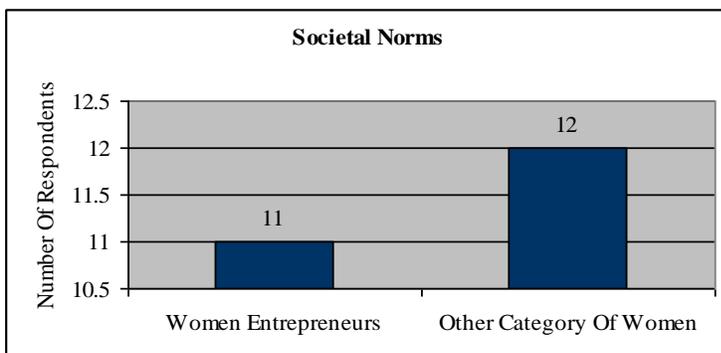
4.2.3 Family Responsibilities:

Family responsibilities is also one of the major problem area for the women as they don't get proper time to manage both career and their responsibilities towards their family as it supposed to be. Looking after their child, their family requirements and their expectations, its not possible for a women to cope up with.



Atleast the women should get proper support from their family members. Out of 100 women, 37 women entrepreneurs and 36 other category of women consider this as a hurdle.

4.2.4 Societal Norms

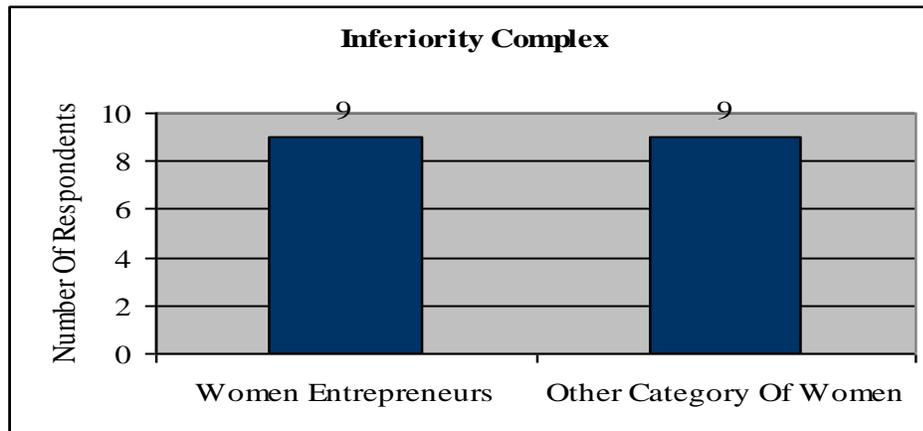


India society is the place where women are treated as inferior to men. This is a disappointment for all the women who work and want to make their career a better one. Out of 100 women, 11 of the women entrepreneurs and 12 other category

women feel that society acts as the barrier in their way of success

4.2.5 Inferiority Complex:

Some women are of shy nature. They may feel themselves as inferior to the male-dominated world. Same number of women in each category feel this as a problem.



5. Interpretation

In comparison of both the categories of problems women's attitude is more negative towards Family and Social Issues. Women who are into business and even non women entrepreneurs, both the groups have commented that problems related to family and Social issues are worse than the problems associated with managing the business.

In category of problems associated with managing the business, major problem ascertained is arrangement of finance. Lack of technical expertise, Finding out customers and Risk associated with the business are the major concerns in this category.

Thus, it could be finally interpreted that family and social issues are the major hurdles in the growth of women entrepreneurs followed by arrangement of finance, lack of technical expertise, risk associated with business.

6. Conclusion:

From the present study, it is very much clear that, there are assortment of impediments in the course of intensification and maturity of women entrepreneurs. Women have to sense remote beyond than today's societal attitude. For making sky as a limit, they have to traverse the precincts set by the society and their own psyche. The women who are into business have to built more positive mind set towards their business that will reinforce and materialize their efforts and

willingness to run their business. Even other women who are scared at this phase for taking up entrepreneurial ventures also need to rethink on the same lines.

7. References:

- 1) Desai V. (2005), "*Dynamics of Entrepreneurial Development and Management*", Himalaya Publishing House, Mumbai
- 2) Desai V. (2005), "*Management of a Small Scale Industry*", Himalaya Publishing House, Mumbai.
