

Women Entrepreneurship: Opportunities and Challenges (A Literature Review)

Renu Jakhar^{1*} and Chhavi Krishna²

¹Assistant Professor, Department of Management Studies, COER - School of Management, Roorkee, Uttarakhand, India. Email: renujakhar27@gmail.com

²Assistant Professor, Department of Management Studies, COER - School of Management, Roorkee, Uttarakhand, India. Email: chhavikrishnas@gmail.com

*Corresponding Author

Abstract: Jawaharlal Nehru Quote: “You can tell the condition of a nation by looking at the status of its women.” Women are one of the most relevant untapped resources if you talk about entrepreneurship. Female entrepreneurship is gaining attention and importance in light of the evidence of the importance of new business creation for economic growth and development. Entrepreneurs are responsible for shaping the economy and they help in creation of new wealth and new jobs by inventing new products, process and services. Women entrepreneurship is based on women participation in equity and employment of a business enterprise. Women who innovate initiate or adopt business actively are called women entrepreneurs. In this paper, an attempt has been made to study the opportunities and challenges related with entrepreneurship that the woman of our country faces in the present times.

Keywords: Challenges, Economic development, Economic growth, Economy, Entrepreneurship, Opportunities of women entrepreneurship, Woman.

I. INTRODUCTION

Women’s entrepreneurship needs to be studied for two reasons. The first reason is that women’s entrepreneurship has been recognized as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to foster entrepreneurial opportunities. But till now they represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women’s possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This market failure needs to be addressed by policy makers so that the economic potential of this group can be fully utilized. The purpose of the paper to examine the constraints and opportunities facing female

entrepreneurship in developing countries at micro- and macro-level perspectives and seeks to provide a detailed account of opportunities and constraints brought by entrepreneurship.

According to Indra Nooyi Chairman and CEO of PepsiCo “The times I feel the greatest are when I am coaching, developing talent, mentoring people to do what they never thought they could. When you see your team blossoming and growing, you say, ‘Man, I am doing well for the next generation,’ as in a conversation with goodhousekeeping.com.

According to Kamala Singh “A women entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration generates employment opportunities for others through initiating establishing and running an enterprise by keeping pace with her personal, family and social life.”

According to Government of India “An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated by the enterprise to women.”

According to APJ Abdul Kalam “Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation.”

According to the recent reports and studies, the increasing presence of women in the business field as entrepreneurs has changed the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a more active role in society and the economy, inspiring academics to focus on this interesting phenomenon female entrepreneurship has attracted a lot of attention in recent years in light of concrete evidence that it supports economic growth and development.

II. REVIEW OF LITERATURE

Bowen and Hisrich (1986), evaluated many research studies done on women entrepreneurship. It concluded that female entrepreneurs are relatively well educated in general but are not having proper management skills, high in internal locus of control than other women in their values & are likely to have had entrepreneurial fathers. Cohoon, Wadhwa and Mitchell (2010), present a detail about men & women entrepreneur's background and experiences. The study is based on the data collected from primary data where surveys were conducted to collect data from established & successful women entrepreneurs. The study identified top factors motivating women to enter into the field of entrepreneurship. The factors found were desire to build the wealth, the wish to capitalize own business ideas and to move ahead in life. The challenges are more related with entrepreneurship rather than gender. Studies have found that most of the women establish enterprises before the age of 35 after gaining some job experience somewhere. The Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family back ground, education, size of business unit.

Darrene, Harpel and Mayer (2008) performed a study & established a relationship between human capital and self-employment. The study showed that self-employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women.

Singh, 2008, conducted a study to identify the reasons & factors that influence entry of women in entrepreneurship and also explained the obstacles in the growth of women entrepreneurship. The factors identified were lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, and gender discrimination, lack of social networking, low family and financial support.

Tambunan (2009), made a study on recent changes that have occurred in women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. The study found that women entrepreneurship is gaining overwhelming importance in all sectors. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints.

III. OBJECTIVES OF THE STUDY

- To study the problems faced by women entrepreneurs in India.
- To study the major factors affecting the development of women entrepreneurship.
- To study the measures needed to improve the state of women entrepreneurship in India.

A. Problems Faced by Women Entrepreneurs in India

There are problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise. Their various problems are as follows:

- *Lack Focus on Career:* Indian women do not focus on their career in the same manner as they do on their family and personal life. Despite having excellent entrepreneurial abilities, they do not focus on their career goals. Their lack of focus towards their career creates a problem in promoting women entrepreneurship.
- *Economic Instability of Women:* The economic stability of Indian women is in a very poor state as they do not have proper education that is crucial for becoming self-dependent. Women in rural areas can not take any entrepreneurial.
- *Lack of Risk Taking Ability:* Our educational system is very primitive and creating awareness about woman's capacities and their hidden powers to handle economic activities. But Most of the women are not performing entrepreneurial activities because they do not have proper capability and risk making ability.
- *Arrangement of Finance & Raw Material:* Proper arrangement of finance is a major problem that is faced by women entrepreneurs. Their access to external sources of finance is very limited because of their poor economic condition in the society .They find it difficult to be an entrepreneur as their risk taking ability because of poor financial assistance. Another problem faced by them is shortage of raw-material and difficulty faced by the women entrepreneur in arranging good quality raw material at competitive prices.
- *Cut-Throat Competition:* Women entrepreneurs have to face tough competition not only from industry but also from their male counterparts. Surviving this cut-throat competition and achieving the aim of producing quality product at competitive price is not an easy task for the women entrepreneurs.
- *Low Levels of Literacy amongst Women:* Illiteracy is the root cause of socioeconomic baseness that prevails in the society and that does not let women achieve economic independency. Due to lack of knowledge of latest technology and proper education, it becomes difficult for women to set up their own enterprises.
- *Problems in Getting Financial Assistance by Banks & Financial Institutions:* Banks and financial institutions help finance small and medium size firm operators to get financial assistance. But these banks and financial institutions do not readily provide credit to women entrepreneurs because they doubt the credit worthiness of women entrepreneurs. The irony is that according to a report by the United Nations Industrial Development Organization (UNIDO), woman's loan repayment rates are higher than men's but still financial institutes doubt their loan repayment abilities.

- *Marketing Problems:* Women entrepreneurs face problems in marketing of their products as this area is mainly dominated by males and women fail to make a mark in this area. Women entrepreneur also find it difficult to capture the market and make their products popular and they often take the help of middlemen in marketing their products who often charge high commission from them.
- *Less Support towards Family:* In business women have to devote long hours and as a result, they find it difficult to meet the demands of their family members and society as well. As such they become incapable in attending to domestic work, attending to the needs of their children which lead to conflict in their personal lives and they find it difficult to work as a women entrepreneur.
- *High Cost of Production:* High cost of production adversely affects the development of women entrepreneurs. The high cost of factors of production & the raw material makes it difficult for the women entrepreneur to operate in the industry. Government assistance in the form of grant and subsidies to some extent enables them to tide over the difficult situations. Other than the high cost of production, women entrepreneurs also face the problems of labor, human resources, infrastructure, legal formalities, overload of work, mistrust etc. that are associated with every business enterprise.
- *Lack of Self-Confidence and Self-Esteem:* A strong mental outlook and an optimistic attitude amongst women are required amongst women to be an entrepreneur. But it has been noticed that women lack these qualities required in setting up their own enterprises. Thus, not having the required confidence that is needed by today's women to move ahead creates resistance in their being a good entrepreneur.

B. Insights about Women's Entrepreneurship Development

The following are the facts and insights about Women's Entrepreneurship Development:

- Entrepreneurship can be an effective means to create employment and empower women and promoting women's entrepreneurship and gender equality helps to empower women in the society.
- Women lack confidence in their entrepreneurial abilities as such along with training women Entrepreneurs should be provided with strategic partnerships, networking and programs that help in overall entrepreneurship development.
- Infrastructure that supports entrepreneurship opportunities should be provided for women's success.
- In all countries women still represent a minority in the area of entrepreneurship, are self-employed, or are small business owner-managers and their full potential has yet not been utilized properly.

- Women's entrepreneurship is not very successful because they face lots of challenges because of lack of education, lack of role models in entrepreneurship, gender issues, weak social and economic status etc.

C. Measures to Improve Women Entrepreneurship

Women entrepreneurship in India faces many challenges and requires a radical change in attitudes and mindsets of society. Therefore, programs should be designed to address changes in attitude and mindset of the people. Women of the present times should be made aware regarding her unique identity and her contribution towards the economic growth and development of the country. Course Curriculum should be designed in a manner that will impart the basic theoretical knowledge along with its practical implication and help impart skills required to be an entrepreneur.

- *Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women:* This scheme provides women with proper trade related training, information and counseling along with extension activities related to trades, products, services etc. Along with that, Government Grant also provides up to 30% of the total project cost as appraised by lending institutions which would finance the remaining 70% as loan Assistance to applicant women. It mostly helps poor & usually illiterate/semi-literate women to get started on their business.
- *Mahila Vikas Nidhi:* This fund has been set up by SIDBI to help women in rural area start their entrepreneurship easily. It grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.
- *Co-operative Schemes:* Women co-operatives schemes were formed to help women in agro-based industries like dairy farming, poultry, animal husbandry, horticulture etc. with full financial support from the Government.
- *Government Yojanas:* Swarna Jayanti Gram Swarozgar Yojana and Swaran Jayanti Sekhari Rozgar Yojana were two important schemes launched by the government to provide reservations for women and encouraging them to start their ventures.
- *Private Organisations:* Several NGOs, voluntary organizations, Self-help groups, institutions and individual enterprises from rural and urban areas are working to help new women entrepreneurs to set up their business and run it smoothly.

A Few Training Programs Started by the Government for Self Employment of Women are:

- Support for Training and Employment Programme of Women (STEP).
- Development of Women and Children in Rural Areas (DWCRA).

- Small Industry Service Institutes (SISIs).
- State Financial Corporations.
- National Small Industries Corporations.
- District Industrial Centres (DICs).

Some Successful Leading Business Women in India

- Akhila Srinivasan, Managing Director, Shriram Investments Ltd
- Chanda Kocchar, Executive Director, ICICI Bank
- Ekta Kapoor, Creative Director, Balaji Telefilms
- Kiran Mazumdar-Shaw, Chairman and Managing Director, Biocon
- Ranjana Kumar, Chairman, NABARD
- Renuka Ramnath, CEO, ICICI Ventures
- Ritu Kumar, Fashion Designer
- Shahnaz Hussain, CEO, Shahnaz Herbals

Facts & Figures about Women Entrepreneurship the Results of the Survey Conducted by IIT, Delhi are: Explaining the Focus on Women, V Ramgopal Rao, Director, IIT-Delhi, said that:

“In spite of the fact that women entrepreneurs are more productive than men, there has been a decline in their presence and only 10% of all the start-ups are owned by them.”

Dr Rao added that due to several social constraints, many girls did not get admission into IITs. “It is because of this that we will work with several government agencies to incubate and nurture ideas to compensate for the poor presence of women on the campus,” he said. “We want to remove this exclusivity of IIT and make it more inclusive.”

IV. CONCLUSION

Women entrepreneurship in India faces many challenges and requires a radical change in attitudes and mindsets of society. Therefore, programs should be designed to address changes in attitude and mindset of the people. It is important to promote entrepreneurship among women to improve the economic situation of the women. This can be made possible with the help of education as education is a powerful tool in bringing out the entrepreneurship qualities in a human being. Moreover, attempts to motivate inspire and assist women entrepreneurs should be made at all possible levels. Proper training should be given to the women by establishing training institutes that can enhance their level of work-knowledge, risk-taking abilities, enhancing their capabilities. After setting up training institutes, there should be continuous monitoring, improvement of training programs so that they can improve upon the quality of the entrepreneurs being produced in the country. Undoubtedly the women participation rate in the field of entrepreneurship is increasing rapidly. However, efforts need to be taken at larger scale to give the position in the field of entrepreneurship that

they deserve. The actions & steps that have been taken by the government sponsored development activities have benefited only small strata of society and more needs to be done in this area. Effective steps need to be taken to have entrepreneurial awareness and skill development to women.

REFERENCES

- [1] A. Kumar, “Women entrepreneurs profile of the ground relatives,” *SEDME*, vol. 30, no. 4, p. 1, Dec. 2003.
- [2] A. Kumar, “Financing pattern of enterprises owned by women entrepreneurs,” *The Indian Journal of Commerce*, vol. 57, no. 2, p. 73, Apr.-Jun. 2004.
- [3] D. D. Bowen, and R. D. Hirsch, “The female entrepreneur: A career development perspective,” *Academy of Management Review*, vol. 11, no. 2, pp. 393-407, 1986.
- [4] J. M. Cohoon, V. Wadhwa, and L. Mitchell, “The anatomy of an entrepreneur - Are successful women entrepreneurs different from men?,” Kauffman, The foundation of Entrepreneurship, 2010.
- [5] N. Carter, “Entrepreneurial processes and outcomes: The influence of gender,” in *The Entrepreneurial Process: Economic Growth, Men, Women, and Minorities*, P. D. Reynolds, and S. B. White, Eds. Westport, Connecticut: Quorum Books, 1997.
- [6] P. G. Greene, M. M. Hart, C. G. Brush, and N. M. Carter, “Women entrepreneurs: Moving front and center: An overview of research and theory,” White Paper at United States Association for Small Business and Entrepreneurship, 2003.
- [7] I. Andersson, A. Raihan, M. Rivera, I. Sulaiman, N. Tandon, and F. Welter, *Handbook on Women-owned SMEs: Challenges and Opportunities in Policies and Programmes*, International Organization for Knowledge Economy and Enterprise Development, 2007.
- [8] K. Kubeczko, and E. Rametsteiner, “Innovation and entrepreneurship - A new topic for forest related research?,” Discussion Paper P/2002-1, Institute of Forest Sector Policy and Economics, BOKU Vienna, 2002.
- [9] M. Lall, and S. Sahai, “Women in family business,” presented at *1st Asian Invitational Conference on Family Business*, Indian School of Business, Hyderabad, India, 2008.
- [10] J. P. Murmann, and M. L. Tushman, “From the technology cycle to the entrepreneurial dynamic,” in *The Entrepreneurship Dynamic*, C. B. Schoonhoven, and E. Romanelli, Eds. Stanford, California: Stanford University Press, 2001.
- [11] S. C. Myers, “The capital structure puzzle,” *The Journal of Finance*, vol. 39, no. 3, pp. 575-592, 1984.

- [12] S. P. Singh, "An insight into the emergence of women-owned businesses as an economic force in India," presented at *Special Conference of the Strategic Management Society*, Indian School of Business, Hyderabad, India, Dec. 12-14, 2008.
- [13] S. K. Dhameja, *Women Entrepreneurs: Opportunities, Performance, Problems*, Deep Publications Pvt. Ltd., New Delhi, 2002, p. 9.
- [14] <https://techstory.in/women-entrepreneurship-promotion>