

# **STUDY OF WOMEN ENTREPRENEURS AND CHALLENGES IN THE PATH OF WOMEN ENTREPRENEURSHIP**

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**“When women move forward, the family moves, the village moves and the Nation moves”**

## **ABSTRACT**

*The government of India has defined a women's entrepreneurship as “an enterprise owned and controlled by a women having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated by the enterprise to women”. The overall context of women's entrepreneurship development can be described in three different spheres: micro sphere, meso sphere and macro sphere. There are several institutions in India for promoting women entrepreneurship. Financial institutions and banks have also set up special cells to assist women entrepreneurs. Self help groups enable the rural poor to earn their livelihood through entrepreneurial activities besides participating in the process of development. A select group of women entrepreneurs, who are high achievers, are shattering the glass ceiling.*

**Keywords- Gender and Development Approach (GAD), Glass ceiling, Macro sphere, Meso sphere, Micro sphere, Self-Help Group (SHG), Women's India Trust (WIT)**

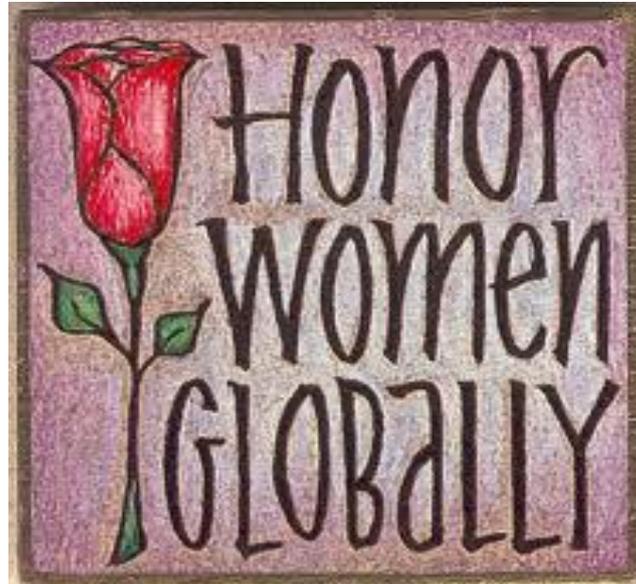
## **I. INTRODUCTION**

A women entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life.

## **II. IMPORTANCE OF WOMEN ENTREPRENEURS**

It is imperative to note the participation of women in economic activities as self-employed individuals. Many of the traditional occupations open to women were mainly based on caste and creed and the nature of self-employment was based on the standard of living. Presently, not only are women generating employment to others. The country needs to mobilize and utilize fully all its resources including human resources. The participation of women in economic activities is necessary not only from a human resource point of view but is essential even for the objective of raising the status of women in society. The economic status of women is now accepted as an indicator of a society's stage of development. Therefore, it becomes imperative for the government to frame policies for the development of entrepreneurship among women. The long-term objectives

of the development Programmes for women should aim to raise their economic and social status in order to bring them into the mainstream of national life and development. For this, due recognition has to be accorded to the role and contribution of women in the various social, economic, political and cultural activities.



### III. FACTORS INFLUENCING WOMEN ENTREPRENEURS

The following are the major factors influencing women entrepreneurs:

- Economic Independence
- Establishing their own creativity
- Establishing their own identity
- Achievement of excellence
- Building confidence
- Developing risk taking ability
- Motivation
- Equal status in society
- Greater freedom and mobility

### IV. WOMEN ENTREPRENEURSHIP DEVELOPMENT

Women entrepreneurs operate through different spheres or environment .The overall context of women entrepreneurship development can be described in three different spheres-

- Micro Sphere
- Meso Sphere
- Macro Sphere

## 4.1 Micro Sphere

In many South Asian countries women experience an unequal power relationship with men which is often reflected in persistent inter-family inequalities in the distribution of task. Male possessiveness and dominance also weakens a women's extra household bargaining power. This amounts to deprivation of influence at all levels. Gender relations also determine the ascription to men and women of different abilities, attitudes, desires, personality traits, behavior and so on.

## 4.2 Meso Sphere

There are a large no. of organizations involved in providing support services to entrepreneurs. However for a variety of reasons, many of the organizations tend to act as a barriers when it comes to providing assistance to women entrepreneurs. In some cases this can be attributed to a lack of awareness about women's concerns and insensitivity towards gentle issues. It is at the meso level that it is found that the lack of support for women entrepreneurs by many of the organizations which implement policies and operationalise programs contribute greatly to their continuing this empowerment.

## 4.3 Macro Sphere

The macro environment with in which women entrepreneurs develop and grow comprises many interconnecting structures and dynamics including laws and regulations, economy, international trade, including market liberalization and globalization, availability of finance and credit, labour market, human capital resources, technology, physical infrastructure and natural resources.

## V. CHALLENGES IN THE PATH OF WOMEN ENTREPRENEURSHIP

The problems and constraints experience by women entrepreneurs resulted in restricting the expansion of women entrepreneurship. The major barriers encountered by women entrepreneurs are as follows-

- 1) **Lack of confidence** – Women generally lack confidence in their own capability. Having accepted a subordinate status for long, even at home, members of their family do not appear to have total confidence in their abilities and on their decision making.

Society in general also lacks confidence in women's strength, traits and competence. This is quite apparent in the family's reluctance to finance a women's venture, bankers are reluctant to take risks on projects setup by women and individuals are unwilling to stand guarantee for loans to a women.

- 2) **Problems of finance and working capital**

Another problem faced by women entrepreneurs is lack of access to funds because they do not posses any tangible security and credit in the market. Since women do not enjoy right over property of any form, they have limited access over external sources of funds. Even the members of her family have little confidence in the capability of women to run a business.

Women entrepreneurs face serious problem in obtaining working capital for financing day- to- day operations of the entrepreneurs, including purchase of raw materials, meeting pay- rolls. The chronic

shortage of working capital leaves women entrepreneurs extremely vulnerable to competition and other emergencies.

- 3) **Socio cultural barriers** – A women has to perform her family duties irrespective of her carrier as a working women or an entrepreneur. In our society, more importance is given to educating the male child as compare to the female child. This result in lack of schooling and vocational training of women, their lack of attaining technical skills and their by lack of awareness of opportunities available.

This adds to the constraints in establishing enterprises by women. Even the male labour force is generally seen as not preferring to work under a lady boss. Women entrepreneurs are not taken seriously enough by the labour force. All this hinders women entrepreneurship.

- 4) **Production problems-** Production in a manufacturing enterprise involves coordination of a no. of activities. While some of these activities are in the control of the entrepreneur, there are others over which she has little control improper coordination and delay in execution of any activity cause production problem in industry. The inability of women entrepreneurs to keep pace with the latest advances in technology and lack of technical knowhow results in high cost of technology acquisition and machinery utilization.

- 5) **Inefficient marketing arrangement** – Heavy competition in the markets and their lack of mobility makes the women entrepreneurs dependent on middlemen. For marketing their products, women entrepreneurs are at the mercy of middleman who pockets a major chunk of profit. Further, women entrepreneurs also find it difficult to capture the market and make their products popular\}. They lack information on the changing market. In addition, women entrepreneurs, face difficulty in collection of payments.

## VI. STRATEGIES FOR THE DEVELOPMENT OF WOMEN ENTREPRENEURS

In small and medium enterprises due to limited sources, majority of the functions have to be performed by the owner's themselves. In case of women entrepreneurs the problems get compounded because certain functions have gender dimensions attached to them.

Domestic commitments and child care support are the two main responsibilities of women. This, along with the still narrow outlook of society in accepting a woman as an entrepreneur makes her life more difficult. Some suggestions to meet these challenges and to encourage women entrepreneurship are given below.

- To overcome the resistance from husband and members of the family at the time of setting up of their venture, prospective women entrepreneurs are advised to maintain their cool and persistently convince them, without confronting them, regarding the benefits of setting up of an enterprise. The woman require to have a strong will power under the circumstances. The inflow of money will eventually solve this problem.
- Shouldering the dual responsibilities of an entrepreneur and a home maker can be effectively undertaken by a women entrepreneur through better time management. The members of the family can also be involved in the business, which will help in sharing the burden of entrepreneurial work. Moreover, the women entrepreneur must try to make her husband and children self- sufficient at home. With tact and diplomacy, she should solicit cooperation in running the enterprise from the family.

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- A women can setup a home- based business. By operating her business from home, a woman can better coordinate her household and business responsibilities.
- A women can start her business when her children are grown up enough to take care of their own small needs. This gives the women enough time to mange her enterprise.
- Women must acquire education and go through confidence building training to get rid of the traditional feeling that they are inferior to men and are dependent on men.
- For marketing her products a women entrepreneur must establish her credibility in terms of quality and competitiveness of product or services. She should acquire relevant techniques and skills to win customer's loyalty. E - Commerce business will also help greatly in this regard for publicity and advertisement, the women entrepreneur can work on alternatives like cable TV., pamphlets, leaflets, slides in cinema halls, banners at strategic locations and so on.
- Effective and efficient use of information technology like the internet can help in assimilating information about the variety, range and quality of competing products, publicity and marketing of products and services.
- Workshops and seminars should be organized frequently for the officials of financial and support agencies and for women entrepreneurs to make their relations more cordial.
- Procedures for financial assistance by banks and government organizations must be simplified. Women inspectors, if available, should be asked to inspect women enterprises.
- It has been observed, that there is a tendency to project a higher value of sales, production, and profits in project reports to impress the bankers. Such a project file is not appropriate from a financial management point of view. So, women entrepreneurs need to undertake training in various aspects of financial management to understand its finer implications.
- Since complicated and lengthy procedures make it difficult to acquire loan from government agencies and banks, it is suggested that women entrepreneurs search for non- formal source of finance like private financiers, relatives, friends and others.
- Banks and financial institutions must maintain a minimum target of loan to be disbursed to women entrepreneurs. Collateral security should be dispensed with in the case of women entrepreneurs because many women hardly have any property or other assets in their name to keep as guarantee. Margin money for projects to be undertaken by women entrepreneurs should not exceed 10 percent. Subsidies should also be given to women entrepreneurs at the initial stage itself.
- Women entrepreneur should acquire relevant training in technology and in details of their plant and machinery. They should be knowledgeable about the functioning of machines and processes. They should be more assertive with their employees. They should employ more women workers in their enterprises. They must undergo training in management skills to handle human resources as well as training in effective communication skills and practices and the legal aspect of running a business.
- Group entrepreneurship is a viable option for the weaker section of the society and it helps women to overcome their poverty. It empowers women and provides the necessary confidence for entrepreneurship. Women's organizations, women's cooperatives, and NGOs should be promoted to assist self – employment

for poor women. In the present scenario, due to modernization, urbanization, globalization, and development of education, with increasing awareness, women are now seeking gainful employment in several fields. Women are entering into entrepreneurship even in the face of socio-culture, economic, technical, financial, and managerial difficulties. Women entrepreneurship movements can gain momentum by providing encouragement, appropriate awareness, training, environment, and support. This would definitely enhance their socio-economic status, a pre-requisite for women's empowerment.

## VII. PRESENT STATUS OF INDIAN WOMEN

Women constitute around half of the total world population. So is in India also. They are therefore, regarded as the better half of the society. In traditional societies they were confined to the four walls of houses performing house hold activities. In modern society they have come out of the four walls to participate in all sorts of activities. The Indian women are no more treated as beautiful showpieces. They are also enjoying the fruit of globalization marking an influence on the domestic and international sphere. They have carved a niche for themselves in the male dominated world. Indian women well manage both burden of work in household front and meeting the deadlines at the work place. In a recent survey it is revealed that the female entrepreneurs from India are generating more wealth than the women in any part of the world

## VIII. CONCLUSION

In this paper we get to know about the position of women in private and public entrepreneurs. With the help of this research paper we come to know about the concept of women entrepreneurship and identify the importance of women entrepreneurs. There are lot of challenges comes in the development of women entrepreneurs. We have defined some strategies that helps women to overcome these challenges. Sometimes women face so many challenges only because of lack of confidence, gender problem, finance problem and so on. But, if the parents, family and society helps a women to become an entrepreneur then a single women can change the meaning of women entrepreneurs.

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