



PROBLEMS AND PROSPECTS OF WOMEN ENTREPRENEURS

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Introduction

The importance of women entrepreneurship for economic development has been widely acknowledged in recent years. Women entrepreneurship is associated with innovation and creating something that did not previously exist, it is often treated as equivalent to new venture creation and, as a consequence, business ownership. Nevertheless, women entrepreneurship can also be present within large organizations or outside the business environment¹. Entrepreneurial behavior in its broader sense has become more important in our society where people face a more uncertain work environment, with multiple job shifts during a career, greater prospects of becoming self-employed, and where tasks increasingly require qualities such as independence, initiative and creativity. These entrepreneurial qualities enable individuals to cope with and contribute to rapid social and economic change (OECD/CERI, 1989; Gibb and Cotton, 1998).

In the empirical growth literature process is positively related to the level of economic growth. In particular, the empirical studies specify growth as a function of the initial level of process. Hence, from a societal perspective, both entrepreneurship and the system are important for economic growth. However, the importance of process for women entrepreneurship has been acknowledged only recently. Developing a framework explaining women entrepreneurship, have included process as one of the determinants of the level of entrepreneurial activity in a country.

History of women entrepreneurship in world:

Before the 20th century women were operating businesses as a way of supplementing income or in many cases they were simply trying to avoid poverty and making up for the loss of a spouse. The ventures that these women undertook were not known as entrepreneurial due to

the time in history and usually had to yield to their domestic responsibilities. The term entrepreneur is used to describe individuals who have ideas for products and or services that they turn into a working business. In earlier times this term was reserved for men. Women became more involved in the business world after it was a more acceptable idea to society. This does not mean that there were no female entrepreneurs until that time. In the 17th century, Dutch Colonists who came to what is now known as New York City operated under a matriarchal society. In this society many women inherited money and lands and through this inheritance and became business owners. During the mid 18th century and on it was popular for women to own certain businesses like brothels, alehouses, taverns, and retail shops among others. Most of these businesses were not perceived with good reputations mostly because it was considered shameful for women to be in these positions. Society at the time frowned upon these women because it took away from their more gentle and frail nature. During the 18th and 19th centuries more women came out from under the oppression of society's limits and began to emerge into the public eye. In the 1900's due to a more progressive way of thinking and the rise of feminism, female entrepreneurs began to be more accepted and although these women entrepreneurs serviced mostly women consumers they were making great steps. Even still with the added popularity of women in business, the availability of technology, the support from different organizations, today female entrepreneurs still are fighting. The economic downturn of 2008, did not serve to help them in their quest. With the continual attention given to female entrepreneurs and the educational programs afforded to those women who seek to start out with their own business ventures, there is much information and help available. Since 2000 there has been an increase in small and big ventures by women, including one of their biggest obstacles, financing.

There was a blind belief that men are the only bread winners of their families. This has been proved incorrect because Gender and Development has clearly identified the role of women entrepreneurs. Now-a-days, service sector has played a significant role in providing employment opportunities to women. Besides most of women lives in semi-urban and rural areas and a lot of measures have been taken to promote women entrepreneurs. It is observed that women can establish business units in those areas where they have core competency. Women have proved their core competency in the areas of Information Technology (IT), management, personal care services and health care services. Women are encouraged in these areas of business as they have core-competency. Besides the above areas, women entrepreneurs have emerged in the new areas like data base management, designing and multi-media services.

Need and significance of the research paper:

Need and significance of the research paper is divided into few characteristics. The followings are some of important reasons for the researcher to show the keen interest in the field of women entrepreneurship.

1. Educated women do not find suitable job.
2. Women do not feel comfortable to work in their houses.
3. Women have an instinct to prove their innovative skill like men.
4. Women desire additional income to provide support to their families.
5. They have a desire for new challenges and opportunities for self-fulfillment.
6. Desire to enjoy social status equal to that of men.
7. Economic compulsions have encouraged for emerging of women entrepreneurs.
8. Women desire to share family responsibilities like men.

a) Relevance -

In order to assess the current scenario in the entrepreneurship specifically to women entrepreneurship in Mumbai district with respect to its problems and prospects, it is necessary to review the state of various sectors and the role of women in handling the management of the business. By keeping this aim in the mind, the researcher has made an attempt to research paper the various aspects of women entrepreneurship.

b) Applicability –

The Mumbai districts are dominated by small & medium scale industries. Approximately 1200 small scale industries in form of workshops and small manufacturers operate in Mumbai and 3 to 4 large scale industries are existing in Mumbai cities.

In the light of the above facts, it becomes imperative to have an exclusive analysis of women entrepreneurs particularly in developing cities like Sangli & Sholapur. The present research paper is undertaken with the very purpose of researching the problems & prospects of women entrepreneurs.

c) Methods -

Sound research methods are used to do the research of Sangli & Sholapur. The opinions are gathered by researcher with the help of structured questionnaire. A separate questionnaire is designed for various entrepreneurs.

d) Originality & Novelty –

The researcher is of the view that this research paper is novel in the following respect –

- a) So far so good, no research has been done on women entrepreneurs in

Mumbai district. So the work is original and first of its kind in the field of women entrepreneurship.

b) The research paper concerns itself with problems & prospects of women entrepreneurs in Mumbai district which is unique in itself as both the cities.

c) The research paper has concentrated upon two types of women entrepreneurs. Firstly, those who are from Sangli district. Secondly, those who are from Sholapur district.

e) Literature Available –

The books on entrepreneurship management, reports like ICRIER economics provide number of insights on entrepreneurship. The research papers add new dimensions to the present research paper. Attending and referring proceedings of International conferences have helped the researcher in addressing number of unmet issues on entrepreneurship.

f) Managerial Implications –

The research will help the entrepreneurs to improve their performance in Mumbai district as these cities are upcoming from the industrialization point of view; these changes help the entrepreneurs in uplifting their social stature and creating a sense of awakening regarding changing scenarios in entrepreneurship. So it is important to research paper the various components of women entrepreneurs in Mumbai district.

Obstacles specific to starting new firms

• **External finance and sex discrimination:**

In general, women have lower personal financial assets than men. This means that for a given opportunity and equally capable individual, women must secure additional resources compared to men in order to exploit the opportunity because they control less capital. A question that has developed into its own sub-field in the women's entrepreneurship literature is if women have a harder time getting finance than men for the same business opportunity.

A specific solution for solving women's difficulties for obtaining financing has been micro financing. Microfinance is a financial institution that has become exceptionally popular especially in developing economies.

• **Obstacles specific to managing a small firm:**

Studies on women entrepreneurs show that women have to cope with stereotypic attitudes towards women on a daily basis. Business relations as customers, suppliers, banks, etc. constantly remind the entrepreneur that she is different, sometimes in a positive way such as by praising her for being a successful entrepreneur even though being a woman. Employees tend to mix the perceptions of the manager with their images of female role models leading to

mixed expectations on the woman manager to be a manager as well as a “mother”. The workload associated with being a small business manager is also not easily combined with taking care of children and a family. However, even if the revenues are somewhat smaller, women entrepreneurs feel more in control and happier with their situation than if they worked as an employee. Women entrepreneurship has been recognized as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc.

Women’s entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women’s empowerment, thus contributing to the Millennium Development Goals (MDGs). Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures. Women entrepreneurs in the four southern states and Maharashtra account for over 50% of all women-led small-scale industrial units in India.

- **Obstacles specific to growing firms:**

A specific problem of women entrepreneurs seems to be their inability to achieve growth especially sales growth. Another previously addressed issue is finance and as stated previously, the entrepreneurial process is somewhat dependent on initial conditions. In other words, as women often have a difficult time to assemble external resources, they start less ambitious firms that can be financed to a greater degree by their own available resources. This also has consequences for the future growth of the firm. Basically, firms with more resources at start-up have a higher probability to grow than firms with fewer resources. By resources is meant here societal position, human resources and financial resources. This initial endowment in the firm is therefore of great importance for firm survival and especially for firm growth. Despite that many women entrepreneurs face growth barriers, they are still able to achieve substantial firm growth. There are examples of that both in a number of developing economies by the ILO, as well as in more developed economies such as the United States.

The present research paper attempts to create a better understanding of the role of women entrepreneurship process in developing entrepreneurial qualities. Because most of the

existing programs are not based on clear definitions of women entrepreneurship, some theoretical underpinnings of women entrepreneurship process are discussed. The aim of the present research paper is to provide the in entrepreneurship with an overview of relevant theoretical perspectives on women entrepreneurship.

Women entrepreneurship and Entrepreneurial Traits:

A review of the early women entrepreneurship literature produces different views on what constitutes an entrepreneur and what role the entrepreneur plays in the economic process.

Dreamer: A big idea of how something can be better and different

Inner Drive to Succeed: Women entrepreneurs are driven to succeed and expand their business. They see the bigger picture and are often very ambitious. Entrepreneurs set massive goals for themselves and stay committed to achieving them regardless of the obstacles that get in the way.

Innovator: All entrepreneurs have a passionate desire to do things better and to improve their products or service. They are constantly looking for ways to improve. They're creative, innovative and resourceful.

Ability to Organize: He should be able to organize various factors effectively. He has to understand all the aspects of the business

Passionate: Expressive so the idea creates energy and resonance with others

Risk Taker: Pursues the dream without all the resources lined up at the start and distributes the risk over a network of capabilities. In short he should be ready to bear risk and uncertainties

Decision Making: One has to take right decision at a right time by showing his promptness. Quick decisions are expected but hasty decisions shouldn't be taken. Delay in decisions may increase cost of project and reduce the profits.

Continuous Learner and Openness to Change: Constantly exploring and evolving to do best practice. If something is not working for them they simply change. Entrepreneurs know the importance of keeping on top of their industry and the only way to being number one is to evolve and change with the times

When reviewing the different perspectives on women entrepreneurship a distinction can be made between those emphasizing the importance of entrepreneurial traits or qualities and those focusing on the behavior or activities of entrepreneurs. Within the first perspective entrepreneurship is regarded as a set of personality characteristics, whereas in the second perspective behavior rather than traits is seen as the basis for distinguishing between

entrepreneurs and non-entrepreneurs.

Within the trait approach it is argued that individual personality traits are a necessary ingredient for understanding the phenomenon of women entrepreneurship because not all people become entrepreneurs under the same circumstances. In this view women entrepreneurship includes characteristics, such as perseverance, creativity, initiative, propensity to take risks, self-confidence and internal locus of control. Despite its alleged importance the trait approach has been criticized by scholars, such as Gartner (1989) arguing that entrepreneurship research should focus on research papering the behavioral aspects of women entrepreneurship rather than personality traits.

In addition, within women entrepreneurship research there is the discussion whether entrepreneurs are *born* or *made*. Assuming that women entrepreneurship is inborn – a sixth sense – and entrepreneurial traits he or she is born with. In contrast, there are scholars arguing that women entrepreneurship

Opportunity seeking or recognition involves the search for or the identification of unsatisfied wants and needs in the market place that can be met by introducing a (new) product or service.

Goal setting refers to defining objectives that can be reached by allocating entrepreneurial effort. Women entrepreneurship is concerned with attaining goals creatively and autonomously. Goal setting is inherent to this process.

Self-awareness refers to the degree of realism in the estimate of an individual's own abilities enhancing an adequate response to the environment (Lawler, 1973). An entrepreneurial individual initiates and undertakes actions independently. In this context it can be argued that in addition to adequately assessing one's own capabilities a belief in one's own actions, i.e., self-confidence, is important.

Internal locus of control is the degree to which an individual believes that reinforcements are dependent upon his or her own behavior. An individual who believes that the achievement of an end or goal is dependent upon his/her own ability and actions is characterized by an internal locus of control, whereas an individual who believes that it is the result of luck or other people's efforts is characterized by an external locus of control.

Persistence has been defined as "*the proclivity to stick to a task until it is completed*". It may be argued that the persistence with which an individual pursues a certain goal is largely dependent upon motivation, energy and commitment. Perseverance and persistence are viewed as synonyms in the light of the present research paper.

Women entrepreneurship and personality traits :

Although entrepreneurial qualities are to some extent present in every individual, we assume that these qualities can be developed further through process. With respect to entrepreneurship process a large gap exists between what is propagated in research, the shaping of process programs and women entrepreneurship in practice. In the present section researcher would like to give an indication of how women entrepreneurship process programs should be developed in order to be effective. First, it is necessary to pay attention to the time frame of entrepreneurship process, i.e., when should women entrepreneurship be taught? Because women entrepreneurship process is important especially at the primary and secondary level. Entrepreneur scientists argues that there is need to explicitly link the contents of process programs to the level of education. They argue that 'awareness' programs can be offered to groups lacking the basic knowledge of women entrepreneurship, whereas 'readiness' programs can be offered to any pupil, including those of a young age, provided they have sufficient awareness. The importance of the entrepreneurial qualities should be further investigated.

Challenges before entrepreneurs:

1. **Cultural Values:** This is dominant in the Africa setting where the man is believed to be the bread winner of the family, leaving the woman to just domestic chores. If the woman is seen doing some sort of work, she is believed to be taking the position of the head of the family.

2. **Lack of access to finance:** Another major challenge women entrepreneur's face is not able to access enough capital to start up their business. Most banks and investors don't give women capitals to start up a business, this because of their lack of trust in them to pay back. This is due to the fact that some of the women may not be fully grounded in their knowledge of the business, therefore having a bad business plan. It can also be due to the reason that the woman may not have collateral.

The way out of this is to try and get a collateral and have a strong business plan that anyone can buy into it. Also, you must be able to sell your idea excellently well and convince your investors and build their confidence in your business idea. If you raise enough capital from family and friends that will reduce the interest you have to pay.

3. **Emotions and wanting to please everyone:** women generally are more emotional compare to men, "For men, a business is mostly about the bottom line, but for women, it's more than that," said . "We get emotionally connected, and that can hold us back from making the tough decisions. Male board members and investors get frustrated when we're not

as quick to fire or make dramatic business changes that could impact employees' families.” Women like to build relationships and nurture them, but they still have to direct, firm and be focused on their business goals.

This relationship women build sometimes approve of what others say and get carried away by it, this lead them to wanting to satisfy others at the detriment of their business. Women should watch out for this and try not to let their emotions overpower their aims and goals for their businesses.

4. Discrimination from the society: Most people still have the mentality that a woman should not be allowed to take some certain business in the society. They believe those business are meant for men and a woman cannot be fully competent in it. But this believe is actually not true, because there women who have even done far better than men in some certain areas.

The solution to this challenge is that the woman should keep at what they are doing and do let people's talk make you weak. When you have made your grounds in that business, then the things been said by the society will now turn in favor of the women.

5. Inferior Educational Background: In some part of the world, women are still given the ability to go deep educational and also to get additional skills that will help them in the business world. It has been known that most women just get basic education which most times is not enough to help them gain any ground in the business world. The best thing for an ambitious woman to do is to try and get skills and be determined to make it in life.

6. Afraid of Failure: Failure and success are part of life, before a person can be successful; you have to have experienced failure. One has to build confidence and encourage oneself in order to be able to achieve success in any business.

7. Combining Raising a Home and a Business: Having to raise your children and also maintain your business is a very challenging task. As we all know women are the backbone of the home, so you have to find a way to balance up being with your family and also managing your business.

These are the challenges female entrepreneurs face and for those just intending to start or have started their businesses should take note of these challenges and be prepared to face them.

Table1 - Table showing problems faced by women entrepreneurs

Researcher during the data collection has ask the respondents from Sholapur and Sangli collectively to express their views regarding the following problems -

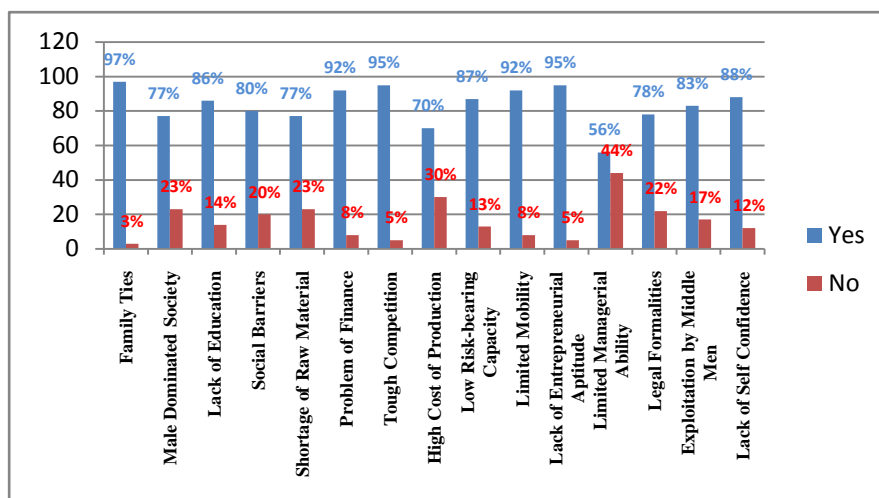
- 1) Family Ties

- 2) Male Dominated Society
- 3) Lack of Education
- 4) Social Barriers
- 5) Shortage of Raw Material
- 6) Problem of Finance
- 7) Tough Competition
- 8) High Cost of Production
- 9) Low Risk-bearing Capacity
- 10) Limited Mobility
- 11) Lack of Entrepreneurial Aptitude
- 12) Limited Managerial Ability
- 13) Legal Formalities
- 14) Exploitation by Middle Men
- 15) Lack of Self Confidence

These problems and their intensity to the women entrepreneurs are tabulated as follows -

Sr. No.	Problem	Yes (%)	No (%)
1	Family Ties	97	3
2	Male Dominated Society	77	23
3	Lack of Education	86	14
4	Social Barriers	81	19
5	Shortage of Raw Material	53	47
6	Problem of Finance	92	8
7	Tough Competition	95	5
8	High Cost of Production	70	30
9	Low Risk-bearing Capacity	87	13
10	Limited Mobility	92	8
11	Lack of Entrepreneurial Aptitude	95	5
12	Limited Managerial Ability	56	44
13	Legal Formalities	78	22
14	Exploitation by Middle Men	83	17
15	Lack of Self Confidence	88	12

Graph 4.E.1 – Graph showing opinion of women entrepreneurs about problems faced by them



Description:

From the table, it can be observed that majority (97%) of the women entrepreneurs have the problem of family ties, Problem of finance (92%), tough competition from men (95%), limited mobility (92 %), Lack of Entrepreneurial Aptitude (95%) and lack of self confidence (88 %).

Other problems are lack of education (86%) plus Male dominance of the society (77%) and completion of legal formalities (78%), social barriers (80%).

Another important aspect mentioned by respondents are associated with the role of middle men and agents. The problem from agents in maintaining supply chain is critical according to the respondents (83

Findings:

- It is found that most of entrepreneurs are in age group of 30-39 years.
- It is found that few of the entrepreneurs are under age group less than 20 years.
- It is found that more than half of the entrepreneurs have completed special training and less than half have family entrepreneur experience.
- Half of the organizations are working from 1-5 years
- Few organizations have 3 founders and few of them have more than 5 founders.
- Very few organizations have only 1 founder.
- It is found that majority of the entrepreneurs have the thought of becoming an entrepreneur and setting up own business venture and they are thinking about setup their business venture within next 3-5 years.

- Maximum entrepreneurs agree that women's prefer safe job rather than setting up business venture of their own.
- All women's are agree on family support bar them from initiating & becoming successful entrepreneurs in Sangli district.
- Few of the entrepreneurs got inspired from their relatives and few of them got inspired from their role model for business.
- It is found that very few entrepreneurs have totally new business idea.
- All the entrepreneurs work locally in Sangli district.
- Majority of the businesses are sole proprietary's.
- Half of the organizations have less than 10 employees and half the organizations have less than 50 employees.
- Most of the entrepreneurs look for skill in their employees.
- Few of the entrepreneurs use social media and few uses cold calling and warm calling for advertising of their business.
- Half of the entrepreneurs attribute their success because of family support.
- It is found that half of the entrepreneurs selected the location of business for the possibility of marketing and few entrepreneurs selected because of availability of resources.

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