

A Conceptual Framework on Women Entrepreneurs: Problems and Prospects

Sucheta Agarwal¹ and Dr. Usha Lenka²

¹Research Scholar DOMS, IIT Roorkee

²DOMS, IIT Roorkee

E-mail: ¹sucheta.agar@gmail.com

Abstract: Entrepreneurship is global concept which contributes in the social and economic development of any country. It establishes positive relationship with the economic prosperity. In India, traditionally, the role of women is only confined to the family. Women were responsible for all household chores and responsibilities. But due to urbanization, technical up gradation, industrialisation, and education, women move from traditional image and enter into the zone of working environment. For the upliftment of society and family, women realize the need of earning money. Men and women both play an important part in development of economic condition of a country. Women contribute in the field of entrepreneurship because of flexibility between work and domestic responsibilities. Several push and pull factors have encouraged women to become entrepreneur. Desire of personal improvement, recognition, self esteem, pulled her to become entrepreneur and need of financial stability pushed her to get involved in this field for their economic and social development. Government, non government organizations, self help groups, and financial institutions have also emphasized on the promotion of women in this field. Factors such as gender stereotypes, lack of awareness about training programs, bank perception, and inadequacy of finance generate the problems in the growth of women. This paper conceptually explains the problems and prospects of women entrepreneurs and provides some recommendations to policymakers, researchers, and academicians for this field.

Keywords: women entrepreneurs, economic development, recognition, financial stability

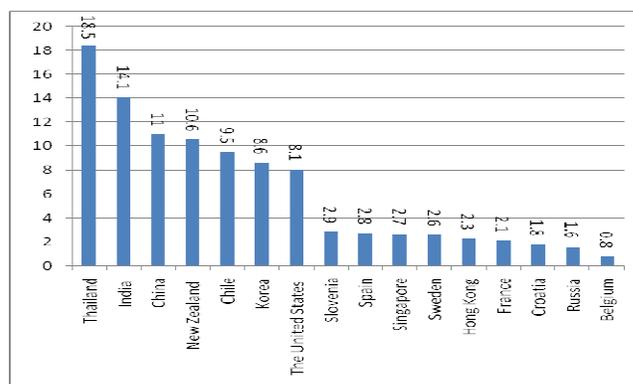
1. INTRODUCTION

Many researchers have done research on entrepreneurship and its importance in various sub sectors in developed and developing economy. This field is played the important part to measure the growth and development of economy of any country because it considered as a cause of employment generation. Due to this reason, the activities of entrepreneurship have been establishing optimistic relationship with the economy of country and eminence of life of people [1].

Entrepreneurship simply means the process of initiate a business venture. The entrepreneur is the person who carries out the function of entrepreneurship. He is responsible for

taking all the risks, utilize own skills, abilities for identify the opportunities and create the products for selling at uncertain price in future. Entrepreneurs by his creative and innovative skills perceive the problems as opportunities and take action for find out the suitable solutions [15]. These solutions are take the shape of products in future and for this, customers will pay to him. The success and failures depends on the attitude of person or group of person who start the enterprise. Entrepreneurship defined as “an unrehearsed combination of economic resources instigated by the uncertain prospect of temporary monopoly profit” [3].

India, country in South Asia is rich in abundant of human resources as well as natural resources. In 21st century this country is recognized for growing economies and for recently industrialisation. Many sectors like automobile industry, telecommunication industry, information technology sector pharmaceutical industry, agriculture sector, and hospitality sector, are developed with great pace. The status of women entrepreneurs at international level is shown below in Fig. 1.



Source: Modified from [11]

Fig. 1: Status of Women Entrepreneurs country wise in percentage

According to 2011 census, India is considered as world's second most populous country have 1,210,193,422 residents consists of human sex ratio of 940 females per 1000 males [14]. So, the monetary condition of nation is depending on

both men and women. Both are played significant role to build up the strong economy of country. The constitution of India also gives the equal rights to women. Women lead equally with men in every work.

2. REVIEW OF LITERATURE: WOMEN AND ENTREPRENEURSHIP

However, in India, women cover a long journey to become independent as the traditional concept of our country is male dominated one. Due to the education, women do not want to stay in home [16]. In 1970's, the women get involved in work force. They work outside for the better life of family. In corporate world, women faced many problems due to gender related issues and glass ceiling effect. Because of this, the performance of women gets affected in workplace as well as in family. For the betterment of family, children, women moved to working environment and now maintain the balance between the work and personal life she lead the way of entrepreneurship. Women entrepreneur is the one who are able to take all kinds of risks identify the market opportunities and with their skill provide the products to serve the customers or society [4]. Women entrepreneurship described as an economic activity in which a woman or groups of woman involved to handle all the entrepreneurial activities. There are dissimilarities and similarities are present between men and women entrepreneurs regarding the motivational factor of initiation of business [4]. The researches shows that women are not satisfied with the job career and thinks that entrepreneurship provides them more options to balance their life. The women are motivated and put more efforts to establish her enterprise which provide flexibility in her life style. For contribution in family financial condition, women motivated more for this field and same thing with men who also motivated by economic needs [5].

Constructivism theory supported that women want to leave the workplace environment due to many reasons of gender related issues and they psychologically perceive the entrepreneurship field is better opportunity to maintain their work-life flexibility [6]. Liberal feminist theory states that the inequity against women in society deprives them to gain education and experience of business knowledge [6]. To manage the business independently and sustain the flexibility in family life, women prefer to owned small level businesses and even know that this type of business provide less profit [8]. Comparable with men businesses, the women prefer to enter the sectors like, beauty parlours, boutiques, garments, utensils colouring, toy making, pickle making, and packaging etc, provided more elasticity in their lifestyle. Even in the entrepreneurship field, they are facing many constraints like networking, reach of market, education, lack of experience, lack of awareness about governmental schemes, because of this they suffer from low productivity. The motivation factor also varies in between categories of women as well as in countries. Like, for widow and divorced women, money act as prime factor. The women

have financially strong background involved in business activities for recognition and self esteem. In Singapore, women are motivated for their freedom and flexibility of work and family obligations [13]. Family support, inner motivation promotes the Malaysian women to stay in this field [2].

According to second annual Gender Global Entrepreneurship and Development Index (GEDI), report 2014, some insights of India are presented in Table 1.

Table1: Indian women entrepreneurs: scaling new heights

| Facts | Figures |
|-----------------------|--|
| Positive Indicators | <ol style="list-style-type: none"> 1. 60% women recognize opportunities to start business 2. 52% experience they have entrepreneurial skills 3. 57% do not fear failure to do business |
| Areas need to be grow | <ol style="list-style-type: none"> 1. Only 14% women in leadership place 2. 6% growth oriented female start-ups 3. Less than 30% of Indian women are managers 4. Only 27% women have access to secondary education 5. Only 18% women have access to bank accounts |
| Ranking | India ranked in 26th position among 30 developing countries |

In India, previously the women are interested to involve in household chores to 3Ps, in Pickles, Powder and Pappad activities. As the time passes, the rising consciousness of her personal development, financially independency, education moves them from 3Ps to 3 Es, Engineering, Electronic and Energy [10]. As well as they utilize her kitchen skills of 3Ps in business form and involved in the business of pickles, powder and pappad and gain the recognition internationally as Jyoti Naik (President of Shri Mahila Griha Udyog Lijjat Papad). The growth of women owned enterprises taken place rapidly in India like women made solar cookers in Gujarat or owning small foundries in Maharashtra or mechanized capacitors in Orissa, these type of activities have proved that women contribution are required for the development of society [11].

3. AIM AND RESEARCH METHODOLOGY OF STUDY

The objective of this paper is to emphasize on problems and prospects of women entrepreneurs and present it in the form of conceptual framework. The paper explores the review on women and entrepreneurship and gives some recommendations to researchers, policymakers, academicians for future improvement of this field. The paper is prepared with the help of secondary data by analysing the different research papers, articles and journals.

4. PROBLEMS FACED BY WOMEN IN INITIATION OF ENTERPRISE

According to quite revolution of 1970s, the women brought the drastic changes in the labour market by involved in economy and established her professional individuality and identity [9]. During the job career, women occupied higher position but they are not satisfied by the working environment due to glass ceiling effect. Even with the job career, they contributed in financial condition of family, the family responsibilities are always laid on her. This creates the problem of improper balance between work and family obligations. For the flexibility, desire of own boss, work under the own rules and regulations, social recognition, they get participated in entrepreneurship field. In the 21st century, where our constitution gives the equal rights to women, even they faced many obstacles during the establishment of their enterprise in India. Some common problems in India are:

Absence of Self Confidence

In this scenario, women are gain education and rights equal to men. But still they have lack of confidence for doing the entrepreneurial activities [10]. They have suffered from fear to do the business related activities outside the region and due to this, for outside work, they depend on family male member. This dependency shows their lack of self confidence.

Social Perception

In the urban and mostly in rural areas, from the childhood they have been taught that the business domain is for men. The rough and tough environment of business is not suited for women. This perception moves away the women form this field.

Exploited by Middlemen

In the initial start-ups, women are unaware about the market, network and they easily trust on middlemen. The middlemen take the advantage of their unawareness and exploited them by providing raw materials at high price and less profit on selling products.

Negative Perception of Banks and Financial Institutions

Mostly banks and financial institutions kept the negative image of women regarding the loan payment. They perceive that women run their business in small level and are not able to pay the instalment. Due to this reason, the women mainly depend on personal finance for starting the business and faced lots of problem. Finance is blood of business. However, according to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that woman's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit" [12].

Cut Throat Competition

The women face competition from men as well as from other women entrepreneurs. Due to the competition, they try to pull legs of other one. Mostly women do not know the proper channel of distribution of products. This market reach problem also lags them in competition [7].

Lack of Awareness about Government and Non Government Schemes

This is true even the well established educated women do not know about various government schemes. The government of India framed many policies and programmes for promotion of women entrepreneurs. But these policies and programmes is out of reach to women especially in rural areas.

Improper Balance between Work and Family Life

Women left the job and participated in business activities, still they facing the problem of flexibility. Sometime the family members do not support her and all the domestic work is fall one her. Due to this work inflexibility, the performance of work and family suffered.

Negligence of Health Issues

Women are shakti of family. They take care of elders, children and husband. For the financial empowerment, recognition, self esteem, they want to involve in entrepreneurial activities and work hard. Sometimes by holding the authority of business and family, they ignored her personal health issues which create the serious problems in future.

Lack of Professional Education and Training Programs

Today's women are educated but they are not well furnished in entrepreneurial education. This specific education is essential for different perspective of doing business. How the business plan educated? How the advertisement taken place? What are the measures to promote their business? These are some question which handled properly with the help of proper professional education and training programmes

Lack of Interaction with Successful Women Owners

The experience of successful owners acts as catalyst in the success of business [19]. The women entrepreneurs gain the knowledge from their role models in growth of enterprises. But in India, especially in rural areas, there is no way of interaction with successful women entrepreneurs [20].

5. FINDINGS AND DISCUSSION

Form the above explanation, the researcher analysed that problems faced by women in past continue in present also. The modern economy of our country provide the facilities to women entrepreneurs but not able to change the stereotypes

perception of society. The negative perception towards women by banks, financial institutions also generate the hindrance of finance. Without money, they are not able to initiate her venture properly. The women should also inspire by their role models experience and attempts to maintain work life balance. Attempts should be there to persuade, motivate and train the women entrepreneurs. They should gain the proper professional education and maintain the networks for marketing the products. Non government organizations, Self help groups, should make the efforts to aware the women about policies and schemes of government. On the basis of above discussion, the researcher framed the below figure

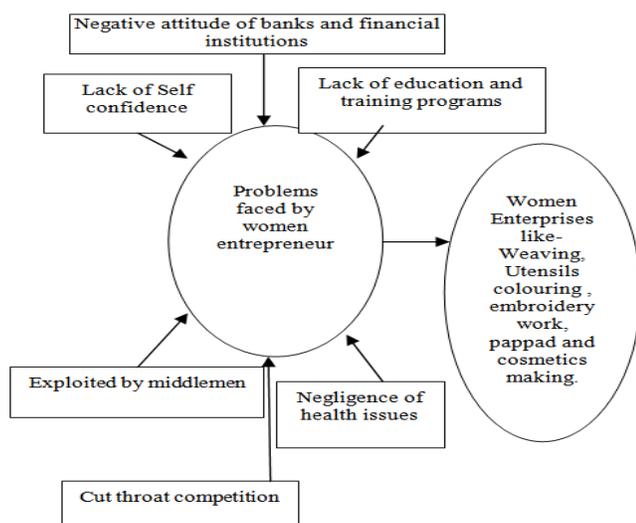


Fig. 2: Problems of women entrepreneurs

6. CONCLUSION AND FUTURE PROSPECTS OF STUDY

Women are important part of human resource and also for country. As we do not imagine the family without women, the development of economy is incomplete without the contribution of women. The traditional mindset, lack of development programmes, education, entrepreneurial knowledge, negative attitude of financial institutions, lack of knowledge of market, work life balance issues creates the hindrance in the path of women entrepreneurs. By giving the proper education, training programmes, support from financial institutions, government and family, we encourage the participation of women in the field of entrepreneurship. Entrepreneurship is an emergent field and globally important to every country. The participation of women in this field is globally accepted and important for development of any country. A women entrepreneur by her successful entrepreneurial activities proves her recognition and identity in society.

The further research can be replicate in other economies in future studies. The other researchers can also conduct a same research on gender basis. The policymakers should focus on framing the different policies which help and promote the women entrepreneurs in their success.

When women move forward, the family moves and the nation moves.....-Pandit Jawaharlal Nehru

REFERENCES

- [1] Adejumo, G., "Indigenous entrepreneurship development in Nigeria: characteristics, problems and prospects", *Advances in Management: Journal of Department of Business Administration*, 2(1), 2001, pp. 12–122.
- [2] Alam, S. S., Jani, M., Fauzi, M., & Omar, N. A., "An Empirical Study of Success Factors of Women Entrepreneurs in Southern Region in Malaysia", *International Journal of Economics & Finance*, 3(2), 2011
- [3] Binks, M., & Vale, P. A., "Entrepreneurship and economic change," London: McGraw-Hill, 1990
- [4] Brush, C. G., "Research on women business owners: Past trends, a new perspective and future directions", *Small Business: Critical Perspectives on Business and Management*, 1992, pp. 1038–70.
- [5] Buttner, E.H., "Female entrepreneurs: how far have they come?", *Business Horizons*, 36(2), 1993, pp. 59–65.
- [6] DeMartino, R., & Barbato, R., "Differences between women and men MBA entrepreneurs: exploring family flexibility and wealth creation as career motivators", *Journal of Business Venturing*, 18(6), 2003, pp. 815–832.
- [7] Deshpande, S., & Sethi, S., "Women Entrepreneurship in India (Problems, Solutions & Future Prospects of Development)", *International Research Journal*, 2, 2009
- [8] Fasci, M. A., & Valdez, J., "A performance contrast of male-and female-owned small accounting practices", *Journal of Small Business Management*, 36(3), 1998
- [9] Goldin, C., "The quiet revolution that transformed women's employment, education, and family (No. w11953)", *National Bureau of Economic Research*, 2006
- [10] Goyal, M., & Parkash, J., "Women entrepreneurship in India-problems and prospects", *International Journal of Multidisciplinary Research*, 1(5), 2011, pp. 195–207.
- [11] Kaur, G., & Singh, D. S., "Women Entrepreneurs in India: Problems and Prospects", *Third Front Journal of Humanities and Social Science*, 1(1), 2013, pp. 64–73.
- [12] Kumbhar, V., "Some critical issues of women entrepreneurship in rural India", *European Academic Research*, 1(2), 2013, pp. 185–192.
- [13] Maysami, R. C., & Goby, V. P., "Female business owners in Singapore and elsewhere: a review of studies", *Journal of Small Business Management*, 37, 1999, pp. 96–105.
- [14] Ministry of Home Affairs 2011.
- [15] Nkechi, A., Emeh Ikechukwu, E. J., & Okechukwu, U. F., "Entrepreneurship development and employment generation in Nigeria: Problems and prospects", *Journal of Education and General Studies*, 1(4), 2012, pp. 088–102.

-
- [16] Radadiya, S., "Women entrepreneurs in India", *International Journal of Management, IT and Engineering*, 2(11), 2012, pp. 399-413.
- [17] Second annual Gender-Global Entrepreneurship and Development Index (GEDI) report 2014.
- [18] <http://goo.gl/GqiRxH>
- [19] Sehgal, P., Tinani, M., & Sengupta, R., "Successful Women Entrepreneurs: Their Identity, Expectations, and Problems: an Exploratory Research Study", National Institute for Entrepreneurship and Small Business Development, 1986
- [20] Singh, S. P., "An Insight Into The Emergence Of Women-owned Businesses As An Economic Force In India", In Special Conference of the Strategic Management Society, 2008