

Women Entrepreneurship in India: Problems and Prospects—A way forward

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ABSTRACT

The basic purpose of this study is to approach women's entrepreneurship from a socio-economic perspective, and provide a better understanding of the entrepreneurial environment and, phenomena in Indian context. The presentation of this paper is twofold: on the one hand, problems can address crucial issues in women's entrepreneurship and on the other hand, prospects enables us to understand the prospects, avenues for aspiring women entrepreneurs. India should create a demand for women's entrepreneurship, as it presents an opportunity for economic development, poverty alleviation (Aparna katre (2018)) and of course social and financial inclusion of women.

1. Introduction

Entrepreneurship may be no longer a dream for women entrepreneurs keeping in view the prospectuses, avenues of business opportunities, facilitation of government makes them a reality. The policy of governments and institutional framework for developing knowledge, skills, and providing vocational education and training has widen the scope for economic and social empowerment of women.

Entrepreneurship is seen as one of the most important factors contributing to the development of society and economy at large. As per female entrepreneurship index out of 77 countries India stood at 70th place on the basis of entrepreneurship which is linked to countries development and GDP as well. India has a large population advantage with a plethora of opportunities .Training and education play a key role in nurturing entrepreneurial skills and building rigid networks .Despite the fact that female rate of literacy increased to 65 % (census 20011) still work force population found around 25.5 %.The findings of both global entrepreneurship and development index have revealed that women still far way behind in entrepreneurial skills that are needed to grow a business to the sophisticated level.

Women are demanding equal rights and representation in all aspects. Despite the efforts, Indian women have to go a long way to achieve equal rights and representation as traditions are entrenched in Indian society where the sociological and economic set up have been a male dominated one. The Indian culture, customs made them only subordinates and executors of the decisions and plans made by male member, in the basic family structure. While at least half the intellectual power on earth belongs to women, women remain perhaps the world 's most underutilized human resource. Despite all the social hurdles and hiccups, India is brimming with the successful stories of some women. They stood tall from the rest of the people and are applauded for their contribution and achievement in their respective field of success. The transformation of social diaspora of the Indian society, in terms of increased educational opportunities for women and varied aspirations for better living, necessitated a change in the life style of Indian women. Woman has

competed with man and successfully stood up with him in every walk of life and of course business is no exception for this. These women leaders are assertive, and willing to take responsibilities and risks in every sphere. They successfully managed to survive and succeeded in this cut throat competition with their hard work, diligence and, confidence. Ability to learn quickly from her abilities, persuasiveness, style of problem solving, willingness to take more risks and chances, capability to motivate people, knowing how to win and lose gracefully are said to be the strengths of the Indian women entrepreneurs.

2. Statement of problem

Fear of failure is considered as one of the most important obstacles to start of any business. Often women are seen as more risk averse than men because of their inheritance rights, decision making power and restrictions at work. At present women entrepreneurial role is minimal especially in large scale industries. Even in small-scale and medium enterprises women participation is not up to the mark. As per the India census of small-scale industries, merely 10.11% of micro and small enterprises are owned by women and of which only 9.46 % of them are managed by women. According to the women entrepreneur index data women entrepreneurs are more involved in lower and middle-income activities for their financial sustainability. They are more mostly on factor driven rather than innovative when compared with other countries. Though various entrepreneurial schemes are initiated and implemented by the concerned governments but only25.5 % participation was found so far. The policy maker needs to reorganize and reorient the programs, practices and policies for women entrepreneurial growth. The unexplored and underutilized talent of young women entrepreneurs needs to be identified, trained and developed, should be encouraged increase innovation and creativity.

3. Objective of the study

1. To explore the reasons/causes behind the resistance to change from survival entrepreneurs to the high growth entrepreneurs.

2. To identify various strategies, tactics and opportunities in high growth enterprises towards sustainable economic growth for women entrepreneurs.
3. To study the need of basic and structural reforms in services provided by the financial institutions including NBFCs to enhance high growth rate in entrepreneurship.

4. Theoretical review

As per the theory of economic development Schumpeter (in the year 1942), economic development rests on capacity for innovation of entrepreneurs in creating and initiating new businesses. Entrepreneurship is an activity that is considered as favorable for economic growth through innovation and creation of job and economic activity, and wealth (GEM-global entrepreneurship monitor).

Women Entrepreneurs may be defined as “the women or a group of women who initiate, organize and operate a business enterprise”. The Government of India defined women entrepreneurs as “an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women”. Women entrepreneurs engaged in business due to push and pull factors which motivate women to have an independent occupation and stands on their own capability. A sense towards independent decision-making and career is the motivational factor behind this urge. Saddled with household mundane activities and domestic responsibilities women want to get independence. Under the influence of those factors the women entrepreneurs choose a profession as a big challenge and as an urge to do something new. This situation is described as pull factors. While in push factors women engaged in business tasks due to family compulsion and the responsibility is thrust upon them. The glass ceiling is shattered and women are found engaged in every sphere of business. The entry of women into business is traced out as an extension of their home activities, mainly 3P's (Pickle, Powder and Pappad). But with the spread of qualitative education and passage of time women started shifting from 3P's to 3E's (Energy, Electronics and Engineering). KSAOs (Knowledge, Skill, Ability and Others includes adaptability in business) are the primary resources which enable women to emerge into more business ventures. Women Entrepreneur is a person who accepts challenging and risky role to meet her personal needs and become economically sustainable. A desire to do something positive is an essential quality of entrepreneurial women, who can contribute values in family as well as in social life. With the advent of both and electronic media, women are well aware of their own traits, rights and also the work settings. The challenges and opportunities provided to the women of digital age are growing rapidly at full swing that the job seekers are turning into job creators. Many women may start a business due to some traumatic life event, such as divorce or the corporate glass ceiling effect, the ill health of a family member, or economic reasons such as a layoff, retrenchment. But the emerging pool of talent of women entrepreneurs is forming today, as more women prefer to leave corporate world to chart out their own course of action. Women are flourishing in many

sectors as designers, interior decorators, exporters, publishers, garment manufacturers and of course still exploring new avenues of economic and social participation.

Entrepreneurship is widely defined as “situations in which new goods and services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships” (Eckhardt and Shane, 2003, p. 336; Shane and Venkataraman, 2000). More recently, entrepreneurship has been regarded as encompassing transformational change that may extend to social or institutional spheres (Battilana et al., 2009; Rindova et al., 2009). So, by combining these definitions we see entrepreneurship as a better solution to decrease in poverty to consist of efforts to introduce changes that seek to positively impact the lives of those in poverty by improving the socio-economic conditions of individuals or communities (c.f. Narayan-Parker and Patel, 2000).

Despite of various opportunities offered by government to alleviate the poverty and through personal and individual reasons there is a huge differential affect found in male and female participation in entrepreneurial activities. Women participation mostly found more in small scale and survival businesses rather than high growth and large enterprises. As per female entrepreneurial index (2017) high growth entrepreneurs are very few in numbers. High growth entrepreneurs are those who contribute overall growth in economy and working towards more employment creation in setting to alleviate the poverty.

According to World Economic Forum (WEF), India classified as a factor driven economy. It is dominated by subsistence agriculture and extraction business, with a heavy reliance on unskilled labor forces and inappropriate utilization of natural resources. The percentage of the population aged between 18-64 years perceiving good opportunities who indicate that fear of failure would prevent them from entering into business activities. Regardless of the level of economic development, male persons are actively participating than female which is due to the culture and customs as well as the other aspects like childcare, their education and other family responsibilities. Social and economic inequalities which lead to lower participation in entrepreneurship. A report (Milli, Gault, Williams-Baron, Xia and Berlan, 2016) suggested that at the present rate of progress women are expected to be achieved parity by 2092. It is therefore essential to understand the reasons of disparity and the impact of innovation in building sustainable economic as well as social development.

Sustainable and inclusive growth needed to create national wealth and poverty reduction to maximum extent. Job creation is the crucial element in achieving sustainable growth. Job creating entrepreneurs are required more than job seekers for the economic growth in the era of competition. Innovative and creative activities create high competitiveness which will lead to sustainable growth of economy and increase in GDP (Gross Domestic Product).

Sustainable entrepreneurship is a “business creation process that links entrepreneurial activities to the achievement of sustainable value related social and environmental goals”

(O'Neill et al., (2009)). Sustainability mostly depends on the emerging and new technologies adaption, ability to change, to promote the business with innovations and should be opportunity driven. Despite the understanding of the effect of change the risk-taking capacity is found to be very low. Global entrepreneurial matrix (2017) survey reported that factor driven economies had lowest level of opportunity motivation. Lack of profitability consistency is said to be the primary and major reason of business discontinuation in most of the factor driven economies.

The problems faced by women entrepreneurs resulted in restricting the expansion of entrepreneurship. A kind of patriarchal- male dominant social order is the road block to them in their way towards business success. Male chauvinistic attitude is wide prevalent across many parts of the country. Women are looked upon as —ablalli.e. weak in all respects. In a male dominated society, women are not considered as equal to men that acts as a barrier to woman 's entry into entrepreneurship. Women entrepreneurs probably face a stiff competition with the men entrepreneurs who easily involve in the promotion of their businesses and carry out easy marketing of their products and services with both the organized sector and their male counterparts. Such a stiff competition ultimately results in the liquidation of women entrepreneurs. Lack of self-confidence, positive mental outlook and optimistic attitude amongst women creates a sense of fear from committing mistakes while doing their work. Women are even less educated, financially not stable nor self-sufficient which reduce their ability to bear risk and uncertainty involved in a business unit, the old and outdated social perspective to prevent women from entering in to entrepreneurship is considered as one of the main reasons for their failure. So, they may succumb to social pressure which refrains from them to prosper in the field of entrepreneurship. Unlike men, women mobility in India is limited to larger extent due to so many reasons. Cumbersome exercise involved in starting with a new business coupled with humiliating attitude by officials towards women force them to give up their spirit of perseverance.

Women's family responsibilities also refrain them from becoming successful entrepreneurs in developing countries especially. The financial institutions including banks and NBFCs discourage women entrepreneurs on the assumption that they cannot handle their business and at any moment they may leave the business and become house wives again. Married Indian women have to make a perfect balance between business and family. The success of business largely depends on the support the family members especially husband extended to women in the business process and maintenance.

Only few women are able to manage and adapt to both home and business conditions efficiently and effectively, devoting much of time to perform all their responsibilities on priority basis. The level of education and family background of husband also greatly influences women participation in the field of business.

In absence of proper family support, cooperation and back-up force them to drop the idea of excelling in the field of business. They are always making many negative and pessimistic feelings in their minds and making them feel that family is a place meant rather than business for them. Women who are imparted training by various institutes must be verified on account of aptitude through the tests, interviews, etc.

High cost of production of some business operations adversely affects the development of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors may discourage the women entrepreneurs from entering into new business areas.

Women controlled business is often small in quantity and it is not always easy to access the information regarding technology, alternative markets, training and development, innovative schemes, concessions, exemptions etc., A small percentage of women entrepreneurs avail the technology assistance and they too remain confined to word processing software in the computer. Women entrepreneurs hardly utilize advanced software tools available such as statistical software SAP, Accounting Package like TALLY, Animation software 3D MAX, internet, etc. Most of the women aspirants not aware about the financial assistance in the form of incentives, loans, schemes etc. by the banking and NBFC institutions in the financial sector. So, the sincere efforts taken towards encouraging women entrepreneurship may not reach the aspirants in rural and backward areas. Women's entrepreneurship research mostly focused on Western societies (De Vita et al., (2014)) using male-dominated perspectives. Scholars proved that the structural, historical and cultural factors that affect women as major constraints or hurdles for women aspirant entrepreneurs (Ahl(2006); Betters-Reed et al., (2007); Brush et al., (2009); Mirchandani (1999); Prasad (2007); Welter et al., (2014)).

5. Conclusion

Developing economies like India should provide a greater facilitation and create a demand for women's entrepreneurship, as it presents an opportunity for economic development, poverty alleviation (Aparna katre (2018)) and of course social and financial inclusion of women. The domain of women entrepreneurship attracts the attention of academicians, practitioners and policymakers (Anggadwita et al., (2017); Agarwal & Lenka, (2017); Nandy & Kumar (2014)) and researchers as well. The main cause for this kind of gap attributed to unequal rights and restrictions, selective social and financial discrimination on work for women in India. This unbridled phenomenon limits women access and approach for taking up initiatives to trek on entrepreneurial activities (Sucheta Agarwal, Usha Lenka(2018)).

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