
A study on the Problems Associated with Women Entrepreneurs
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ABSTRACT:

Entrepreneurship is an extraordinary task for women in India. Growth of women entrepreneurship is very low in India in comparison to developed countries. There are number of obstacles faced by women entrepreneurs during start-up stage and running up of their enterprise. These obstacles need to be addressed so that women can make a significant contribution in sustained economic development and social progress of our country. Overcoming the challenges of business world are no doubt more treacherous for women than their male counterparts, therefore they undergo various impediments to achieve their business success.

Keywords: Women Entrepreneurs, Bank Finance, Profitability, Prospects, Challenges.

1. INTRODUCTION

India is a vast country with an estimated population of about 1.21 billion of which nearly half are women. Entrepreneurship amongst women in India is relatively a recent phenomenon. Various programmes are being conducted to improve the status of women, their access to resources and so on. But peripheral interest has been shown in developing a realistic and well-designed plan and programme for promoting women entrepreneurs.

Finance is life blood of business. So, it becomes necessary for women entrepreneurs to approach to financial institutions when need arises. Researcher made efforts to know the behavior of financial institutions in granting financial assistance to women entrepreneurs.

Today, women have not only safely entered into job situations, but have also immersed as professionals and executives in many fields. They have found acceptance in the family as well as society. However, their entry into fiercely competitive business world has a great challenge. Besides, family and social problems they face problems in raising both working capital finance and long term finance.

2. OBJECTIVES OF STUDY

1. To highlight the growth potential of women entrepreneurs.
2. To identify the problems of women entrepreneurs.
3. To study the problem of bank finance faced by women entrepreneurs.
4. To understand the importance of finance and family support in motivating women in starting and sustaining in the business.
5. To study the profitability of women enterprises.

3. HYPOTHESIS

1. Finance plays a very important role for motivating women in starting and running the enterprise.
2. Family support can make a women entrepreneur successful.
3. Women lack support of family when they establish the enterprise.
4. Women find it more difficult than men to obtain loans.

4. LITERATURE REVIEW

The very concept of women entrepreneur is rather new in the Indian context. People are still reluctant to acknowledge the non-traditional image of women as a journalist, chief executive, administrator or an entrepreneur. However, some small but directed efforts are on the way to give a new dimension and view to the traditional tag of women in Indian society.

Nadkarni (1982) in her study: “Women Entrepreneurs: A Social and Economic Study with Reference to Pune”, has presented her findings on problems and difficulties faced by women entrepreneurs in different industries. She has divided the industries into two groups (i) producer goods industries, and (ii) consumer goods industries. The following observations are worth mentioning:

- (a) 57% of the respondents accept the statement that women are more suitable for desk work than manual work.
- (b) A change is occurring in society attitude but the pace of the change is rather slow.
- (c) Educated family is more likely to adopt a relatively liberal approach towards women entrepreneurs as compared to non-educated.

Panandikar (1985) in the study regarding the “Problems and Potential” highlights the problems of women entrepreneurs. She observed that a woman is recognized as an entrepreneur only when she earns hard cash or has some monetary gains. The nature of work is about the same in the case of such units as are engaged in manufacturing of pickles, *papads* and other snacks. With the spread particularly of higher education, and the growing awareness of their status, women are spreading their wings to reach the higher levels of 3-Es (Engineering, Electronics and Energy). She observed that there are hurdles in general for any entrepreneur, but for women entrepreneurs the greatest constraint is that they are ‘women’. The attitude of the society, despite the constitutional provision and proclamation of legal equality, in practice the bias is still the same towards women as it existed in ancient times. The biggest problem they face is finance, the reason being lack of confidence among the men about women's ability to manage finance. Procedures of bank loans are often delayed and much running about is involved in completing paper work; this deters many women from venturing into business arena. Another hurdle is marketing the finished products.

Rani (1986) in her study: "Potential Women Entrepreneurs", found that the desire to do something independently was the prime motivation factor to start a business activity amongst the sample respondents. For study purpose the respondents were selected during a Training Programme for Potential Women Entrepreneurs, held at Hyderabad in October 1985, organized by APITCO in collaboration with the Department of the Science, Technology and Environment, Government of Andhra Pradesh.

- (a) Desire to do something independent was observed as the prime motivating factor which had influenced women irrespective of age in setting up of the unit. Some women viewed entrepreneurship as a tool for earning money.
- (b) Educational and income factors do not influence women to become entrepreneurs.
- (c) Women too are capable and confident of taking independent decisions.
- (d) Women do not have any reservation or hesitation in venturing into any sector of industry as entrepreneurs, be it engineering, chemical, electronics or food processing or any other.
- (e)

Dubhashi (1987) for her study: "*Socio Economic Study of Women Entrepreneurship of Delhi*", selected 50 industrial units spread over different kinds of enterprises. The object of the study was to ascertain the socio-economic backgrounds of women entrepreneurs in Delhi. The major conclusions of the study are as follows:

- (a) In metropolitan Delhi, people in low and middle income groups with some education and moderate experience in specific line of manufacture entered small scale industries in larger numbers.
- (b) The experience of women entrepreneurs suggests that banks should adopt more flexible formalities and procedures.
- (c) There is a need to regulate, if not to control, the prices of basic raw materials sold in the open market as the problem in Delhi is the heavy premium on the price. In view of the heterogeneous character of the market, this task may prove very difficult but steps should be taken to ensure that the flow of raw material to women entrepreneurs and small-scale sector is not impeded.
- (d) In some areas of Delhi, the problem is in obtaining municipal licenses, absence of which precludes government assistance.

The researcher suggests that from the entrepreneurs and also the assisting agencies more attention is required in matters like streamlining of the assistance required, acquiescence to procedures and evolving a better code for assisting agencies. The setting up of a single government agency to look into all the requirements of the entrepreneurs, who are not fully conversant with the various laws, formalities, regulations, etc., could save a lot of heartburns to both. It is essential that small entrepreneurs who have the necessary technical skill receive a good grounding in management methods as well.

Chitnis (1999) for the research : “Jain Dharmatil Achar sanhita Karma and Ahimsa : Social Science Study”, selected 50 samples and covered Daruwala Pool, Sonya Maruti Chowk, Phadtare Chowk, Kasba Peth and Jijamata Chowk areas of Pune city. The objectives of this research were; The importance of Jain Dharma in social life; Study of Jainism from the perspective of other religions; Study of the Jain principles and their application in the day to day life; Study of the principles applied to promote the spirit of brotherhood; and, to offer suggestions on how to take Jainism to a higher levels of achievement in this era of industrialization.

5. FINANCIAL PROBLEMS FACED BY WOMEN ENTREPRENEURS

1. Women entrepreneurs are often perceived as not having financial guts and strategies. In many cases this perception has affected the ability to negotiate hard, obtain funding and grow their businesses. If access to capital funding is balanced, it would provide women entrepreneurs the ability to have financial backing and solvency to negotiate on a level playing field and aid them in growing their business.
2. One of the hardest challenges in being a women and mom entrepreneur is balancing work and family. If the kids need to be picked up, go to the doctor or practice, it is overwhelmingly expected that mom will do this. Therefore, it is so important to reach out and ask for help when conflicts arise.
3. While a challenge for all entrepreneurs, especially those with home based businesses, maintaining a balance between family time and working on the business is particularly difficult for mom business owners. The line between where work ends and mom-time begins can be very blurred or missing altogether; it's a daily juggling act to keep the business meaningfully moving forward while most importantly giving one's family the undivided, quality attention they need.
4. The biggest challenge is lack of funds for investment in new business start ups on the part of banks. Most banks and fund sources require that women entrepreneurs should be in business for two years. The challenge is to stay afloat while they try to get their business going.

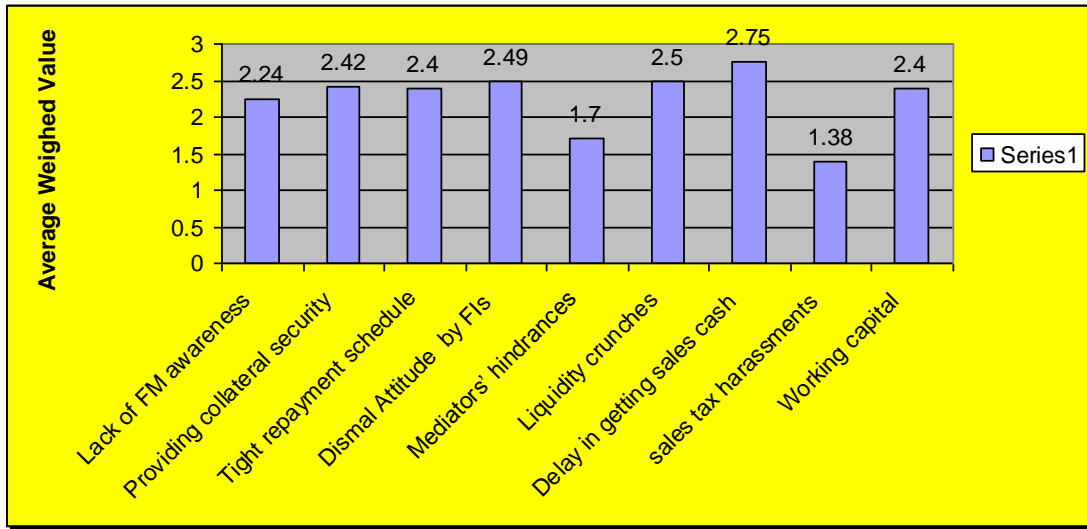
Problems arranged in accordance with their negative gravities faced by women enterprises

Sr no	Types of Financial Problems	% of respondents agreeing			Av weighted value
		Fully	Partly	Not at all	
01	Lack of knowledge of Finance	56	12	32	2.24
02	Inability to provide collateral security	65	12	23	2.42
03	Tight repayment schedule	63	14	23	2.40
04	Dismal Attitude of Bank	63	23	14	2.49
05	Hindrances from mediators	23	24	53	1.70
06	Liquidity crunches	63	24	13	2.50
07	Delayed payment by purchasers	68	29	13	2.75
08	Harassment by sales tax department	12	14	74	1.38
09	Working capital shortages	63	14	23	2.40
10	Mean	52	18	30	2.25
11	Sd	20.49	6.48	20.77	0.433503
12	cv	39.40 %	36.0 0%	60.23 %	1.93%

(N=147)

Note: weightage assigned to 3 to 'Fully', 2 to 'Partly' and 1 to 'not at all' so as to work out Av weighted value awv

Note:- "3" is an Av weighted value benchmark which indicates the intensities are severe, while "1" Av weighted value benchmark indicates intensities are 'nil' and anything in between '1' and '3' benchmark indicates the degree or level of intensities



A study was conducted to prove the hypothesis. The sample size was 147. In this study, secondary data was used and the conclusion was cited in the next page.

5. CONCLUSION

1. During the course of field work all the 147 sampled respondents were found to be facing financial problems. Intensities in terms Average weighted value is worked out to be 2.25 which means the financial problems are severely affecting the profitability of business of women entrepreneurs.
2. All the financial problems ,excepting Harassment by sales tax department in settling accounts (1.38awv) and Hindrances from mediators (1.70) are having sever intensities >2 and nearer to '3' benchmark denoting higher gravity
3. This is further confirm by average mean value of 52% & 18% respondents experiencing 'Full' and 'partial' intensities of the financial problems enumerated in the table above respectively .
4. Delayed payment by purchasers (2.75awv) is the utmost worst kind of financial problem influencing profitability.
5. Respondents told that when they are not having any property on their name for producing it as a collateral security to the bank for getting the loan, it becomes a major problem to be faced by the women entrepreneurs.

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