

**PROBLEMS AND CHALLENGES OF WOMEN ENTREPRENEURS****Dr. D. Appala Raju**

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***Abstract***

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 household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. The global evidences buttress that women have been performing exceedingly well in different spheres of activities like academics, politics, administration, social work and so on. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in society.

The entrepreneurial classes of women are playing an increasingly prominent role in the various sectors of industrial growth and economic development. Entrepreneurship amongst women is a relatively recent phenomenon. The world today is looking for entrepreneurs who are honest, enthusiastic, innovative, hard worker, motivator and optimistic. And it is found that women do possess these traits somewhat in greater quantum than that of men. Hence, one must be optimist to have prosperous tomorrow for women entrepreneurship in a developing country like us. The development of entrepreneurship among women is a major step to increase women participation in economic development. It will enhance economic growth and provide employment opportunities for women entrepreneurs. Providing economic opportunities for women can also improve the social, cultural, educational and health status of women and their families. Women, at present, have broken the monopoly of men and taken rapid strides and proved themselves that they are not inferior. The present paper focuses on the women entrepreneurs' problems and challenges. The methodology of the study is based on secondary data from various women issues journals, news letters, published books, internet etc.

**Key words: Economic status, Optimistic, monopoly, rapid strides.**

## Introduction

The Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a women entrepreneur is defined as “an enterprise owned and controlled by a women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generate in the enterprise to women”. In nutshell, women entrepreneurs are those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise. Women entrepreneur is regarded as a person who accepts a challenging role to quench her personality needs and to become economically independent by making suitable adjustments in both family and social life. Women and men as equal members of the society have the right to the equality of opportunities and treatment.

In India, women entry into business is a new phenomenon. Women entry into business or say, entrepreneurship is traced out as an extension of their kitchen activities mainly to 3Ps, namely Pickles, Powder and Pappad. Women in India plunged into business for both pull and push factors. Pull factors imply the factors which encourage women to start an occupation or venture with an urge to do something independently. Push factors refer to those factors which compel women to take up their own business to tide over their economic difficulties and responsibilities. With growing awareness about business and spread of education among women over the period, women have started shifting from 3Ps to engross to 3 modern Es, namely Engineering, Electronics and Energy. Thus, the hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in society. Women are increasingly being conscious of their existence, their rights and their work situation. And yet, the middle class strata women have accepted their role and are not ready to alter for fear of a social backlash. Today, women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organized enterprises are their skill and knowledge, their talents and abilities in business and a compelling desire of wanting to do something positive.

Today, non-traditional enterprises are easily managed by women and are done so excellently with them as the decision makers. They are flourishing well as leading consultants, publishers, and exporters of machinery, manufacturers of electric goods, exporters of garments, designers, interior decorators and the like.

## Functions of Women Entrepreneurs

The following are the five functions of a women entrepreneur. They are

- Exploration of the prospects of starting a new business enterprise.
- Undertaking of risks and the handling of economic uncertainties involved in business.
- Introduction of innovations or imitation of innovations.
- Co-ordination, Administration and Control.
- Supervision and Leadership.

Hence, women entrepreneurs should be aware of the functioning of machines so that the labour is neither able to be fool them nor it becomes too indispensable for them. Women entrepreneur also need to be more assertive towards their employees but at the same time they should pay them adequately and should be considerate towards their genuine needs. Effective incentive system should be

formulated by the women entrepreneurs who may go a long way in improving the efficiency of the capable workers.

### **Objectives and Methodology**

The main objective of this paper is to focus on the women entrepreneurs' problems and challenges.

The methodology of the study is based on secondary data from various women issues journals, newsletters, published books, internet etc.

### **PROBLEMS AND CHALLENGES FACED BY WOMEN ENTREPRENEURS IN INDIA**

#### **A. Problems Faced by Women Entrepreneurs**

Women face some problems not as an entrepreneur but as a women. Therefore when compared to men the problems of women entrepreneurs are more in number. The various problems encountered by these entrepreneurs cannot be isolated they are inter-linked with one another and have to be considered as an integrated whole. Hisrich, R.D. Marie O' Brien (1981) reported that "Almost 45% had problems of obtaining lines of credit, problems in marketing management and inventory control. About 50% of the respondents rated the problem of overcoming some of societies believes that women are not as serious as men about business. Significant problems due to lack of business training and knowledge occurred for female entrepreneurs".

Women entrepreneurs encounter many problems in their efforts to develop the enterprises. The following are some of the important problems, which women entrepreneurs of the day are experiencing.

#### **1. Lack of Need for Achievement**

Economic independence, autonomy, initiative are basic requirements for becoming a successful entrepreneur. But these basic requirements are absent or found in negligible quantities in, women in India. She sees herself only in the image of a perfect mother, wife and house-maker. This results in a conflict, which inhibits achievement, independence and progress. Therefore, when the very urge is absent, how can she be motivated to an entrepreneur?

#### **2. Shyness**

Their Shyness is considered as an ornament within the four walls of their homes but when it comes to deal with business environment, it becomes their greatest liability. This shyness further leads to poor communication ability and lack of self-confidence.

#### **3. No Risk-Bearing Capacity**

Throughout their life women are protected lot, in childhood she is protected by her parents, in adulthood she is protected by her husband, and in-laws and in old age she is protected by her husband and her children. So she never got an opportunity to take any risk in her life. Therefore, she has no confidence to bear the risk all alone.

#### **4. Lack of Education and Experience**

In India, urban women are comparatively more educated and aware of their rights and opportunities

than the rural women. The over all literature percentage among females is 54.16% and men 75.85% in India. Lower literacy level and experience when compared to men hinder the women to carryout their activity. Many women cannot communicate effectively to the outsider, especially higher officials because of lack of exposure to the outside world. Women of India have been perfectly trained to listen, obey and leave decisions to the male members of the family. Due to lack of education, she is unaware of technological knowledge, marketing knowledge etc.

The lack of education and experience among women entrepreneurs has a direct effect on the preparation of viable project report. The bankers take project report as a pre-requisite for formal lending to the entrepreneurs. Many a times the application for loan has get rejected due to faulty preparation of the project report.

### **5. Family Involvement**

According to a study eight out of ten women interrupt their careers for the sake of family. In India it is almost only woman's duty to look after the children and other members of the family. Man plays secondary or an insignificant role. Her involvement in family problems leaves very little energy and time to come out of her shell and play a significant role in economic development.

### **6. Male Dominated Society**

Equal Treatment to men and women is absent at the family level and social level, When a women steps into the middle management or top management levels, she has to face hostile subordinates. The male superiority ego complex cracks a barrier in the pathway of success. This situation is found sometimes even between a husband and wife and usually under such circumstances, a women succumbs to male domineering ego.

### **7. Bias of Officials**

The subtle bias of the officials of the government and financial institutions towards aspiring women entrepreneurs has scuttled their growth. There is a wrong notion in the minds of the officials that women entrepreneurs are incompetent and lacks professionalism. Women are viewed as women but not as a business person. This built-in-gender bias has aggravated the problems of women entrepreneurs.

### **8. Title to Property**

The Indian constitution is an egalitarian charter as a text but fails in actual fact to ensure gender justice to women. The wide spread practice of inheritance which distributes property to only male survivors, ensures that women do not have clear title to land or any other property. As a result they have no collateral security to offer to the banks or other financial institutions.

### **9. Information**

Women entrepreneurs are scared of the information about the facilities available like, bank finance, training facilities, schemes run by the government, legal aspects etc. The lack of information makes it very difficult for her to select technology, market and location and also to tackle problems related to labour and finance.

## 10. Marketing

Marketing is one of the serious hurdles for the women entrepreneurs. For marketing the products, they have to depend upon a middleman who exploits them and eats up a substantial amount of margin.

## 11. Finance

As about half of all informal sector small enterprises worldwide are run by women, access to bank credit is vital for them. At present, women are just marginally covered by the banking system. It has been estimated that only around 11 per cent of the total borrowings are by women in India. Many factors have been responsible for this inadequate utilization of bank credit by women, eg:- inadequate size of loans, insistence on collateral, time taken to process loans, tight repayment schedule, ignorance of banking procedure due to illiteracy, lack of experience in formulating bankable projects, lack of marketing, accounting and management skills.

## B. Challenges Faced by Women Entrepreneurs

Work place harassments are also found to be more common among women. They are not given the due importance that they deserve. It is often noticed that women put in greater amount of efforts in both domestic and non-domestic activities. Both in organized and unorganized sectors women's potentials are not utilized to the full capacity. The other major obstacle faced by women entrepreneurs has been that they are not taken seriously. Even though women have achieved credibility as competent entrepreneurs in areas such as retail, personal services and business services, perceptions that women-owned businesses are less successful, credit worthy and innovative continues to be a barrier.

Besides this, there are several other challenges being faced by Women Entrepreneurs:

**1. Lack of Visibility as Strategic Leaders:** Changing the perceptions about the likely success of women-owned businesses depends on increasing women's visibility in leadership positions within the greater business community. In an assessment of women's presence as CEOs or Directors of large business enterprises, it has been anticipated that the exodus of women to entrepreneurial growth firms might be because women believe that have greater representation in strategic leadership positions in privately-held or family-owned firms as they provide better opportunities for leadership than available to women in publicly-traded companies.

**2. Differential Information and Assistance Needs:** Another significant need of many women business owners is obtaining the appropriate assistance and information needed to take the business to the next level of growth. In a study to gather information needs of women entrepreneurs, those who were just starting their ventures, requested assistance and training in implementing the business idea, identifying initial sources of financing, and advertising/promotion. The entrepreneurs, who were already established, had a somewhat different set of needs including financing for expansion and increasing sales. And identified ten most desired needs of fast growth entrepreneurs: (a) using cash flow to make operational decisions (b) financing growth (c) increasing the value of the business (d) compensation for self and associates (e) hiring, training and motivation for growth (f) succeeding in a rapidly changing world (g) successful selling (h) sales force management (i) management success (j) problems and pitfalls of growth. Unfortunately, these differences in information and assistance needs can be found across cultures as well.

**3. Family Influences on Women Entrepreneurs:** The overlapping of the family and the firm is not significant for women business owners. Unfortunately, little research has been conducted on the dynamics of family-owned firms headed by women. As the boundaries between the firm and the family tend to be indistinct, women operating family businesses face a unique set of issues related to personal identity, role conflict, loyalties, family relationships, and attitudes towards authority. Additionally, family businesses, owned by women are at a disadvantage financially and are forced to rely on internal resources of funding rather than outside sources.

Thus, there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs.

### **C. Steps needed to be initiated for Women Entrepreneurial Development in India**

A possible set of three inter-linked and inter-dependent clusters of recommendations can be aimed at "pushing" a larger number of women entrepreneurs towards growth opportunities, unlocking their potential as creators of wealth and jobs, and providing a more conducive legal and regulatory framework. These recommendations can also ensure the proper positioning of "pull mechanisms" to enable the growth-oriented women entrepreneurs to expand and grow in terms of investments, markets and profits.

- Providing incentives for expansion and growth after removing barriers and disincentives.
- Encouraging and rewarding dynamic representative associations of women entrepreneurs.
- Promoting strong links and synergies with existing major economic players.
- Profiling the economic and social contributors among women entrepreneurs to the national economy.
- Promoting and rewarding programmes that serve women entrepreneurs.
- Making full use of data gathered to inform new policies, programmes and supportive actions.
- Ensuring synergies between (a) women related ministry (b) economic ministry (c) welfare and social development ministry in the government.

**1. Prioritizing and pushing at the micro-level:** There is large and seemingly ever-increasing number of women entrepreneurs operating in micro-enterprises and in the informal economy. They can be facilitated to grow into sustainable, formally registered and large enterprises with the help of following actions:

- Conducting gender analysis for all entrepreneurial support programmes.
- Gathering data on women and men entrepreneurs.
- Applying "target group segmentation" to women entrepreneurs.
- Using targeted approaches for priority categories in order to provide additional "push" to women entrepreneurs to the next level go growth.
- Promoting mobilization and organisation of representative associations.
- Examining differential impacts of governmental policies, programmes and actions.
- Promoting development of demand-led supports for women entrepreneurs.
- Promoting more flexible and innovative financial products by banks.

**2. Unlocking and Unfettering Institutional Framework:** Policies, laws and overall regulatory environment are frequently seen as barriers and disincentives to expansion and growth. However, they

need to be promoted in such a way that women entrepreneurs see the advantages of and benefits that come with compliance.

- Reviewing impact of existing and new instruments on women entrepreneurs.
- Identifying those instruments that act as barriers to expansion and growth.
- Modifying or dismantling these instruments.
- Taking account of the social and cultural contexts affecting policy implementation and redress inequalities and abnormalities.
- Making use of IT and associations so as to minimize the administrative burdens on women entrepreneurs.
- Holding regular consultations with key factors like women entrepreneurs, women entrepreneurs' associations, financial institutions, etc, to review progress and identify new bottlenecks.

**3. Projecting and Pulling to Grow and Support the Winners:** The first two sets of recommendations are aimed at trying to "push" more women entrepreneurs into growth situations as well as ensuring that laws and regulations do not stand in their way. The third possible into the finishers and exporters. The value chain is strengthened for as long as all of them are positioning to the same export market.

Thus, the Female entrepreneurs want to be in charge of their own destiny or they need more flexibility or are dissatisfied with an unhappy work environment or they have been unchallenged by their present job.

### Conclusion

It is necessary that women entrepreneur organizations and enterprises must provide equal opportunities to women and take initiatives to help them. More and more efforts have to be made to develop an atmosphere and environment conducive to women participation in equal footing in all matters of entrepreneurship development. Several steps can be taken by institutions, agencies and governments to encourage and facilitate greater involvement of women at all levels. The law enforcing agencies should have an eye over the implementation of laws available towards the development of women. In order to run industrial enterprises on efficient lines, proper training, motivation and wide exposure become extremely important. Lastly there must be change in the attitude of society towards women than only she can stand on her own and lead an independent life.

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