

A STUDY ON CHALLENGES FACED BY WOMEN ENTREPRENEUR

Shivinder Phoolka

*Assistant Professor, Punjabi University Regional Centre for IT & Management,
Phase-7, Mohali, Punjabi University, Patiala, Punjab, India*

"When a women moves forward, the family moves, the village moves and the nation moves."

- *Jawahar Lal Nehru*

Abstract

Entrepreneurship amongst women has been a recent phenomenon. Women are becoming more aware about their rights at work, how to tap their talent and they have become more conscious about the importance of self-achievement. Not only this, their male counterparts have also started realizing and accepting not only the presence of women but also their contributions. There is a myriad of fields where women are trying their hand ranging from teaching, nursing, entertainment field, advertisements, journalism and entrepreneurship. But women entrepreneurs have to travel a long and difficult journey which starts with taboos, clichés and stereotypes and eventually reaches prosperity, fame and a sense of self establishment and achievement. In this paper, we study a sample of 50 women entrepreneurs to sketch their demographic profile, to describe their business profile, to study their motive behind starting business, the problems which they suffered at the start of their business and the challenges they are facing currently.

Keywords: entrepreneurship, self-achievement, stereotypes, counterparts.

INTRODUCTION

The educated Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological

set up has been a male dominated one. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. Names like Indu Jain(Bennett, Coleman & Co. Ltd), Vandana Luthra (VLCC), Naina Lal Kidwai (HSBC Group India), Chanda Kochhar (ICICI Bank), Ekta Kapoor (Balaji Telefilms), Shahnaz Hassain, Dr. Kiran Mazumdar-Shaw(Biocon Ltd.), Indira Nooyi (Pepsico) are just few of them. Women entrepreneurs are engaged in business due to push and pull factors which encourage women to have an independent occupation and make their own stand. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them. Women's entrepreneurship needs to be studied separately because women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth.

WHO IS A WOMEN ENTREPRENEUR?

According to Government of India, a woman entrepreneur is defined as "an entrepreneur who runs an enterprise owned and controlled by her and having a minimum financial interest of 51% of the capital and giving at least 51% of employment to women".

CHALLENGES FACED BY WOMEN ENTREPRENEURS IN INDIA

1. The greatest deterrent to women entrepreneurs is that they are women. Indian society is patriarchal and Indian women are traditionally considered to be homemakers and not 'businesswomen.'
2. The financial institutions are skeptical about the entrepreneurial abilities of women. Banks and other financial institutions are reluctant to lend money to

women entrepreneurs and they stipulate many conditions before they lend money to them.

3. Consequently women entrepreneurs are handicapped by inadequate financial resources and working capital.
4. Women are less mobile than men. The confidence to travel day and night and to different regions and states is lacking in women when compared to male entrepreneurs.
5. The overall literacy rate of women in India is low when compared to the literacy rate of the Indian male population.
6. Low-level education results in low-level self-confidence and self-reliance of the women folk to engage in business activities.
7. They lack encouragement and motivation from others. Men in fact discourage them and are jealous of their success in business.

REVIEW OF LITERATURE

Dr.G. Jayammal (2005) conducted a research to study the problems of women entrepreneurs with special reference to some selected small scale units in Coimbatore District of the state of Tamil Nadu. The total respondents were from three types of industries such as service (361), manufacturing (591), and the allied industrial units (66). He found that all most all the women entrepreneurs irrespective of their education, age, married and the unmarried, caste, religion, type of organizations, ownership type, experience, amount of capital investment , fixed assets find it very difficult to arrange and get financial assistance as and when they want, hence have ranked the problem of finance as first in order followed by the problem relating to sales, competition from other sellers, purchase of raw materials, technical problems and labour related problems.

Nabeel Goheer (2003) conducted a survey of 150 women entrepreneurs, and provided a situational analysis for business environment for women entrepreneurs

in the three major cities of Islamabad, Rawalpindi and Lahore in Pakistan. Forty-nine per cent of respondents were aged between 20-39 and 31 per cent were between 40-49. The probability of starting and running a business falls dramatically after the age of 50, dropping to 15 per cent for the age bracket 50-59 and to 3 per cent after 60. The likelihood of a Pakistani woman being in business is greater if she lives in a nuclear family structure. While the predominant mode in Pakistan is an extended family structure, 59 per cent of the respondents were found to be living in a nuclear family. Information regarding the level of education revealed that the majority of women entrepreneurs belonged to the upper tiers of graduates (43 per cent) and post-graduates (32 per cent).

Colin Williams and Anjula Gurtoo (2010) conducted a survey among 457 women entrepreneurs and waged workers in the Indian informal sector to critically evaluate the assumption that these women were necessity-entrepreneurs participating in low paid, menial, exploitative work due to absence of an alternate means of livelihood. Out of the women survey 50 % worked as home helpers, 24% were self employed and some 26% were working as assistants in offices and commercial shops. They found that all women operating in the informal economy can not be portrayed as conducting low-paid poor quality work out of economic necessity. Social and informal institutional arrangement of credit, space and tradition were found to be significant drivers of their choice.

Anantha padhmanabha Achar, Sarita Santhosh and Meera Sharma (2009) conducted a case study on women entrepreneurs in micro and small enterprises in Udupi district. In their research study 80% of the respondents were in the age group between 30 to 45 years, 95% of them were married while education wise 80% were graduates, 98% of them belonged to nuclear family. While 75% of them lived in urban area, 25% belonged to the rural segment. With regard to motivation to start business, 60% did so with a desire to be independent, 38% due to economic compulsions while 02% were inspired by successful entrepreneurs. With regard to finance 70% had put in their own capital while 30% had put in borrowed capital.

Isabelle Agier and Ariane Szafarz (2011) conducted a study in a Brazilian microfinance Institution, Vivacred, which provides credit to micro-entrepreneurs located in the Rio de Janeiro low income communities and neighborhoods. It was found that all things equal, women entrepreneurs receive smaller loans and induce smaller losses for the lender. Although being trustworthier than men, women entrepreneurs thus seem to undergo a never-ending curse. Starting with smaller first loans than men, they never recover from their initial handicap

OBJECTIVES OF THE STUDY.

- 1) To portray a business profile of women entrepreneurs.
- 2) To study the reasons for starting business, problems they faced when they started business, current problems, and future business plans of women entrepreneurs.
- 3) To study if women entrepreneurs living in nuclear families face more problems than women entrepreneurs living in joint families
- 4) To study if women entrepreneurs who want to significantly increase their business face less problems than women entrepreneurs who want to slightly increase their business.

RESEARCH METHODOLOGY

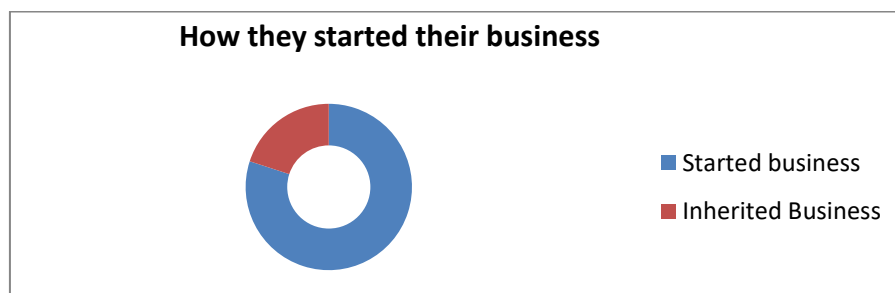
The research was conducted using a questionnaire which was given to 63 women entrepreneurs. Only 50 respondents filled it completely which makes the response rate to be 79 percent. The respondents were contacted using personal contacts; therefore, convenience sampling was applied. The scope of the study is limited to the U.T, Chandigarh. The women entrepreneurs included doctors, boutique owners, beauty parlor owners, lawyers, bakery owners, women in jewellery business, school owners, yoga instructors, women in cloth dying business and women in clothes retail business.

FINDINGS

1) Business Profile of Women Entrepreneurs

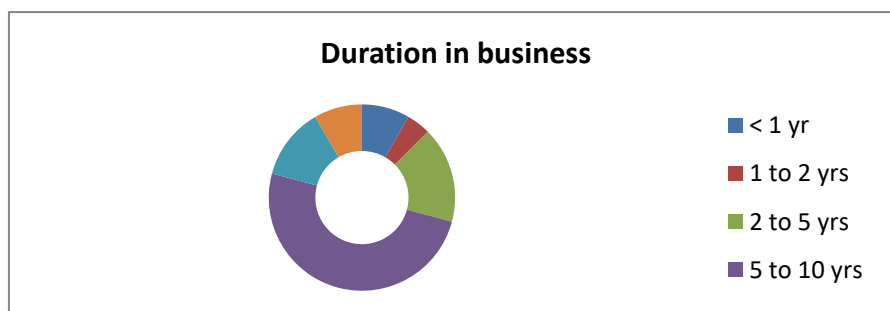
a) How they started their business?

20% of the women entrepreneurs had inherited their business as their family business whereas 80% had started their own business and none of them had bought the business.



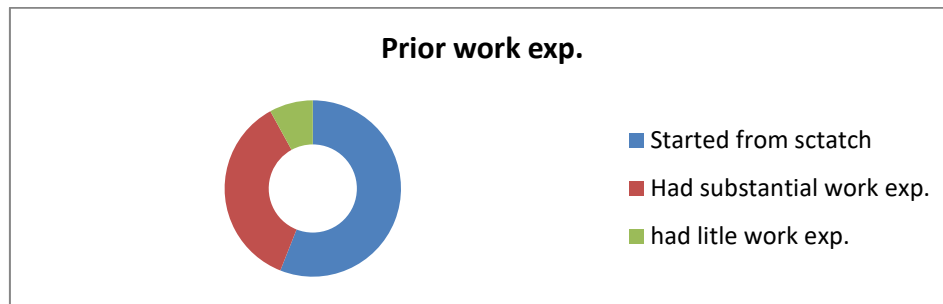
b) How old they have been in business?

8% of the women entrepreneurs have been in the business for less than 1 year, 4% have been in the business for 1 to 2 years, 16% for 2 to 5 years, 48% for 5 to 10 years, 12% for 10 to 15 years, 8% for 15 to 20 years and 4% for more than 20 years.



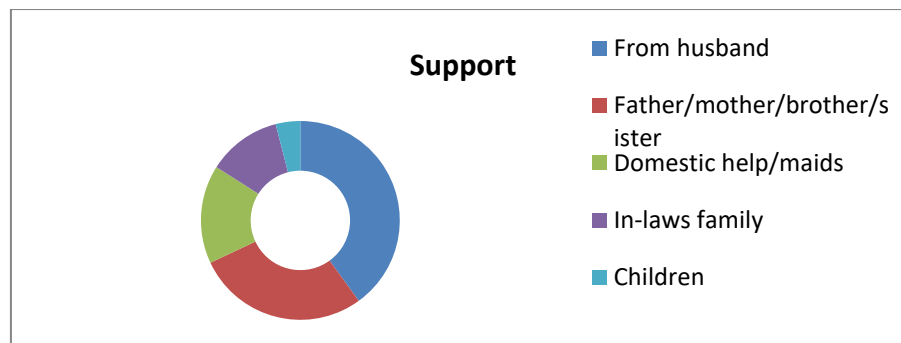
c) Prior work experience relating to their business

Majority of the women entrepreneurs, i.e, 56% had started their business from scratch, 36% had substantial work experience before starting their business whereas only 8% had little prior work experience.



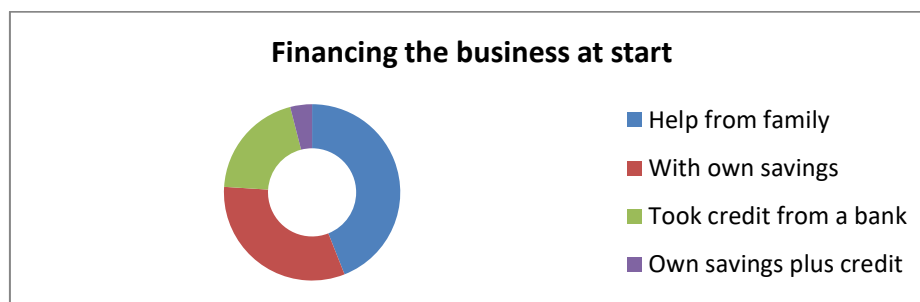
d) Support at home for their business

40% of the women entrepreneurs responded that their husbands helped them the most in their business, 28% said their close relatives like father, mother, brother or sister helped them, 16% said they had domestic help for support, 12% said their in-laws helped them the most and 4% said their children helped them in their business activities.



e) Financing the business at the start

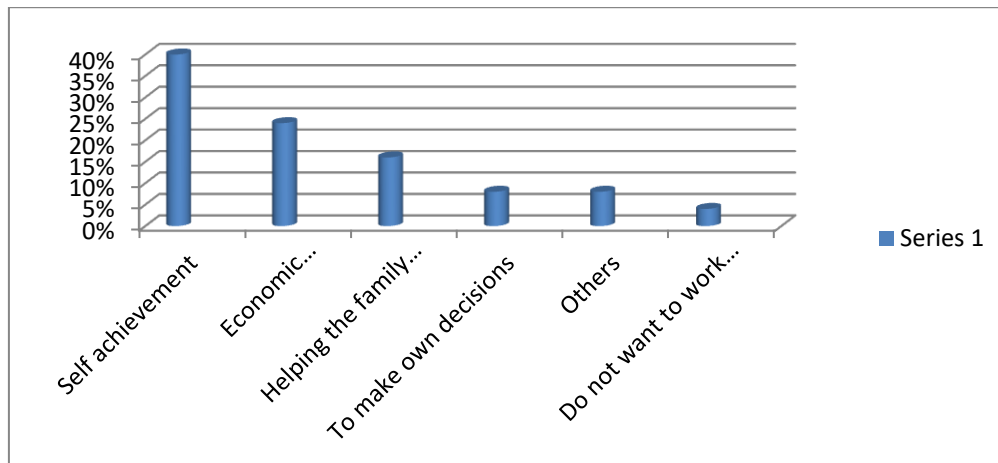
Most of the women entrepreneurs, i.e, 44% started their business with financial help from their families, 32% started with their own savings, 20% took credit from different banks, and 4% started with their own savings plus taking credit from banks.



2) Reasons for starting business, problems they faced when they started business, current problems, and future business plans of women entrepreneurs

a) Reasons for starting their own business

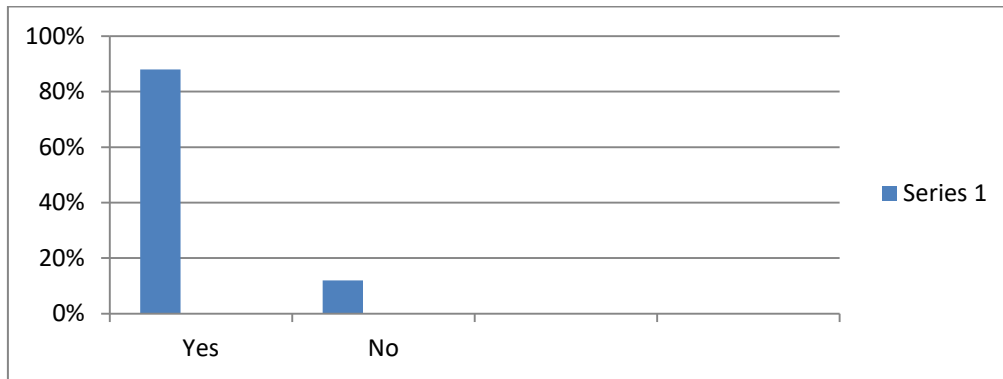
There were various reasons given by women entrepreneurs to start their business. The majority said economic independence and to get a sense of self achievement were the main reasons to start the business. A large number also started their business to help their families financially and some equal number cited reasons like they did not want to work for other or the wanted to make their own decisions or to attain social status or for want of freedom and control in their lives. Few said that their confidence in their products/ services was also a reason to start their business. But when asked about the main reason to start their business, about 40% said a sense of self achievement was the main reason to start their business, 24 % said economic independence was the compelling reason, 16% said helping the family financially was the reason; 8% said making own decisions and another 8% cited reasons like husband was a drunkard or they wanted to start something new in the region and 4% said that they did not want to work for others.



b) Facing problems in business being women

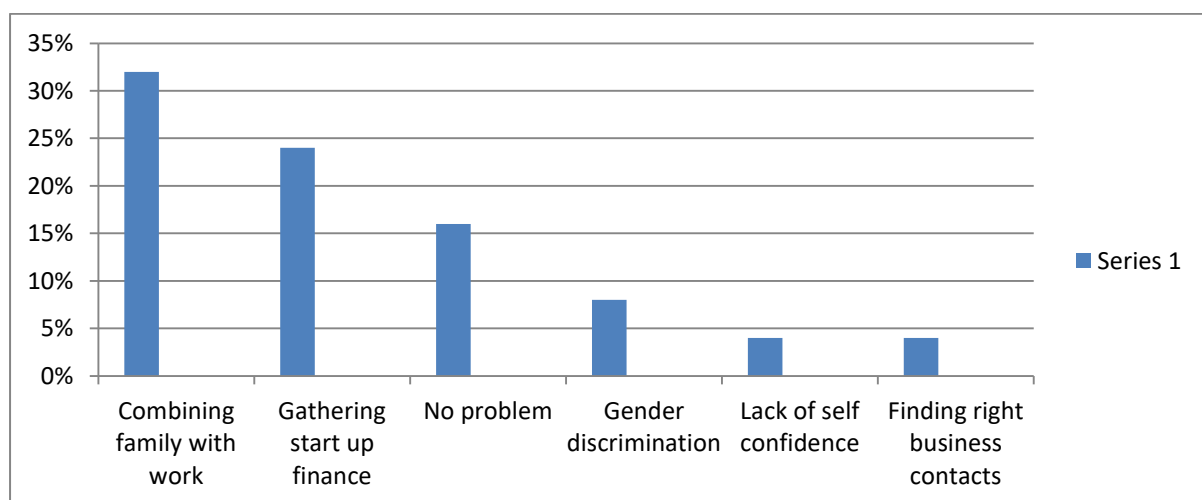
It is an encouraging factor that majority of the women entrepreneurs, i.e, 88% responded that they did not face any problem being a woman entrepreneur. 12%

accounted few problems like non-cooperation of their families, non-cooperation of their husbands, the mindset of the in-laws family that being an entrepreneur she will become independent and will start taking her decisions herself and will stop listening to her family.



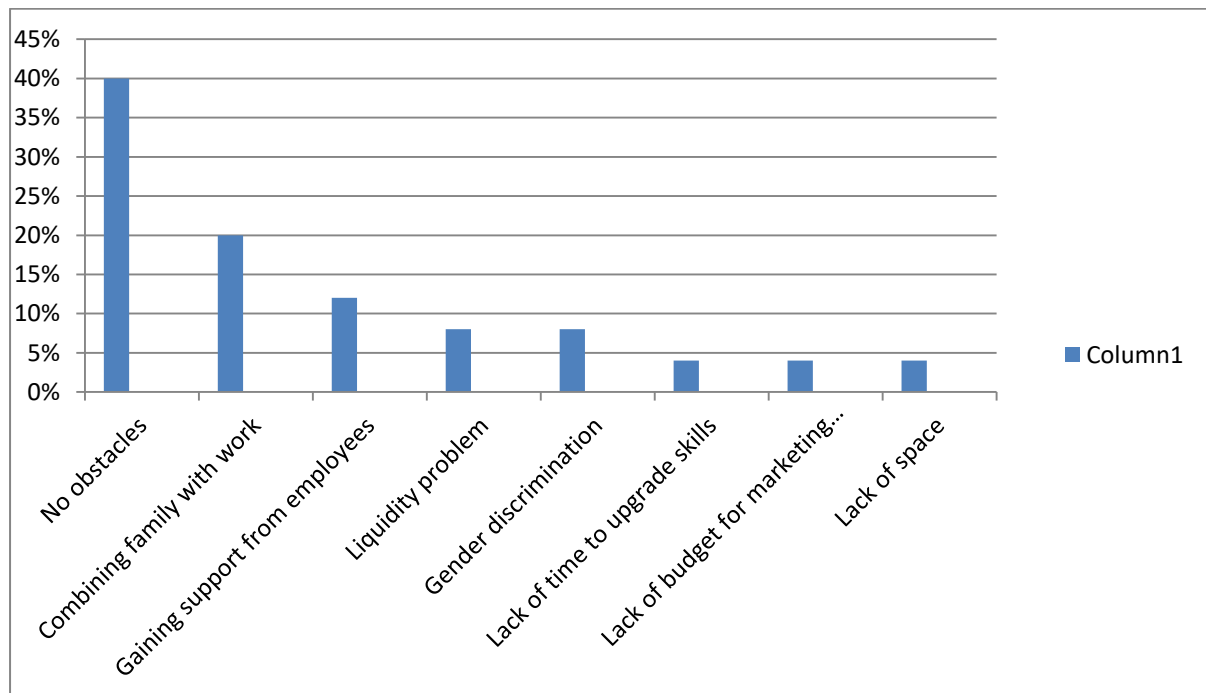
c) Problems they faced when they started their business

Majority of the women entrepreneurs, i.e, 32% said combining family and work life was the major problem at the start of their business, 24% said that gathering start up finance was their hurdle, 16% said they faced no problems, 8% said being a woman or gender discrimination was the drawback, 4% said they faced the problem of self confidence in the beginning, another 4% said finding the right contacts for the business was also a problem and some 12% cited other problems like non-cooperation of the in-laws family and corruption.

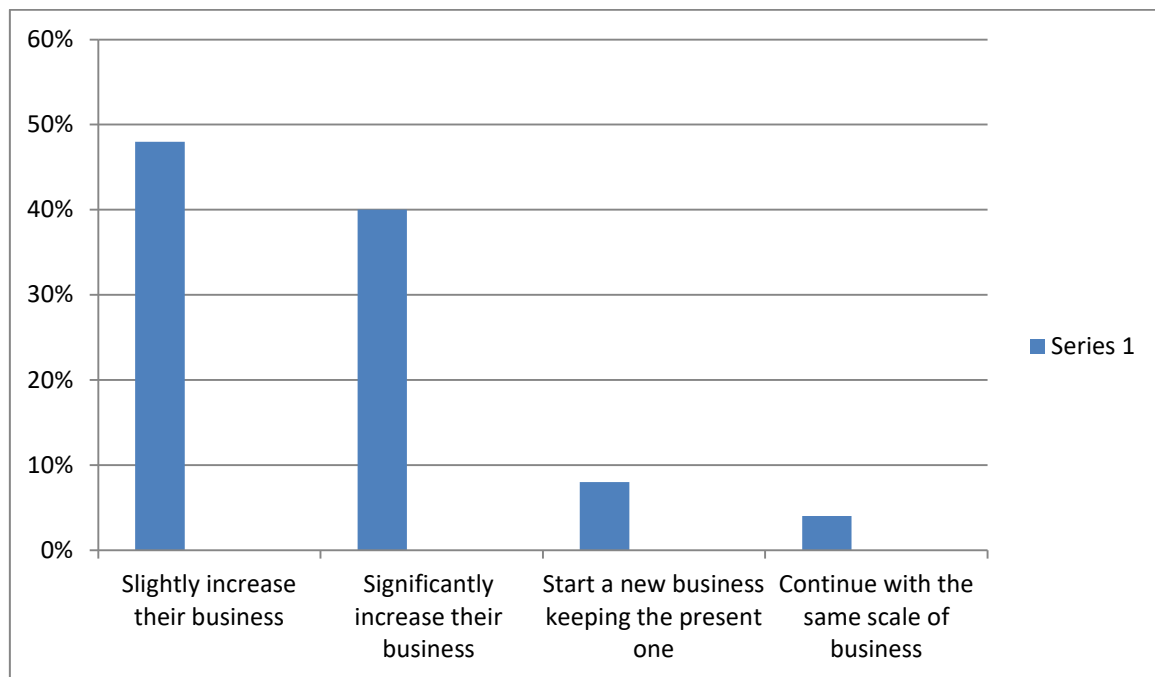


d) Present challenges of women entrepreneurs

Majority of the women, i.e, 40% said that they were facing no obstacles in their business at present, 20% said combining family and work life is the main issue for them, 12% responded gaining support from their employees was the main problem, 8% said liquidity and another 8% said gender discrimination was their challenge, and 4% each said lack of time to upgrade skills, low budget for marketing of their business and lack of space were their hurdles.

**e) Future plans for the business**

48% of the women responded that they want to slightly increase their business in future, 40% said they wanted to increase the size of their business significantly in future, 8% wanted to start a new business keeping the present one at the same scale and 4% wanted to continue with the same scale of the business.



HYPOTHESES

To study the objectives 3 and 4 following are the hypotheses:

H1: Women entrepreneurs living in joint families do not face lesser problems than women entrepreneurs living in nuclear families.

H2: Women entrepreneurs who want to significantly increase their business do not face lesser problems than women entrepreneurs who want to slightly increase their business.

HYPOTHESES TESTING

For testing of null hypothesis H1, we are taking into consideration only two categories of women entrepreneurs, either who live in nuclear families or who live in joint families. In the sample of 50 women, 22 live in nuclear families, 26 live in joint families and only 4 live alone. As the number of women living alone is too small as compared to other two categories, we ignore them. We apply the Chi-square test, where $N=48$, degree of freedom is 11 and we find out that the calculated value is 10.014 which is less than the table value which is 19.7 at $\alpha = .05$, therefore, the hypothesis is accepted, i.e, women living in joint families do not face less problems

than women entrepreneurs living in nuclear families. Therefore, we can say that type of family structure the women entrepreneurs live in has no significant impact on the number of problems they face.

For testing of null hypothesis H2, we are again taking into consideration only two categories of women entrepreneurs, either who want to slightly increase the size of their business or who want to significantly increase the size of their business. In the sample of 50 women, 24 of them want to increase the size of their business slightly whereas 20 of them want to increase the size of their business significantly. As the number of women in other categories is too small as compared to above mentioned two categories, we ignore them. We again apply Chi-square test, where $N=44$, degree of freedom is 12 and we find out that the calculated value is 16.238 which is less than the table value which is 21 at $\alpha = .05$, therefore, the hypothesis is accepted, i.e, women entrepreneurs who want to significantly increase their business do not face less problems than women entrepreneurs who want to slightly increase their business.

RESULTS AND DISCUSSION

Majority of the women, i.e, 72% owned micro enterprises and most of them, i.e, 52% were graduates, 32 % each lie in the age category of 30 to 39 years and fifty plus, 84% were married, 52% lived in joint families and 44% lived in nuclear families, 88% of the women had children, 80% had started their business from scratch, 56% had no prior experience regarding the business, 44% started their business with financial help from their families. 60% of the women entrepreneurs started their business small. They started with less than 1 lac rupees. Majority of the women entrepreneurs, i.e, 84% are doing their transactions in their own account whereas 16% are doing transactions in some family member's account. Sense of self achievement followed by economic independence were the most important reasons to start business. 88% responded that they did not face any problem being a woman entrepreneur. 32% said combining family and work life was the major problem at the start of their business, 24% said that gathering start up finance was their initial

hurdle. 40% said that they were facing no obstacles in their business at present, 20% said combining family and work life is the main issue for them currently. 48% of the women responded that they want to slightly increase their business in future, 40% said they wanted to increase the size of their business significantly in future. Women entrepreneurs living in joint or nuclear families almost suffer same number of problems. The decision of women to slightly or significantly increase their business is not affected by the number of problems they are facing.

RECOMMENDATIONS AND SUGGESTIONS

1. There should be a continuous attempt to inspire, encourage, motivate and co-operation and mentoring of women entrepreneurs.
2. Awareness programmes should be conducted on a mass scale with the objective of creating awareness among women about the various areas to conduct business.
3. International, national, local trade fairs, industrial exhibitions, seminars and conferences should be organized to help women to facilitate interaction with other women entrepreneurs.
4. Spreading awareness among the women entrepreneurs about the organizations like SEWA, SEED, SIDO, CWEL, WIT, SGH, FIWE and schemes like Mahila Udyam Nidhi, Mahila Vikash Nidhi which can provide support to them.

LIMITATIONS

1. The sample size was small.
2. Women who reported family problems, did not want to discuss them in detail.
3. The respondents when contacted were at their work, therefore, they gave limited time.
4. This study is confined to the city of Chandigarh, a modern city, therefore, it may not reflect the scenario prevailing in the rural India.

CONCLUSION

Women entrepreneurship needs special attention. Discouraged by societal norms, family expectations and duties and gender discrimination, women are less able to express and use their talent in form of entrepreneurship. Another reason is that this is a relatively new field for them. In this study, we have been able to find out that today's women entrepreneurs are very confident and have an insatiable sense of self achievement. They are not only trying to be economically independent but are also trying to help their families financially which was traditionally viewed as a man's role. Being in nuclear or joint family does not affect their decision to become entrepreneurs. They want to slightly or substantially increase their business. Therefore, they need to be motivated, cooperated with and guided about the various aspects of entrepreneurship.

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