

# Reflection of Women Entrepreneurs in Economic Development of Society: A study of Gujarat Region

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## Abstract

*Women entrepreneurs have an important impact on the economy of our country. Indian women had undergone a long way and are becoming increasingly visible and successful in all spheres of life. With the help of various government and non-government agencies, women are taking up entrepreneurship activity especially in small and medium scale enterprises but they has its own set of challenges. This study was carried out with the aim to identify motivational factors, problems of women entrepreneurs, strategies and policies which could create an enabling environment for women entrepreneurs. The sample selection was done by convenience sampling method from three regions of Gujarat. The 100 sample of self employment women entrepreneur has been drawn from Ahmadabad, Surat and Vadodara region. The data was collected with the help of a structured questionnaire and unstructured interview. The findings of the study reveal that women entrepreneurship is one best alternative to resolve the problems arising from poverty. Not only that but it has the potential to create new jobs and nurture creativity. Economic independence, use of idle funds, social status, support from family, gaining respect from others for skill and talent, seeking challenging business venture, making more money, are motivational factors for women entrepreneurs. Most hurdling limiting factors have been dual role in home and business, poor knowledge of government support schemes, lack of micro credit facilities and ignorance about banking procedures.*

**Key Words:** *Women entrepreneurs, policies, small scale industries, economic development.*

## Women Entrepreneurship in India

The Women entrepreneurs have emerged as strong contributors in global prosperity and growth. Therefore involvement of women is required in an increased manner for overall socio-economic and cultural development of the country. The entrepreneurship development process for women in India is increasingly being recognized as an important untapped source of economic growth since women entrepreneurs create new employment opportunities and avenues for women's economic independence.

The Indian women are no more treated as beautiful showpieces. They have carved a niche for themselves in the male dominated world. They have come out of the four walls to participate in all sorts of activities. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. The transition of women from homemaker to sophisticated business woman is not that easy. Today an Indian woman are breaking stereotypes and away from traditional roles and corporate profiles to turn entrepreneurs. It is not just the educated urban women but also women from rural villages who are turning into entrepreneurs or starting their own independent business. Women leave corporate world to enter entrepreneurial activities. To incorporate flexibility and manage their work and personal lives, women have initiated their own enterprises in order to enhance work-life balance. Although increasing women's participation in micro, small and medium scale enterprise is among the developmental goals and targets to reduce poverty, improved family health and empower women's economic status.

## Categories of Women Entrepreneurs

- **Chance entrepreneurs** are those who start a business without any clear goals or plans. Their businesses probably evolved from hobbies to economic enterprises over time.
- **Forced entrepreneurs** are those who were compelled by circumstances (e.g., death of a spouse, the family facing financial difficulties) to start a business, their primary motivation, hence, tend to be financial.
- **Created entrepreneurs** are those who are located, motivated, encouraged and developed through, for instance, entrepreneurship development programs.

## Objectives of the Study:

- To identify the problems faced by Indian women entrepreneurs.
- To make suggestions for development of women entrepreneur's in the state.
- To evaluate the motivational factors affecting women to become entrepreneurs.

## Research Methodology

The research study has been conducted on the basis of convenient sampling. The sample size of study was 100 women entrepreneurs. Researcher has collected data from three cities of Gujarat i.e. Vadodara, Surat and Ahmedabad.

The bifurcation of city wise data among these cities is:-

	City	Region	Number of Respondents
1	Ahmedabad	Central	45
2	Surat	South	32
3	Vadodara	East	23
Total			100

## Sources of Data:

Secondary data has been collected from various numbers of institutions like Gujarat Women Economic Development and internet based government reports has been drawn from various publications. Primary Data has been collected with the help of unstructured interview and structured questionnaire which have been responded by women entrepreneurs. The well structured questionnaires were personally distributed to women entrepreneurs by visiting their units. The questionnaire was again modified in the light of findings of the pilot study done on 20 entrepreneurs. According to the suggestions of entrepreneurs the questions has been modified. Data collected through questionnaire were analyzed with the help of SPSS software .Various statistical tools have been applied like T test and correlation analysis.

## Data Analysis and Interpretation

**Table 1: Type of Enterprise**

Type	Percentage of Respondents
Trading	36
Service	48
Manufacturing	16

Above table shows that majority of 48% of respondents are engaged in service industry, 36% in trading and 16 % respondents are in the manufacturing sector. It is because of the fact that manufacturing industry involves lots of complexities such as arrangement of capital money, land shade, labor problems, locating buyers, raw materials etc. Thus the involvement of risk is comparatively lower in trading and service sector as compared to manufacturing industry.

**Table 2: Special Scheme for Assistance**

Special Schemes for Women	Percentage of Respondents
Aware	56
Not Aware	44

Above table shows that 56% of the respondents are aware of the special schemes of assistance for women entrepreneur announced by the Government and Financial institutions whereas 44% of women entrepreneurs have no idea about such schemes. Adequate effort should be done to make women entrepreneurs aware about such schemes especially in the rural areas of Gujarat.

**Table 3: Demographic Profile of Women Entrepreneurs**

Age of Women Entrepreneur in (Percentage)	Age	Number of Respondents
	20 years & below	10
	21 years to 29 years	27
	30 years to 39 years	26
	40 years to 49 years	20
	50 years & above	17
Total		100
Marital Status	Married	52
	Unmarried	34
	Widower	11
	Divorced	3
Total		100
Family Type	Nuclear	46
	Joint Family	54
Total		100
Number of Children's	Yes	64
	No	36
Total		100
Education Status of Women Entrepreneurs	Qualification	
	Post Graduate	13
	Graduate	24
	Higher Secondary till 12 <sup>th</sup>	35
	Diploma	11
	Not Educated	17
Total		100

Reasons to start Enterprise		
	Gap in the Market	18
	Wanted to become entrepreneur	22
	Flexible timings and work from home	26
	Employment for rural women	14
	Role model for others	20
Total		100
Motivations to start Enterprise		Type of Motivation
	Expand family business	24
	Economic independence	32
	Improve social/familial status	11
	Sense of self achievement	14
	Encouragement from friends & family	19
Total		100

As shown in the above table women at the age group of 21years to 29 years and 30 to 39 years are more engaged in entrepreneurial activity then in the age group of below 20 years and age group between 40 to 49 years or above 50 years. The education status of women entrepreneurs is that 83% of women are educated. 13% are post graduate, 24% graduate, 11% diploma holders and 35% of women entrepreneurs are higher secondary educated. Whereas 17% of women are not educated but still they have set up their own successful business ventures. There are number of reasons for women to enter into entrepreneur activity. 18 % of women have set up their business because of gap in market i.e. lack of employment opportunities.22% women wanted to become entrepreneur, 26% of women said that it gives them flexibility to manage work and personal lives.14% of women enter into entrepreneurial activity because it gives employment to rural population. Whereas 20% of women start their business because they wanted to become role models for others.

### Motivational factors affecting women to become entrepreneurs

**Table 4: Motivational Factors**

Motivational Factors	T	df	Sig(2 tailed)	Mean diff.
Economic Independence	4.348	50	0.000	0.660
Dissatisfaction with current job	0.653	62	0.214	0.214
Unemployment	-1.728	45	0.000	0.745
Social Status	3.733	51	0.000	0.589
Support from family	9.150	53	0.000	0.128
Seeking challenging business environment	3.682	58	0.024	0.438
Family business passed on me	0.851	58	0.245	0.774
Use of ideal funds	3.503	34	0.256	0.476
To make more money	4.761	34	0.022	0.327
Getting respect from others for my skill & development	4.212	57	0.233	0.774

The above table shows the factors which are significant for motivating women entrepreneurs. The decision rule used to find out the significant factor is t value > 0 and sigma < .05. accordingly 10 factors i.e. economic independence, use of idle funds, social status, support from family, gaining respect from others for skill and talent, seeking challenging business venture, making more money, these factors proved to be significant.

Hence, the remaining 3 factors namely dissatisfaction with current job, unemployment, family business passed on to me proved to be insignificant.

### Problems Faced by Women Entrepreneurs:

- **Shortage of raw materials:** Women entrepreneurs encounter the problems of shortage of raw-materials and other necessary inputs for production in sufficient quantity and quality.
- **Stiff competition:** Lots of the women entrepreneurs have imperfect organizational set up and they have to face severe competition from organized industries. They have also to face a stiff competition with the male entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products.
- **Limited managerial ability:** Women entrepreneurs may not be expert in each and every function of the enterprise. As managerial operation is a time consuming process, they are not be able to devote sufficient time for all types of activities.
- **High cost of production:** The high cost of production is another problem which undermines the efficiency and restricts development of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and other similar factors discourage the women entrepreneurs from venturing into new areas.
- **Absence of entrepreneurial aptitude and training:** Many women take the training by attending the Entrepreneurship Development Programs without entrepreneurial bent of mind.
- **Low risk taking ability:** Women entrepreneurs suffer from the problem of low risk taking ability as compared to their male counterparts. They even face discrimination in the selection of entrepreneurial development training.
- **Shortage of Finance:** The financial institutions are skeptical about the entrepreneurial abilities of women. They are suffering from inadequate financial resources and working capital. Lack of access to external funds due to their inability to provide tangible security as few women have the tangible property in hand.
- **Access to Markets:** The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience on how to market goods and services. They are also not exposed to international market.
- **Male dominated society:** Our society is still male-dominated and women are not treated on par with men. The confidence to travel across day and night and even different regions and states are less found in women as compared to male entrepreneurs.
- **Low risk-bearing ability:** Low-level risk taking attitude is another factor affecting women folk decision to get into business.
- **Religious factors:** Religious misinterpretation and misrepresentation, sometimes, discourage women entrepreneurs to set up small ventures.
- **Other Factors:** In addition to above problems inadequate infrastructural facilities, shortage of power, high labor prices, social attitude, low need for achievement, lack of self-confidence and socio-economic constraints also hold the women back from entering into entrepreneurship.

## Government Support for Women

The industrial policies of the Government announced from time to time, have laid considerable emphasis on promotion of women entrepreneurship. Various banking and non-banking financial institutions are providing assistance to women for setting up their own business.

**The CII's Indian Women Network:** aims to involve women from all walks of life who are interested in setting up their own business activity whether they are from rural, semi urban or urban area. They also impart necessary technical and professional expertise, support and training. **The National Small Industrial Corporation** has launched a special incubation program for unemployed girls and women to set up their own business. **NABARD, The SHG –Bank** linkage programme is now being implemented vigorously by many commercial banks, regional rural banks and cooperative banks for women self-help groups who are engaged in manufacturing sarees, handicrafts, toys, irrigation, food items, fisheries, service parlors, animal husbandry and so on. There is also a special government scheme aimed at economic empowerment of women through trade related training and credit assistance namely **TREAD** to 30% of the total project cash as appraisal by lending institutions is being provided. The Government established **Bhartiya Mahila Bank** grant loans to self-help women group's in the country. Today with the growing use of e-commerce women entrepreneurs can access information, build and sustain business networks and contribute to their families' household income. There are other schemes by government for women empowerment, development, growth, training and education.

### Suggestions for improving the position of women entrepreneurs in Gujarat are as follows:

- 1. Time Management:** For the problem of dual role in home and business the women should manage their time.
- 2. Usage of ICT and other tech enabled devices:** By making use of suitable technologies which will help women to manage her home and family responsibilities
- 3. Society support:** The society needs to extend its cooperation to a woman in the same way a man gets cooperation from his family and society this will greatly encourage women to start business.
- 4. Spouse support is paramount:** In case of a married woman, a husband support is important. During the survey most women quoted that they receive immense support from husband and family members to carry entrepreneurial activity.
- 5. Widening of micro-credit facilities:** Widening micro-credit facilities to women entrepreneurs which eventually can create magic to sort out problems faced by women entrepreneurs.
- 6. Reform of financial policies and regulatory frameworks:** Reform of financial policies and regulatory frameworks like removal of collateral security and ease of business registry process help women to take up entrepreneurial activity.
- 7. Relaxation from Government agencies:** Government exhibitions which are organized for small entrepreneurs should give relaxation to small women entrepreneurs and should deal with them impartially.
- 8. Marketing and Credit Facilities:** Government should help women in marketing their products and they should be given on credit with longer repayment period options.
- 9. Vocational Training Institutes:** Government should set up number of vocational training especially for rural women.

## Conclusion

In underdeveloped and developing economy it is firmly accepted that women entrepreneurship is one of the best alternative to resolve the problems arising from poverty. Not only that but it has the potential to create new jobs and nurture creativity. Women entrepreneurship does not only prove to an economic growth and prosperity but becomes solution to various social retardations like crime against women. The researcher has carefully studied the motivational factors, the important problems which women entrepreneur's faces but also encouraged the women entrepreneurs to keep going in their business endeavor. In case of women entrepreneurs in Gujarat support from family, economic independence, social status, seeking challenging business venture are important factors which motivate women to become entrepreneur. Most hurdling factors have been dual role in home and business, poor knowledge of government support schemes, ignorance about banking procedures, lack of knowledge about marketing goods & services and most important if every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process.

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