

# A study on the problems faced by women entrepreneurs

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## **Abstract:**

Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs, brings new ideas to the market. An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoys most of the rewards. Entrepreneurs who prove to be successful in taking the risks of a startup are rewarded with profits, fame and continued growth opportunities. Entrepreneurship is one of the resource economists categorize as integral to production, the other three being land/natural resources, labor and capital. An entrepreneur combines the first three of these to manufacture goods or provide services. They typically create a business plan, hire labor, acquire resources and financing and provide leadership and management for the business. This coordination takes the form of resources being diverted towards new potential profit opportunities. The entrepreneur moves various resources, both tangible and intangible, promoting capital formation. In a market full of uncertainty, it is the entrepreneur who can actually help in clearing up uncertainty. Nurturing entrepreneurship can have a positive impact on an economy and a society in several ways. For starters, entrepreneurs create new business, invent goods and services, resulting in employment and often create a ripple effect, resulting in more and more development. Women entrepreneur is a women or group of women who initiate, organize and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adapt a business activity are called “women entrepreneur”. As an entrepreneur, women also perform all the functions involved in establishing an enterprise. These include idea generation and screening, determination of objectives, project preparation, product analysis and determination of forms of business organization, completion of promotional formalities, raising funds, procuring men, machine and materials and operation of business. Since time immemorial, the society was dominated by males but in contemporary times, women are breaking the trend and coming out of the shadows in an all-powerful avatar. Women from all around the globe are overcoming the negative notions the society has about them. This paper analyses various difficulties and challenges faced by women entrepreneurs in their business operations.

**Keywords:** Entrepreneur, Economy, Business organisation, Women empowerment.

## **Introduction:**

Since time immemorial, the society has been dominated by males but in present context, women are breaking the trend and coming out of the thresholds of their houses in an all-powerful manner. Women from all around the globe are overcoming the negative notions the society. The winds of change also showed its effect in the Indian corporate world, few are leading top ventures and ideas. Making nation feels proud and being influential to other women of India and globe. Entrepreneurship has gained importance across the sphere and female entrepreneurship has become an important module. India is one of the fastest emerging economies and the importance of entrepreneurship is realized a gamut. “Women Entrepreneurship” means

an act of business ownership and business creation that empowers women economically and increases their economic strength as well as position in the society. Women entrepreneurs are making a considerable impact in almost all the segments of the economy. “Women Entrepreneur” is a person who denies the role of their personal needs to participate and be accepted economically independent with a strong desire to do something positive in high quality. Government of India defined the women entrepreneurship as “as an enterprise owned and controlled by women having minimum financial interest of 51% capital and at least 51% of the employment generated by the enterprise to women”. According to Kamala Singh, “A women entrepreneur is a confident, innovative and creative woman capable of achieving economic independence individually or in collaboration generating employment opportunities for others through establishing and running an enterprise by keeping pace with her personal, social and family life.

In the words of former president APJ Abdul Kalam, “Empowering women is a prerequisite for creating a good nation, when women are empowered; a society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation”. Women entrepreneurs have been making a significant impact in all segments of economy of the world. Their willingness for the future is apparent in their growing confidence, in their strengths and their desire to seek different forms of work in order to achieve a new balance between work and home. Thus a women entrepreneur is one who starts business and manages it independently and tactfully takes all the risk, accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an in built quality of entrepreneurial women, who is capable of contributing values in both family and social life and is one who faces the challenges boldly with an iron will to succeed. Though women do not want to limit their lives to four walls of the house, they demand equal respect from their partners. However 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 male dominated one. Women are considered as weaker sex and always made to depend on men folk in their family and outside, throughout their life. The Indian culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. While at least half the brainpower on earth belongs to women, women remain perhaps the world’s most underutilized resource. Despite all the social hurdles, India is brimming with the success stories of women. They stand tall from the rest of the crowd and are applauded for their achievements in their respective fields. The transformation of social fabric of the Indian society, in terms of increased educational status of the women and varied aspirations for the better livings, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business no exception for this.

## Challenges faced by women entrepreneurs:

The traditions and customs prevailed in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Caste and religion dominate with one another and hinders women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes. Women from urban areas are no exception to this too. There are numerous problems women faces as an entrepreneur. Some of them are:

**Lack of support from family:** This is one of the main problem faced by the women entrepreneurs in India. The society thinks that women are meant to serve the needs of family. This mentality of the people has to be changed then only the women entrepreneurs can succeed in their business life.

**Gender inequality:** India is a male dominated, traditional society where women are not supposed to be equal to men folk. They are treated as subordinate to husbands and men, physically weak and lesser confident to be able to shoulder the responsibility of entrepreneur.

**Lack of education:** Women in India are lagging far behind in the field of education. Most of the women (around sixty percentage of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son's higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.

**Lack of entrepreneurial aptitude:** Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have no entrepreneurial bent of mind. Even after attending various training programs on entrepreneurship they fail to tide over the risks and troubles that may come up in an organizational working.

**Security issues:** India is a country where safety of women is still a problem. There are many rape and harassment cases against women are reported day by day. As an entrepreneur, she has to mingle with the society and this brings problems too. A women should self capable of tackling all this problems.

Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. They also face financial problem due to blockage of funds in raw materials, work-in- progress finished goods and non-receipt of payment from customers in time.

Women entrepreneurs because of their inherent nature, lack of self-confidence which is essentially a motivating factor in running an enterprise successfully. They have to strive hard to strike a balance between managing a family and managing an enterprise. Sometimes she has to sacrifice her entrepreneurial urge in order to strike a balance between the two.

Another challenge is the combination of the business with family responsibilities, which may undermine the success of the business. Women entrepreneurs indicate that they deploy several strategies to cope with the double workload and challenges deriving from combining business with family but while self-employment may provide flexibility. Furthermore, the location of the business at home may also undermine the legitimacy of the business as perceived by customers and creditors. From the respondents it also indicated that women strongly rely on support from husband, partners and relatives in order to successfully start and grow a business. The lack of government support in terms of policy, laws and services has been also identified as a challenge for women entrepreneurs. Other challenge is of safety and protection of women entrepreneurs.

Despite a woman's level of education, corporate experience, technical expertise, private equity lenders and venture capitalists still think as a biggest risk in granting loans to women entrepreneur. They ignore their qualifications for leadership of high growth businesses and their ability to garner crucial resources. Lack of capital which has proven to be invaluable in the expansion and development of high potential companies has starved many promising ventures. Bankers tend to hold women to higher standards than men in assessing loan requests. Although most women approach entrepreneurship with objectivity and open-mindedness they still suffer from gender specific barriers. Discrimination from male dominated supplier systems such as preferential treatment and delivery of orders may have particularly damaging impacts on the competitiveness and profitability of women owned enterprises.

### **Statement of the Problem**

India has been ranked among the worst performing countries in the area of women entrepreneurship in gender-focused global entrepreneurship survey, released by PC maker Dell and Washington based consulting firm Global Entrepreneurship and Development Institute (GEDI). Out of the 17 countries surveyed India ranks 16th, just above Uganda. Countries like Turkey, Morocco and Egypt have outperformed India. At present, women's entrepreneurial role is limited in the large scale industries and technology based businesses. But even in small scale industries, the women's participation is very low. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women. While the number of women operating their own business is increasing globally, women continue to face huge obstacles that stunt the growth of their businesses, such as lack of capital, strict social constraints and limited time and skill. According to Sixth Economic Census released by the Ministry of Statistics and Programme Implementation, women constitute around 14% of the total entrepreneurship i.e. 8.05 million out of the total 58.5 million entrepreneurs, noted the Vice President of India, M. Venkaiah Naidu. Out of this, 2.76 million women constituting 13.3% of women entrepreneurs work in agriculture sector whereas 5.29 million women constituting more than 65% work in non- agriculture sector.

## Need and relevance of the study

The economic status of women is now accepted as an indicator of a society's development. The reason why females are chosen for the study is because they are at a period in their career development where they are considering different career routes and therefore a potential source of future female entrepreneurs. The study is conducted to understand the female challenges towards entrepreneurship. It is important to study the challenges faced by women because empowering women is a pre-requisite for creating a good nation. Entrepreneurship is an important module for women empowerment. Therefore, this research has been chosen for the study.

## Objectives of the study

- To find out the problems faced by women entrepreneurs.
- To know the female awareness about the new entrepreneurial opportunities.
- To suggest measures to deal the challenges faced by women entrepreneurs.

## Source of data

For conducting this study qualitative research method have been used. The data is collected from both primary and secondary sources. Interview method has been followed to collect primary data from the women entrepreneurs. The secondary sources like books, office records, journals, website etc., were also used to collect the information needed for this study.

## Suggestions to increase Women entrepreneurship in India

- It is imperative to design programmes that will address to attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country.
- Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities. However, precautionary measures should be undertaken to avoid the misuse of such facility by the men in the name of the women.
- Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmes, to improvise their over-all personality standards.
- It includes basic day-to-day management training like how to keep track of accounts, handle taxes and understand compliance rules and regulations.
- Efforts to facilitate access to finance for women entrepreneurs typically encompass initiatives that reform restrictive bank and regulatory policies. Such reforms accept less traditional forms of collateral, look at a lender's willingness to repay and simplify business registry. They also help financial institutions develop innovative loan and savings products for female entrepreneurs.

## CONCLUSION

The role of women in the society is increasing day by day. Now women have come out of kitchen and they are playing an important role in building the economy. There are many women's in India who is very successful. In future the male dominance in the entrepreneurship field will be get over. Those who take the risk and built their business in proper way will win the race. Some are common problems arise in entrepreneurship and some due to family and society. Nowadays women have identified many new type of business opportunity where they can sit in home and do their business. Education has helped many women to realize their potential and work accordingly. Development of technology also made women smarter and they also found many innovative opportunities to do and flourish their business. There is a significant change attitude of women's towards entrepreneurship, most of them have a positive attitude and wants to open their own business in future.

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