



Problems Encountered by Women Entrepreneurs in India

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Abstract:

This paper tries to investigate the problems and challenges faced by women entrepreneurs in India. Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. Many women have this quality but they never got a platform to showcase their talents and hence they don't know their real abilities. Though the women in India are considered as Shakti-meaning source of power, but they are also considered weaker sex and always depend on men folk. Even though our constitution speaks of equality between sexes, male chauvinism is still the order of the day. Women in India are taking more responsibilities in bringing up children and maintaining a better home with love and affection. At the family level, the task of coordinating various activities in a much effective manner, without feeling the pinch of inconveniences, is being carried out by the women folk.

The study is an exploratory research. The data used in the paper are both the Primary data as well as secondary data. The primary data collection was done with the help of unstructured questionnaire. The secondary data were collected from reports journals magazines and surfing on the Net.

Some of the major problems identified are women's family obligations, Gender inequality, Problem of Finance, Low-level risk taking attitude, and the male - female competition. The paper concludes that the problems of women entrepreneurs can be eradicated by appropriate training, incentives, encouragement and motivation, social recognition of their entrepreneurial abilities, and family's moral support.

Key Words: Business Women, Decision making, Entrepreneur, Enterprise, Equality, familial, Economics.

1. Introduction

Women in India:

The societal set up in India has been traditionally a male dominated one. Women are considered not only as fairer sex but also as weaker sex and always 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.

The traditional set up is changing in the modern era. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women both in urban as well as in rural areas.

Indian families do have the privilege of being envied by the westerners, since women here are taking more responsibilities in bringing up children and maintaining a better home with love and affection. At the family level, the task of coordinating various activities in a much effective manner, without feeling the pinch of inconveniences, is being carried out by the women folk. Thus, the Indian women have basic characters in themselves in the present sociological and cultural setup as follows.

- Women in India are considered as Shakthi-meaning source of power.
- Effectively coordinating the available factors and resources.
- Efficient execution of decisions imposed on them.
- Clear vision and ambition on the improvement of family and children.
- Patience and bearing the sufferings on behalf of others and
- Ability to work physically more at any age.

Women Entrepreneurship

Women Entrepreneur" is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. This is great news. But, a part of women in some parts of the country still do not know their power. They don't know that they can break the domination over men and move on, walk on and fight for their freedom.

Women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. The value of this effort is underestimated both by the families that take it for granted and in academic studies. On the other hand, many of the enterprises defined as being run by women (that is, enterprises in which women hold the controlling share) are in fact run in their names by men who control operations and decision making. Programs meant to reach women entrepreneurs can succeed only if they take note of this paradox as well as of the familial and social conditioning that reduces the confidence, independence and mobility of women.

Federation of Indian Women Entrepreneurs(FIWE), which is a National-level organization, founded in 1993, is today, one of India's Premier Institution for Women thoroughly devoted towards entrepreneurship Development, having a large membership base of 15,000 individual members / professionals and more than 28 Member Associations spread throughout the country. The objective of the organization is to foster the Economic Empowerment of Women. FIWE endeavors to provide: Networking platform for women, Technical know-how, Industry research & expertise, Skill development & training and brings the businesswomen on a Common Forum.

2. Review of Literature

Women sector occupies nearly 45% of the Indian population. The literary and educational status of women improved considerably during the past few decades. More and more higher educational and research institutions are imparting knowledge and specialization in varied fields, particularly in the areas of business and entrepreneurship. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The institutions available at present are very limited. Moreover, their functions and opportunities available with them are not popularized much.

2.1 Qualities required for an entrepreneur:

An effective entrepreneur requires certain basic qualities, which can be listed as follows.

- Innovative thinking and farsightedness.
- Quick and effective decision making skill.
- Ability to mobilize and marshal resources.
- Strong determination and self confidence.
- Preparedness to take risks.
- Accepting changes in right time.
- Access and alertness to latest scientific and technological information.

Many women have these qualities but they never got a platform to showcase their talents and hence they don't know their real abilities.

Matching the basic qualities required for entrepreneurs and the basic characters of Indian women reveal that, much potential is available among the Indian women on their entrepreneurial ability. This potential is to be recognized, brought out and exposed for utilization in productive and service sectors for the development of the nation.

The vast majority of the world's poor are women. Two-thirds of the world's illiterates are female. Of the millions of school age children not in school, the majority are girls. The current world food price crisis is having a severe impact on women. Around the world, millions of people eat two or three times a day, but a significant percentage of women eat only once. And, now, many women are denying themselves even that one meal to ensure that their children are fed.

2.2 Women in Innovation.

Despite significant gains made by women in Innovation and new technology, there is still a lot to do to plug in the innovation gap and eliminate illiteracy. With the changing position of women and their growing involvement in business domains, along with the growing importance of science and technology in the modern economy, there is now an urgent need to develop the innovation among women, in order to promote and take full advantage of their skills in all fields.

2.3 Women and small business management.

For many reasons, not enough people running a small business as sufficiently more attractive than working as an employee of a firm, large or small, or in a public organization. These reasons apply as much to women as to men, but there are certain additional factors which make entrepreneurship an even less attractive or viable option for women.

Although there has been an encouraging upturn in women running businesses in the past decade or so, much more needs to be done to overcome the specific factors which discourage them from starting /taking over small firms. And even more importantly, we have to create an environment in which those women who do run a small business can more easily grow their firm.

In overcoming these obstacles, the work of the Businesswomen Associations is crucial, since they act as platforms for empowering and encouraging women entrepreneurs.

2.4 The role and the new challenges

Despite the widely spread idea that man steers the economy women have made major achievements while taking top managerial positions or as policy-makers. They are now at the heart of economic life.

- How can women empowerment contribute to economic growth?
- How women can take a prominent role in the economy?
- Are women gaining more influence as a result of their increasing involvement in business?
- Emerging leadership qualities for women.
- Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society.

2.5 Women Empowerment

The Government of India had ushered in the new millennium by declaring the year 2001 as 'Women's Empowerment Year' to focus on a vision 'where women are equal partners like men'. The most common explanation of 'women's empowerment' is the ability to exercise full control over one's actions. The last decades have witnessed some basic changes in the status and role of women in our society.

The discrepancy in the ideology and practice of the empowerment policy of women in India constitutes its continued social, economic and social backwardness. Women make up 52% of our country's population. Hence there can be no progress unless their needs and interests are fully met. Empowerment would not hold any meaning unless they are made strong, alert and aware of their equal status in the society. Empowerment would become more relevant if women are educated, better informed and actively involved in entrepreneurial activities

Despite all the social hurdles, many women have become successful in their works. These successful women have made name & wealth for themselves with their hard work, diligence, competence and will power. Following is the list of few top Women Entrepreneurs in India:

Indra Nooyi

Indian born American, Indra Krishnamurthy Nooyi, born October 28, 1955 is the Chairperson and Chief Executive Officer of PepsiCo, one of the world's leading food and beverage companies.

Dr. Kiran M. Shaw, Chairman & Managing Director of Biocon Ltd.

Dr Shaw became India's richest woman in 2004, was educated at the Bishop Cotton Girls School and Mount Carmel College in Bangalore. She founded Biocon India with a capital of Rs.10,000 in her garage in 1978. Her applications for loans were turned down by banks then – on three counts – biotechnology was then a new word, the company lacked assets, women entrepreneurs were still a rarity. Today, her company is the biggest biopharmaceutical firm in the country.

Naina Lal Kidwai,

She was the first Indian woman to graduate from Harvard Business School. Fortune magazine listed Kidwai among the worlds top 50 Corporate Women from 2000 to 2003. According to the Economic times, she is the first woman to head the operations of a foreign bank in India. HSBC)

Ekta Kapoor, creative head of Balaji Telefilms;

She is the daughter of Jeetendra and sister of Tushar Kapoor. She has been synonymous with the rage of soap operas in Indian TV, after her most famous venture '*Kyunki Saas Bhi Kabhi Bahu Thi*' which was aired in 2000 on Star plus. Ekta dominates Indian Television. At the 6th Indian Telly Awards 2006, she bagged the Hall Of Fame award for her contributions.

Neelam Dhawan, Managing Director, Microsoft India,

Leads Microsoft India. She is a graduate from St. Stephens College in 1980, passed out from Delhi's Faculty of Management studies in 1982. Then she was keen on joining FMCG majors like Hindustan Lever and Asian Paints, both rejected Dhawan, as they did not wish to appoint women for marketing and sales.

3. Methodology

The very objective of the research to find clues to the problems and challenges faced by women entrepreneurs necessitated the use of both the secondary as well as primary data. The secondary data were collected from reports journals and magazines. Data were also collected by surfing the net and from relevant websites. A sample size of twenty five female academics, executives and proprietress of small scale entrepreneurs was chosen for gathering primary data. The primary data collection was undertaken with the help of unstructured questionnaire.

This method of data collection is quite popular. The primary data were collected through questionnaire since it has some distinguished merits like:

1. It is economical
2. Simple to Administer, &
3. It is free from bias of interviewer

4. Analysis and Findings

Women entrepreneurs face a series of problems right from the beginning till the enterprise functions. Being a woman itself poses various problems to a woman-Entrepreneur. The problems of Indian women pertain to her responsibility towards family, society and lion work. Women in India are faced with many problems to get ahead their life in business.

Table 1: Response on problems

Problems and challenges	No, of respondents	%age of respondents
Gender Inequality	22	88
Lack of education	21	81
Problem of finance	24	96
Skepticism of Financial Institution	22	88
Obsolescence of technology & resulting increase in cost of production	16	64
Low risk-bearing capacity	19	76

Lack of entrepreneurial aptitude	15	60
Limited managerial ability	8	32
Legal formalities	18	72
Lack of self confidence	12	48

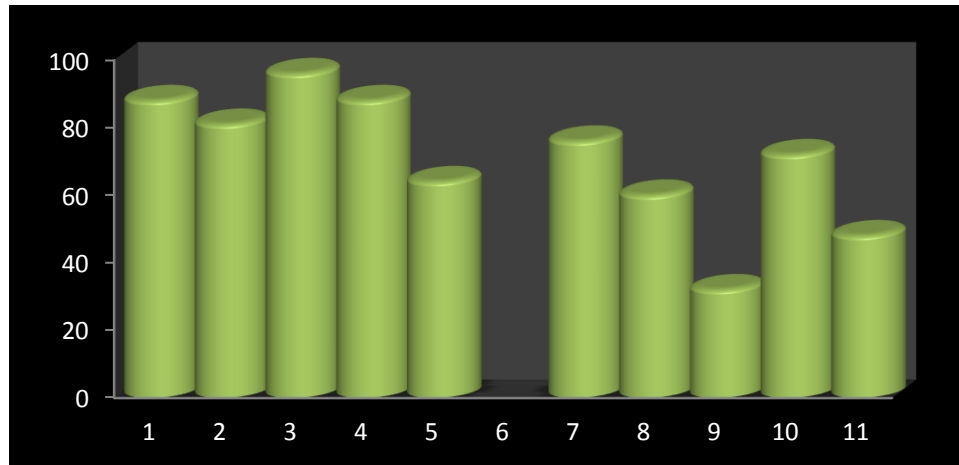


Figure 1: Bar of favorable responses

1. 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.

2. Lack of education:

Women in India are lagging far behind in the field of education. Most of the women (around sixty per cent 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.

3. Problem of finance:

Women entrepreneurs suffer a lot in raising and meeting the financial needs of the business. Bankers, creditors and financial institutions are not coming forward to provide financial assistance to women borrowers on the ground of their less creditworthiness and more chances of failure.

4. Skepticism of Financial Institution:

Financial Institutions and bankers are skeptical about the entrepreneurial abilities of women. These institutions consider women loanies as higher risk than men.

5. Obsolescence of technology & resulting increase in cost of production:

Several factors including inefficient management contribute to the high cost of production which stands as a stumbling block before women entrepreneurs. Women entrepreneurs face technology obsolescence due to non-adoption or slow adoption to changing technology which is a major factor of high cost of production.

6. Low risk-bearing capacity:

Women in India are by nature weak, shy and mild. They cannot bear the amount of risk which is essential for running an enterprise. Lack of education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises.

7. 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.

8. Limited managerial ability:

Women entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

9. Legal formalities:

Fulfilling the legal formalities required for running an enterprise becomes an uphill task on the part of a women entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, electricity, water and shed allotments. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise.

10. Lack of self confidence:

Women entrepreneurs because of their inherent nature, lack 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.

Additionally the tradition, customs, socio cultural values, ethics, motherhood, subordinates to husbands and men, physically weak, hard work areas, feeling of insecurity, cannot be tough etc. are some peculiar problems that the Indian women are coming across while they jump into entrepreneurship.

Women in rural areas have to suffer still further. They face tough resistance from men. They are considered as helpers. The attitude of society and constraints in which she has to live and work are not very conducive.

Besides the above basic problems the other problems faced by women entrepreneurs are as follows:-

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the road block to them in their way towards business success. Male members think it a big risk financing the ventures run by women.

2. Even though our constitution speaks of equality between sexes, male chauvinism is still the order of the day. Women are not treated equal to men. Their entry to business requires the approval of the head of the family. It has been seen as a male preserve. All these put a break in the growth of women entrepreneurs.
3. The financial institutions are skeptical about the entrepreneurial abilities of women. The bankers consider women loanies as higher risk than men loonies. The bankers put unrealistic and unreasonable securities to get loan to women entrepreneurs. According to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that woman's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit".
4. Entrepreneurs usually require financial assistance of some kind to launch their ventures -be it a formal bank loan or money from a savings account. Women in India have little access to funds, due to the fact that they are concentrated in poor rural communities with few opportunities to borrow money. The women entrepreneurs are suffering from inadequate financial resources and working capital. The women entrepreneurs lack access to external funds due to their inability to provide tangible security.
5. Women's family obligations also bar them from becoming successful entrepreneurs. Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business. The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again. The result is that they are forced to rely on their own savings, and loan from relatives and family friends.
6. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home. More over the business success is depends on the support the family members extended to women in the business process and management. The interest of the family members is a determinant factor in the realization of women folk business aspirations
7. Another argument is that women entrepreneurs have low-level of controlling skills. They have to depend on office staffs and intermediaries, to get things done, especially, the marketing and sales side of business. Here there is more probability for business fallacies like the intermediaries take major part of the surplus or profit. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area.
8. The male - female competition is another factor, which develop hurdles to women entrepreneurs in the business management process. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneurs women have to face constraints from competition. The confidence to travel across day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows the low level freedom of expression and freedom of mobility of the women entrepreneurs. .
9. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirement to run a business. Getting the raw materials from different source with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of the raw materials and low-level negotiation and bargaining skills are the factors, which affect women entrepreneur's business adventures.
10. Knowledge of latest technological changes, know how, and education level of the person are significant factor that affect business. The literacy rate of women in India is found at low level compared to male population. They are ignorant of new technologies or unskilled in their use, and

often unable to do research and gain the necessary training. Lack of knowledge and the continuing treatment of women as second-class citizens keep them in a pervasive cycle of poverty ("The Female Poverty Trap,"2001).

11. Low-level risk taking attitude is another factor affecting women folk to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is a risk taking profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence.
12. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.
13. High production cost of some business operations adversely affects the development of women entrepreneurs. The installation of new machineries during expansion of the productive capacity and similar other factors dissuades the women entrepreneurs from venturing into new areas.
14. Women in India are very emotionally attached to their families. They are supposed to attend to all the domestic work, to look after the children and other members of the family. They are over burden with family responsibilities like extra attention to husband, children and in laws which take away a lots of their time and energy. In such situation, it will be very difficult to concentrate and run the enterprise successfully.
15. Finally the traditions and customs prevailing in Indian societies towards women sometimes stand as an obstacle before them to grow and prosper. Castes and religions hinder women entrepreneurs too. In rural areas, they face more social barriers. They are always seen with suspicious eyes.

4. Recommended Action plan

Proper training in right direction is to be planned meticulously. Proper planning and execution are required at all levels. The steps to be taken can be listed as follows:

- identifying women with different literary levels in proper groups and to create awareness about entrepreneurship and its importance as job providing avenues rather than job seeking ventures,
- skills to be provided to selected women group are to be identified,
- making them realize the income generation and social status and recognition
- giving orientation and skill training on selected trades, of their choice and suitability,
- assisting them in preparation of project reports for their own proposed units and helping them to follow up the venture to start the new enterprise,
- providing consultancy and guidance, continuously.

A training capsule of around 15 days may be provided by expert institutions, voluntary agencies and Govt. departments. The financial resources are to be mobilized to provide this type of programs, by the government organizations like banks, public sector organizations and voluntary agencies.

The higher education institutions, which are spreading throughout the country, may conduct programs like this, regularly, in addition to their academic programs, with or without govt. aid. Young graduates of that area and the final year students of U.G/P.G courses may also be provided with such training. Normally, infrastructures are available with such institutions. Getting expertise and mobilizing other

requirements will also be easier for such institutions, since they are already having good establishment facilities.

With proper financial assistance and effectively using them, each college/university may train 300 to 1000 youths, in the area of entrepreneurship development. When women are going to be the target groups, the benefit will reach a larger section of the society.

Thus ED culture is to be developed gradually among the women, in addition to providing educational facilities to use the vibrant women force in right direction. Thus programs combining, technical skill and entrepreneurship skill, to selected groups, will make the Indian women more self reliant and confident and would lead them to be envied by people at the international level.

Training in entrepreneurial attitudes should start at the high school level through well-designed courses which build confidence through behavioral games. This exercise would illustrate practical application of the academic knowledge being imparted regarding management (financial, legal, etc.) of an enterprise.

The course design should keep in mind the special needs of women, such as their preference to work from their homes, which would enable them to also fulfill their household responsibilities. This should not, however, result in mechanically restricting them to low technology linked skills traditionally believed to be suitable for women. Several hi-tech functions with substantial value addition and good profitability could also be undertaken within homes and the courses should be imaginatively and innovatively designed.

All this can be achieved in a training environment, in which the woman is distanced from the normal restrictive family environment and is taught to recognize her own psychological needs and express them.

Training component:

Even though there are very efficient institutions at the national level, like EDI Ahmadabad, NSTED BOARD, New Delhi, and at State level, CED in Madurai and Chennai, such programs are to be conducted at regional level, at the residential area of the women, in their vernacular language and to the specific requirement of the people of that area.

The basic components of such training may be listed as follows.

- Awareness, career building and attitudinal change towards enterprise formation.
- Effective training on building up self-confidence and communication skills.
- Skill training on specific trades suitable to their option.
- Training on quick and effective decision making techniques and managerial skills.
- Training on marketing strategies.
- Training on effective financial management.
- Training on project formulation and implementation.
- Scope for increasing access to new technologies and scientific knowledge.
- Information on persons/offices to be contacted.
- Interaction with successful entrepreneurs for sharing their experiences

Training in such areas are not going to have much financial burden to the govt., when compared to other developmental projects. This type of programs can be conducted in all parts of the country.

6. Conclusion

The Indian social set up has been traditionally a male dominated one. This traditional set up is changing in the modern era. The transformation of social fabric of the Indian society, in terms of increased

educational status and varied aspirations for better living, necessitated a change in the life style of Indian women. Indian families do have the privilege of being envied by the westerners, since women here are taking more responsibilities in bringing up children and maintaining a better home with love and affection.

Still a lot more in terms of motivation, incentives and encouragement needs to be done. The social recognition of their entrepreneurial abilities, family's moral support, financial support by banks and financial institutions (leaving skepticism behind) and women empowerment policies of government will go a long way boosting their morale and instilling self confidence in them.

7. Limitations of the Study & Scope for Further Research

The limitations of the study include fewer numbers of women entrepreneurs, their accessibility and their shy nature who do not want to express their inner world out or complain about their nearer ones. There is a lot of scope for further researches in classified form for different industrial sector geographical locations and educational levels of women folk.

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