

# ROLE OF WOMEN ENTREPRENEURS IN SOCIO-ECONOMIC DEVELOPMENT

*\*Dr.K.Jagannayaki, Professor-MBA,  
\*\*M.Akhila Reddy, Associate Professor-MBA,  
CMR Institute of Technology, Hyderabad-501401*

*Abstract— Development of Women entrepreneurship is necessary to human resource development. The ratio of women entrepreneurs in India is very low as that of other countries. Especially in rural areas women have lot of barriers in terms of customs, traditions and beliefs. However, women of middle class are not too enthusiastic to change their role in apprehension of social repercussion. The progress is more visible among upper class families in urban cities. This study focuses on women entrepreneur, their identity, and especially of their role taking and breaking new paths, will be incomplete without a walk down the corridors of Indian history where women have lived and internalized various role models. The paper discuss about the status of women entrepreneurs and the problems faced by them when they ventured out to shape their own position in the competitive world of business environment.*

*The study of women as an entrepreneur is of crucial importance because the economic role that women play cannot be isolated from their total well being. Every Indian housewife is an entrepreneur in her true spirit. Their role as a manager of the house can be related to the basic management techniques used in the business world. It is seen that many entrepreneurs are motivated on their own to start their own enterprises. Many of these entrepreneurs actually either don't have or have not received any structured entrepreneurial input. They learn the same through trial and error. Keeping these views on entrepreneurship, this paper deals with the problems, which these self-motivated women entrepreneurs con front, and then highlights the prospects and the future challenges. Women entrepreneurship is a key contributor to economic growth in low and middle income countries like India and this study aims to give an overall viewpoint of Indian women entrepreneurs and giving suggestions to improve their level.*

*Keywords: Entrepreneurship, Women entrepreneurs, Socio-economic, problems, challenges*

## I. INTRODUCTION

Women Entrepreneurs may be defined as the “women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined “women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women” (Kumar, 2004). Like a male entrepreneurs a women entrepreneur has many functions. They explore the prospects of starting new enterprise; undertake risks, introduce new innovations, coordination, administration and control of business and above all provide effective leadership in all aspects of business.

Women in business are a recent phenomenon in India. Women entrepreneurs are engaged in business due to push and pull factors which encourage them to have an independent occupation and stand on their own legs. A sense of independent decision-making towards 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.

During the last three decades, the position of women has been developed as a result of industrial revolution, technical revolution and awareness. Women's participation in economic activities is increasing. When women enter into various entrepreneurial activities, they often face lack of access to credit and face lot of obstacles to establish and flourish their business. Every Indian housewife is an entrepreneur in her true spirit. Their role as a manager of the house can be related to the basic management techniques used in the business world of a small enterprise.

It is estimated that presently women entrepreneurs comprise about 10% of the total entrepreneurs in India. The term “Women Entrepreneurship” mean, an act of business ownership and business creation that empowers women economically, increases their economic strength as well as position in society. Hence women-entrepreneurs have been making a considerable impact in all most all the segments of the economy which is more than 25 percent of all kinds of business .In India “Entrepreneurship” is very limited amongst women especially in the formal sector, which is less than 5 percent of all the business. Indian women business owners are changing the face of businesses of today, both literally and figuratively. The dynamic growth and expansion of women-owned businesses is one of the defining trends of the past decade, and all indications are that it will continue unabated. For more than a decade, the number of women-owned businesses has grown at one-and-a-half to two times the rate of all businesses. Even more important, the expansion in revenues and employment has far exceeded the growth in numbers. Women have a distinctive position in the society. Real development cannot take place if it is bypasses women, who not only represent one half of a country's population but also the kernels around which societal revolution take place. Entrepreneurship enhances financial independence and self esteem of women. Around 50 per cent of India's population is women, yet business spheres such as trade, commerce and industry is still considered a male preserve. Entrepreneurial work has also been predominantly a man's world in India, are women. Among the states, Gujarat, Maharashtra and Karnataka have more women entrepreneurs.

Indian women are in no way inferior to men in all walks of life and they can be good entrepreneurs as men in the country. Therefore, it is essential to exploit the potential of Indian women. Women's participation in trade,

industry and commerce, requiring entrepreneurship is still poor, mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and non-government organizations. It is important for these people on the limitations faced by the women and to plan supporting systems to enhance the women entrepreneurship in India.

Types Of Women Entrepreneurs

- Women entrepreneurs in organized & unorganized sector
- Women entrepreneurs in traditional & modern industries
- Women entrepreneurs in urban & rural areas
- Women entrepreneurs in large scale and small scale industries.
- Single women and joint venture entrepreneurs.

## II. DIFFERENT CATEGORIES OF WOMEN ENTREPRENEURS IN PRACTICE IN INDIA

Category-I – Established in big cities – Having higher level technical & professional qualifications – Nontraditional Items – Sound financial positions

Category-II – Established in cities and towns – Having sufficient education – Both traditional and nontraditional items – Undertaking women services-kindergarten, crèches, beauty parlors, health clinic etc

Category-III – Illiterate women – Financially weak – Involved in family business such as Agriculture, Horticulture, Animal Husbandry, Dairy, Fisheries, Agro Forestry, Handloom, Power loom etc.

In comparison to their women counterparts who established their businesses two decades earlier, women who have started their businesses sometime during the past decade are more likely to have the following:

- A higher level of education, previous professional and managerial experience, as well as executive level experience
- A greater appetite for capital, both credit and equity
- A strong motivation for autonomy and achievement
- A dynamic personality
- A passion for what they do
- Creativity to innovate and implement
- Independence and self reliance
- High self confidence
- Willingness & ability to take risks
- Alertness to opportunities
- Ability to marshal resources
- Ability to respond to market & environment signals.

## III. REVIEW OF LITERATURE

Watson (2003) has examined the failure rates among female control business in Australia. The Analysis of study highlighted that failure rate female control business is relatively higher than male controlled business. But the difference is not significant after controlling for the effects of industry. None of the study seems to have touched the area like perception of women entrepreneurs on the obstacles faced by women entrepreneurs. This study has tried to break the traditional

method of conducting analysis. In this study, an attempt has been made to analyze obstacles faced by women entrepreneurs by using factor analysis approach.

Kamalakaran (2005) investigated the development of entrepreneurship. Development of entrepreneurship among has become an important aspect of the overall economic development. This article gives a detailed analysis of financial institutions commercial banks and NGOs engaged in financing and promoting entrepreneurship among women.

K. Lavanya Latha (2006) suggested that the hard work, self confidence, self determination, personality traits and availability of timely financial support were the important factors for success of women entrepreneurs

Dr. Madhur Bala and Dr.O.P. Monga have (2007) associated and opined that the women employment supplements the family income and enhances their economic status and places them in higher income group. Among employed women, their better education, employment and improved family income, all the three raises their socio-economic status and place them in upper or upper –middle class from lower or upper –lower class.

Emerging literature suggests that women can play a significant role in the larger entrepreneurship phenomenon and economic development (Sarfaraz et al., 2014). As a result, there is an insistent need to investigate various dimensions of women entrepreneurship. The existing theoretical concepts need to be expanded to better explain the uniqueness of women entrepreneurship as a subject of research inquiry.

The literature on mainstream entrepreneurship primarily focusing on the male entrepreneur emerged in the 1930s. The late 1970s witnessed the emergence of an explicit sub-domain of women entrepreneurship (Jennings and Brush, 2013). This section outlines the chronological history of development of the literature on women/female entrepreneurship. Table 3 presents a summary of the key historical milestones in this sub-domain.

For the purpose of this paper, both foundational and post-modern human behavioral theories are reviewed. Evolving from human behavioural theories, the feminist theory evolved into the disadvantage, attribution, and human capital, resource-based and cultural theories. The most prominent theory relevant to this paper is the feminist theory. Women's strategies to succeed vary from those of their male counterparts: the feminine strategies include collaborations, work-life and diversity strategies, whereas the masculine strategies are more business focused strategies (Kropf et al., 2003). To attract and retain female executives, the recommendation is to consider how women formulate strategies to address the barriers that confront women executives (Kropf et al., 2003). According to Beauchamp and Bowie (2004), feminist theories recognize that subordination, inequality, or oppression of women is unethical and that women deserve

equal political and legal rights, whereas Kantian and utilitarian theories neglect to acknowledge the importance that morals have in the value of other's well-being and do not consider virtues (Beauchamp and Bowie, 2004). An example of the issues raised by feminist theorists is the disparity between men and women advancements and earnings. This disparity may largely result from the disadvantage of women because of family issues and the requirement for flexible schedules (Orhan and Scott, 2001; Gale, 1994). Feminist theories argue that in society, the different treatments of men and women may explain why compensation is less for women than their male counterpart's earnings (Lowrey, 2006). This theory is relevant for this paper because it gives insights on the differences between men and women and some challenges for women to venture into any sector of the economy. Evolving from the feminist theories, the deprivation argument states that societal views deprive women of education, industry experience, networking relationships and access to capital (Appelbaum, Audet and Miller, 2003; Cron, Bruton and Slocum, 2006). Deprivation of these opportunities can affect women in entrepreneurial successes. According to Shane (2003), feminist theorists supported the concept that there are existing organizationally based inequalities. This theory evolved to the human capital theory that provides possible explanations for women to be over-represented in some industries and underrepresented in other industries. The human capital theory states that corporations invest less in women's education and training, which diminishes opportunities for women to advance in an organization (Dreher, 2003). The resource-based theory states that a firm gains competitive advantage by effectively and creatively using resources (Hoopes, Madsen and Walker, 2003; Barney, 1991).

Experience and education contribute to the resources required by entrepreneurs for a firm (Kantor, 2003), which is supported by the resource-based theory and is instrumental in determining how and what resources women entrepreneurs require to sustain successful Nyamagere Gladys Sospeter et al.78/PENERBIT UNIVERSITI SAINS MALAYSIA operations. The theory is relevant because it posits important insights that are prerequisites for a successful entrepreneurship. In addition, the concepts of the cultural theory of entrepreneurship hypothesizes that compared to male counterparts, women are less successful in business based on cultural differences (Smith-Hunter and Boyd, 2004). Evolving from the cultural theory of entrepreneurship, the disadvantage theory theorizes that women become entrepreneurs because of disadvantages in the labour market (Smith-Hunter and Boyd, 2004). The disadvantage theory also applies to the challenges that women in construction face, which place them at a financial disadvantage; for example, women finance their business ventures with personal savings instead of the traditional lending and financial institutions (Smith-Hunter and Boyd, 2004).

#### **Need For The Study**

The need for the study is to identify the factors which influence women entrepreneurs and finding out the

problems faced by them and also the role and importance of Indian women entrepreneurs in the Socio- Economic Development.

#### **IV.OBJECTIVES OF THE STUDY**

The following are the important objectives of the study:

- I. To study the socio-economic background of women entrepreneurs
- II. To identify the factors influencing the women entrepreneurs
- III. To find out the various constraints and problems encountered by the women entrepreneurs
- IV. To make suitable suggestions for the development of women entrepreneurs

#### **Methodology Of The Study**

The study used both the primary and the secondary data. Primary data have been collected from the women entrepreneurs in the selected areas of Hyderabad through interviews. A sample of 100 women entrepreneurs have been selected through convenience sampling method from five different types of enterprises. They are food product, stationery, garment, health services and education.

The study covered mainly the problems and obstacles faced by them during the course of starting and managing their business. It also covered the suggestions for mitigating the problems faced by the women entrepreneurs. The problems have been categorized into five heads i.e. Finance, production, marketing, government assistance and socio- personal problems.

#### **Concept Of Entrepreneur**

The word 'entrepreneur' derives from the French word "Entreprendre" (to undertake). In the early 16th Century it was applied to persons engaged in military expeditions, and extend to cover construction and civil engineering activities in the 17th century, but during the 18th century, the word 'entrepreneur' was used to refer to economic activities. Many authors have defined 'entrepreneur' differently.

Generally, an entrepreneur is a person who combines capital and labour for production. According to Cantillion "entrepreneur is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which he commits himself to his cost". According to P.F Drucker "he is one who always (1) searches for change (2) responds to it (3) exploits it as an opportunity."

"A small scale industrial unit or industry –related service or business enterprise, managed by one or more women entrepreneurs in a concern, in which they will individually or jointly have a share capital of not less than 51% as shareholders of the private limited company, members of co-operative society".

#### **Emergence Of Women Entrepreneurship In India**

Women in business are recent phenomena. By and large they had to confine themselves to petty business. It can be traced out as an extension of their kitchen activities mainly to 3Ps viz., Pickles, Powder & Pappad. But with growing awareness about business and spread of education among women over the period, they have started shifting from 3Ps to engross to 3 modern Es viz

Engineering, Electronics & Energy. They have excelled in these activities. Women entrepreneurs manufacturing solar cookers in Gujarat or owning small foundries in Maharashtra or manufacturing capacitors in Orissa have proved beyond doubt that given the opportunities, they can excel their male counterparts.

In rural areas, even today women are not given proper recognition even though they have necessary qualification. Any country can achieve its economic growth when the women entrepreneurs will start rising above the horizons. Entrepreneurship will enhance their financial independence and self-esteem of women. But the world of entrepreneurs is male-dominated. This is based on the fact that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year.

If the prevailing trends continue, it is likely that in another 5 years, women will comprise 20 % of the entrepreneurial force. "Only 2.64 million entrepreneurs are women of the half the population of the country" (Raheem, 2006). With corporate eager to associate and work with women-owned business, and a host of banks and non-governmental organizations keen to help them get going, there has been a better time for women with zeal and creativity to start their own business.

**Factors Influencing Women Entrepreneurship**

Basically two factors influence the women entrepreneurship in India. These are as follows:

a) Pull Factors, and b) Push Factors.

(a) Pull factors are those inherent desires which encourage the women to become entrepreneurs. These are need for independence, availability of finance, concessions and subsidies and something to do new in life.

(b) Push factors are less in weight age than the pull factors, which include financial difficulties, responsibility in the family, unfortunate family circumstances etc. These factors compel them to enter into entrepreneurship.

**Problems Of Women Entrepreneurs**

The problems encountered by the women entrepreneurs are classified into five heads: a) Finance Problems, b) Production Problems, c) Marketing Problems, d) Government Assistance, and e) Socio- Personal Problems. As it is evident from the table that the problems faced by women entrepreneurs are of five types and the percentage of socio- personal problem is the highest.

TABLE-1: TYPES OF PROBLEMS FACED BY SAMPLE WOMEN ENTREPRENEURS

| S.No | Type of Problem       | No.of Respondents |
|------|-----------------------|-------------------|
| 1    | Government Assistance | 80                |
| 2    | Finance               | 70                |
| 3    | Marketing             | 60                |
| 4    | Production            | 40                |
| 5    | Socio-personal        | 90                |

Source: Primary data

**Socio- Personal Problems**

With changing trends, a woman has to take care of domestic commitments and childcare support yet face resistance as an entrepreneur. About 90% of the

respondents faced this type of problems and constraints. These include the following as depicted in the table:

TABLE-2: SOCIO-PERSONAL PROBLEMS FACED BY SAMPLE WOMEN ENTREPRENEURS

| S.No | Problem                          | No.of Respondents (%) |
|------|----------------------------------|-----------------------|
| 1    | Time for the Family              | 15                    |
| 2    | Double Role                      | 19                    |
| 3    | Support from the family          | 12                    |
| 4.   | Concentration on child Education | 16                    |
| 5.   | Good Spouse                      | 12                    |
| 6.   | Non-Co-operation from family     | 7                     |
| 7.   | Domestic work                    | 3                     |
| 8    | Entertainment and Hobbies        | 8                     |
| 9    | Society Attitude                 | 8                     |

It is evident from table 2. Society's indifferent and negative attitude like that of male domination accounts for 6 percent. 4 percent of the total respondents each faced problems due to domestic work and being a good spouse respectively. Very less i.e. only 3 respondents says that personal hobbies and entertainment puts hurdles in her entrepreneurial activities. The majority of the respondents i.e. 24 percent faced resistance from the husband/family at the time of starting the business. 18 percent of the respondents faced the difficulties in their entrepreneurship activities due to the dual duties. The percentage of the respondents who didn't get cooperation from the family accounts for 14 percent. As regards to time spent by them with their family and also towards the education of their children the percentage is 10 & 12 respectively

TABLE-3: PROBLEMS RELATED TO GOVERNMENT ASSISTANCE FACED BY SAMPLE WOMEN ENTREPRENEURS

| S. No | Type of problem                             | No. of Respondents | Percentage |
|-------|---|--------------------|------------|
| 1     | License                                     | 3                  | 6          |
| 2     | Registration                                | 9                  | 18         |
| 3     | Government policies                         | 5                  | 10         |
| 4.    | Non-co-operation from Government department | 18                 | 36         |
| 5.    | Paper formalities                           | 6                  | 12         |
| 6     | Ignorance of Compliance                     | 3                  | 6          |
| 7     | Gender differentiation                      | 6                  | 12         |

It is clear from the table, 12 percent of the respondents opined that there is discrimination with the women entrepreneurs when they seek government assistance. 6 percent of the respondents find it difficult to get the import license. Only 6 percent of respondents had ignorance about various procedures and laws related to the entrepreneurial registration. The 36 percent of the respondents feel unhappy due to harassment of the officials and high corruptions at various levels. 18 percent of the respondents faced difficulties while registering their

firms.12 percent opined that they are fed up with lots of paper work and formalities.10 percent of the respondents feel that the industrial policies pertaining to the enterprise start-up is very rigid and complicated

TABLE-4: PROBLEMS RELATED TO MARKETING FACED BY SAMPLE WOMEN ENTREPRENEURS

| S.No | Type of Problem                      | No.of Respondents | Percentage |
|------|--------------------------------------|-------------------|------------|
| 1.   | Substitute products                  | 9                 | 18         |
| 2.   | Payment delays                       | 7                 | 14         |
| 3.   | No knowledge of External Environment | 15                | 30         |
| 4.   | Less mobility                        | 9                 | 18         |
| 5.   | Budget for promotion                 | 10                | 20         |

Entrepreneurs starting up their own entrepreneurial set up may or may not have the requisite educational qualification which implies lack of technical knowledge amounting to 14 percent of the respondents. It shows 26 percent of the total respondents face production problems due to the scarcity of raw materials which might be due to several reasons.20 percent of the respondents didn't accrue the requisite technical assistance for the smooth production run. Lack of infrastructural facilities account to 18 percent of the respondents

TABLE-5: FINANCE PROBLEMS FACED BY SAMPLE WOMEN ENTREPRENEURS

| S.No | Type of Problem                             | No. of Respondents | Percentage |
|------|---|--------------------|------------|
| 1.   | Shortage of Capital                         | 20                 | 40         |
| 2    | Sanction of loan delays                     | 3                  | 6          |
| 3    | No awareness on banking procedures          | 5                  | 10         |
| 4    | Lack of knowledge on Accounting procedures  | 8                  | 16         |
| 5    | Inflexible repayment procedures             | 4                  | 8          |
| 6    | Negative attitude of financial institutions | 6                  | 12         |
| 7    | Ignorance of banking procedures             | 4                  | 8          |
| 8    | Lack of accounting skills                   | 3                  | 6          |
| 9    | Bureaucracy and red tape                    | 5                  | 10         |

It is evident from the table that 24 percent of the respondents face the problem of shortage of fixed capital

and 20 percent were not able to run the enterprise well because of the shortage of the working capital. The repayment schedule of the banks is very rigid. 16 percent of the respondents face difficulties due to this constraint. 12 percent opined that bankers have negative attitude towards them.

Generally it is thought that women entrepreneur do not know banking procedure and accounting skills. But a very small percentage of the respondents encounter these problems. The banking organizations are bureaucratic in their approach and favoritisms are quite common in the Indian set up. 10 percent of the respondents face problems due to this factor. Only 4 percent of the respondents suffer from delay in loan sanctioning.

V.FINDINGS

There are several problems which the women entrepreneurs face right from the inception to the establishment of the enterprise:

- [1] Socio-economic problems are the greatest hurdle in women entrepreneurship. A large proportion i.e. 90% of women entrepreneurs face these problems followed by governmental problems then marketing, finance and production. The study reveals that production emerges out as the least problematic area for the women entrepreneurs.
- [2] Non-cooperation and initial resistance from the husband / family members at the starting of the business is the major socio –personal problem.
- [3] Passing of offensive remarks and statements by the government officials is the major problem encountered while seeking government assistance.
- [4] Little technical know-how and little acquaintance with the different strategies to be adopted while marketing of the products and services is the greatest marketing obstacle.
- [5] Non-availability of the raw materials in right time and in right quantity is one of the major production hurdles for the women entrepreneur to run the production cycle efficiently and effectively.
- [6] Finance is the life – blood of any enterprise. Availability of adequate finance accelerates the success of any enterprise. Scarcity of fixed capital along with the working capital is a major setback for the women entrepreneurs.

CONCLUSION

Women Entrepreneurs may face various problems during their entire span of entrepreneurship. But they should not lose heart and become demotivated. In spire of that they should make efforts to sustain their projects through proper training and development methods especially aimed at exploiting the various resources at their disposal for the sustenance of their business.

Suggestions

The following recommendations are made for removing the obstacles faced by the women entrepreneurs:

- Women entrepreneurs should make every effort to make work-life balance. The prospective women entrepreneurs should remain calm and poise and keep on convincing their family members and husbands in a positive way.
- In addition to different financial organizations, separate financial institutions have to be formed to provide financial aid.
- There should be some flexibility if the repayment of loans.
- Loan should be on easy terms and interest rate must be low.
- Assistance should be provided for procurement of raw materials.
- Women entrepreneurs should be advised on various issues of women entrepreneurship development.
- India needs economical growth it should shed off the bureaucratic structure of the government functioning.
- Separate outlets must be created for selling of the products of their enterprises.
- The women entrepreneurs should get help from various institutions to develop and evaluate their projects.
- Re-orientation on several things right from the grass- root level through formal training so that they can build their own enterprise and make it a successful one.

#### REFERENCES

- [1] Clark, T., and James, F. (1992). Women-owned businesses: Dimensions and policy issues. *Economic Development Quarterly*. Deshpande S. (2009):
- [2] Women Entrepreneurship in India. *International Research Journal*: Vol II. Issue 9-10 (Oct-Nov. 2009).
- [3] Dhameja, S. K. (2002). Women Entrepreneurs: Opportunities, performance and problems. New Delhi: Deep Publishers (P) Limited.
- [4] Gibb, A. (1997, April-June). Small firms' training and competitiveness: building upon the small business as a learning organization. *International Small Business Journal*, 15(3).
- [5] Kumar, Anil. (2004). Financing pattern of enterprises owned by women entrepreneurs. *The Indian Journal of Commerce*, 57(2).
- [6] Kubr, M., & Prokopenko, P. (1989). Diagnosing management training and development needs: concepts and techniques. ILO: Geneva.
- [7] Manimekalal, N. Nature and characteristics of women entrepreneurship in India. Oundarpandyan, P. Women entrepreneurship issues and challenges.
- [8] Raheem, A. (2006). Role of SHGs. *Yojna*, 50(12).
- [9] Vasanthh, Desai. *Entrepreneurial Development*, Bombay: Himalaya Publishing House.
- [10] Mishra S.: *Women Entrepreneurship Development in India*. Global Institute of Management. Bhubnaeshwar