

# Women Entrepreneurship: An Instigation or Obligation

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## Abstract

The world's survey 2017 revealed that the most promising avenue of investment, biggest upcoming markets, talent pools and the demographic dividend to be tapped is women's economic empowerment. In 2016, the entrepreneurial activity had grown to 10 percent and the gender gap contracted to 5 percent. Women initiation has increased to 14 percent but challenges like recognition, financing and sustainability of women led businesses remain unresolved. In spite of all such challenges its good to record that 14% of Indian businesses are owned by women and out of which 80% are self funded. The study was taken up with the objective of identifying the problems and challenges faced by the women entrepreneurs and solutions to overcome such problems. A sample of 200 women entrepreneurs from rural and urban areas was selected and data is collected and analyzed. The findings revealed that the psychological barriers and the lack of support from the family are the biggest challenge and problems faced by women respondents.

**Keywords:** *women empowerment; women economic development; women entrepreneurs;*

## 1. Introduction:

A global Phenomenon is that women have historically struggled to be in positions of authority or power in society, politics and business far more than men. In 2017, issues like elevating wage gap and gender based discrimination at work place still remains unanswered across geographies and income levels. Around the world it's just about 21 women wheel Fortune 500 companies. What doesn't stop surprising me is the issue of disparity, the studies, research, workplace and economic discourse ends in one direction that *Women are great for Business.*

As per the Global Entrepreneurship Monitor's Women's Entrepreneurship Report for 2016-2017, the report explains that 163 million of women were starting a new business or venture in 74 economies around the world in a year and 111 million women are already into the runway. In 2016, the entrepreneurial activity had grown to 10 percent and the gender gap contracted to 5 percent. Women initiation has increased to 14 percent but challenges like recognition, financing and sustainability of women led businesses remain unresolved. In spite of all such challenges its good to record that 14% of Indian businesses are owned by women and out of which 80% are self funded.

### The Essence of Women's Economic Empowerment:

A report of south Asia policy had expressed that the women in Pakistan, a country which is considered as very conservative in empowering women had promoted and initiated various schemes and policies for promoting women entrepreneurs in rural and urban areas. The women who are coming forward to start the small or any kind of business are provided training to equip them for handling the challenges and improve their level of knowledge in the business sector.

Global Entrepreneurs Summit 2017 has highlighted that women entrepreneur can drive economic growth. This is possible only

when the business houses, government and society increase and open up opportunities and space in global value chains.

The world's survey 2017 revealed that the most promising avenue of investment, biggest upcoming markets, talent pools and the demographic dividend to be tapped is women's economic empowerment. Women's economic empowerment is considered to be risky by many developed and developing economies, when we speak of women's economic empowerment it refers economic rights such as equality in ownership, equality in control and decision making, equality in productive employment, right to exercise their choices, right to contribute and develop themselves, family, community and society.

### Objectives of the Study

1. To analyse the problems and challenges faced by women entrepreneurs.
2. To investigate the solutions and developments to overcome the challenges.

## 2. Research Methodology

The study was descriptive cum exploratory in nature and based on Annual reports of the Ministries, Apex Institutions and publications and also through survey questionnaire. Women entrepreneurs constituted the population of the study. The sample unit formed both rural, and urban entrepreneurs having business located in villages, city and in and around Chennai who were categorized based on their educational status. The sample size for the study was defined as 200 respondents. Non – probability convenient sampling was used to define the population and the women entrepreneurs chosen for the study were categorized based on age group, marital status, income, residential status, education, nature of business and size of business.

Data collected for the study was both primary and secondary data. Secondary data was collected from various published articles, research papers, annual reports and websites of apex institutions and books on women entrepreneurs. Primary data was collected through structured questionnaire duly circulated and filled by the respondents selected for the study. The collected data was analyzed, interpreted and evaluated using required statistical tools.

### 3. Findings and Discussions

**Table 1:** Position of Women Entrepreneurs in India (2016-17)

Characteristics	Registered Sector	Unregistered Sector	ES	Total
Size of Sector (in lakhs)	15.64	198.74	147.38	361.76
No. of Women Enterprises	2.15	18.06	6.40	26.61
Percentage of Women Enterprises	13.72	9.09	4.34	7.36

It is evident from Table 2 that the number of employment opportunities created by women owned enterprises are appreciable and it need to be encouraged, motivated and promoted by government grants and financial aids exclusively developing the businesses owned and managed by women.

**Table 2:** Male and Female Owned businesses and employment provided by each.

Ownership	No. of Enterprises	Number of Workers
Male	34026592	71115400
Female	5289052	9394832
Total	39315644	80510232

It is evident from the above table that the majority of the businesses are owned by Male counterparts who account to 86.55% and the number of employment provided by such enterprises also higher to 88.33%. The percentage contribution of women comes to 13.45% who own the business and establishments and the employment opportunities created by such business houses stands at 11.67%. The employment opportunities generated by women enterprises stand high than men owned businesses.

Women beneficiaries under PMEGP 2011-16

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17*
Women Beneficiaries under PMEGP	14299	13612	13448	13394	7508	3178

\*Provisional estimate for 2016-17, upto December, 2016

Women beneficiaries under PMEGP 2011-16

Year	Number of Women Benefited	Total Grant (Rs. in crores)
2014-15	8265	2.54
2015-16	3560	2.00
2016-17	5000 (Proposed)	Nil till 31.12.2016

In India Tamilnadu is ranked first with 13.5% of female entrepreneurs who are successfully running their business and creating many opportunities for the other women's economic development.

34.3% in agriculture, 29.8% in manufacturing, 18.23% in trade, 5.38% in services and 2.77% in food services is the position of the current contribution made by the women entrepreneurs in developing the economy, but steps to be taken to encourage more percentage of women entrepreneurs' participation in all the fields.

The other scheme which is effectively concentrating on promoting women entrepreneurs and imparting training for their development is TREAD (Trade Related Entrepreneurship Assistance and Development) scheme for women. The objective of the scheme is to economically empower women through training, information and counseling in trade, product and services. The scheme helps the women entrepreneurs in sourcing the required funds for their business through NGOs who in turn are getting financial assistance from GOI grant for capacity building.

Table 1 explains the overall structure of the women entrepreneurs in India considering both registered and unregistered sector. It shows that only 7.36% (26.61 Lakhs) are owned and managed by women out of total 361.76 lakhs of enterprises. The registered sector accounts for 13.72% which is only 2.15 lakhs. Considering the percentage share of the women enterprises out of total MSME sector, contribution is very meager and sustainability is a biggest challenge.

The 79% of the women entrepreneurs are self financed and running their enterprises successfully and sustaining in their business, but there is a need to ensure that women are equally getting access to organise and government channels of finance. The 15% of the women ventures are funded through donations and transfers from other agencies and 3% gets financial aid from Government sources. Financial support from financial institutions, borrowings from money lenders and loans from self help group under micro finance scheme totals to 1% each.

The present studies have estimated that the GDP of India would see an additional increase by 1.4% every year if women were encouraged and promoted to start up new business and participate in the economy with par to men. The government has taken many initiatives and introduced various schemes to promote women entrepreneurs and development and equip them in all ways to handle the business with all challenges and problems and successfully move forward with their establishments. One such program which has concentrated more on women growth is PMEGP (Prime Minister's Employment Generation Programme). For the past five years many projects were supported by PMEGP.

The analysis of the primary data had resulted in the following findings:

- ✚ 47% of the women entrepreneurs come from rural area and urban contribution was 53%
- ✚ The majority (46%) of the respondents fall under the age group of 18 – 30 and 31-40.
- ✚ The study also revealed that 86% are married women and only 13% are unmarried and hardly 1% divorced. The married women are more instigated towards new start ups or developing and growing the existing businesses.
- ✚ 58% of the population belonged to low income group and the educational status was very poor in rural areas as compared to urban. 10% were educated and confident in their work and business strategies, they educate and equip themselves by attending various training programmes and also undergoing various courses to improve their standards with par to men owned businesses.

40% were below metric and 26% were upto secondary education. The challenges and the problems faced by these women entrepreneurs were due to the following reasons:

- (i) Poor education
- (ii) Lack of interest
- (iii) No market knowledge
- (iv) Lack of finance
- (v) Unaware of the government grants and financial supports extended by financial institutions.

The study further explored that the majority at 68% of women entrepreneurs were involved in trading activities and 32% were involved in services oriented businesses.

80% of the respondents strongly agreed that the lack of family support was the primary reason for them and they find it difficult to handle such problems. The majority of women entrepreneurs opined these were below metric, senior secondary and graduates but post graduates disagreed the statement.

78% of the respondents were facing psychological barriers such as “Its impossible”, “hard for me as a women” “its too challenging for me”.

86% of the respondents who do business in small scale feel that harassment by male counterparts is the biggest challenge they face and even ages had gone but still the women has no power or confidence to overcome such harassments.

83.3% of the women felt that lack of infrastructure, marketing ability, difficulties in getting loan, and lack of awareness of women specific financial credit system.

68% of respondents stated that the strict policies and regulations put them in difficulty to move forward or expand their business units. Moreover the other unofficial norms which are laid down specifically for women owned business units create a huge challenge for women entrepreneurs.

#### Suggestions to Promote and Develop women Entrepreneurs

1. The best education facilities and preferred courses should be introduced for imparting skills to women.
2. The government should initiate more training programs to develop the managerial skills of women entrepreneurs.
3. The study reveals that majority of the women entrepreneurs are involved in manufacturing activities, vocational training should be introduced and effectively carried out to enable them to understand production process and production management.
4. More and more training and counseling for women entrepreneurs in a large scale to be done to remove psychological barriers like lack of self confidence and fear of success.
5. State finance corporations and financial institutions should have more credit facilities to suit the needs of the women entrepreneurs exclusively for trade activities.
6. The gender sensitisation programs should be conducted frequently and financial supporters need to be trained to treat women with dignity and respect.
7. Industrial estates must create a provision for women entrepreneurs; government aids should be extended to form industrial plots and sheds. They should also provide marketing outlets for the display and sale of products.

8. To build the entrepreneurial attitude among women in the young age, well designed courses to be introduced in school levels which build confidence through behavioral games.
9. The step forward to change society attitude.
10. Encourage women participation in decision – making and value their thoughts and opinion.

#### 4. Conclusion

The purpose of the study is to focus on issue and challenges of women entrepreneurs which help them in achieving their goals or it push them back because they forcefully move forward on the grounds of compulsion.

The basic expectation of women in general whether she is categorized as employee or employer is explained with Maslow's theory of motivation.



Women comprise 30% of senior management positions in corporate, which is remarkably higher than the global average of 24%, but India secures 113<sup>th</sup> out of 135 in gender gap when it comes to overall global workforce. The jobs and the society provides and fulfils the basic needs like food, water, cafeteria, other benefits but it seems to be a large barrier in the next level of the pyramid – safety. Referring to the current sexual harassments and discrimination in the society women feels unsafe, socially discriminated (male counter parts domination from family and society) and disrespect.

The women can attend to their family and work provided they are cared loved and gives them sense of belonging and the work which give psychological satisfaction when their dignity and self respect is not questioned. Self actualization is still a dream for many women as still they find it difficult to overcome the societal and family challenges. Many women immaterial of educated or not has made a remarkable achievement as women entrepreneurs. However, the recognition is denied to many uneducated women entrepreneurs who passionately raise family incomes through micro and small businesses. These women are considered as role models for other women of same area. Women Entrepreneurship is a wheel that has set in motion. They are becoming self aware and authoritatively command the recognition for the potential work should be awarded and respected. In conclusion quoting – Anne Sweeney, “Define success on your own terms, achieve it by your own rules, and build a life you're proud to live.”

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