

# Determination of Challenges Faced by Women Entrepreneurs - A Suggestive Approach

## Abstract

In the past women entrepreneurship was a neglected, but with the spread of education and awareness among the women the picture has been changed and the women have emerged as today's great entrepreneurs. The main purpose of this paper is to find out the contribution of women entrepreneurs in India. Another purpose is to study the challenges faced by women entrepreneurs and the programs undertaken by government, NGO's and other institutions. On the basis of this study some measures are given through which women entrepreneurs can become successful entrepreneurs.

**Keywords:** Women, Economic Development, Counselling, Training, Finance.

## Introduction

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 or she commits himself or herself to its cost. Women entrepreneurship may be defined as a woman or a group of women who initiate, organize and run a business enterprise. As an entrepreneur, a woman has to perform all the functions from setting up the enterprise to raising funds, procuring raw material, labour and do to day operations which include decision making, coordinating, risk taking planning etc. Now they are growing and blossoming as successful persons on their own. The emergence of entrepreneurs in a society depends greatly upon the social, cultural, economic, psychological and religious factors prevailing in the society. There has been significant rise of women entrepreneurs who are starting their own ventures. In modern times women are taking initiative to become self employed and also gave employment to others. Due to increase cost of living women are coming up to undertake economic activities to support their families. But it is also a fact that 50% of the population constitute women but their share in economic development is very low in developing and under-developed countries. Traditionally women remain un-represented as an entrepreneurs. Women were confined to only household activities and their family. Although women were equally important as compare to men for the development but they were discriminated and suppressed.

Women entrepreneurs are categorized into organized and unorganized sector, traditional and modern industries, urban and rural areas.

Khanka (2002) referred to women entrepreneurs as those who innovate, imitate or adopt a business activity, given that entrepreneurship is the set of activities performed by an entrepreneur, it could be argued that being an entrepreneur precedes entrepreneurship.

Government of India (GOI2006) defined women entrepreneur as "an enterprise owned and controlled by woman having a minimum financial interest of 51% of the capital and giving at least 51% employment generated to women."

"You can tell the condition of a nation by looking at the status of its women."

**-Jawaharlal Nehru**

## Review of Literature

Mahajan (2013) describes the success story of Hina Shah the most successful women entrepreneurs of India in plastic packaging and Founder of ICECD. On the basis of her analysis some recommendations are given to promote spirit of women entrepreneurship and helping the women to become a successful entrepreneur.



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Kavitha (2014) describes that economic independence is the need of the hour. Participation in income generating activities helps in the overall empowerment of women and provides an insight into the challenges and advantages faced by them.

Meenakshi (2013) proposes a brief idea about the importance of entrepreneurship and its influence on the empowerment of rural women. Also it throws light on constraints of rural women entrepreneurs with solutions to overcome those.

Anis (2013) describes in the work the role of woman entrepreneurs of SMEs, various SME industries for woman entrepreneurs, financial and technical aids for the women, problems faced by entrepreneurial activities and opportunities to increase entrepreneurial skills among the woman entrepreneurs as well as it recommends suggestions.

Chavan (2016) unfolds the significance of women entrepreneurship and also focuses the role of women entrepreneurs in the Indian economy and also their contributions to the economic development.

#### **Objectives of The Study**

1. To study the share of establishments run by women entrepreneurs in different states of India.
2. To study the challenges faced by women entrepreneurs.
3. To know the programs undertaken for women entrepreneurs.
4. To recommend the measures for development of women entrepreneurs.

#### **Research Methodology**

This study has been relied on secondary data. The information is collected from various publications such as thesis papers, journals, books, newspapers, magazines and websites. The research design is descriptive in nature.

#### **Need For Women Entrepreneurship Narrowing Gender Gap**

Women entrepreneurs inspire other women to start businesses. This leads to more job creation for women which ultimately helps in reducing the gender gap in the workforce.

#### **Economic Growth**

The economic impact of increased female entrepreneurial participation is significant and holds the potential to continue to be a major driver of economic growth.

#### **Company Culture**

Studies show that women-owned firms tend to have better company culture, high values and transparency.

#### **Social Change**

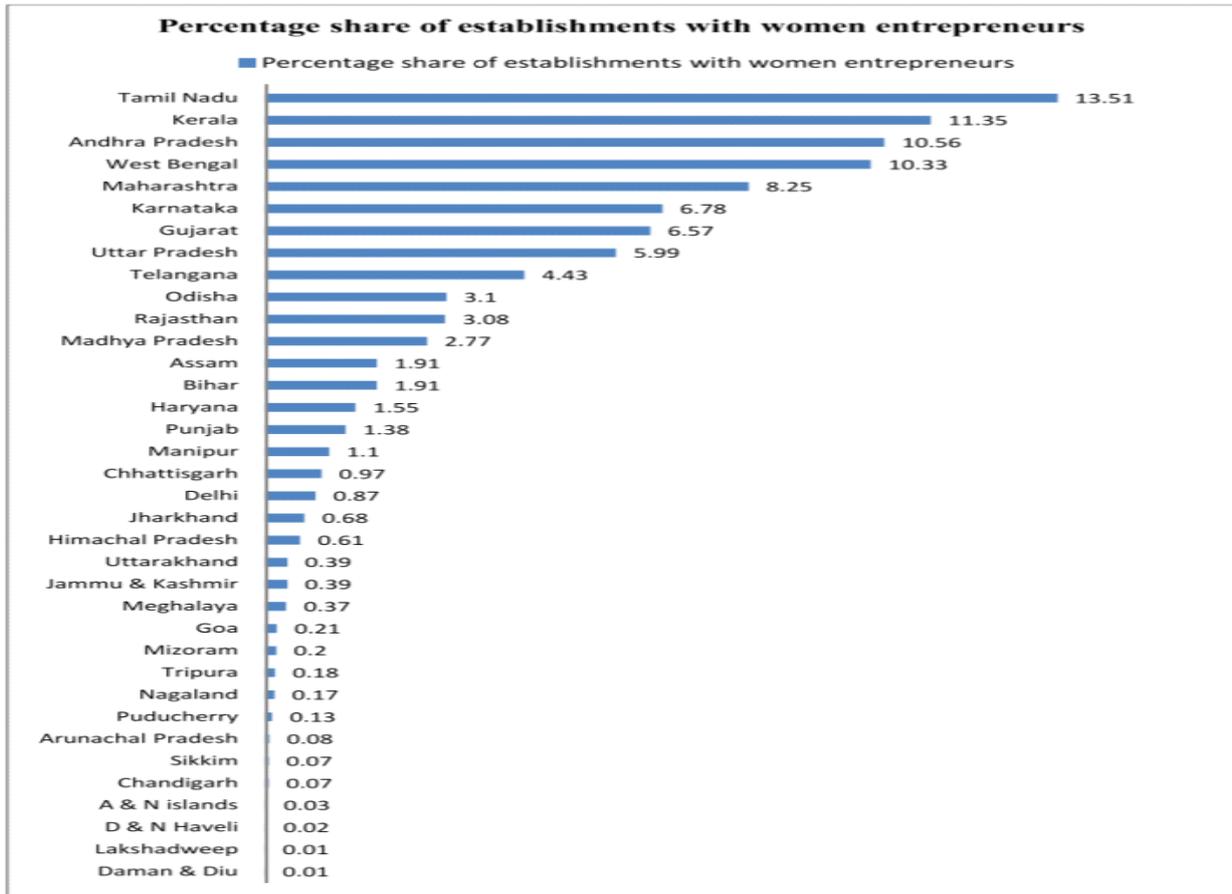
Woman entrepreneurship can lead to a tremendous social change, making women financially empowered and independent.

#### **Safety At Workplace**

Women-led organizations are more sensitive to women safety issues. They design and implement strict anti-harassment policies and guidelines to ensure women safety.

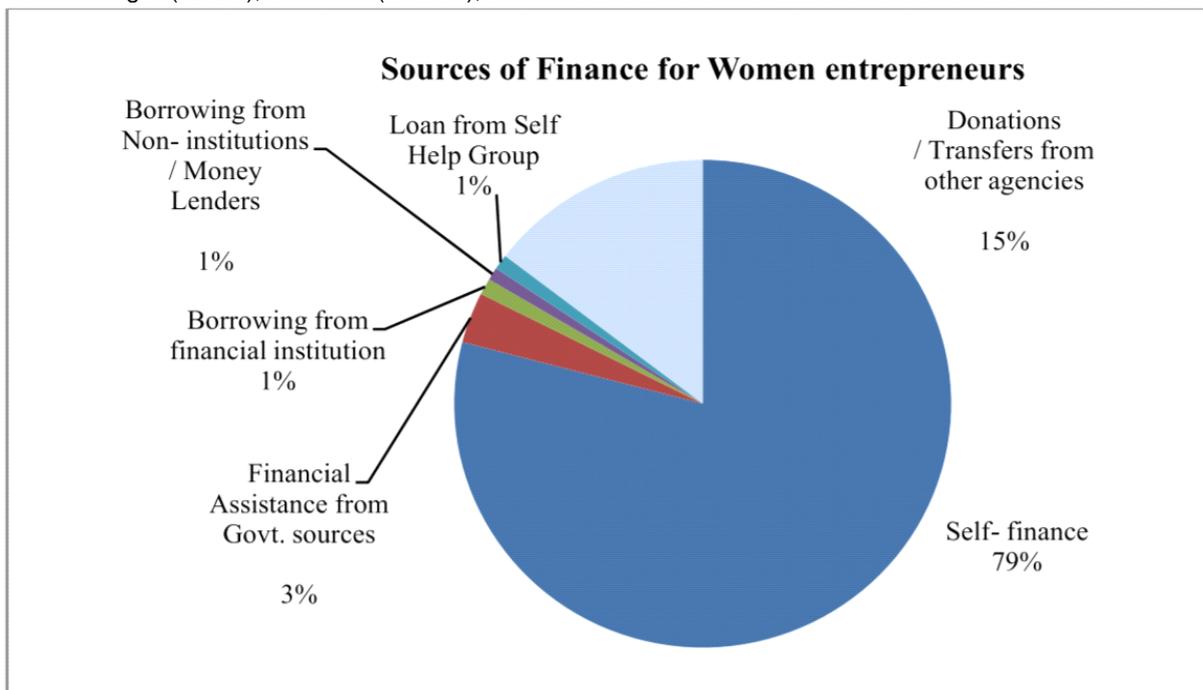
#### **Establishments Run By Women Entrepreneurs**

According to Sixth Economic Census, in India there are 8,050,819 establishments which are run by women entrepreneurs out of which 5,243,044 (65.12%) establishments are located in rural areas and 2,807,775 (34.88%) are located in urban areas. The following figure shows the state wise contribution of women entrepreneurs, where Tamil Nadu has the highest %age of women entrepreneurs i.e. 13.51% followed by Kerala 11.35% & so on.



Source: MSME Annual Report 2016-17

The top number of establishments run by women entrepreneurs are agriculture (34.3%), manufacturing (29.8%), trade (18.23%), other services (5.38%) and accommodation & food services (2.77%).



Source: MSME Annual Report 2016-17

The main source of finance for women entrepreneurs is self-finance and constitute nearly 79% share which shows that still other sources of finance are far from the reach of women entrepreneurs and they are bound to rely on their own savings and loan from friends & relatives. Banks and financial institutions also treat women as less credit-worthy and discourage women borrowers.

### **Challenges Faced By Women Entrepreneurs**

#### **Problem of Finance**

Access to finance is one of the most common challenges that women entrepreneurs face because the reach of financial assistance to women is low as compare to men and they have to depend upon their husbands, friends or relatives for finance.

#### **Heavy Household Responsibilities**

Women are required to perform their traditional role as housewives and therefore, they have fewer hours of free time than men. Total involvement in families leaves no energy and time for business.

#### **Low Risk Bearing Ability**

In India women are not economically self-dependent. They are not ready to take even smaller risks. So this thing is a hurdle to run any business.

#### **Lack of Managerial Skills**

Due to lack of proper education woman do not have adequate knowledge of business, technology and managerial skills. So it creates problems in running any enterprise.

#### **Male Dominated Society**

The constitution of India speaks of equality between both male and females but in actual women are treated as weak at every stage. So it is a barrier to women entry into business.

#### **Mobility Constraints**

Women in India have to face lot of restriction on their mobility due to that career of women is limited to four walls of kitchen. So women faced lots of problems being mobile in entrepreneurial activity.

#### **Lack of Confidence and Faith**

Lack of role models undermines the self confidence of women entrepreneurs. The activity of selling is considered abhorrent to the female gender.

#### **Programs Undertaken For Women Entrepreneurs**

The efforts of the Govt. of India, Banks, NGOs and various other associations have encouraged the women to start up and sustain in the entrepreneurial activities. They have also facilitated the woman empowerment.

1. Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women- Provided by the Ministry of Micro, Small & Medium Enterprises.
2. Integrated Support Scheme provided by the National Small Industries Corporation (NSIC)
3. Prime Minister's Employment Generation Program (PMEGP) provided by the Khadi and Village Industries Commission (KVIC) and Coir Board
4. Priyadarshini Yojana Scheme by Bank of India
5. Support to Training and Employment Programmes for Women (STEP) provided under

Schemes of Ministry of Women and Child Development

6. Swayam Siddha provided under Schemes of Ministry of Women and Child Development
7. Micro & Small Enterprises Cluster Development Programme (MSE-CDP)
8. Credit Guarantee Fund scheme
9. SIDBI Marketing Fund for Women (MFW)
10. Management Development Programmes
11. Indira Mahila Yojna
12. Mahila Samiti Yojna
13. National Banks for Agriculture And Rural Development Schemes
14. SBI s Stree Shakti Scheme
15. NGOs Credit Schemes
16. Micro Credit Schemes
17. Integrated Rural Development Programmes (IRDP)
18. Women's Development Corporations (WDCs)
19. Marketing of Non-Farm Products of Rural Women (MAHIMA)
20. Assistance to Rural Women in Non-Farm Development (ARWIND) schemes

### **Measures for Development of Women Entrepreneurs**

Following efforts can be taken into account for effective development of women entrepreneurs.

#### **Consider Target Group**

Women should be considered target group for development programmes.

#### **Provide Educational Facilities**

Educational facilities should be provided to women by government so that they can become self dependent.

#### **Training on Management Skills**

Training on management skills to be provided to women community. The professional education and training should start from school level. Women must be educated and trained to acquire the skills and knowledge in all the functional areas of business management.

#### **Impart Vocational Training**

Vocational training to be imparted to women community that helps them to understand the production process and production management.

#### **Training on Leadership Skills**

Training on professional competence and leadership skill to be extended to women entrepreneurs.

#### **Counselling**

Counselling should be provided to women entrepreneurs by NGO's, managerial experts and technical personnel.

#### **Build Self-Confidence**

Such training and counselling should be imparted to women that helps in building their self confidence and remove the fear of failure.

#### **Monitoring of Training Programs**

Most of the training programs regarding the improvement of women entrepreneurs must be so motivational and encouraging as well as these training programs must be observed and supervised as well as followed up by the appropriate human development officers.

**Marketing and Sale Assistance**

Making provision of marketing and sales assistance from government part.

**Trade Related Finance**

Financial institutions should grant trade related finance to women entrepreneurs. With the support from different financial institutes, banking company and banks can uplift the women entrepreneurs.

**Working Capital Assistance**

The financial institutions should provide more working capital assistance to women entrepreneurs and must be free from any sort of complexity.

**Guidance Cell**

Women Entrepreneur's Guidance Cell should be set up to handle the various problems of women entrepreneurs.

**Programmes for Encouraging Entrepreneurship**

Programmes for encouraging entrepreneurship among women are to be extended at local level.

**Well Designed Courses**

Entrepreneurial behavior should be build from the school level through well-designed courses which helps in building confidence.

**More Government Schemes**

More and more government schemes have to be started in order to motivate women entrepreneurs to start up their ventures. The government need to ensure the availability of credit for fixed assets and working capital, focusing on timeliness and adequacy in a gender-sensitive manner.

**Conclusion**

Nowadays women entrepreneurs are contributing a lot to the economic growth. The transition from homemaker to women entrepreneur is not so easy and in the same way it is also difficult for

a woman to succeed and sustain in her business. Women can do wonders by their effectual and competent involvement in entrepreneurial activities. By taking the measures NGO's, government, financial institutions, banks and other associations can uplift the women entrepreneurs. Programs and policies need to be customized to not just encourage entrepreneurship as well as implement strategies which can help and support entrepreneurial culture among women.

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