

# Women Entrepreneurship and Service Sector

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## Abstract

Women entrepreneurship globally and in India as well has long remained a neglected area of study. In recent times milieu of economic turmoil worldwide centered researcher's attention to women entrepreneurship and established the fact of them being an important economic agent.

Women entrepreneurs can play powerful role in confidence building and creating awareness in other women to promote self-reliance. On the other hand, women entrepreneurs have to face more problems than men entrepreneurs. Their risk taking ability is less. They have to devote more time to the family and maintain a balance

between their family responsibility and business. Other obstacles faced by women entrepreneurs include being accepted as a woman in business, lack of a role model, lack of professional interaction, difficulties in gaining the confidence of their clients and suppliers, lack of adequate training, and lack of related experience.

In the past, in Indian culture, women were treated as subordinates and executors of the decisions made by male members of traditional family structure. They were considered as a 'weaker gender' in the society. But this scenario is gradually changing in the modern era due to women literacy, socio-economic empowerment and change in attitudes. Women in India constituted 48.46% of the total population as per census 2011 and almost 65.46% of them are literates. (Population Census, Government of India, 2011). The globalization across the world and in India in particular, has given impetus to a more active participation of women in the workforce especially the service sector where they account for more than 70% of employees. Today's Indian women are not confined to homes alone, their talents and capabilities are explored in almost all fields competing equally with the male counterparts. Their status in the society is witnessed as vibrant and filled with aspirations demanding a new lifestyle. Further, in the entrepreneurs' league, women entrepreneurs are gaining momentum where they account for 10.11% (Prabhakar, 2012).

The prime objective of this chapter is to analyse the

self-employment opportunities for women especially in the service sector. Women's presence is very small in this sector. At present their involvement is merely as temporary labourers both in rural and urban areas.

The traditional role of women, gender identity with submissiveness, dependence, and obedience do not go very well with the competencies required for development of entrepreneurship such as assertiveness, independence, risk taking and organizing. The very important argument is that women entrepreneurs have low-level management 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. Marketing means mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Even when they are otherwise in control of an enterprise, they often depend on males of the family in this area (Vikram Chawla, 2009). So this chapter focuses on problems, need, scope as well as special schemes for women entrepreneurship.

**Key Words:** Women entrepreneurship, women entrepreneur, constraints, micro enterprises.

### **Introduction**

Entrepreneurship is considered to be the combination of "Entrepreneur and Enterprise". Organising an enterprise is described as entrepreneurship. Here enterprise is defined as

a unit of economic activities or an economic organisation especially a business organisation. Entrepreneur is generally understood to be the owner of such an enterprise. One who undertakes a business venture by combining the resources for production is called an entrepreneur.

According to *K. Schumpeter*, entrepreneurship can be defined as a "creative activity, the entrepreneurship being an innovator, who introduced something new into the economy, a new method of production not yet tested by experience in the branch of manufacturing concern, a product with which the consumers are not familiar, a new source of raw materials or of new market hitherto unexploited and of similar innovation." (Bhramarbar Badhai, 2003).

### **Objective of the study**

The prime objective of this chapter is to analyse the self-employment opportunities for women especially in the service sector. Women's presence is very small in this sector. At present, their involvement is merely as temporary labourers both in rural and urban areas.

This article to describe the emergence of women entrepreneurship on the following heads –

1. Need for women entrepreneurship.
2. Women's contribution to national economy.
3. Problems of women entrepreneurs.
4. Special schemes for women entrepreneurship and.
5. Nurturing process of women entrepreneurs.

### **Women Entrepreneurship**

Women in India often have to play different roles like mother, wife in the houses as well as entrepreneurs in the businesses. Multitasking and work-life balance are the orders of the women's day. They have to manage both family commitments also business requisites. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. "Having primary responsibility for children, home and older dependent family members, few women can devote all their time and energies to their business" by Starcher, 1996 (Nicole Seymour, 2008).

Entrepreneurship amongst women is a recent phenomenon. When an enterprise is established and controlled by women, it not only boosts economic growth, but also has many desirable outcomes. Women entrepreneurship is defined by Government of India, "the women entrepreneur is an entrepreneur, who run an enterprise owned and controlled by her and having minimum financial interest up to 51 percent of capital and giving at least 51 percent of the employment, to women," (Shiva Malik, Taranjit Kaur Rao, 2008) . Women have innate flair for entrepreneurship.

The Government of India has given a different and broader definition to the concept wherein they have gone by majority level of equity participation and employment of women. A women entrepreneur is defined as an enterprise owned and controlled by women having a minimum financial

interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women.

Women entrepreneurs are those women who think of a business enterprise, initiate it, coordinate for production, sales and financial management and face risks and benefits of running a business organization (Khan, R.R. 2015, p. 174). Hisrich and Brush (1987) surveyed 468 women entrepreneurs and found that it is most likely that a typical women entrepreneur generally starts her venture late after she is 35 years and her biggest business startup problems are finance, credit and lack of business training. They find that female entrepreneurs experience varying business problems, particularly problems with weak collateral positions, obtaining credit and overcoming society's belief that women are not as serious as men about business (Prema Basargekar, 2007).

Women entrepreneurs can play a powerful role in confidence building and creating awareness in other women to promote self-reliance. On the other hand, women entrepreneurs have to face more problems than men entrepreneurs. In most of the cases, women do not have access to productive resources. Their risk taking ability is less. They have to devote more time to the family and maintain a balance between their family responsibility and business.

## **Qualities of Women Entrepreneurs**

### **Adequate Knowledge**

A woman entrepreneur is considered more serious about her business. She must have thorough knowledge of market conditions, latest technological developments and other related economic conditions. Every entrepreneur must have adequate knowledge about the business.

### **Decisiveness**

No study supports the hypothesis that the male possesses better decision making ability than the women has quick decision-making ability which is an inherent characteristic of a successful entrepreneur. The entrepreneur has to make numerous decisions in quick succession. Male entrepreneurs generally show a strong power of decisiveness while women lack decisiveness.

### **Innovative**

An important characteristic of a successful entrepreneur is innovativeness. A woman with innovative behaviour has a better chance of success than those who lack it.

### **Business Morality**

An entrepreneur in the real sense of the term is not concerned with profit alone. She also takes into consideration the needs of the society and tries to improve the standard of living of the people. She does not adopt unethical trade practices.

### **Self-Confidence**

Self-confidence is an essential characteristic of a successful entrepreneur. She should take every step with self-confidence and firm conviction. She should believe in her own capacity to influence the environment. Successful entrepreneurs believe that they can shape their own destiny but women generally lack self confidence.

### **Patience**

Another important characteristic of a successful entrepreneur is her behaviour in meeting odd situations. A person with patience can struggle hard and can revive even a closed business while a person without patience will feel frustrated and lose interest in his business.

### **Other Personal Qualities**

A successful entrepreneur should be tactful. She should have a charming personality. She should be frank and must possess persuasive power. She should sympathize with her workers and employees. All these personal qualities would lead her to success in business.

### **Need For Women Entrepreneurship**

For a long time women were confined to the limits of the home. Gradually more and more women entered professions and services. Now, finally, the women entrepreneurs have arrived. Business acumen is no longer a man's prerogative. Women are rapidly emerging as smart and dynamic entrepreneurs.

Women have entered almost all areas of business activity, cleaning powder - you name it. Women have already



entered the field. And the Indian woman has ventured in areas like cement manufacturing, steel works, etc. in which most of her counterparts from the more developed countries are yet to enter. In India, certainly women to mean business, women entrepreneurship is required on the following grounds: Society cannot afford to ignore this vast human resource with its immense potential.

Favourable changes in the socio-economic scene such as advent of labour saving devices have freed women from drudgery of long labour.

Concept of small family and break up of the traditional joint family system has resulted in psychological liberation experienced by women.

Increased aspirations to widen their horizon and extend their role.

### **Women's Contribution To National Economy**

Women play a crucial role in all walks of life and they contribute to the national economy both for Gross National Product (GNP) and Gross Domestic Product (GDP). Traditionally they were fully engaged with the household and agricultural sector as wage tree workers. In majority of the industrial families, women were consulted in each and every action of its development. Even, though they have been working with dedication and involvement, they do not get proper recognition or any kind of appreciation for their work.

Gainful employment of women is identified as a major entry point in promoting their economic conditions. Realizing

the fact, some young women entered the fields of industry, public service as well as business and are successful in these fields.

### **Schemes For Women's Entrepreneurship**

Women's welfare is an integral part of the planning process in our country but for the first time in India's planning history, a chapter on *Women and Development* was included as late as the Sixth Five Year Plan. It is clear from the recent experiences of women's development that a woman like a man can represent an economic unit or do business or service thereby giving more opportunities for women's development. The government has introduced many development and welfare programmes for women. These programmes are aimed at providing financial and technical assistance to poor women to start self-employment units. Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment. (TRYSEM) now renamed as Swarna Jayanti Gram Swarozgar Yojana (SGSY), Socio-Economic Programme (SEP), Support to Training and Employment Programme (STEP), Development of Women and Children (DWC), are some of the important programmes implemented by the Government with reference to women's development. Likewise Women Development Corporation, Central Social Welfare Board of State Social Welfare Boards are also entrusted with women development schemes through financial assistance and generate employment for women.

Women Development Corporations were established

in 11 states and union territories to improve the economic conditions of women by organizing training and generate employment. The Central Social Welfare Board through its programmes established agro-based productive self employment units and ancillary units. Apart from these programmers, some other incentive schemes were also started like TEP centers. Mahila Samridधि Yojana, Rashtriya Mahila Kosh, etc. However, the expected results have not been achieved till date, because the majority of these programmes had aimed at creating employment by starting production centers or big factories. It is very difficult for small and cottage industries in marketing their products, because consumers are attracted towards wide publicity and colorful advertisements, which need huge investments.

### **Institutions Helping The Entrepreneurs**

The efficient and entrepreneurial women waste their energy and talents by being simply engaged in the household work. Lack of finance hinders them from entering the field of self-employment. Majority of educated women are not aware of the schemes available from the government meant to help entrepreneurs or to become entrepreneurs. The following institutions are available for the benefit of entrepreneurs in the areas of finance, training consultancy and technical guidance along with schemes for concessions and subsidies for self-employment.

### **Financial Institutions**

1. Industrial Development Bank of India (IDBI).

2. Industrial Finance Corporation of India (IFCI).
3. Small Industries Development Bank of India (SIDBI).
4. National Small Industries Corporation (NSIC).
5. State Small Industries Corporation (SSIC).
6. All Commercial Banks.
7. Cooperative Banks.
8. Regional Rural Banks (RRB).
9. Gramin Banks.
10. State Financial Corporation (SFC).
11. State Industrial Development Corporation (SIDC).

#### **Institutions for Technical Guidance**

1. State Industrial Development Organization (SIDO).
2. District Industries Centre (DIC).
3. Technical Consultation Organization (TCO).
4. Small Industries Service Institute (SISI).
5. Small Industries Development Corporation (SIDCO).
6. National Research & Development Corporation.
7. Khadi & Village Industries Commission (KVIC).
8. Department of Science & Technology (DST).
9. Technology Development Cell.
10. LIC, GIC and Unit Trust of India.

#### **Training Institutions**

1. District Industries Centre (DIC).
2. National Bank for Agriculture and Rural Development (NABARD).
3. Council for Advancement of People's Action & Rural Technology (CAPART).

4. Small Industries Service Institute (SISI).
5. Indian Institute of Packaging (IIP).

**Schemes Available**

1. Refinance Scheme for Industrial loans for small and village Industries.
2. Composite Loan Scheme.
3. Scheme for SC/ST AND Physically Handicapped Entrepreneurs.
4. National Equity Fund Scheme.
5. Special Scheme of Assistance to Ex. Servicemen.
6. Seed Capital Scheme.
7. Single Window Scheme.
8. Scheme for Women Entrepreneurs.
9. Mahila Udyam Nidhi Scheme.
10. Scheme of Incentives for Exports.
11. Equipment Refinance Scheme.
12. Assistance to small Road Transport Operators.
13. Foreign Currency Refinance Scheme.
14. Refinance Scheme under – ADB Line of Credit.
15. Refinance Scheme for Industrial Estates.
16. Sampooma Gram Swarozgar Yojana (SGSY).

**Subsidies and Concessions to Entrepreneurs**

1. Technical subsidy.
2. Knowhow subsidy.
3. Power subsidy.
4. Generator subsidy.
5. Relief.

6. Sales tax exemption.
7. Octroi duty exemption.
8. Electricity duty exemption.
9. Stamp duty exemption.

### **Activities Suitable For Women**

The service sector is having enormous service and business opportunities for self-employment of poor women, both in rural and urban areas. A number of service-oriented activities identified suitable for women at household level include agri-related services like implements repairing station, sprayer (pesticides) hiring, tractor hiring, seeds sales centre, animal health care, rice and flour mill and cereals processing, chairs and vessels hiring, oil extracting, cashewnut processing, grading of agricultural and livestock products, fish processing and selling, nursery schools, cycle repairing and vegetable sales.

Other services include petty shops, hotel running, beauty parour, selling of consumable items, fire wood shop, tailoring, spinning and weaving, dying and bleaching, embroidery works, washing and ironing, balwadi and crèche running, pulse de-huking, electronics and electrical goods, public telephone services, telephone cleaning, type writing institute and computer training centers.

Agri-related services outside the household sector include commission mandi, horticulture nursery, services like soil testing, transportation of agricultural goods, organizing daily and weekly markets and milk vending.

Other services outside the household sector include lodging services, travel agency, pandal decoration works, marriage brokering, yarn supply, masonry services, real estate, medicinal plants, collection courier service, law services health clinic, voluntary service and motion picture distribution and projection (Chinnaburai, R. 2005).

### **Problems Of Women Entrepreneurs**

For starting and running the unique women have to face various problems:-

#### **Poor self Image of Women**

The present education, books, the media, films and all prevailing socio-cultural norms conspire and combine to perpetuate the image of women as a weak, submissive, non-aggressive daughter, an obedient, dutiful, dependent and faithful wife and a self sacrificing mother. Women themselves are so conditioned that they too unquestioningly accept this image of themselves and denigrate other women who might choose to question or step out of this traditional acceptable mould.

#### **Immobility of Women**

Women are prohibited to move to long distances. Even short distance movements are allowed only for highly educated middle class family women. But, as far as entrepreneurship section is concerned, the owner may need to move to various places often to gain knowledge and to get things done. The commanding men tend not to bear it. Therefore this hurdle of immobility to the development of

women finally leads to idleness of women.

### **Immoral behaviour of men towards women**

In the entrepreneurship field, women are facing a number of problems. The administration and management of industries or services requires close and continuous watch over work in progress and demands mutual relationship with workers irrespective of sex. Sometimes, the proprietor has to stay with management to solve the problems or to take some important decisions; even she may have to stay during night. The traditional society having orthodox men dislike women's stay outside. Men may start doubting the moral behaviour of women, ultimately leading to lot of problems in family such as separation, divorce etc.

### **Traditional Value system**

In the patriarchal society, men still dominate over women in all walks of life. Even educated women are simply sitting in the house after completion of housework. They are wasting their energy in reading storybooks, playing with house maidens and gossiping with neighbours. Skilled and professional women also need to obey the decisions taken by their husbands. The effective traditional value system and writings like Manu Smriti, Vedas and other literature are still focused on suppression of women. Indian culture bothers more about safeguarding virginity of women. So women are not allowed to go out of the family to take any jobs or to attend higher studies or to get professional training.

### **Low level of literacy**



Literacy or low level of education is another important barrier to the entry of women in the entrepreneurship sector. Only after independence, because of various measures taken by the government as well as by the individual reformers, the importance of imparting education to female children has been realized. Parents face problems in searching suitable bridegrooms, in spite of being ready to pay the demanded dowry. Therefore, parents are not interested in sending the girl child for higher studies. Even in schools, the ratio of dropouts is higher for females. The low literacy leads to lack of awareness and courage to get into the employment field.

### **More Household Responsibilities with Women**

Women do not find time to think of their individual economic freedom. The wealthy women and women of higher status think that entering the risky field of entrepreneurship is waste of energy and money with the limited available time.

### **Lack of awareness**

It is true that lack of awareness hinders women's entrepreneurship. There are a number of factors responsible for the lack of awareness among women, illiteracy, ignorance, lack of proper propaganda by agencies, corruption among government functionaries, etc. are some of the important factors responsible for this problem.

### **Non-availability of Proper Guidance**

A number of schemes and programmes have been introduced and implemented for the socio-economic emancipation of women at various levels irrespective of caste,

class, race, place, affluence and indigence. But, these provisions and facilities are not known to the majority of women who are to be the beneficiaries. The government has initiated measures to propagate the same through media, but it has not reached the majority of women living in rural areas, especially uneducated women. The better-informed people also do not come forward to guide and help the women to start self-employment and to climb up the economic ladder.

### **Difficulties in Availing of Loan Schemes**

It is well known that women do not derive any assets from their parents. In the husband's family also, they have no property in their names. Often women are not willing to ask for the property rights because of the binding family relation and social custom prevail in the society. This condition does not permit women to avail any benefit from the financial institutions and this hinders their economic prosperity.

### **Measures To Strengthen Women's Entrepreneurship**

Empowerment of women is the prime objective of all development programmes and policies. These programmes could be planned properly and implemented effectively in order to attain self-sufficiency and self-reliance. U.N. Commission on Status of Women says: *Women constitute half of the world's population, accomplish about two thirds of its work hours, and receive one tenth of the world's income* (Chnnaburaj, R. 2005). The following measures can strengthen self-employment in the service sector, which will generate additional income leading to economic

independence of women:

1. Identification and organization of innovative and high income generating activities suitable for women.
2. Development of entrepreneurial abilities of women by organizing special types of training.
3. Encouraging women to take up part-time jobs while being in the house itself, to earn additional income to support the family.
4. Effective planning at the micro-level.
5. Adequate representation of women experts in the case of women related development planning.
6. Central and state governments to place more emphasis on untouched areas in the service sector to involve women.
7. Government can establish a separate mechanism at the Centre, state and district levels to look after women's employment and their problems.
8. Development of infrastructure facilities and supportive services like land, building, transport and also to look after the children.
9. Encouraging women through formal and non-formal education to involve themselves in the service sector.
10. Organizing women labourers in the service sector through women's associations, cooperative societies or Mahila Mandals, etc.
11. Establishment of supervisory bodies to monitor the implementation of Constitutional provisions related to

women.

12. Steps to make women aware of technical and financial assistance available to women entrepreneurs, and to encourage them through concessions and incentives to enter into the service sector.
13. Government should encourage research and development in the service sector to find out high income generating activities suitable for women.
14. Wide publicity to training programmes in the service sector.
15. Creating awareness among educated and uneducated youth about the availability of facilities and concessions for entrepreneurs.

### **Conclusion**

Thus, this lesson vividly explains to you the basic concepts of entrepreneurship, who is an entrepreneur, what are the qualities of successful entrepreneurs, problems of women entrepreneurs, its need and scope.

Entrepreneurship is neither a science nor an art. It is a practice. It has a knowledge base. Knowledge in entrepreneurship is a means to an end. Indeed, what contributes to knowledge in practice is largely defined by the ends, that is, by practice.

Women entrepreneurs are considered as a special case even though, we have lakhs of women who are well qualified, professionally qualified, competent and capable of becoming entrepreneurs. Even they have all the capabilities

to become CEOs and Directors of large size corporations. In spite of this we have very few women entrepreneurs in our country. The main barriers are (a) role of motherhood and family responsibility, (b) socio-cultural and traditional values, (c) inability to cope up with tension and pressure of entrepreneurship and (d) family restrictions. That many young women now work in odd hours at ITES and BPO itself can be considered as an enterprising activity.

Besides, it tells you that the information gap largely affects women's development. Therefore, the Non-Governmental Organizations (NGOs) and other associations can take initiatives to make women aware and motivate them towards self-employment. At the same time individual women should also come forward to take advantage and risks in the entrepreneurial sector. Women are a very important segment in development at local to global levels. Economic independence and education of women will go a long way in attaining self-reliance for women.

The Government should take necessary steps to address the root cause of all the issues and interventions of women entrepreneurship to prove what the first Premier of India, Late Jawahar Lal Nehru, Once rightly remarked **“when a woman moves forward, the family moves, the village moves and the nation moves.”**

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