



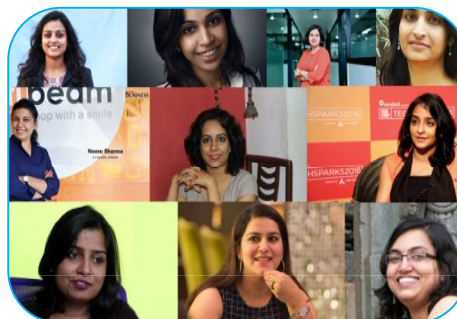
## WOMEN ENTREPRENEURSHIP IN INDIA : ITS ISSUES AND CHALLENGES

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### ABSTRACT

*Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. The increasing presence of women as entrepreneurs has led to the change in the demographic characteristics of business and economic growth of the country. Women owned business enterprises are playing a prominent role in society inspiring others and generating more employment opportunities in the country. There is need for substantial growth of women entrepreneurs, to promote a balanced growth in the country. Women entrepreneurs are growing in India – today we have 13.5 -15.7 million women-owned enterprises, representing 20% of total enterprises, an increase from 14% a decade back. This paper focuses on the problems, issues, challenges faced by women entrepreneurs, how to overcome them and to analyze policies of Indian government for and problems faced by them while pursuing their business.*



**KEYWORDS:** *Entrepreneurship, economic growth.*

### INTRODUCTION

Entrepreneurship is necessary to initiate the process of economic development of both developed and developing countries as it is the back bone of economy of any country. Entrepreneurship refers to combining the available resources of production in such a new way that it produces the goods and services more satisfactory to the customers. Women entrepreneurship has been recognized as an important, untapped source of economic growth during the last decade. With the spread of education and awareness, Indian women have shifted from the extended kitchen, handicrafts, and traditional cottage industries to non-traditional, higher level of activities.

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as —an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women.

Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs.

A study suggests that women's entrepreneurship at its full potential can add 150-170 million new jobs and exponentially contribute to India's economic growth. According to the Google and Bain & Company report, 13.5 to 15.7 million women-owned enterprises make up 20 percent of all the enterprises in the country. This is a rise from 14 percent to the current 20 percent over the last decade. Despite the growth, several constraints restrict women entrepreneurs from reaching their full potential. According to the Women Entrepreneurship and Development Index (2015), **India performs sub-par with a rank below the 20th percentile in the female entrepreneurship index.** This rank is worrying because not only does it lag far below the developed markets like the US and UK, but also the developing countries like Brazil and Nigeria.

## 2. IMPORTANCE

World economy of the country is classified into developed economy, developing economy and underdeveloped economy. As per statistics it is known that in well-developed economy women are having freedom to develop as an entrepreneur, they are having equal priority as equal as man, but in developing economy and under developed economies women are facing different types of problem, though government introduces different types of schemes for the sake of women. Women are growing well day by day in all sectors and in all areas. Their contributions are more as scientists, software engineers, technocrats, economists, professors, lawyers, doctors and as a businessman also. So, it is clear evidence that women contribution for economy is essential and considerable.

## 3. OBJECTIVES

1. To analyse the Status of women entrepreneurship in India.
2. To examine the Issues and challenges of women entrepreneurship in India.

## 4. METHODOLOGY

This paper is a descriptive study in nature. The present study is based on secondary data which is collected from the secondary sources. Secondary data have been collected from the various publications of economic survey reports, RBI, NABARD, Census Surveys, SSI Reports, books, journals, periodicals and website etc.

## 5. REVIEW OF LITERATURE

- i) **Greene et.al., (2003)**, evaluate the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives.
- ii) Dr. Sunil Deshpande & Ms. Sunita Sethi, Shodh, Samiksha aur Mulyankan (Oct.-Nov.-2009) in their research paper exhibits the encouraging and discouraging factors in an enterprise and to provide solutions to the various problems faced by the women entrepreneur group. For the betterment of women entrepreneur emphasize should be on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy.
- iii) Gurendra Nath Bhardwaj, Swati Parashar, Dr. Babita Pandey and Puspamita Sahu in this study revealed the major hurdles that the women face during starting and running a company generally come from financing and balancing of life. This study suggested that government should set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities, and precautionary measures should be undertaken to avoid the misuse of such facility by the men in the name of the women.

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## 6. STATUS OF WOMEN ENTREPRENEURSHIP IN INDIA

(Sairee Chahal 2014) Founder SHEROES, points out that, according to the International Labour Organisation, India ranks in the bottom 20 of a list of 131 countries in female labour force participation. Female employees in top rank in India are just 5 per cent compared to the global average of 20 per cent. She adds, "In India almost 48 per cent women drop out of workforce before they reach the middle of their careers, compared to the Asia regional average of 29 per cent." Women who are working in SSI are divided into three categories. Some women are owners of the enterprises, some are employees and some are managers. No. of women who are indulge in SSI are approx. 10, 63,721. Number of enterprises which are managed by the women are 9, 95,141. In the States of Mizoram, Orissa, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu and Pondicherry, the share of women employment was significantly higher. The total number of female employees in the SSI sector is estimated at 33, 17,496. About 57.62 % of the female employees were employed in the SSI units located in the States of Tamil Nadu, Kerala, Karnataka, West Bengal and Andhra Pradesh. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women.

## 7. PROBLEMS FACED BY WOMEN ENTREPRENEURS

Women not only face problems as entrepreneurs but as women themselves and therefore compared to men the problems of women entrepreneurs are numerous.

### A) Non-Availability of Finance

They have lack of access to funds, because they do not possess any tangible asset and credit in the market. Very few women have the tangible property in hand. So, they are suffering from inadequate financial resources and working capital.

### B) Managerial problem

Another serious problem for women entrepreneurship is managerial inadequacies. Modern business demands vision, knowledge, skill, aptitude and whole hearted devotion. The managerial competence of the entrepreneur is very important for the success of any venture.

### C) Problem of marketing

One of the major problems faced by women entrepreneurship is in the field of marketing. It has not in a position to get first hand information about the market i.e. information about completion, taste, liking disliking of consumers. Therefore, it is not able to upgrade the products according to the changing business environment.

### D) Less Confidence

Women entrepreneurs are not confident about their strength and competence. Their family members don't stand by their entrepreneurial growth. In recent years, though the situation is changing, yet the women have to face further change for increased entrepreneurial growth.

### E) Problem of government assistance

Both central and State governments are implementing various assistance, schemes, for the promotion of women entrepreneurship. But in practice the respondents face many difficulties in obtaining government assistance due redtapism at various levels, exploitative advisors, problems due to dishonest officials, complicated and time consuming long procedures in getting the assistance etc.

### F) Shortage of raw-materials

Women entrepreneurs encounter the problem of shortage of raw-materials. This problem is because of the inadequate availability of raw materials.

**G) Family Conflicts**

Women also face the conflict of performing of home role as they are not available to spend enough time with their families. They spend long hours in business and as a result, they find it difficult to meet the demands of their family members and society as well. Their inability to attend to domestic work, time for education of children, personal hobbies, and entertainment adds to their conflicts.

**H) Lack of Education**

In India around 60% of women are still illiterate. Illiteracy is the root cause of socio- economic problem. Due to the lack of education women are not aware of business, technology and market knowledge. Also lack of education causes low achievement motivation among women.

**I) Inadequate infrastructure**

Inadequate infrastructure results in under utilization of capacity and wastages. Inadequate infrastructures also adversely affect the quality, quantity and production schedule of the enterprises operating in these areas. Therefore, their functioning will become uneconomical and unviable.

**J) Mobility Constraint**

The Indian society is a conservative society which restricts the mobility of women entrepreneurs. Women are less mobile than men. The confidence to travel day & night and to different regions and States is lacking in women comparing with men.

**K) Other problems**

In addition to above discussed problems, the women entrepreneurship is constrained by a number of other problems such as trained technicians, technological obsolescence, unorganized nature of operation etc .

**8. PROBLEMS FACED BY WOMEN ENTREPRENEURS**

In recent time, women entrepreneurs are rising enormously. The emergence as well as development of women entrepreneurs is quite visible in India and their over-all contribution to Indian economy is also very significant. The occupational structure and the enterprises are undergoing a drastic change. New types of enterprises are created, and there are new requirements as regards the organization of work, qualifications and management. Several of the initiatives are especially useful for women entrepreneurs' improvement of the entrepreneurial culture, regional contact points and entrepreneur networks as well as more ready access to financing, especially to small loans. These initiatives are to be further adjusted to appeal to women entrepreneurs. All this is providing immense confidence in the women entrepreneurs and enabling them to exercise their skills, risk, taking abilities, uncertainty bearing attitude while working in an enterprise. Women entrepreneurs also want more appreciation of their idea on the part of the banks. Many say, however, that they themselves must also be better at selling their idea. More-over with increasing government and non-government and other financial institutions assistance for various women entrepreneurs within the economy there can be significant increase brought about in the growth of women entrepreneurship process. Most of the respondents state that prospect in service sector is higher. 21 percent of women entrepreneurs are involved in their own business, where as 79 percent of women entrepreneurs are involved in service. It means that majority (79 %) of women entrepreneurs respondents indicating there is high prospects to women in service sector. Within the service sector, majority (43 %) of women entrepreneurs agreed that there is prospect in corporate/Industries, equal respondents (i.e. 20 %) states that IT and bank have also prospects. Only 17% women entrepreneurs indicate prospects in media/film industries (Parmar, 2012).

## 9. SUGGESTION FOR CHANGING CHALLENGES INTO POTENTIAL OPPORTUNITIES

1. Women should understand and implement the new way to balance work and life.
2. There should be a continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs.
3. An Awareness programme should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business.
4. Women entrepreneurs should spend some time to study and observe the nature of challenges women face in business.
5. The government should organize training programmes to develop professional competencies in managerial, leadership, marketing, financial, production process, profit planning, maintaining books of accounts and other skills.
6. Women should start their business from micro or small level and allow it to grow gradually. Women in business should be offered soft loans & subsidies for encouraging them into industrial activities. The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
7. Educational institutes should tie up with various government and non-government agencies to assist in entrepreneurship development mainly to plan business projects.
8. Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops. Women should try to upgrade themselves in the changing times by adapting the latest technology benefits. Women must be educated and trained.

## 10. SUCCESSFUL LEADING BUSINESS WOMEN IN INDIA

Following is the list of successful leading business women in India.

- Akhila srinivasan, Managing Director , Shriram Investments Ltd.
- Chanda Kocchar, Executive Director, ICICI Bank.
- Ekta Kapoor, Creative Director, balaji Telefilms Ltd.
- Jyoti Naik, President, Lijjat Papad.
- Kiran Mazumdar Shaw, Chairman & Managing director, Biocon Ltd. Lalita D.Gupte, JMD , ICICI Bank.
- Naina Lal Kidwar, Deputy CEO , HBSE.
- Preetha Reddy , Managing Director, Apollo hospitals.
- Priya Paul, Chairman, Apeejay Park Hotels.
- Rajshree Pathy, Chairman, Rajshree Sugars & Chemicals Ltd. Ranjana Kumar, Chairman, NABARD.

## 11. CONCLUSION

Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurship must be moulded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.

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