Women Entrepreneurship In Indian Context: A Critical Study Of Its Challenges And Solutions

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Abstracts

From the practices of liberalization, privatization and globalization in India since 1991, entrepreneurship done by women is gaining so much importance and they are financially supported by the banks and given encouragement by their family members. Besides offering vocational education to women to climb the ladder of development and empowerment from their family spheres to public spheres, India has framed a policy to develop entrepreneurial skills to women. Series of training programmes imparted to women has gradually widened the horizon for economic empowerment of women. Though women contribute only one third of the economic enterprises, we could find numerous women becoming successful in entrepreneurship both in social and economic fields in India. Understanding this development, Government of India has introduced National Skill Development Policy and National Skill Development Mission in 2009. Its main role is to provide skill training, vocational education and entrepreneurship development to the emerging work force. It is to be kept in mind that providing skill training on entrepreneurship is not the only responsibility of Government, but also other stakeholders need to pitch in. A good proportionate of women are found in the field of business as entrepreneurs. This very fact has changed the demographic characteristics and subsequently it is reflected in the economic growth of the country. This paper analyses the problems, issues, challenges faced by women entrepreneurs and also suggest ways to overcome them.

Keywords: Entrepreneurship, Economic Empowerment, Skill Development, Vocational Education, Women Entrepreneur, Challenges.

Introduction

Paradigm shift is taking place in society in terms of entrepreneurship taken up by women. It is generally understood in many cultures that women’s role is to mainly take care of their respective home affairs such as rearing children, cleaning, mopping the floor, washing, fetching water and cooking. The status of women in India since 2000 has been witnessing the change of job by women from kitchen to professional jobs. This is greatly supported by the strong social legislation. These changes taking place constantly are possible due to the support provided by Government and also their respective family members through the spread of education and awareness. Right from the beginning, men are seen as successful entrepreneurs and therefore, this society became male-dominated. But now, women have crossed the hurdles and utilized opportunities and have become today's most memorable and inspirational entrepreneurs. Seeing the economic development without the role of women entrepreneurship is inevitable. Therefore, women at present are found not only in selected professions but also in trade, industry, engineering and so on. It is a good sign to note that women are contributing to the Nation's growth through their business and entrepreneurship. Government of India is recognizing women’s role and taking good initiatives to promote women entrepreneurship. From this, it is to be noted clearly that women entrepreneurship is ought to be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges in global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena.
Entrepreneurship and women Entrepreneurs

It is defined as the woman or group of women who initiate, organize and co-operate a business enterprise. It is further defined by the Government of India as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. From this it is understood that women cannot be treated for a long to be kept at home. After the impact of globalization, women are constantly marching forward by creating a significant influence not only on domestic chores but also on international spheres. Here the fact is evident that women are able to strike a balance between their house and career. It is concluded from this that women are the key players for the economic development of the any developing country. Statistical estimates show that women's role in terms of their share in small business has been increasing in recent years, even among the developed countries like USA and Canada.

Problems of Women Entrepreneurs in India

It is not a bed of rose for doing a business by women, because they face series of problems in their business enterprises at various stages. This article lists out the following problems faced by the women entrepreneurs in India.

Financial constraints and shortages: Women entrepreneurs always suffer from insufficient financial recourses and working capital are the most primary problems faced by women entrepreneurs. It is very difficult for them to obtain external finance due to their less tangible resources such as property and bank balance in their name. For some women, male members of their family do not trust them to become successful entrepreneurs and therefore, they do not want to invest their capital in the business run by the women. On the other hand, to make the business successful and also project themselves as successful entrepreneurs, women have to depend upon their personal saving and loans from family friends. Obtaining the support of bankers, managing the working capital, lack of credit resources are the key problems for women entrepreneurs as they are still in the hands of males domain.

Marketing problems: There are no other options for the women entrepreneurs to entirely depend upon the middlemen for marketing their products if at all women would like to continue the same business. Women entrepreneurs face lot of constraints to capture the market and make their products popular due to the exploitation by middlemen. Normally women entrepreneurs have less energy and do not put in extra efforts which are prerequisite for investing, winning the confidence of customers and popularize their products. Women do not have willingness to spend in the advertisement in order to attract the stiff competition from male entrepreneurs, these days. Women entrepreneurs unceasingly, face the problems in marketing their products.

Shortage of raw materials: At the right time, women are not able to procure the sufficient quantity and quality raw materials and other required inputs that are necessary for the production. These days, India does not have a stable economy and therefore, prizes of raw materials go high and most of the times, it is fluctuating. At times, women face the problems of the shortage of required raw materials.

Stiff competition: Generally male entrepreneurs have vast experience in business and entrepreneurship. Therefore, women entrepreneurs are extremely finding difficult to compete the stiff competitions put forth by male counterparts. One more challenge faced by women entrepreneurs are severe and cut-throat competitions from organized industries. Adding fuel to the fire, enterprises owned by women do have imperfect organizational set up.

Limited managerial ability: Regarding the proficiency and capability of the business enterprise, women do not possess expertise skills as of that of men and therefore the functioning of business enterprise is not perfectly that good. In order to manage all these limitations, women entrepreneurs have to devote longer time for all tyoes of activities, but she does not have sufficient time.
High cost of production: The high cost of production in the business enterprise undermines the efficiency and also limits the development of women entrepreneurs to some extent. It is indispensable for the women entrepreneurs to increase efficiency and expand the productive capacity in order to reduce the high cost of production. The financial assistance by government in the form of grant and subsidies enables them to overcome the difficult situations encountered in the business. In the long run, these problems have to be addressed without fail to increase efficiency and expand productive capacity and thereby reduce cost to make their ultimate survival possible.

Absence of Entrepreneurial Aptitude: Innovation and risk-bearing attitudes are supposed to be with entrepreneur, but these are absent in a women entrepreneur. The other prime problems of women entrepreneur is the lack of entrepreneurial aptitude and less knowledge about entrepreneurial bent of mind. It is evident from the existing research study that only 7 per cent of the women are involved in small scale sectors as owners. Therefore, the knowledge about women who received entrepreneurial training in different institutes needs to be verified through written test, aptitude test and Interviews.

Low risk taking ability: Generally, women are leading a protected life and therefore, naturally they do not take the initiative of risk taking ability as compared to their male counterparts. Moreover, the rate of risk and chances of loss are high among the women entrepreneurs as they are facing inferiority complex, unplanned growth, lack of infrastructure, hesitation in taking quick decision.

Family Conflicts: The primary duty of a woman is to rear the children, doing the household chores, cooking, spending time for the education of their wards and be of great support to the family members, especially with the sick at home. A married women entrepreneurs do not have time to carry out the above roles in their family, as they are spending long hours in business. This is the reason which puts the women in difficult situation in meeting out the demands and needs of their family and society as well. This clearly reveals that a married woman after becoming an entrepreneur has to make a perfect balance between domestic activities and business activities. To overcome from this, women entrepreneurs have to be entirely dependent on their supporting husband and understanding family members.

Patriarchal Society: Initially, women who want to start any business or an entrepreneurial activity are facing role conflict in their families. Being involved in entrepreneurial activities by women are becoming a difficult task to tide over such conflicts and cope with the twin role of women as wife and mother in the family and a successful entrepreneur in business. Though the India constitution provides legal frameworks for the women to be respected with dignity, women are still facing discrimination and a biased treatment in male dominate Indian society and male ego puts barriers in their progress.

Problems of Travelling and inconvenience: It is not very easy for the women entrepreneur to travel from one place to another for a business purpose as freely as men do. Moreover, they are facing some peculiar problems of inconvenience, safety and security measures when they happen to stay out in the nights at distant places etc.

Credit Facilities: Women do not have collateral security and therefore, they are frequently denied of credit facilities by the bankers. Statistics show that women’s access to risk capital is limited. Moreover, they face lot of legal procedures, which is often said to be complex in nature, in obtaining loans from banks. Secondly the excessive and unreasonable delay in obtaining the loans and running to banks for the same reasons repeatedly discourage women from venturing out in business. At the same time, a good deal of self-employment programmes has been promoted by both the government and commercial banks.

Suggestions to Overcome the Problems Faced By Women Entrepreneurs in India

The following suggestions are offered to help women entrepreneurs to come out of stumbling blocks and unique set of challenges they face throughout their careers.
Finance cells: Separate financial cells should be established throughout Tamil Nadu. The key objective of this cell is to support women entrepreneurs with easy finance at low and concessional rates of interest and on easy repayment facilities. If possible, it is good to have women officers and clerks in this cell. Therefore, concerted efforts should be initiated to provide finance at the local level to support the women entrepreneurs.

Marketing Co-operatives: Still women entrepreneurs are facing the absence of marketing co-operatives. They need to be encouraged and assisted by establishing the marketing cooperatives by all means to sell their products for a fair prize. By doing so will remove the intervention and involvement of middlemen in business. Government should keep an eye in giving preference to women entrepreneurs while purchasing their requirements.

Supply of raw-materials: It is good to make the necessary and required imported raw-materials to be available at concessional rate for the women entrepreneurs at priority basis.

Training facilities: The development of entrepreneurship is primarily possible by the essential role played by training and development programs. Therefore, the government should be establish mobile training centres to offer training and development programmes in order to attract more and more women entrepreneurs. Moreover, special training schemes should be so designed for the benefit of women entrepreneurs.

Develop a Blue Print: Generally women entrepreneurs do lack in setting plans in place for their business. Many of them fall into their business accidentally because they like doing. Women need to learn to write up a business blue print as it is the lifeline of the business to succeed.

Team Building: It is seen that women entrepreneurs are used to do multitasking. Most of the times, they are doing their business alone. Many of them do not know to tap the team building resources for the success of their business and therefore they fail. It is obvious to see among men entrepreneurs to realize the team building works and they tend to succeed.

Professional Relationships: Women use to sell the products to the people they like the most and they make these people as their customers and clients. Women entrepreneurs establish such a good rapport and also build intimate relationship with these people as prospective clients or customers. Only after the experience they understand that they are disappointed by them and then only they try to build professional relationship, but not too intimate relationship like thick friends. Business is entirely different from friendship. Wesman said, “Women need to build relationships, but shouldn’t be scared to be competitive when pitching sales”.

Under-pricing services: As the women are valued little less in the work place by the men, it is also occurring the same in fixing the prize and also marketing the products from the hands of women entrepreneurs. This clearly reveals that women are facing trouble discussing pricing terms which leads to undervalue the products and services.

Hiding from cash flow issues: For any business, it is mandatory to maintain the cash flow management and follow up owed money and payment. In general women incline to be less assertive in terms of collecting money that comes out of their business.

Solutions for developing women entrepreneurs in India

It is not largely possible without the participation of women to see the growth and development entrepreneurship. It is true and applicable in all nations that the role played by women entrepreneurs in business is something significant at a smaller level in different pockets of the nation. Therefore, a congenial environment needs to be created for the women to plunge into the entrepreneurial activities, very actively. The need arises for the women in India to promote more number of women to become
women entrepreneurs by the active and supportive role played by Government, nongovernment, promotional and regulatory agencies.

It is good to note that the Government of India has formulated various training and development cum employment generations programs for the women to start their ventures.

Conclusion

Involving in entrepreneurship by women is the key to overcome economic challenges. As of now, rising numbers of women are showing lot of interest to involve in entrepreneurship. It is true that these days women are equipping themselves in contributing largely for the overall economic development of the nation. Therefore it is a must to initiate sufficient programmes and policies in order to render full support to women for having entrepreneurial culture. Media can play a vital role to telecast the success of women entrepreneurs in the show with a view to follow them and their success in a business as a model by the present younger generation to replicate in their life. This will enhance creativity among the aspiring entrepreneurs to grow and nurture entrepreneurship culture in society. It is absolutely need of the hour to encourage women entrepreneurship to explore the unexplored dimensions of business venture. All developing countries need to pay much attention for promoting women entrepreneurship not only seeing them as emerging entrepreneurs, giving lot of job opportunities to many but also boosting up the economy of the nation. Resurgence of entrepreneurship is the need of the hour in India. Therefore, women entrepreneurs are to be enabled to possess entrepreneurial qualities and skills not only to meet the changing trends and challenging global markets, but also to become competent persons to sustain in the local economic arena as women entrepreneurs.

References


