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Opportunities and Challenges for Indian Women Entrepreneurs

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Abstract:

Traditionally, entrepreneurship has been a male-dominated chase and women were confined to the four walls of houses performing household activities. Women are generally perceived as home makers with little to do with economy or commerce. One of the major challenges faced by women entrepreneurs is the cultural norm of “purdah” which places severe restrictions on their mobility and prevents them from being able to take part in normal economic activities freely. They also have had to, at times; restrict the nature of their businesses to sectors traditionally associated with women — such as education, beauty or health. However, this practice is changing in today's global world; women are moving forward and working in a space long dominated by men.

In Modern India, Women have broken down the glass ceiling of the traditional thought long prevailing in world and have emerged as successful entrepreneurs. These days India has been the depiction of women in the top echelons of banking and financial services and many more sectors and even has emerged as powerful entrepreneurs. The entry of women into business is a recent development in the orthodox, traditional socio cultural environment of Indian society. The hidden entrepreneurial potential of women has gradually been changing with the growing sensitivity to the role and economic status in the society. Women have become aware of their existence, their rights and their work situation. Gone are the days when women, even when accepted in the world of commerce, would be stereotyped into a few professions.

Women have been successful in the entertainment and fashion industries for a long time. But today, the likes of Kiran Majumdar Shaw (CMD of Biocon, India), Niana Lal Kidwai (head of HSBC, India), Neelam Dhawan (MD of HP, India) and others of their like rub shoulders with men in board rooms and are continuously proving that women are and can be as successful as men. The robust Indian economy is a big boon, but more focus needs to be placed on creating stronger foundations for the financial, societal, logistics and technology pillars to fully leverage the capabilities of the Indian Woman Entrepreneur.

Entrepreneurial activity creates growth and prosperity — and solutions for social problems. And today's trends show that women will be a driving force of entrepreneurial growth in the future. However, being a woman entrepreneur has its own set of challenges. This paper focuses on the challenges faced by Indian women entrepreneurs and various opportunities available to them and measures taken by government to encourage women entrepreneurship in India.

Key words: Women entrepreneurs, entrepreneurs, opportunities, challenges

1. Introduction

Entrepreneurship is a key to economic development of a country. It is a Herculean task, which is fraught with struggle entailing both risk and effort. The entrepreneurs, in the modern sense, are the self starters & doers of a business, who have organized and built their own enterprise. Women entrepreneurs may be defined as a woman or a group of women who initiate, organize and run a business enterprise. The Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman entrepreneur is defined 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 the employment generated in the enterprise to a woman. Almost half of India's population consists of women. But they constitute a very negligible proportion of the total entrepreneurs. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. Women are generally perceived as home makers with little to do with economy or commerce. Women entrepreneurs in India are handicapped in the matter of organizing and running businesses on account of their generally low levels of skills and for want of support system. The very idea of starting the business is a shift from the prevailing role model. A significant factor preventing women from being self-employed is their perception of themselves, which is still dominated by traditional gender stereotypes. Even the decision-making process, which will induce women into starting the enterprise, is alien to most and does not easily fit with the worldview, as decision-making is traditionally a male prerogative.

Till the turn of the century, man has enjoyed a dominant position. The transition of women from homemaker to sophisticated business woman is not that easy. Indian society is still characterized by its ancient societal norms and values but yet amongst it, the status and role of women have witnessed rapid changes in recent years. The past few decades have seen the emergence of a generation of women in India who are propelling the country to reach new heights in economy, politics, philosophy, arts and environmental development. The thoroughly domesticated women who could not think beyond the welfare of their families have now awakened to action.

Many factors like urbanization, technical progress, women education, etc., have profoundly changed the traditional conditions even in a developing country like, India. Slowly starting with the metropolitan areas and going back, the women role at home has become more and more clear that if they really want to contribute to the welfare of the family and society the most effective way is to go out of home and earn money. The entry of women into business is a recent development in the orthodox, traditional socio cultural environment of Indian society. The hidden entrepreneurial potential of women has gradually been changing with the growing sensitivity to the role and economic status in the society.

Today, women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new areas for economic participation. Among the reasons for women to run organized enterprises are their skill and knowledge, their talents, abilities and creativity in business and a compelling desire of wanting to do something positive. It is the group of women or single women running an enterprise or company in order to earn profit. In modern society they have come out of the four walls to participate in all sorts of activities. The Indian women are no more treated as beautiful showpieces. They are also enjoying the fruit of globalization marking an influence on the domestic and international sphere. They have carved a niche for themselves in the male dominated world. Indian women well manage both burden of work in household front and meeting the deadlines at the work place.

Women entrepreneurship has been recognized as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc.

Indian Women Entrepreneurs	Current Status/Name of the company
Indra Nooyi	CFO, PepsiCo
Naina Lal Kidwai	Group General Manager & Country Head – HSBC, India
Kiran Mazumdar Shaw	CMD, Biocon
Chanda Kochar	MD & CEO – ICICI Bank
Neelam Dhawan	MD, HP-India
Sulajja Firodia Motwani	JMD – Kinetic Motors
Priya Paul	Chairperson, Apeejay Park Hotels
Mallika Srinivasan	Director, TAFE (Tractor and Farm Equipment)
Ekta Kapoor	JMD & Creative Director, Balaji Telefilms

Table 1: Top Women Entrepreneurs in India

2. Objectives and Research Methodology of the Study

The study is based on secondary data which is collected from the published reports of MSMEs, journals, and different websites. The objectives of this paper are:

- To examine the challenges/problems faced by Indian women entrepreneurs.
- To study various policies and schemes initiated by the government to encourage women entrepreneurs.

3. Problems Faced by Women Entrepreneurs

Entrepreneurship is not a walk in the park for anyone and it can be even more challenging if you are of the “female persuasion”. Even with all of the advancements that women have made in the business world, there is still a long way to go before the success rate is level between male and female entrepreneurs. Women entrepreneurs encounter various problems in setting up and developing their enterprises. The basic problem or difficulty of a woman entrepreneur is that she is a woman- this pertains to her responsibility towards family, society and work. Our society regards business as a preserve of men. On one hand bankers attach higher risk to women entrepreneurs as compared to men and often look for men behind the women applicants. On the other hand families including parents and husbands show reluctance for providing seed capital to female members for their business ventures. Below are some of the top challenges or problems that female entrepreneurs need to overcome in general in order for woman-owned businesses to be more successful as a whole.

- **Shortage of finance**
Finance is said to be the “life blood” of every business undertaking, be it large or medium or small scale enterprise. Women entrepreneurs always suffer from inadequate financial recourses and working capital. They are not able to afford external finance due to absence of tangible security and credit in the market. Women have a very less property and bank balance to their name. Male members of the family do not want to invest their capital in the business run by women due to lack of confidence in their ability to run venture successfully.
- **Marketing problem**
It is one of the core problems as this area is mainly dominated by males and even women with adequate experience fail to make a dent. For marketing the products women entrepreneurs have to be at the mercy of middlemen who pocket the hunk of profit. Although the middlemen exploit the women entrepreneurs, the purging of middlemen is tricky, because it involves a lot of running about. Women entrepreneurs also find it difficult to capture the market and make their products popular.
- **Shortage of raw materials**
Women entrepreneurs encounter the problems of shortage of raw-materials and other necessary inputs for production in sufficient quantity and quality. The prices of raw materials are quite high and fluctuate.
- **Stiff competition**
Lots of the women entrepreneurs have imperfect organizational set up and they have to face severe competition from organized industries. They have also to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organized sector and their male counterparts.
- **Limited managerial ability**
Women entrepreneurs may not be expert in each and every function of the enterprise. As managerial operation is a time consuming process, a female entrepreneur may not be able to devote sufficient time for all types of activities.
- **High cost of production**
The high cost of production is another problem which undermines the efficiency and restricts development of women entrepreneurs. It is necessary to increase efficiency, expand productive capacity to reduce the cost of production. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from venturing into new areas.
- **Absence of entrepreneurial aptitude and training**
In our society more importance is given to educating the male child as compared to the female child. This result in lack of schooling and vocational training of women, their lack of attaining technical skills and thereby lack of awareness of opportunities available. One of the biggest problems of women is the lack of entrepreneurial aptitude. Many women take the training by attending the Entrepreneurship Development Programmes without entrepreneurial bent of mind.
- **Low risk taking ability**
Women entrepreneurs suffer from the problem of low risk taking ability as compared to their male counterparts, because they have led a protected life. They even face discrimination in the selection of or entrepreneurial development training. Inferiority complex, unplanned growth, lack of infrastructure, hesitation in taking quick decision also increases the rate of risk and chances of loss.
- **Family Ties**
In most of the societies, looking after children, husband and other members of the family is regarded as the first duty of a woman. Woman especially the married one are required to make a fine balance between their household and business activity. The joint family system rather than supporting the entrepreneurial activity of women by providing support by way of taking care of the children is often a major hindrance. Occupational backgrounds of the families and educational levels of the family members, particularly the husbands, have a direct bearing on women entrepreneurship.
- **Patriarchal society**
It had been the most important stumbling block in the development of women in general and women entrepreneurship in particular. Male chauvinism is still prevalent in many parts of the country yet. In a male dominated society, women are not treated equal to men that act as a barrier to woman’s entry into business
- **Low mobility**
An entrepreneur is required to travel from one place to another for business reasons. Besides, there is normal business callings entrepreneur in India have to travel to district and state capitals to liaison with various government agencies like labour officers, pollution control boards, district industries centers, excise and sales tax authorities. Women entrepreneurs are greatly handicapped by the inability to travel from one place to another and visit various government agencies not only at the time of setting up their enterprises but in the course of their normal business routine.

There is dominance of male in ownership of MSMEs. Thus, for MSME sector as a whole, male owned 86.28% of enterprises as compared to 13.72% owned by female. There is no significant deviation in this pattern in urban and rural areas, although the dominance of man-managed enterprises is slightly more pronounced in urban areas as compared to rural areas (87.55% as compared to 84.73%) (Table 2)

Area	Female	Male
Rural	15.27	84.73
Urban	12.45	87.55
All	13.72	86.28

Table 2: Percentage Distribution of Enterprises by Gender of Owner in Rural and Urban Areas
Source- MSMEs Fourth All India Census-Final Report

Dominance of male in ownership was all pervading true in each of the three segments of MSME sector, although it was relatively less pronounced in case of micro sector. Thus, male owned 85.81% of enterprises in micro sector while 94.94% and 95.79% of enterprises in small sector and medium sector, respectively (Table 3).

Sector	Female	Male
Micro	14.19	85.81
Small	5.06	94.94
Medium	4.21	95.79
All	13.72	86.28

Table 3: Percentage Distribution of Enterprises by Gender of Owner and Sector
Source- MSMEs Fourth All India Census-Final Report

4. State-Wise Distribution of enterprises in India Owned by Women Entrepreneurs

In India enterprises are owned both by men and women. Table 4 reveals that among the enterprises owned by women entrepreneurs in India, Tamil Nadu tops the list with 54.65 thousand units, followed by Kerala with 38.3 thousand units. Kerala ranks second in the total number of small-scale units owned by women entrepreneurs in India.

State/ Union Territory	Number of Enterprises Owned by (Number in Thousand)		
	Female	Male	total
Jammu & Kashmir	3.09	11.90	14.99
Himachal Pradesh	1.31	10.62	11.93
Punjab	3.01	45.10	48.11
Chandigarh	0.10	0.90	1.00
Uttarakhand	2.43	21.34	23.77
Haryana	1.46	31.69	33.15
Delhi	0.38	3.38	3.75
Rajasthan	5.99	48.90	54.89
State/ Union Territory	Number of Enterprises Owned by (Number in Thousand)		
	Female	Male	total
Uttar Pradesh	8.39	179.36	187.74
Bihar	2.57	47.47	50.04
Sikkim	0.02	0.10	0.12
Arunachal Pradesh	0.10	0.32	0.42
Nagaland	0.22	1.12	1.33
Manipur	1.15	3.35	4.49
Mizoram	1.29	2.42	3.72
Tripura	0.16	1.18	1.34
Meghalaya	1.19	1.83	3.01
Assam	4.07	15.80	19.86
West Bengal	4.42	38.84	43.26
Jharkhand	0.75	17.44	18.19
Orissa	2.16	17.44	19.61
Chhattisgarh	2.09	20.68	22.77
Madhya Pradesh	10.18	96.82	107.00
Gujarat	23.40	206.43	229.83
Daman & Diu	0.01	0.58	0.59
Dadra & Nagar Haveli	0.04	1.68	1.72
Maharashtra	8.98	77.61	86.59
Andhra Pradesh	5.23	40.47	45.69

	Female	Male	total
Karnataka	26.68	109.51	136.19
Goa	0.33	2.30	2.62
Lakshadweep	0.00	0.00	0.00
Kerala	38.30	111.89	150.19
Tamil Nadu	54.65	179.23	233.88
Puducherry	0.33	1.12	1.45
Andaman & Nicobar IIs.	0.20	0.55	0.75
All India	214.65	1349.32	1563.97

Table 4: State-Wise Entrepreneurship Profile

Source- MSMEs Fourth All India Census-Final Report

5. Enterprise-wise Distribution of Entrepreneurship Profile

In case of Micro, Small and Medium enterprises in India there is a huge gap between the enterprises owned by men and women. As per the Fourth All India Census Report of MSMEs the total number of three types of enterprises was 1563.97 thousand units, out of which only 214.65 owned by female.

Type of Enterprise	Number of Enterprises Owned by (Number in Thousand)		
	Female	Male	total
Micro	210.66	1274.10	1484.76
Small	3.88	72.65	76.53
Medium	0.11	2.57	2.69
Total	214.65	1349.32	1563.97

Table 5: Type of Enterprise-Wise Entrepreneurship Profile

Source- MSMEs Fourth All India Census-Final Report

6. Nature of Activity-wise Distribution of Entrepreneurship Profile

In India, women entrepreneurs are more involved in manufacturing activities as compared to the activities of repairing and maintenance. Enterprises which are engaged in repairing and maintenance activities owned by female are 18.36 thousand units whereas men owned 233.85 thousand units.

Nature of Activity	Number of Enterprises Owned by (Number in Thousand)		
	Female	Male	total
Manufacturing	108.34	941.06	1049.39
Services	87.96	174.41	262.37
Repairing & Maintenance	18.36	233.85	252.21
Total	214.65	1349.32	1563.97

Table 6: Nature of Activity- Wise Entrepreneurship Profile

Source- MSMEs Fourth All India Census-Final Report

7. Type of Organisation-wise Distribution of Entrepreneurship Profile

In case of entrepreneurial distribution on the bases of type of organization, table 7 reveals that women owned 184.70 thousand units of Proprietary or HUF organization. Least number is in Public Ltd. Company (0.79).

Type of Organisation	Number of Enterprises Owned by (Number in Thousand)		
	Female	Male	total
Proprietary or HUF	184.70	1224.06	1408.76
Partnership	5.62	57.11	62.73
Pvt. Company	2.48	40.94	43.41
Public Ltd. Company	0.79	7.60	8.39
Cooperatives	1.09	3.63	4.72
Others	19.97	15.99	35.96
Total	214.65	1349.32	1563.97

Table 7: Type of Organisation-Wise Entrepreneurship Profile

Source- MSMEs Fourth All India Census-Final Report

8. Measures Taken by Government to Promote Women Entrepreneurship in India

It is said that when a man starts a business venture he only becomes the entrepreneur while when a woman takes to entrepreneurship the whole family becomes entrepreneurial in its behavior. Hence, if the aim is to 'entrepreneurise the society' one should promote entrepreneurship among women. There have been various shifts in the policies of the Government for the last fifty years -from the concept of 'welfare' till the 70's to 'development' in the '80's and now to 'empowerment' in the 90's. A number of Non- Governmental Organizations (NGOs) are also working to improve the lot of women in the country. The need of the hour is economic independence for women. To translate this hope into reality, the Department of Women and Child Welfare has taken up various projects directed towards advancement of women.

In India, the Micro, Small & Medium Enterprises development organisations, various State Small Industries Development Corporations, the nationalized banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs.

In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister's Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available upto 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/ or owned by women.

Rashtriya Mahila Kosh (RMK), a national credit fund extends credit facilities to poor and needy women. The RMK has extended loans to 20,000 self-help groups of women and has a membership of over 3, 00,000. It is instrumental in encouraging women to take control of their own development, and has helped build confidence and political awareness. Till December 2000 the RMK has been able to sanction credit limits of more than Rs. 773.6 million, with the help of about 688 NGOs, which it works through, and has reached out to more than 3,49,752 women.

From being treated as a quiet, supportive half of society, women who want to start a business in India now find the country to provide one of the most fertile environments based on indicators such as business confidence, motivation, financing options and other sources of support. The finding is part of Dell Women's Global Entrepreneurship Study conducted across 450 women entrepreneurs from US, UK and India commissioned by Dell. It reveals that 71 per cent of woman entrepreneurs in India have a branding in market for their businesses and eight in every 10 woman entrepreneurs are hiring which indicates an expansion spree in their individual businesses as well as increase in employment opportunities too.

The objective, therefore, of the Government is to initiate and accelerate action to improve access to and control of resources by women so that they can take their rightful place in the mainstream of the nation's social, political and economic life.

9. Conclusion

Today women are at a threshold where they are moving from being a back door decision maker to board room decision maker. The present generation is supportive of women actively being engaged in family business, starting their own entrepreneurial ventures and acquiring professional education. It is no more the time that the women will be shattered in the corner of the house and won't be allowed to see the light of modernity. The women have really been successful in moving ahead neck-to-neck with their male counterparts. Being a woman makes the task doubly difficult. Circumstances, situations, the disapproving vibes of those who surround her can all combine to prevent her from even making a beginning. If she is financially strapped, if her family is not supportive, if she has young children to look after, it gets harder still. Yet the number of successful women entrepreneurs is growing. They are now found in the most unlikely of places, from the most unlikely of backgrounds, finding opportunities few knew even existed.

Women are increasingly becoming conscious of their existence, their rights and their work situations. Women across India are showing an interest to be economically independent. Women are coming forth to the business arena with ideas to start enterprises. They are willing to be inspired by role models- the experience of other women in the business arena.

The Indian women proved their footage in the male dominated business arena. For a nation where the only identity of women some time back used to be that of a homemaker, hogging the corporate limelight has been a journey to empowerment & strength. Now days because of women empowerment women are stepping-stone into the industries and are taking the place of men. With education and training, the women have gained confidence to do all work, which was the prerogative of man and do it excellently, rather better than men. Over the years, the educated women have become ambitious, acquired experience and basic skills of competency and self-assurance.

The myth that women cannot engage in productive employment needs to be dispelled. They can be encouraged to set up small and medium scale industries on their own initiative. Entrepreneurship development for women is an important factor in economic development of India. The government must evolve appropriate policies to help women entrepreneurs. Networking facilities must be provided as well as adequate entrepreneurship awareness training should be provided using the help of local NGOs. Credit facilities must be made available and marketing help must be provided. All these will help foster a culture of entrepreneurship among women in India.

With the spread of education and new approaches/awareness, women entrepreneurs are achieving higher level of 3Es, namely, engineering, electronics and energy, though the number of such units is not as large as it should be. But the very fact that women are putting up units to manufacture solar cookers as in Gujarat, small foundries in Maharashtra and T.V. capacitors in the industrially backward area of Orissa show that women if trained and given opportunities can venture in non-traditional industries. Even the so-called socially tabooed industrial activity of winemaking and selling is being done by women entrepreneurs in Mumbai. So today, no field is unapproachable to the trained and determined modern Indian women.

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