

Changing Status of Women-owned Enterprises in India- An Insight

Priyanka Sharma Gurnani

Jaipur National University

Abstract

In the era of Liberalization, Privatization and Globalization, today's world is changing at a surprising pace. Economic transformations appear to be taking place everywhere—as countries convert from command to demand economies, dictatorships move toward democratic system. These changes have created economic opportunities for women who want to start and run enterprise.

Today, women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of 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 high time that government of these countries should rise to the challenge and create more support systems for encouraging more entrepreneurship amongst women.

This paper focuses on the concept of woman entrepreneurs in India; their traits in enterprise, the problems faced by them when they set up and make some suggestions for future prospects for development of Women Entrepreneurs.

Keywords: Entrepreneurship development, Women entrepreneurs, problems, future prospects, India

1. Introduction

Women entrepreneurs are a significant part of the global expedition for sustained economic development and social progress. Due to the growing industrialization, urbanization along with the spread of higher education and awareness, the emergence

of Women owned enterprises are highly increasing in the economies of almost all countries.

Earlier for Women there were only 3 Ks- Kitchen, Kids, Knitting, then came 3 Ps- Powder, Pap pad, Pickles and now at present there are 4 Es- Electricity, Electronics, Energy, Engineering . Indian women had undergone a long way and are becoming increasingly visible and successful in all spheres and have shifted from kitchen to higher level of professional activities.

Women entrepreneurs are fast becoming a force to reckon with in the business world and are not only involved in enterprises for survival but to satisfy their inner urge of creativity and to prove their capabilities.

Today's women are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. It is perhaps for these reasons that Government Bodies, NGO's, Social Scientists, Researchers and International Agencies have started showing interest in the issues related to entrepreneurship among women in India.

1.1 Concept of “Women” as an entrepreneur in India

Entrepreneurship has gained importance across the sphere and female-entrepreneurship has become an important module. India is one of the fastest emerging economies and the importance of entrepreneurship is also realized here.

“Women Entrepreneurship” means an act of enterprise ownership and enterprise creation that empowers women economically increases their economic strength as well as position in society. Women-entrepreneurs have been making a considerable impact in all most all the segments of the economy.

“An enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise to women.” –

Government of India

Pandit Jawaharlal Lal Nehru has remarked “When women move forward, the family moves, the village moves and the Nation moves.”

Women Entrepreneurs have been making a important impact in all segments of economy of the world. Their willingness for the future is apparent in their growing confidence, in their strengths and in their desire to seek different types of work in order to achieve a new work life balance.

1.2 Traits of Women Entrepreneurs in India

Most successful women entrepreneurs possess the following traits:

1.2.1 Women are ambitious

A successful woman entrepreneur is dreadfully strong-minded one, has an inner urge or drives to change contemplation into realism. Every successful woman entrepreneur is truly determined to achieve goals and make her organization prosper..

1.2.2 Women are confident

A successful woman entrepreneur is confident in her ability. She is ready to learn from others, search for help from experts if it means adding value to her goals.

1.2.3 Women is open and willing to learn

A successful woman entrepreneur is dynamic , as she is always aware of changes and she is ready to change according to the market situations. She is inquisitive, concerned to learn and accommodative to innovations.

1.2.4 Women values cooperation

A woman has the ability to work with all levels of populace. She is keen on maintaining associations and communicates efficiently. This helps her to negotiate even responsive issues without difficulty. She has good networking skills that help her to get better contacts and utilize opportunities.

1.2.5 Women can balance home and work

A successful woman entrepreneur is good at balancing varied aspects of life. Her multi-tasking aptitude combined with support from spouse and relatives enables her to bring together organization priorities with domestic responsibilities competently and efficiently.

1.3 Key changes in women entrepreneurs in last five decades

1.3.1 Women Entrepreneurs of the Fifties: Compulsive factors led to the creation of women entrepreneurs.

1.3.2 Women Entrepreneurs of the Sixties: Women began to aspire but also accepted the social cultural traditions.

1.3.3 Women Entrepreneurs of the Seventies: The women in this decade opened up new frontier. They had not only aspiration but ambition also.

1.3.4 Women Entrepreneurs of the Eighties: Women were educated in highly sophisticated, technological and professional education. They became equally contributing partners.

1.3.5 Women Entrepreneurs of the Nineties: This was the first time when the concept of best rather than male heir was talked about.

1.3.6 Women Entrepreneurs of the 21st Century: “Jill of all trades”

Since the **21st century**, the status of women in India has been changing as a result to mounting industrialization and urbanization and social legislation. Over the years, more and more women are going in for higher education, technical and professional education and their proportion in the workforce has also been increased.

With the spread of education and awareness, women have shifted from the kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities. The Government has also laid special weight age on the requirement for conducting special entrepreneurial training programs for women to enable them to start their own ventures. Financial institutions and banks have also set up particular cells to help women entrepreneurs. This has rebounded the women entrepreneurs on the economic scene in the recent years although many women's entrepreneurship enterprises are still remained a much neglected field. Though, for women there are quite a lot of handicaps to enter into and manage enterprise ownership due to the intensely entrenched conventional state of mind and strict principles of the Indian society

1.4 Successful Leading women entrepreneurs in India : The 21 Leading women entrepreneurs in India

1. **Akhila Srinivasan**, Managing Director, Shriram Investments Ltd
2. **Chanda Kocchar**, Executive Director, ICICI Bank
3. **Ekta Kapoor**, Creative Director, Balaji Telefilms
4. **Jyoit Naik**, President, Lijjat Papad
5. **Kiran Mazumdar-Shaw**, Chairman and Managing Director, Biocon
6. **Lalita D Gupte**, Joint Managing Director, ICICI Bank
7. **Naina Lal Kidwai**, Deputy CEO, HSBC
8. **Preetha Reddy**, Managing Director, Apollo Hospitals
9. **Priya Paul**, Chairman, Apeejay Park Hotels
10. **Rajshree Pathy**, Chairman, Rajshree Sugars and Chemicals Ltd
11. **Ranjana Kumar**, Chairman, NABARD
12. **Ravina Raj Kohli**, Media personality and ex-President, STAR News
13. **Renuka Ramnath**, CEO, ICICI Ventures
14. **Ritu Kumar**, Fashion Designer
15. **Ritu Nanda**, CEO, Escolife
16. **Shahnaz Hussain**, CEO, Shahnaz Herbals
17. **Sharan Apparao**, Proprietor, Apparao Galleries
18. **Simone Tata**, Chairman, Trent Ltd
19. **Sulajja Firodia Motwani**, Joint MD, Kinetic Engineering
20. **Tarjani Vakil**, former Chairman and Managing Director, EXIM Bank
21. **Zia Mody**, Senior Partner, AZB & Partners

1.5 Credit facilities available for Women Entrepreneurs:

1.5.1 Small Business: For women entrepreneurs who intend to provide service (not a professional service) such as setting up a small lunch/canteen etc.

1.5.2 Professional and Self Employed: Women Entrepreneurs who are specially qualified/skilled and experienced like Doctors, Chartered Accountants, and Engineers etc.

1.5.3 Retail Trade: For women entrepreneurs who intend to engage in retail trading of various commodities.

1.5.3 Village and Cottage/Tiny Industries: For women entrepreneurs who are engaged in manufacturing, processing, preservation and services such as Handloom, Weaving Handicraft etc.

1.5.4 Small Scale Industries: To start a unit engaged in manufacture, processing or preservation of goods.

1.5.5 Agriculture & Allied Activities: For women entrepreneurs who are engage in agricultural and allied activities, such as raising of crops, floriculture, fisheries, trading in agricultural inputs etc.

1.5.6 Government Sponsored Programmes: Apart from the above schemes, women entrepreneurs are also financed under the various Government Sponsored Programmes where Capital subsidies are available.

1.6 Women Entrepreneurs and Their Problems

Women entrepreneurs face many hurdles. Societal support is a key determinant in entrepreneurial establishment. The most common problem, which a woman faces, is the non-cooperation from her husband or close family members.

There are some umpteen problems faced by women at various stages beginning from their initial commencement of enterprise, in running their enterprise. Their various problems are as follows:

1.6.1 Arrangement of Finance

For every enterprise undertaking Finance is said to be the “life blood”, whether it is large, medium or small enterprise. Women entrepreneurs face the problems of shortage of finance on two important bases. Firstly, women do not in general have property on their own names to use that as collateral securities for obtaining loans/funds from banks and other financial institutions.

.Secondly, obtaining the support of bankers, lack of credit resources are the problems which still remain in the male’s domain.

1.6.1 Shortage of raw-materials

Women entrepreneurs encounter the problems of shortage of raw-materials and necessary inputs. On the pinnacle of this, is the high prices of raw materials, on one hand and getting raw materials at minimum discount rates are the other.

1.6.2 Cut-throat Competition

Lot of the women entrepreneurs have imperfect organizational set up to drive in a lot of money for canvassing and advertisements. They have 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. Such a competition ultimately results in the insolvency of women entrepreneurs.

1.6.3 Lack of education and prevalent levels of illiteracy amongst women: -

In India, around (40%) of women are still illiterate. Illiteracy is the root cause of socio-economic barriers or hurdles. Due to lack of Knowledge of latest technological change, know-how and education creates problems before women to set up competitive enterprises.

1.6.4 Family Conflicts

Women also countenance the conflict of performing of home role as they are not available to spend enough time with their families because in India, mainly a woman's duty is to look after her children and manage the other members of the family. In organizations they have to spend long hours and as a result, they find it difficult to meet the demands of their family members and society as well.

1.7 Future Prospects for Development of Women Entrepreneurs

Education is a boon to mankind, while lack of education to a person is a bane now-a-days. Throughout the world, we can observe that the ratio of women entrepreneurs is growing tremendously. 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. Today the role of Women entrepreneur in economic development is inevitable because women are entering not only in selected professions but also in professions like trade, industry and engineering.

The industrial structure and the enterprises are undergoing a radical change. Information Technology has transformed the very technique of doing entrepreneurship. Individually, enterprise ownership provides women with the independence they crave and with economic and social success they need. Nationally, enterprise ownership has great importance for future economic prosperity. Globally, women are enhancing, directing, and changing the face of how entrepreneurship is done today. Ultimately, women entrepreneurs must be recognized for who they are, what they do, and how significantly they impact the world's global economy.

Women should be considered as specific target group for all development programmes. Govt. should extend better educational facilities and schemes to women folk. Adequate training programs on management skills should be provided to women community.

Training on professional competence and leadership skills should be extended to women entrepreneurs. Activities in which women are trained should focus on their marketability and profitability. State Finance Corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs. And lastly women's development corporation has to gain access to open-ended financing.

On the basis of the aforesaid problems faced by women entrepreneurs and various other problems too, there is a provision of a number of Strategies for promoting women entrepreneurship to overcome these problems. Such solutions or remedies can be well understood as under:-

1.7.1 Promoting entrepreneurship among women is especially important to overcome the problems of under employment and unemployment in the society.

1.7.2 Education has been instrumental in increasing the participation of women in entrepreneurial activities. The formal education not only helps in acquisition of requires knowledge for a job, which demands non-traditional skills but also imparts knowledge about the different occupational opportunities. Good academic background makes women confident in dealing with problems in enterprise in an effective manner. Although it is a fact that entrepreneurship is not a special preserve for the educated but in the case of women already burdened with many social pressures, education is a powerful tool in breaking down the barriers to successful entrepreneurship. Thus education is a liberating force and barriers of caste and class, smoothing out inequalities imposed by birth and other circumstances.

1.7.3 The government should continuously attempt to motivate, inspire and assist women entrepreneurs.

1.7.4 Government should provide better educational facilities and schemes to women folk.

1.7.5 There should be continuous monitoring, improvement of training programmers, practical experience and personality development programmes to improvise their over-all personality standards.

2. Literature Review

The literature review will first look at the concept of entrepreneurship, and then go on to look at female entrepreneurship and associated definitions. The focus of the review is on the developing world. The literature review tries to combine recent research with some older work to present a well-rounded picture.

It is important to start off with a discussion on the definition of entrepreneurship to ascertain what we mean by this concept. Singh and Belwal (2008: 1) quote Desai (1999) to describe the roots of the word entrepreneur. They state “The word *entrepreneur* is derived from the French verb *entreprendre* that means *to undertake*”. We can define an entrepreneur as “.....One who undertakes a commercial enterprise and who is an organizational creator and innovator” (Gartner, 1990; Gartner *et al.*, 2004) quoted in Mordi *et al.* (2010: 1).

Dzisi (2008: 3–4) gives the definition of entrepreneurship from the economic point of view, quoting the definition given by Schumpeter and Kirzner. “Schumpeter (1934) described the entrepreneur as the innovator who introduces something new into an economy” and “...Kirzner (1997–authors’ own addition) stressed the fact that the entrepreneur is the decision maker in a particular cultural context, who commands a range of behaviors that exploit these opportunities”.

Singh and Belwal (2008: 2) have quoted Donnely *et al.* (1990) to describe the motivations and operations performed in order to establish the definition of entrepreneur. They stress “...An entrepreneur is an individual who propelled by an idea, personal goals, and ambition, brings together the financial capital, people, equipment, and facilities to establish and manage a business enterprise”.

While defining entrepreneur, some writers have employed economic indicators like growth and profit, or incorporated entrepreneurship as an effective tool in reducing poverty.

Entrepreneurs “seek out and identify potentially profitable economic opportunities [and as such are] agents of growth” (OECD, 1998: 11, in Farr-Wharton and Brunetto, 2007: 2).

In any activity, we cannot eliminate the characteristics of human behavior. Mordi *et al.* (2010: 3) quote Winn (2005) to establish a definition on such characteristics “...One who prospects for or exploits opportunities and who has a tenacity to face challenges”.

Although entrepreneurship is usually regarded as an activity, some definitions concentrate more on its operational and functional characteristics. Roomi and Harrison (2010: 3) quote Stevenson (1983: 1) to state that entrepreneurship is “the pursuit of opportunity without regard to the resources currently controlled” and go on to quote Shane and Venkataraman (2000) “Entrepreneurship concerns the environment conditioning opportunity, the process of discovering opportunity, the evaluation and exploitation of opportunity, and the individual decision-makers who do these things”.

Certain writers portray entrepreneurship as a human behavior linked to personal achievement “Entrepreneurial behavior is often driven by diverse reasons including the desire for personal accomplishment” (OECD, 1998 in Itani *et al.*, 2011: 2). Some authors also mention that entrepreneurial behavior is visionary, with its concern being the exploitation of possessions in a more refined manner.

Hampton *et al.* (2011: 2) quote Timmons (2009) to state “Entrepreneurial behaviour is about utilising resources beyond the immediate scope of the entrepreneur and his or her venture...”

As can be seen, entrepreneurship can be (and has been) studied from various different angles, hence creating divergent yet complementary views of the phenomenon—leading to a better appreciation of the complexities involved in it.

There is one gender-specific definition the authors came across that specifically appealed to them due to its emphasis on female entrepreneurship. “Female entrepreneurs are defined as those who use their knowledge and resources to develop or create new business opportunities, who are actively involved in managing their

businesses, and own at least 50 per cent of the business and have been in operation for longer than a year” (Moore and Buttner, 1997 in Farr-Wharton and Brunetto, 2009: 2)

In the context of this paper, we will extend this definition to explicitly include home-based female entrepreneurs “Female entrepreneurs are defined as those who use their knowledge and resources to develop or create new business opportunities—*whether this be informally in a home environment without formally registering their business or formally via business registration, hiring office premises, etc.* - who are actively involved in managing their businesses, *are responsible in some way for the day-to-day running of the business*, and have been in operation for longer than a year” (the new words introduced in the definition by the present authors have been italicized).

It is important to see female entrepreneurship as a distinct yet related concept to male entrepreneurship so that we can make efforts to understand the similarities and differences among both these groups.

3. Statement of the Problem

Traditionally our society is male-dominated and women were not treated as equal partners and they were confined to four walls of the house. In modern societies women have stepped out the house to participate in all sorts of activities. Today with the growth of MSME, many women have plunged into entrepreneurship and are also running their enterprises successfully. With the relevant education, work experience, improved economic condition and financial opportunities more women are venturing into business.

4. Objectives of the Study

1. The objective of this study is to reveal the status of woman entrepreneurs in India.
2. The objective of this study is to discuss different traits of women entrepreneurs.
3. The main focus of this research article is to reveal various hurdles faced by women entrepreneurs in India.
4. The objective of this paper is to show the changes which occurred in the position of women entrepreneurs from past to modern era.
5. The objective of this paper is to make aware other women entrepreneurs or aspiring women regarding various credit facilities available for start-up or running the enterprises

5. Hypothesis

HO: Due to increasing government support the status of women in India has changed significantly in the field of entrepreneurship.

6. Methodology of the Study

Primary & Secondary sources of data collection were used.

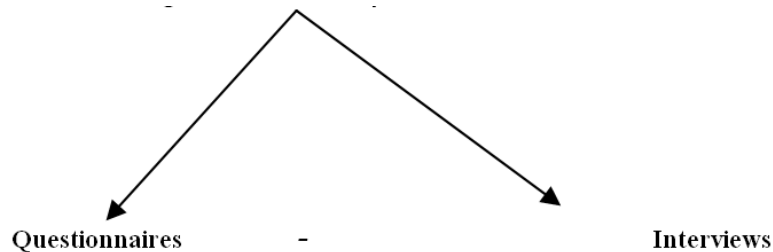


Fig. 1: Primary Sources

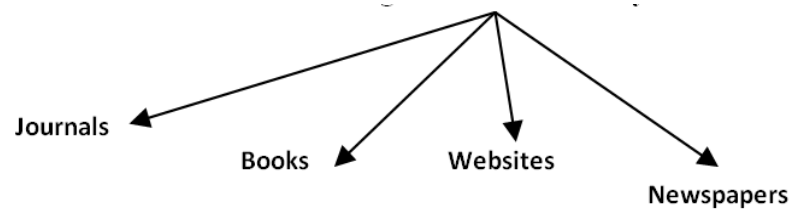


Fig. 2: Secondary Sources

7. Findings

7.1 It is observed that most of the women face problems of finance while establishment and running their enterprise.

7.2 Various financial and non financial bodies discriminate among men and women while granting them loan. They are skeptical on the abilities of women to pay loan.

8. Suggestions

8.1 Women entrepreneurs could be trained and educated in order to make the successful with regard to access to capital, marketing of their products.

8.2 Government should come out with different schemes to support women entrepreneurs not only in monetary sense but also in nonmonetary.

9. Conclusion

India is a male dominated society and women are assumed to be economically as well as socially dependent on male members. The absolute dependence seems to be diluted among the high and middle class women as they are becoming more aware of personal needs and demanding greater equality.

Women entrepreneurs faced lots of problems at start-up as well as operating stage like, non availability of finance, having to perform dual role one at home and other at work. Technological advancement and information technology explosion have reduced

the problem of women entrepreneurs. Along with technological revolution, mental revolution of society is needed to change the attitude of the society and provide women with entrepreneurial platform.

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.

Thus, Women have the potential and the determination to set up, uphold and supervise their own enterprises in a very systematic manner. Appropriate support from the Society in and family members in particular is required to help these women scale new heights in their ventures.

10.Limitations of the Study

10.1 Respondents were not ready to answer because of time constraint.

10.2 This study is only limited in the area of India.

10.3 Most of the data was collected by secondary sources of data.

10.4 The problem in the conducted study was financial problem it require large amount of money, if one has to go for field research work.

References

- [1] Dhameja S K (2002), Women Entrepreneurs: Opportunities, performance, problems, Deep publications (p) Ltd, New Delhi, p 11
- [2] Dynamics of entrepreneurial development and management–By Vasant Desai. Himalaya Publishing House.
- [3] Entrepreneurship Development –By S.S Khanka. S. Chand & Company Limited. (Ram Nagar, New Delhi-110055).
- [4] Rajendran N (2003), "Problems and prospects of women Entrepreneurs" SEDME, Vol. 30 no.4 Dec.
- [5] Rao Padala Shanmukha (2007) "Entrepreneurship Development among Women: A case study of self help Groups in Srikakulam District, Andhra Pradesh" The Icfai Journal of Entrepreneurship Development Vol.1V No. 1
- [6] Sharma Sheetal (2006) "Educated Women, powered, women" Yojana Vol.50, No.12
- [7] Shiralashetti A S and Hugar S S " Problem and Prospects of Women Entrepreneurs In North Karnataka District: A case
- [8] <http://www.weforum.org/>
<http://money.livemint.com/IID91/F132540/DirectorsReport/Company.aspx> [7]
<http://www.nytimes.com/2009/09/16/world/asia/16ladies.html>
- [9] <http://www.articlesbase.com/entrepreneurship-articles/is-the-women-entrepreneur-empowered-in-india-3147613.html#ixzz15PmH5WNy>

