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Exploring Constraints Faced by Women Entrepreneur in India: An Overview

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

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ABSTRACT

Background: Women entrepreneurship is essential for societal as well as country development. But women entrepreneurs in India come across multiple challenges which obstruct them from working.

Aims: This study aims to investigate the constraints faced by women entrepreneurs in India. The paper engages in a comparative literature review of constraints from several states in India.

Methods: A cross selection survey.

Results: The major constraints faced by women entrepreneurs in India are the social constraints like gender inequality and discrimination, family discouragement, lack of social acceptance and male dominance, etc. Personal constraints include lack of self-confidence, motivation and risk-bearing capacity, dual role performance at home and job, fear of failure and criticism and many more, financial constraints were inadequacy of working capital, lack of awareness of sources of finance, lack of credit facility and lack of knowledge about finance etc., and environmental constraints like inadequate institutional support, non-availability of good workers/employees, lack of managerial education etc. hamper the pathway of women entrepreneurs.

Conclusion and Recommendation: This study makes certain recommendation such as constraints faced by women entrepreneurs need to be addressed as top priorities to have unhampered women development by conducting gender-specific training, awareness workshops,

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vocational skill courses, utilization of social media for information dissemination, skill development should be done by government and policymakers should come up with various policies and programmes focusing on creating a conducive environment for the success of women entrepreneurs.

Keywords: Entrepreneurship; women entrepreneurship; constraints; vocational skill; managerial skill education.

1. INTRODUCTION

Societal view regarding entrepreneurship being a male-dominated phenomenon is now changing. At present, women are arising as successful and inspirational entrepreneurs. In recent years, a noticeable number of women have established enterprises and more and more young women are coming forward to set up enterprises. Entrepreneurship is a multilevel and complex phenomenon that gained importance in the global economy as a result of changes in employee qualifications, work contents, and psychological contracts in the employment field. Entrepreneurship contributes to the economic growth is being a conveyor of new or existing knowledge spillover and creative ideas that might otherwise not be utilized and realized for the benefit of all [1,2,3].

As per the NSS 73rd Round of National Sample Survey Office (NSSO), there are a total of estimated 1,23,90,523 women-owned proprietary

Micro, Small & Medium Enterprises in the country. More than 20% proprietary Micro, Small & Medium Enterprises (MSMEs) are owned by women themselves. West Bengal is the state having the highest percentage of women-owned proprietary MSMEs (Fig 1). Due to the prevailing political, economic and socio-cultural environment, women are either pushed or pulled for entrepreneurship [4]. But in the process of establishing enterprises, they have to face various problems associated with entrepreneurship.

2. DEFINITION OF ENTREPRENEURSHIP

Entrepreneurship is the word originally derived from a French verb “Entrenprendre” which means ‘to undertake’. The word entrepreneurship appeared first in French. In the early 16th century men engaged in leading Military expeditions were referred as entrepreneur. Around 17th century, the term was used for architects and contractors of public works.

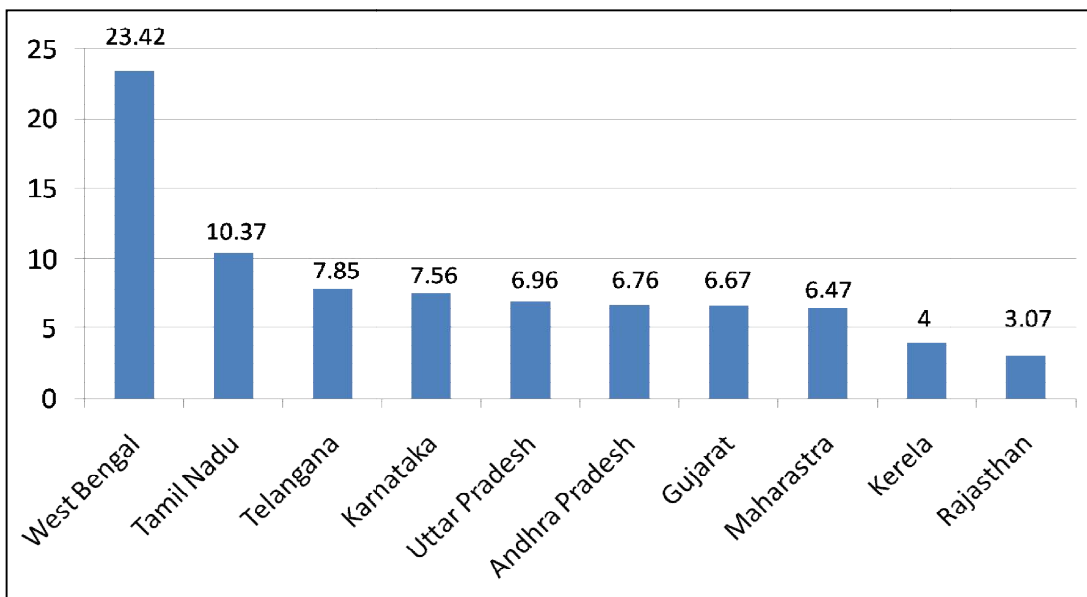


Fig. 1. Percentage share of states in MSMEs owned by women
 Source: National Sample Survey Office (NSSO)

Different authors have defined entrepreneurship in various ways. There is no common consensus on defining entrepreneurship. Entrepreneurship is the act of creating a business or businesses while building and scaling it to generate a profit.

Drucker (1985) endorsed entrepreneurship as "creation of new business and anyone who manages to establish a new business is an entrepreneur outright".

From the perspective of [5] "Entrepreneurship is the process of doing something new and something different to create wealth for the individual and add value to society".

Stevenson [6] defined Entrepreneurship as "the process by which individuals pursue opportunities without regard to the resources they currently control." According to [7] "entrepreneurship is the capacity to take risk, ability to organize and desire to diversify and make innovations in the enterprise". Reynolds (2005) conceptualized entrepreneurship as "the discovery of opportunities and the subsequent creation of new economic activity, often via the creation of a new organization".

3. CONSTRAINTS FACED BY WOMEN ENTREPRENEURS

Women entrepreneurs in India came across multiple challenges. After reviewing the constraints faced by women entrepreneurs across India, constraints have been divided into four subheads: Social constraints, personal constraints, financial and environmental constraints.

3.1 Social Constraints

The studies indicate that several social issues exist which hampers women to progress in their careers. They not only face gender inequality and discrimination by banks and other institutions [8,9,10] but also come across male dominance [11] in every sector and they are constantly pulled back, discouraged and not supported by family [10,12,13]. They do not get social acceptance easily [12,9]. Apart from this, they have low literacy level [14,15,16,8]. Poor socio-economic condition [15], discrimination related to caste and religion [13] and cultural values [9].

3.2 Personal Constraints

Women entrepreneurs' come across various challenges in work field as they are not given

same acceptance as male entrepreneurs as entrepreneurship being perceived by a man's domain and they are also usually cheated and misbehaved by customers and suppliers [10] more frequently. Apart from this, they have dual role responsibility of home as well as job [17,18,9,19,16,12] they constantly struggle to make balance between home as well as workplace despite not getting sufficient support from family members [9,12]. Due to the overload, they usually ignore further opportunities [8,14] of development. Most of the time women themselves constraint themselves from achieving their full potentials as they are susceptible about their decision-making abilities [9], they lack self-confidence, motivation and risk-bearing capacity [17,13,12,14,16,8,20], they have fear of failure and criticism. They face problems due to their low entrepreneurial skill [15], low level of education [14,16,8,15] and lack of leadership qualities [9]. They do not have access to training [17,16] they lag behind due to lack of business administration knowledge and technical aspects (Bajpai and Kumar 2010), lack of government support, lack of information [16] and lack of security [21,9]. The other constraints experienced by them are gender discrimination [8], physical constraints like pregnancy [9], reserve attitude of society [9], social barrier/hesitation in adopting new technology [14] and unawareness of the govt. schemes and assistance [20].

3.3 Financial

Recent studies indicate that the performance of women entrepreneurs suffers due to the various financial constraints like inadequacy of working capital [18], lack of credit facility [22,23,16,8], high-interest ratio [23], lack of investment [23]. They usually lack financial support from related agencies [15,21,10] as they do not have properties on their name, therefore, they are unable to take loans due to bank policy and bureaucracy [16]. They are also not aware of sources of finance [24,21].

3.4 Environmental Constraints

Women entrepreneurs face problems related to the environment of the workplace due to their lack of managerial education [9], poor marketing facilities [15, inadequate institutional and governmental support [21,14], lack of understanding govt. rules and regulations [9], lack of latest technology [9]. They also come across problems like location disadvantage [25],

non-availability of skilled workers/employees [22,18] rare availability of raw material on time and poor marketing facilities [15], increased competition [18,25,9] and inadequate accommodation [22]. They have a problem of demand estimation [25] product pricing [25] and maintaining cordial interpersonal relations [9].

4. SOME SUGGESTIONS TO IMPROVE WOMEN ENTREPRENEURSHIP

Suggestions for social constraints: Most importantly cultural barriers must be removed by creating awareness among society members so that gender discrimination, negative social attitudes towards women is eliminated, and women must be motivated so that they could freely take a better decision and are acknowledged as equal partners and contributors to economic growth and development.

Suggestions for personal constraints: To help women entrepreneur overcome their personal constraints it is imperative to provide them with training on personality development, leadership development, achievement-motivation training, technical training orientation, entrepreneurial skills, stress management, and abilities workforce management etc. Better educational facilities along with vocational courses should be provided for technical knowledge gain. Also, supervisors/advisor should be made available for providing guidance. Most importantly, family of women entrepreneurs' must be made aware so that support is granted to them.

Suggestions for financial constraints: Finance is the basic requirement for starting any enterprise. Therefore, women entrepreneurs must be given some financial assistance in form of subsidy for loans. The loan granting procedures and formalities of the bank should be simplified and the required documents should be minimized. Interest-free loans should be given to women entrepreneurs. Also, tax relaxation should be given to women entrepreneurs in firm.

Suggestions for environmental constraints: The environmental constraints can be met by training women entrepreneurs on technical skills, providing adequate infrastructure facilities, sufficient data and market intelligence and providing assistance to participate in the international trade fair, exhibition and conferences. It is important to make them aware of the benefits of a network for getting access to resources and promotional schemes. Provisions

for marketing and sales assistance should be made to help women to not get cheated by middlemen. Marketing facilities for buying and selling of both raw material and finished goods should be provided in easy reach. Both the government and private agencies have to play a coordinating role with an integrated approach for moving women entrepreneurship development a success.

5. CONCLUSION

Women entrepreneurship is essential for societal as well as country development. But women entrepreneurs in India come across multiple challenges which obstruct them from working. After reviewing the studies conducted in India it is found that women entrepreneurs faced barriers which are personal, social, financial and environmental. The study suggests that these constraints need to be addressed as top priorities in order to have unhampered women development by conducting gender specific trainings, awareness workshops, vocational skill courses, utilization of social media for information dissemination, skill development should be done by government and policy makers should come up with various policies and programmes focusing on creating a conducive environment for the success of women entrepreneurs and a comprehensive action plan needs to be implemented to counter these challenges which will help them to develop their knowledge, skill and attitude.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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