

## **PROBLEMS AND PROSPECTS OF WOMEN ENTREPRENEURSHIP: AN IDENTIFICATION OF THE BARRIERS**

**Dr.S.Sakthivel Rani, Asst Professor & M.Selvarani, Asst Professor, Department of Business Administration,  
Kalasalingam University, Anand Nagar, Krishnan Koil.**

### **Abstract**

*Women are an emerging economic force that policy makers cannot afford to ignore. The worlds modern economy and in fact democracy depends on the participation of both sexes. An appreciation of gender issues is important when considering strategies to improve India's competitiveness in the world and ways to promote private-sector development. The main aim of this research is to find what kind of business are undertaken by women in Virudhunagar district, what are the problems they are facing and the seven barrier construct and overall benefit being women entrepreneur and challenges they are facing. This study was undertaken because of gender bias. Women are major players in the private sector, particularly in agriculture and in informal businesses. Their business is mostly traditional product and service. The ability of women to formalize and grow their businesses, to create jobs, and to enhance productivity is hampered where legal and institutional barriers exist. This research will help to create policy for the development Women entrepreneurship for the enlistment of society.*

### **Introduction**

Entrepreneurship originates from the French word entrepreneur that means "to undertake" Burch (1986). Entrepreneurship is the process of identifying new opportunities and transferring them into marketable ideas, products and services. Richard Cantillon, an Irish man living in France, was the first who introduced the term "entrepreneur" and his unique risk bearing function in economics in the early 18<sup>th</sup> century. The drive to entrepreneurship is innate to human beings, as they compete in life for profit, similar to what they do in business (Montanye, 2006). At the micro level, entrepreneurship benefits individuals or teams, at the macro level it creates and catalyzes employment and economic growth. In developing countries, small and medium enterprises are important for the economic growth and development.

Entrepreneurship supports the process of economic development, fosters economic growth, job creation, and reduces rural unemployment and migration. Small scale enterprises have been given an important place in the framework of Indian planning for both ideological and economic reasons. Women, all over the world, have demonstrated success in handling small scale projects. This study aims to find the factors inhibiting women entrepreneurship in Virudhunagar region, focusing on women entrepreneurs.

### **Review of Literature**

The number of Women entrepreneurs is rising in the global world and it accounts to more than 25% of all business (Woldie & Adersua, 2004). Walker et al. (2007) argue that historically women were "pushed" rather than "pulled" into business ownership. In recent studies it is indicated that many young women actively choose self-employment than to be an employee. In addition to this Walker et al. (2008) observe that women's preference to home-based business ownership predominantly by the flexibility afforded to lifestyle and the ability to balance work and family. Women entrepreneurs can significantly contribute in poverty reduction, mobilization of entrepreneurial initiatives, autonomy, and in accelerating the achievement of wider socio-economic objectives (Belwal & Singh, 2008). However, the contribution of women entrepreneurs depends on their performance, which in turn is affected by the underlying facilitators and barriers, understating of which is a key to nurturing a balance economy and the growth in a long run. However, women entrepreneurs in developed countries such as the US are much more ambitious in constructing a professional identity. James et al. (2006) revealed that they actively draw on role models from different domains and prefer to learn from external role models. Ashford C. Chea (2008) identified that the factors like innovation (the most influential), a business plan, a strong family support system, social networks, and professional development is helping women in starting and operating their small business. Sindhu S. Narayan and P.S. Geethakutty (2003) pointed that very high literacy rate and lack of employment opportunities paved way for many unemployed youth including women to take up small-scale business units. Kamal Naser et.al (2009) financial support from the government especially in the start-up capital is an important factor that motivates women to establish their own businesses. Self-fulfillment, knowledge, skills and experience, including relationship to

spouse/father business, are all important factors in the development of women entrepreneurs. Unlike previous research factors such social norms, market network, and competition do not seem to be barriers for women in becoming entrepreneurs. Bitange Ndemo, Fides Wanjiku (2007) Maina Evidence in the paper finds that women, whether pushed or pulled into starting an enterprise, desire to make independent decisions. Lack of resources made them dependent on their spouses, thus limiting their capacity to make independent decisions. Those pushed into setting up subsistence enterprises had greater discretion in terms of decision making compared with those who started enterprises to exploit an opportunity and whose basic needs were comfortably met by the spouse's income. Other factors determining levels of decision making include: culture, level of education and poverty. Daphne Halkias et. Al (2011) with no or few significant differences shown to exist between male and female business owners or managers once they have already started an enterprise, there is a strong indication that Africa has sizeable hidden growth potential in its women. From the results presented, it is evident that female entrepreneurship in Nigeria is driven by micro-financing as well as family dynamics that work to shape and influence the birth of a business.

### **Research Method**

The prospective women entrepreneurs were visited to reinforce good rapport and explained the objective of this study in order to get the accurate data. The personal contacts ensure the smooth collection of data. Totally 275 women entrepreneurs were contacted personally to get the information.

Namaki & Gerritson (Birley, 1988), he identifies the challenges under seven categories namely barriers of infrastructure, professional barriers, educational and training barriers, social and cultural barriers, legal barriers, behavioral constraints and role barriers. The study is carried out in Virudhunagar district to assess the obstacles faced by the women entrepreneurs while running their ventures.

The data collection method is obtained through a well structured questionnaire. The questionnaire includes the details of the demographic profiles and eight constructs.

**Table 1 Constructs**

No.	Constructs	Indicators
1	Barriers affecting Women Entrepreneur	7
2	Professional Barriers	4
3	Education and Training Barriers	4
4	Social and Cultural Barriers	4
5	Legal Barrier	2
6	Behavioral Barriers	5
7	Barriers of Role	3
8	Major Benefits being Women Entrepreneur	8
9	Major challenges	13

The main purpose of this research is to reveal to what extent these factors and components affect women entrepreneurs in Virudhunagar district. The following research questions are raised to assess the above factors. 1. What are the challenges faced by Woman Entrepreneurs in Virudhunagar district? 2. What factors inhibit the women from starting their entrepreneurial ventures? 3. How could improve the participation of women in the entrepreneurial ventures?

## **Results & Discussion**

### **Demographic profile of the respondents**

The demographic profile of the respondent's given in table 2 states that 47% of the respondents were married and 53% were unmarried. 56% of the women entrepreneurs are having primary level education and 44% are secondary level education. Marital status and education qualification are the two main influencing factors to reflect the type of business the entrepreneurs had chosen. 91% are having micro enterprise and only 8% have employed more than 10 employees. 47% of the women entrepreneurs are residing in the city and 53% are residing in the village side. As age increases the level of self confidence also increases and it is noted that 41% are less than 30 yeas and 59% are in the age group of 30-50. Experience

enhances to gain better knowledge in the respective field which ensures to gain additional benefits. 82% are having previous experience and 18% are not having previous experience.

**Table 2 Profile**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percent</b>	<b>Education</b>	<b>Frequency</b>	<b>Percent</b>
Married	130	47	Primary	154	56
Un Married	145	53	Secondary Level	121	44
<b>Residence</b>	<b>Frequency</b>	<b>Percent</b>	<b>Driving License</b>	<b>Frequency</b>	<b>Percent</b>
City	130	47	Yes	58	21
Village	145	53	No	217	79
<b>Age</b>	<b>Frequency</b>	<b>Percent</b>	<b>Size of Enterprise</b>	<b>Frequency</b>	<b>Percent</b>
Less than 30 years	112	41	Micro(1-9 employees)	250	91
30-50	163	59	Small (10 - 49 employees)	25	9
<b>Previous Working Experience</b>	<b>Frequency</b>	<b>Percent</b>	<b>First Enterprise</b>	<b>Frequency</b>	<b>Percent</b>
Yes	226	82	Yes	242	88
No	49	18	No	33	12
<b>Condition of Previously owned Enterprise</b>	<b>Frequency</b>	<b>Percent</b>	<b>Nature of Owning</b>	<b>Frequency</b>	<b>Percent</b>
Are still successful	136	51	Created the company	234	85
Have been sold	135	49	Inherited family business	33	12
Total	275	100	It is a business I have bought	8	3

**Table 3: Source of Finance**

Source of Finance	Frequency	Percent
Personal savings	129	47
Loan from Banks	80	29
Both Personal Savings and Bank Loan	16	6
Borrowing from friends	9	3
Borrowing from relatives	41	15

47% of Women started their business by their own funding. Their business concentrated more on Cottage industries, retail shop; and beauty parlor. Only 29% started their business by bank loan and other sources of funds from personal savings and bank loan, borrowing from friends and borrowing from relatives.

**Table 4: Motive for starting Business**

Reasons	Frequency
Profit / making money	145
Not want to work for others	65
Want for control and freedom to make own decisions	81
Social status	97
Self - achievement	84
Confidence in the products /services offered	83

The major reason behind for starting business is to earn profit, social status and freedom to make own decisions. The various other factors like Not want to work for others, Want for control and freedom to make own decisions, Social status, Self – achievement and Confidence in the products /services offered were given less importance when compared to the profit.

**Table 5: Barriers affecting Women Entrepreneurs**

Barriers affecting Women Entrepreneurs	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Access to credit	113	81	32	16	32	1051	3.82
Access to technology	65	89	73	8	40	954	3.47
Guidance from institutions	65	89	49	24	49	922	3.35
Information	49	65	65	40	57	833	3.03
Government support	8	73	40	40	113	647	2.35
Industrial support	32	89	24	49	81	768	2.79
Financial support	81	81	32	8	73	914	3.32

Table 5 and figure 1 indicates that among seven components access to credit, technology effects highly but they disagree government support. 41% of the Women complained about the unavailability of capital for their projects and the limitation of financial support from institutions. They reported convincing Financial Institution and proving their business success is difficult one. 55% of Women entrepreneur agreed access to technology and related materials as barrier. So Government should take effort to reach technology and knowledge to women entrepreneur and make them participate in industrial bodies. There is a gap in knowledge sharing and transfer in of technology. 41% of women disagreed Government support as a barrier. The weighted average of 2.8 for industrial support shows that their opinion is neutral. They further reported there must be a industrial support, in providing information flows from industrial companies, They cited the unavailability of centralized modes of information and complained that most opportunities are given to the already well-established companies.

Figure 1

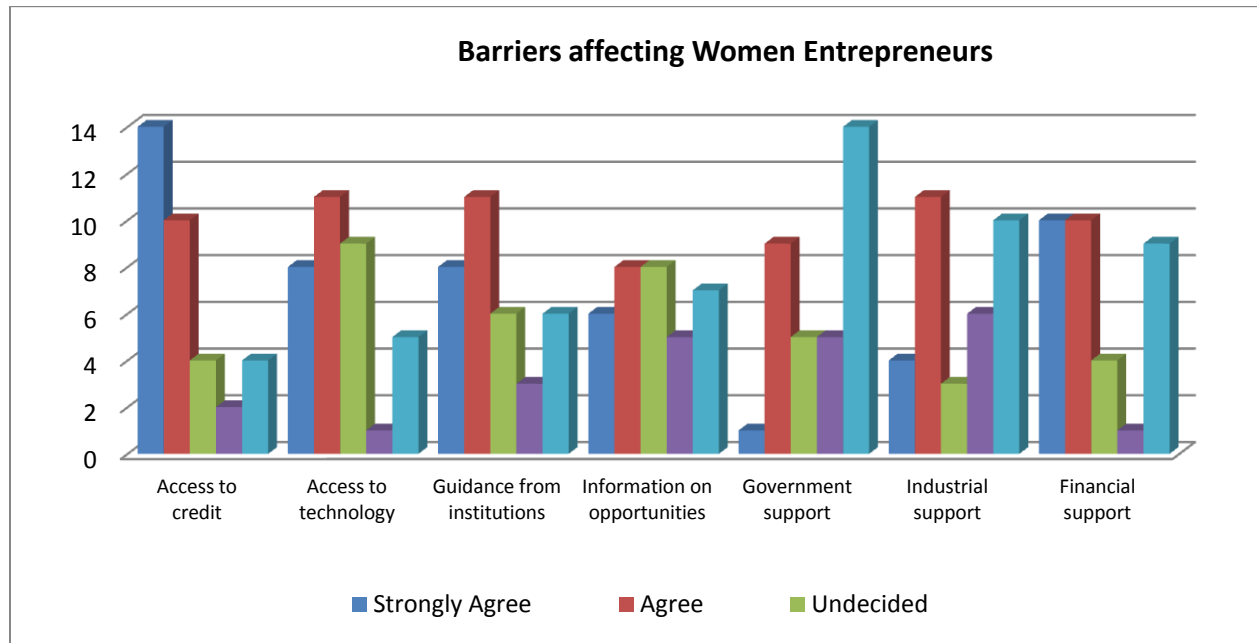


Table 6: Professional Barriers

Professional Barriers	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Traditional restrictions	40	113	24	8	89	833	3.0
Lack of professional education	49	105	40	32	49	898	3.3
Generation of skills	81	113	32	8	40	1011	3.7
Knowledge to collaborate	73	65	40	73	24	914	3.3

Table 6 indicates that generation of skills highly affect the women entrepreneur. Among traditional restrictions are difficulties in travelling alone, working after hours. Generation of Skills by acquiring new knowledge and training is very essential for expansion, new market and decision making. Most of the women agreed professional barriers of generation of skills affects the women entrepreneur. Traditional restriction on meeting people and collaborate.



Collaborations are affected due to weak networking or relationship between the parties and lack of good communication.

**Table 7: Education and Training Barriers**

Education and Training Barriers	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Training opportunities	449	146	8	24	49	946	3.4
Information on education	57	89	49	24	57	890	3.2
Time for training	40	97	73	32	32	906	3.3
Basic education	138	40	32	24	40	1035	3.8

**Table 8: Age at starting of Enterprise**

Age	Frequency	Percentage
20-25	137	50
26-30	97	35
30-35	25	9
40-45	16	6

Table 7, 8 indicates that among four components Training opportunities and basic education affect more intensively than the other two. Training opportunities are not freely available, and even if it available it is not reached to women entrepreneur. 55% of women completed only primary school and 50% women started their business at the age of 20-25. Initial period of establishing make them to concentrate more on business so they missed the opportunity of updating their skill by training and further education. Shortage of Institution offering courses on flexible time and course for the age group of above 25 affects the women for upgrading their skill.

**Table 9: Social and Cultural Barriers**

Social and Cultural Barriers	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Values system of society	49	49	49	49	81	760	2.8
Family structure	57	81	40	16	81	841	3.1
Gender bias	49	73	24	89	40	825	3.0
Combining family and work life	65	105	24	32	49	930	3.4

Table 9 indicates that combining family and work life highly affects women entrepreneur. But value system of the society does not affect intensively. Combining family and work life is difficult because amidst other constraints, the women find difficult to rationalize their time between their work and the family.

**Table 10: Legal Barriers**

Legal Barrier	Strongly Agree	Agree	Un decided	Dis agree	Strongly Disagree	Weighted Score	Weighted Average
Act independently	81	81	24	24	65	914	3.3
Responsibility center	49	49	121	40	16	898	3.3

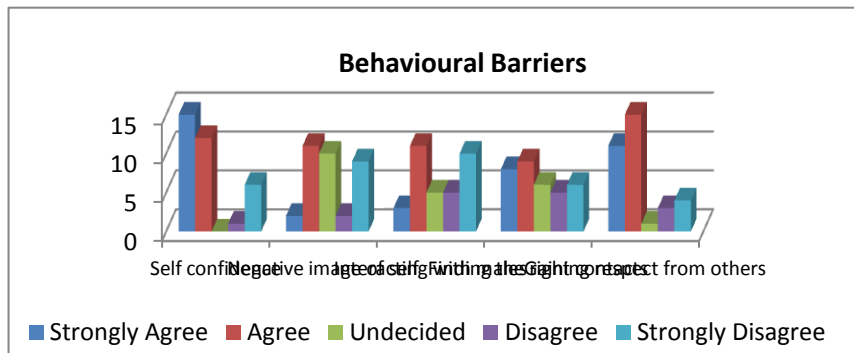
Table 10 indicates that legal barriers are near to neutral position. The women entrepreneurs are exercising their rights. It clearly shows that they are able to act independently and also they take up the responsibilities to succeed in the business.

**Table 11: Behavioral Barriers**

Behavioral Barriers	Strongly Agree	Agree	Un decided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Self confidence	121	97	0	8	49	1060	3.9
Negative image of self	16	89	81	16	73	785	2.9
Interacting with males	24	89	40	40	81	760	2.8
Finding the right contacts	65	73	49	40	49	890	3.2
Gaining respect from others	89	121	8	24	32	1035	3.8

Table 11 and Figure 4 collectively indicate self confidence and gaining respect from others has been a barrier for them. Their position was near to neutral for interacting with males along with finding the right contacts affect with higher intensity.

**Figure 4**



**Table 12: Barriers of Role**

Barriers of Role and their effect on Women Entrepreneur	Strongly Agree	Agree	Un decided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Leadership and requirements	113	73	49	16	24	1060	3.9
Compatibility with the task	49	81	57	57	32	882	3.2
Pressure to achieve	97	57	32	40	49	938	3.4

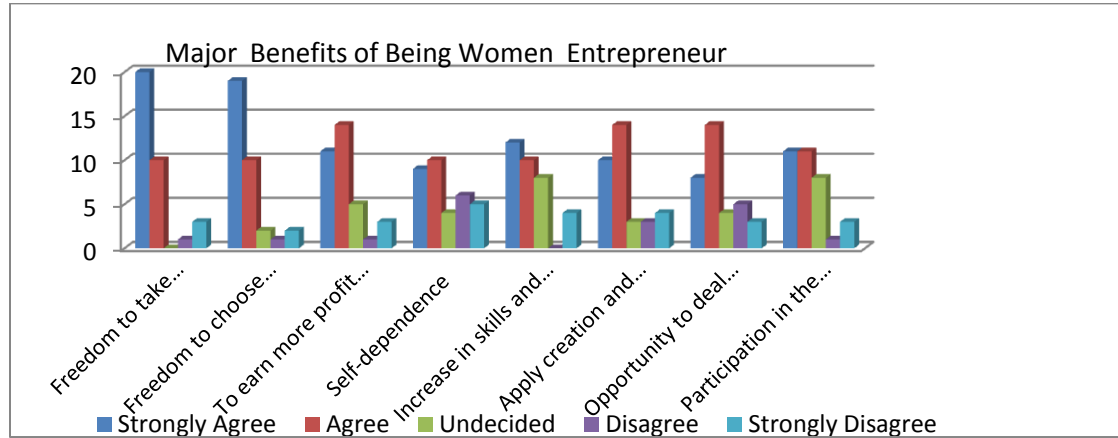
Table 12 indicates that pressure to achieve along with leadership and requirements affect with higher intensity. Leadership qualities enhance the women entrepreneurs to achieve their goals in due course of time. This can be achieved if the women entrepreneurs by participating in various development programmes.

**Table 13: Major Benefits being Women Entrepreneur**

Major Benefits being Women Entrepreneur	Strongly Agree	Agree	Un decided	Dis agree	Strongly Disagree	Weighted Score	Weighted Average
Freedom to take decision	162	81	0	8	24	1173	4.3
Freedom to choose work and time	154	81	16	8	16	1173	4.3
To earn more profit as an individual	89	113	40	8	24	1060	3.9
Self-dependence	73	81	32	49	40	922	3.4
Increase in skills and experience	97	81	65	0	32	1035	3.8
Apply creation and innovation at work	81	113	24	24	32	1011	3.7
Opportunity to deal with others and getting respect	65	113	40	40	24	979	3.6
Participation in the social services	89	89	8	8	24	1035	3.8

Table 13 and figure 5 collectively indicates freedom to take decision, freedom to choose work and time, participation in social service, development of skills and experience are the major benefits for being a women entrepreneur.

**Figure 5**



**Table 14: Major Challenges**

Major Challenges	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Getting Capital	97	105	16	8	49	1019	3.7
Believing in their abilities	89	105	32	24	24	1035	3.8
Choice of Location	97	97	40	16	24	1051	3.8
Society's outlook	105	65	24	32	49	971	3.5
Supplier search and interactions	73	113	32	16	40	987	3.6
Balancing Home and Business	105	105	32	24	8	1100	4.0
Handling Men	24	81	32	65	73	744	2.7
Problems with the customers	16	129	49	24	57	849	3.1
Marketing	32	97	32	46	40	857	3.1
Personal Mobility	49	81	16	8	89	817	3.0

Lack of Management Skills	57	138	8	8	40	987	3.6
Exclusion from informal networks	89	113		24	32	1027	3.7
Perception of Women Role	65	146		32	24	1019	3.7

Table 14 indicates that Balancing Home and Business, believing in their abilities, Choice of Location, Getting Capital, and Exclusion from informal networks and Perceptions of Women Role are the major barriers for being women entrepreneur.

**Table 15: Over all Barriers**

Barriers	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Weighted Score	Weighted Average
Barriers affecting Women Entrepreneur	8	146	105	40	16	874	3.2
Professional Barriers	0	105	121	49	8	857	3.1
Education and Training Barriers	16	97	105	49	8	890	3.2
Social and Cultural Barriers	24	97	89	121	0	793	2.9
Legal Barrier	32	40	32	105	16	841	3.1
Behavioral Barriers	24	89	97	49	0	930	3.4
Major Challenges	0	105	73	32	0	963	3.5
Barriers of Role	65	170	105	32	8	971	3.5

### Suggestion and Conclusion

Entrepreneurship is a desirable trait for catalyzing the economic growth and development in developing. Table 15 presents the overall score of different categories of barriers currently women entrepreneur are facing. Through this research we found that social and cultural

barriers were not intensively affected women entrepreneur. Women rely on their own funding for starting business.

Our study reveals that the nature of enterprise promoted is more linked with occupational experience than the educational qualification of the women entrepreneurs it shows, that experience has more bearing than the education qualification of the choice of an industry. Women entrepreneurs under study preferred those industries in which they had working experience. Training and developing the skills and abilities were limited. Government should take initiatives to upgrade their skill and institutions should come up with offering education program for women entrepreneur.

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