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A STUDY OF PROBLEMS AND REMEDIES OF WOMEN ENTREPRENEURSHIP

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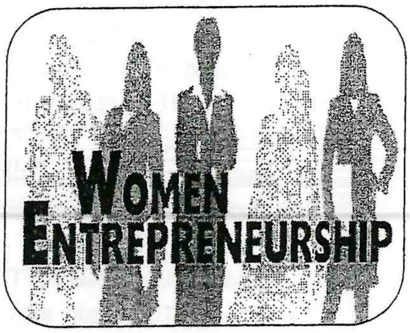
ABSTRACT

Indian society is a male dominated society; therefore the educated Indian women have to go long way to achieve equal right and position. Despite all the obstacles in their way, Indian women stand at a height from the rest of the crowd and are applauded for their achievements in their respective fields. Women entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. Many women start a business due to some traumatic events, but a new talent of pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies.



In the recent era, there should be a continuous attempt to inspire, encourage, motivate and cooperate women entrepreneurs. The present paper studies the concept of women entrepreneurship, problems of women entrepreneurship and remedies to overcome those problems.

KEYWORDS: *Entrepreneurship, Women, Problems, Remedies.*

INTRODUCTION

Government of India has defined women entrepreneur is "an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women".

Women are starting more businesses than men, but they find it harder at the outset to grow their businesses and access venture capital. Women entrepreneurs constitute 10 % of the number of entrepreneurs in our country. "All over the world there is a realization that the best way to tackle poverty and enable the community to improve its quality of life is through social mobilization of poor, especially women into self help groups. Ever since independence a number of innovative schemes have been launched for the upliftment of women in our country. Indian government has taken lot of initiatives to strengthen the institutional rural credit system and development programmes. Viewing it in the welfare programmes of Ninth Five Year Plan (1997-2002) and shifting the concept of Development to Empowerment. The Indian government adopted the approach of Self Help Groups (SHGs) to uplift the rural poor women. The empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual woman and women groups but also the families and community as a whole through collective action for development.

Most women business owners in Indian organization were either housewives or fresh graduates with no previous experience of running a business, These women business owners were in traditionally women - oriented business like garments, beauty care, and fashion designing, which either do not require any formalized training or are developed from a hobby or an interest into a business, The classic example will be of herbal queen Lady ShehnazHussain who started her herbal-based treatment from a relatively small scale. Infact, she started literally from her kitchen domain to a chain of beauty parlours spread out across the nation and world.

Central and State Governments are trying for the development and promotion of women entrepreneurship through its various agencies but they still face many problems. There is no proper coordination between the plans and their implementation. The problems of women entrepreneurs whether in small, medium or large scale sector, are almost similar but their nature and scope is different.

In this study, universe was large hence samples are selected. For completion of the proposed study, 100 samples are selected from the various schemes rendered by DIC, Latur for entrepreneurship development. Samples are selected on random selection basis and equal weights are given to the all schemes of DIC.

100 samples are selected from the various schemes of DIC, Latur for drawing the accurate conclusions of the study. Out of 100 samples, 20 female beneficiaries from each category of the schemes are selected.

30 samples are from rural area and 70 are selected from urban areas. Urban areas cover the Latur city and taluka places and rural area covers villages of Latur district.

This researchanalyses the results of interviews conducted and questionnaires filled from 100 respondents. It studies the various problems of women entrepreneurship development such as general and specific problems. Following are the summary of problems of women entrepreneurship development and various difficulties of women entrepreneurs.

OBJECTIVES AND METHODOLOGY OF THE STUDY

The main aim of the research study is to identify the key issues and problems tackled by women entrepreneurs (i.e. women running their own businesses). It is a descriptive research work carried out by the researcher. Primary as well as secondary data is the source for this study.

PROBLEMS OF WOMEN ENTREPRENEURSHIP DEVELOPMENT

1. FINANCIAL PROBLEMS

Financial problems involve the problems related with capital, working capital, long term funds, recovery, etc.

Table 1.1 exhibits the problems faced by small and large scale industries. The major problem of small scale and large scale industries is working capital and its intensity is 70% and 60% respectively. Though the routine expenditure of large industries is heavy like salary of staff, printing, stationery, light bill, telephone bill, etc. they manage it from their turnover. The beneficiary respondents of schemes of DIC stated the problem of delay in releasing funds from banks and its percentage is 50% respectively for small and large units. Comparatively small scale industries face the problem of loan repayment in high proportion as their distribution and collection network is not strong.

Table 1.1

Financial Problems of Small Scale and Large Scale Industries

	Working Capital	Delay in releasing loan from banks	Loan Repayment
Small Scale Industries	70%	50%	70%
Large Scale Industries	60%	50%	50%

(**Source**: Questionnaires and Interviews)

In the present circumstances of increasing unemployment, a new type of 'Forced Entrepreneurship' of 'First Generation Entrepreneurs' has emerged. They start an industrial unit by their own innovative skill and for exploiting the gains from government schemes. But they have no entrepreneurial background. Hence it creates various problems for first generation entrepreneurs. In this study, it is observed that there are 60% entrepreneurs who jumped into this field without having entrepreneurial background.

Table 1.2 exhibits the problems faced by first generation entrepreneurs as well established entrepreneurs. As compared to the established entrepreneurs, first generation entrepreneurs face the financial problem with high intensity. 70% first generation entrepreneurs found that they have insufficient working capital, as it is the problem of 50% established entrepreneurs. Delay in releasing funds from banks is the similar problem for both types of entrepreneurs. 60% first generation entrepreneurs face the problem of loan repayment as they have no strong distribution and collection network.

Table 1.2
Financial Problems of First Generation and Established Entrepreneurs

	Working Capital	**Delay in releasing loan from banks**	**Loan Repayment**
First Generation Entrepreneurs	70%	50%	60%
Established Entrepreneurs	50%	50%	40%

(**Source:** Questionnaires and Interviews)

The financial institutions/banks cannot sanction the loan prior to completion of legal procedure and it results in delay in starting business unit. The entrepreneurs of small-scale industries have insufficient own capital and therefore, heavily depend upon the borrowed finance either from financial institutions/bank or from private moneylenders to meet their capital requirements, is a common phenomenon. Generally the new entrepreneurs are inexperienced so when they prepares the project reports, they may select improper location, employ inexperienced consultants, choose improper technology, under or overestimate the fixed and operational costs and emphasis on project without a proper market survey.

2. MARKETING PROBLEMS

Marketing infrastructure is not supportive for industrial development in rural and emi-urban areas. In India, small scale and cottage industries are isolated from the market and unable to understand quickly and accurately the prevalent trend of market. Major marketing problems are competition with branded competitors, lack of sales promotion, weak bargaining power, distribution and lack of advertisement. Small scale industries suffer marketing problems in greater extent than large scale industries.

Table 1.3 presents the marketing problems of small and large scale industries. 40% small industries respondents face the problem of distribution and only 20% large industries face the same problem. It is because large industries have better distribution network than small entrepreneurs. Lack of advertisement is the problem of 50% small scale and 30% large scale industries as small scale industries have no sufficient funds to make advertisement. Small scale industries forced to sell their products on credit basis. Hence recovery is major problem of small as well as large scale industries as 70% and 50% respectively.

Table 1.3
Marketing Problems of Small Scale and Large Scale Industries

	Distribution	Advertisement	Recovery
Small Scale Industries	40%	50%	70%
Large Scale Industries	20%	30%	50%

(**Source**: Questionnaires and Interviews)

Table 1.4 exhibits the problems faced by first generation entrepreneurs and established entrepreneurs. As compare to established entrepreneurs, the first generation entrepreneurs encounter more marketing problems because they have no entrepreneurial background. 40% first generation and 20% established entrepreneurs are facing the problem of distribution. The intensity of advertisement problem is 60% and 30% for first generation and established entrepreneurs. The major marketing problem for both the entrepreneurs is skilled manpower. Because skilled manpower is not available at Latur market and those who are skilled demand high salary which is not affordable to small scale units. Another problem is lack of knowledge of market. This is generally seen in first generation entrepreneurs.

At the local level, entrepreneurs face the problem of distribution as the distribution channels are not available in orderly manner. Distribution agents like wholesaler, retailers, and agents demand high commission.

Table 1.4
Marketing ProblemsFirst Generation and Established Entrepreneurs

	Distribution	Advertisement	Recovery
First Generation Entrepreneurs	40%	60%	70%
Established Entrepreneurs	20%	30%	60%

(**Source**: Questionnaires and Interviews)

Small scale entrepreneurs have lack of market knowledge. They are unaware about fluctuating market trends and do not keep up to date record of market situation.

3. OPERATIONAL PROBLEMS

While managing a businesss unit, entrepreneurs face some operational problems. These problems are presented in table 1.5. Non-availability of skilled workers is the major problem of small as well as large industries. Small scale industries can manage its business with the help of semi-skilled and unskilled workers. But large industries cannot do this. Hence, large industries face this problem in greater extent. In Latur district, 80% large scale industries respondents feel that there is not conducive environment for them. 60% large scale industries face the problem of working capital whereas it is 70% in small scale industries. 40% of the respondents of small scale industries feel that they cannot prosper because of lack of management skills.

Table 1.5
Operational Problems of Small Scale and Large Scale Industries

	Lack of Skilled Workers	Lack of Industrial Environment	Insufficient Working Capital	Poor Management
Small Scale Industries	70%	40%	70%	40%
Large Scale Industries	80%	80%	60%	5%

(**Source**: Questionnaires and Interviews)

Small scale units are not in a good economic position so that they are unable to attract the skilled workers, because of this; skilled workers cannot be employed in the small scale units. Due to these, the entrepreneurship does not prosper.

Latur district is an industrially backward in the Marathwada region in respect of industrial as well as entrepreneurial development. In comparison with the other parts of state, the basic infrastructure facilities are not available in the district. The entrepreneurs do not have the technical and marketing knowledge of their entrepreneurs.

4. INFRASTRUCTURAL PROBLEMS

Latur is one of the industrially backward regions of Marathwada. One of its reasons is lack of infrastructural facilities like location, water, power, transport, communication, etc.

Table 1.6 reveals that the major problem of entrepreneurs is inadequate and irregular supply of power. It is found in interviews, 90% rural industries and 60% urban industries face this power problem. It results in often disturbances in production and may lead to stoppage of production. Most of the entrepreneurs feel that they have to pay heavy electrical charges comparatively to the consumption of electricity. The irregular supply can affect the process of constant production in industry. Location and water are also the common problems for both the industries. 60% rural industries face the problem of transport because there is non-availability of good transportation facilities in rural area. This problem is not troublesome for urban industries as they are located within the city limits.

Table 1.6
Infrastructural Problems of Rural and Urban Entrepreneurs

	Location	Water	Power	Transport
Rural Area	30%	60%	90%	60%
Urban Area	30%	60%	60%	10%

(**Source**: Questionnaires and Interviews)

In Latur taluka, one industrial estate is established by MIDC at Latur town and another one is proposed. One co-operative estate is also in Latur taluka. The plots developed by MIDC have all infrastructural facilities. Besides this industrial estate other places are not suitable to start the small units because of the non- availability of infrastructural facilities such as roads, water and power. If these facilities are made available, there will be an opportunity to develop the industries.

5. LOCATIONPROBLEMS

Selection of an appropriate location enables the enterprise to operate smoothly and with the minimum cost. It is estimated that manufacturing and distribution cost may vary to an extent of 10% by the choice of enterprise location.

In Latur district, the units which are situated at taluka places feels comfortable for selling the products, but those who are situated at village areas encounter various problems like non-availability of raw material, away from market place, lack of infrastructural facilities, non-availability of manpower, etc.

Table 1.7

Location Problems of Rural and Urban Entrepreneurs

	Non-availability of Suitable Land	Huge Cost / Rent of Land	Away from Market Place
Rural Area	10%	30%	60%
Urban Area	60%	80%	20%

(**Source**: Questionnaires and Interviews)

Table 1.7 shows the location problems of entrepreneurs in Latur district. Rural entrepreneurs got the land easily but 60% of the urban entrepreneurs have not got suitable land for their business. It is due to the huge cost and rent of the land. In the rural areas, land can be acquired in minimum cost but 80% of the urban entrepreneurs face the problem of huge cost/rent. 60% rural entrepreneurs stated in the questionnaire that their business unit is far away from market place but the urban entrepreneurs got the land which is near to market place.

6. TECHNOLOGICALPROBLEMS

Latur is industrially backward and hence it affects on technical progress adversely due to non-availability of latest machineries/ technology. Another reason of this backwardness is that entrepreneurs have lack of accounting, internet and computer knowledge.

60% small scale and 40% large scale entrepreneur respondents stated that there is huge cost of latest machineries. Therefore those machineries are not affordable for local entrepreneurs. Entrepreneurs are lagging behind in accounting as well as in computer knowledge. In the questionnaires, 50% small scale entrepreneurs stated that they have no accounting knowledge. Some of them reported that they have not made any separate arrangement for accounting. Well maintained accounts help the manager to take effective and quick decisions. But for maintaining proper accounts, accounting knowledge is necessary.

7. PROBLEMS OF WOMEN ENTREPRENEURS

As per census 2001, in Latur district, the literacy percentage of female in rural area is 59.04% and in urban area it is 70.9%. These figures show that literacy ratio is very low in Latur district. Indian women entrepreneurs enjoy a disadvantageous status in society. Women entrepreneurs encounter two types of problems - general problems and specific problems such as problem of finance, stiff competition, family ties, lack of education, male dominated society, low risk bearing ability etc. Some major problems are taken for the study.

Table 1.8
Problems of Women Entrepreneurs of Rural and Urban Area

	Problem of Finance	Dual Responsibility	Lack of Family Support
Rural Area	85%	90%	70%
Urban Area	80%	80%	40%

(**Source**: Questionnaires and Interviews)

Table 1.8 focuses on some major issues of women entrepreneurs. 80% of women respondents face the general problem of finance. All women entrepreneurs have to give first priority to their family and second priority to business. They have dual responsibility. 70% rural entrepreneurs confess that they have no family support except their husbands. But in rural area this picture is slight good as only 40% women entrepreneurs not got family support.

8. LIMITED MOBILITY

It is a discouraging factor for women entrepreneurship. Due to primary household responsibilities towards her family, her time gets divided between the two worlds. She has restricted timings for work due to which, she is not in a position to travel frequently and be away for longer periods. Thus, her mobility is restricted. This also has an implication on business.

9. MALE DOMINATD SOCIETY

It is one of the negative factors for women entrepreneurship. A woman is dominated by men in her family as well as business. Often she has to obtain permission from men for almost everything.Her freedom is restricted. She always has to consult and get approval of men. They are not treated as equals.

10. LOW RISK BEARING ABILITY

Right from the childhood of a girl, her parents take decisions for her and after marriage her husband takes over. She is protected throughout and thus the risk bearing ability gets reduced. This factor effects on women entrepreneurship negatively.

11. SOCIO CULTURAL BARRIERS

Woman has to perform multiple roles be it familial or social irrespective of her career as working woman or an entrepreneur. In our society, more importance is being given to male child as compared to female child. This mindset results in lack of schooling and necessary training for women. As a result this impediments the progress of women and handicap them in the world of work.

SUGGESTIONS/ REMEDIES

First and most important factor for the growth and development of women entrepreneurship is to change the attitude of society towards women entrepreneurship. It would be considered as a profession and not a side business. Full devotion and dedication is required to acquire success in business. There is an urgent need to change the psychological set up of society.

Most of the women entrepreneurs are started their business under ole proprietorship and small scale. Hence that government has to aid their businesses and help those to start large-scale business like company.

Financial Aspects: Special schemes should be implemented whereby women can get bank loans at liberal conditions.

Childcare : More childcare facilities should be provided to fulfil women entrepreneurs' needs. This would entail extended opening hours or flexible opening hours according to the woman entrepreneur's needs. Alternatively measures should be taken for fathers to be in the position to take parental leave, and men should be encouraged to take the leave.

Working time: Self-employed women should be encouraged to employ on a part-time or full-time basis at least one person so that they have more time for their family and can take interest in other occupations, actively participate in decision-making bodies.

Training, advice or consultancy targeted solely or mainly at women entrepreneurs.
Start up programmes for women, particularly those returning to the labour market.
Special targeting of women in general campaigns to boost levels of entrepreneurship.
Equal opportunities policies aiming for equal access for women to services.
Need to have network with other firms to generate business and access informal advice.
Encouraging and assisting relevant business support initiatives.

It is also found that compared to men, women were less concerned with making money and often choose business proprietorship as a result of career dissatisfaction. Secondly, women find entrepreneurship as a tool of meeting their career needs and childcare role.

The problem of finance, marketing and infrastructure should be solved by the related administrative departments. For solving the psychological and social problems, government agencies should take initiative and organize motivational training programmes for them. Individual efforts of potential entrepreneur are also necessary for creating entrepreneurial culture. It seems that if all the above problems regarding women entrepreneurial development will be solved in time, the entrepreneurship will prosper and employment opportunities will be generated, national income will be increased and growth of economy will take place.

CONCLUSIONS

Women entrepreneurship development is one of the important areas where majority of countries have focused as a part of overall Human Resource Development. In most countries, regions and sectors, the majority of business owner/managers are male (from 65% to 75%). However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up in business. Women are working in this multifaceted world. In addition, rates of self-employment among women are increasing in several countries. Although there are no official statistics relating businesses to the gender of their owner/manager, there is a good deal of evidence to suggest a significant increase in female entrepreneurship. One consequence of this is that women are a relatively new group of entrepreneurs compared with men, which means that they are more likely to run younger businesses. Presently, women entrepreneur has to accept this situation as a challenge and face it with their all abilities.

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