

# The Invisible Entrepreneurs: Barriers to Women Achieving their Entrepreneurial Potential

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**Abstract:** This paper provides a comprehensive summary of the academic literature with regard to risk and its role in the entrepreneurial experience of women. Entrepreneurial risk has an under-developed conceptual basis and distilling gender-specific aspect is difficult. The paper explores how entrepreneurial culture contributes to the widely noted difference in entrepreneurial propensities between men and women. Personal and institutional aspects and contributors to this difference include women entrepreneurs clustering in retail and traditional service sectors, and a tendency for females to have poorer access to resources. This paper also provides suggestions for future directions for developing research on women as entrepreneurs. The objective of present paper is to show how entrepreneurial culture contributes to this widely noted difference in entrepreneurial propensities between men and women.

**Keywords:** Entrepreneurial, Prospects, Dissemination, Ventures, Innovation, Propensities, Endemic, Transaction Cost, Moguls, Plagued, Liquidation.

## 1. INTRODUCTION

There is a need to feminize the research on entrepreneurs — to include the experiences of women in what we know to be true about entrepreneurs and the entrepreneurial process. There are some significant methodological problems in researching women's entrepreneurial experience, problems which in the past have prevented researchers from gaining an understanding of this experience, and which continues to stand in the way of developing female perspectives. Instead of using the existing “male-based” models, new approaches are called for in incorporating women's experiences into entrepreneurship theory.

## 2. THE DEFINITION AND CONCEPTS

Women Entrepreneur may be defined as a woman or a group of women, who initiates, innovates or adopts an economic activity.

According to the Government of India, a woman entrepreneur is defined as, “An enterprise owned and controlled by a woman and having a minimum financial interest of 51% of the employment generated in the enterprises to women. Just as entrepreneurs, women entrepreneurs are those women who generate business ideas or select the best opportunity, mobilizes resources, combines the factors of production, undertake risk and operate the enterprise most effectively to earn profit.

## *Role of women entrepreneurs*

A women entrepreneur performs different functions of different nature some of them are

1. Generating new business ideas
2. Exploring the prospects of starting new enterprises
3. Undertaking risks and handling economic uncertainties
4. Employment generation
5. Introducing new ideas of Innovation
6. Support to family's income
7. Overall economic growth
8. Balanced regional development

## 3. SCOPE OF AND OPPORTUNITIES FOR WOMEN ENTREPRENEURS

The modern world women has been able to overcome the hurdle of the society's perception of considering them to the confined four walls of the house or viewing them as weak entrepreneurs caught up in a limited business area such as papad making, pickle preparation, food items, paintings, handicrafts etc. They have been able to show a remarkable shift from these small entrepreneurial ventures to modern, technology based business ventures such as-

1. Computer services and information dissemination
2. Trading in computer stationery
1. Computer maintenance
2. Travel and tourism
3. Quality testing, quality control laboratories
4. Sub assemblies if electronic products
5. Nutrition clubs in schools and offices
6. Poster and indoor plant libraries
7. Recreation centers for old people, Culture centers).

## 4. EXPLAINING FEMALE PROPENSITIES FOR ENTREPRENEURSHIP

Why entrepreneurial propensities differ between men and women has exercised many researchers. Education, age and birth order influences upon entrepreneurship are often similar between genders [1]. But typically there are differences by business sector – with women clustering in retail and traditional

service sectors. For some factors (e.g. unemployment, life satisfaction) there is a differential impact on female and male entrepreneurship. Using Global Entrepreneurship Monitor data on 17 countries [2] find that subjective perceptual variables have a crucial influence on the entrepreneurial propensity of women and account for much of the difference in entrepreneurship between the sexes.

After receiving many comments from women who have started their own business and others who would like to but haven't I have discovered many women are entrepreneurs although they remain largely invisible. Why is this? In an age women are routinely selected for positions of leadership and power (though still unrepresented in proportion to their numbers) whether that's secretary of state (three of the last four have been female), ceo (15 female ceo's in fortune 500) or entertainment moguls (opera Winfrey) why are women still moving largely unnoticed amongst the Entrepreneurship ranks?

One reason is that many female led businesses aren't built on a large scale. They tend to be small businesses opened up by family or husband with modest goals for growth and expansion.

### 5. PROBLEMS OF WOMEN ENTREPRENEURS

Women Entrepreneurs are faced with two sets of problem, viz, general problems specific to women entrepreneurs. They are discussed as follows

#### 1. *Problem of finance*

Finance is regarded as the 'life blood' for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts. Firstly, women do not generally have property on their names and access to the external sources of funds is limited.

#### 2. *Scarcity of raw material*

Most of the women entrepreneurs are plagued by scarcity of raw material and necessary inputs. In India it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role.

#### 3. *Lack of education*

Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge.

#### *Male dominated society*

The constitution of India speaks of equality between sexes. But, in practice, women are looked upon as weak section of society in all respects.

#### 4. *Low risk bearing ability*

Women in India lead a protected life. They are less educated and economically less self dependent. All these reduce their ability to bear risk involved in running an enterprise.

### 7. THE MODEL

Entrepreneurial culture is assumed to show itself in one or both of two ways, each stemming from varying preferences or aptitudes favouring cooperation or independence [3-5]. One

manifestation of entrepreneurial culture is in differing personal productivity in entrepreneurship from that in employment. Another way in which it is shown is by (a higher or lower proportion of the population of origin having) stronger preferences for entrepreneurship as against employment. In both cases individuals are assumed to like the goods and services that are earned by their entrepreneurship or employment but not to like the effort involved.

The first key aspect of the model is possibility that individual production or effort functions differ between groups for cultural reasons. With the same preference functions groups scoring low on individualism may be more productive in employment (E2) and less so in entrepreneurship (E1). Conversely for those scoring high on individualism, and since higher productivity makes for higher utility, the chances of choosing the work mode with the higher productivity are also greater. This is the first prediction of the model; higher entrepreneurial productivity leads to higher entrepreneurship chances, while higher employment productivity leads to higher employment.

### 7. ORGANIZATIONS PROMOTING WOMEN ENTREPRENEURSHIP IN INDIA

#### i. *National Resource Centre for Women (NRCW)*

An autonomous body set up under the National Commission for Women Act, 1990 to orient and sensitize policy planners towards women.

#### ii. *Women's India Trust (WIT)*

WIT is a charitable organization established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.

#### iii. *Association of Women Entrepreneurs of Karnataka (AWAKE)*

AWAKE was constituted by a team of women entrepreneurs in Bangalore with a view to helping other women in different ways—to prepare project report, to secure finance, to choose and use a product, to deal with bureaucratic hassles, to tackle labour problems, etc.

#### iv. *Working Women's Forum (WWF)*

WWF was founded in Chennai for the development of poor working women to rescue petty traders from the clutches of middlemen and to make them confident entrepreneurs in their own right. The beneficiaries are fisherwomen, lace makers, beedi making women, landless women, labourers and agarbathi workers.

#### vii. *Association of Women Entrepreneurs of Small Scale Industries (AWESSI)*

It was founded in Ambattur in Chennai in 1984 to promote, protect and encourage women entrepreneurs and their interests in South India to seek work and co-operate with the Central and State Government services and other Government agencies and to promote measures for the furtherance and protection of small-scale industries.

viii. *Aid The Weaker Trust (ATWT)*

ATWT was constituted in Bangalore by a group of activists to impart training to women in printing. It is the only one in Asia. Its benefits are available to women all over Karnataka. It provides economic assistance and equips girls with expertise in various aspects of printing and building up self-confidence

ix. *Self-Employed Women's Association (SEWA)*

SEWA is a trade union registered in 1972. It is an organization of poor self-employed women workers. SEWA's main goals are to organize women workers to obtain full employment and self-reliance.

x. *Sakhi Campaign By Hindustan Zinc*

Hindustan Zinc through its women empowerment program helps and facilitates various women entrepreneurs of various sectors through "Sakhi" Awards. "Sakhi" campaign gives a unique opportunity and edge to further scale-up and strengthen self-help-groups of women entrepreneurs and encourage millions of other rural and tribal women to come forward towards their socio-economic empowerment.

## 8. FINANCIAL INSTITUTIONS ASSISTING WOMEN ENTREPRENEURSHIP IN INDIA

These institutions include: i) National Small Industries Corporation (NSIC), ii) All-India Development Banks (AIDBs), viz. IDBI, IFCI, ICICI, IIBI, IDFC and SIDBI, iii) Specialized Financial Institutions (SFIs), viz. Exim Bank and NABARD, iv) Investment Institutions, viz. LIC, GIC, NIC, NIA, OIC, UII and UTI, v) Regional/ State-Level Institutions, viz. NEDFI, SIDCs and SFCs, vi) Commercial Banks, vii) Co-operative Banks, etc.

## 9. ANALYSIS

It could be contended that, for instance, education and wealth, like entrepreneurship, depend upon culture. But when education, wealth and other individual-level variables are not

culturally determined, our second measure is appropriate; the chance of becoming an employer, holding constant a range of other influences on the outcome.

The opportunities for entrepreneurship depend on industry entry barriers or their absence. Barriers now are lowest in the wholesaling, retailing and construction industries.

## 10. CONCLUSION

This conclusion can be derived either from culture affecting gender differences in preferences or in productivity. The prediction is that culture pushes females to be more entrepreneurial than males from un-entrepreneurial cultures, and less entrepreneurial from highly entrepreneurial cultures. The paper posits that an understanding of the gender aspects of risk is required if policy measures are to be constructive and help women overcome barriers and achieve their entrepreneurial potential. Some conclusions that can be drawn from the review of the past 30+ years of women's entrepreneurship research. This sub-area has come a long way in a very short period of time, surpassing many of the developmental milestones as the broader field of entrepreneurship.

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