

Challenges and opportunities for women entrepreneurs in Small and Medium sized Enterprises

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Abstract

Entrepreneurship is one of the key instruments in the process of industrial development and economic growth. In the traditional societies, women were confined to the four walls of houses performing household activities. The study has made an attempt to examine the socio-economic performance of women entrepreneurs and marketing problems in the study area. The primary information was collected from 150 women entrepreneurs in which 50 were from each category were taken into consideration. The t-test was performed to identify the association between income and savings before and after entrepreneurs. The study has found that, production, marketing and labour are the major problems among women entrepreneurs. The study also provides policy suggestions to overcome the issues in entrepreneurship.

Keywords: Entrepreneurship, women, problems, savings, income.

1. Introduction

Atmanirbhar Bharat provides a road map for all the sectors to become globally competitive (Nandan et.al. 2020). The five pillars of Atmanirbhar Bharat are Economy, Infrastructure, System, Vibrant Demography and Demand (Prajakta et.al. 2020). To provide employment opportunities and increase standard of living is a national goal in 2022 (NITI Aayog). India is the fast-growing economy with 8 percent growth. The total population in India is 133 crores out of this, 43 crores are women and over 67 percent of them are between the productive ages of 15-64 years. India stands near the bottom of the ladder in encompassing the women participation in the labour force as per 2019 estimates (ILO STAT, 2019). 33.24 crore women are engaged in workforce. The Sustainable Development Goals (SDGs) focus on economic

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empowerment and the wellbeing of women. India has been achieving the demographic dividend with young population which has the potential to change India's economic and social development. However, the private and government sector alone will not be sufficient in generating the required jobs; hence entrepreneurship opportunities for women have a vital role in boosting the economy through job creation. Women labour force participation rate has been falling from 31.79% in 2005 to 20.79% in 2019 (NITI Aayog, 2020). The total number of MSMEs in India is only 14%. Among this 8.5 million MSMEs are owned by women entrepreneurs (Master Card Index, 2018).

Entrepreneurship is one of the key instruments in the process of industrial development and economic growth (Ambad and Damit, 2016; Caloerdo et.al. 2020; Vicentini et.al. 2019; Voda and Florea, 2019). The entrepreneurial skills have to be given to all women. Some studies have shown positive relationship between entrepreneurial skill and investment (Ciavarella et.al. 2004; Haozhao et.al. 2010; Tseng 2013). Women entrepreneurs are innovative entrepreneurs (Schumpeter, 1911/2000).

2. Problems

The economic outcomes of India have shown a steady rise over the years but due to COVID-19 and lockdown the economy has gone down and the women entrepreneurs struggle with less favourable conditions, pronounced cultural biases and lack of business resources such as funding infrastructure, training and development. Government of India has announced new entrepreneurship programmes such as Prime minister's Employment Generation Programme (PMEGP), Entrepreneurship Skill Development Programme (ESDP) and Startup India. Several state governments, CSR entitles and civil society organizations are also undertaking their own initiatives. According to NITI Aayog, new schemes would be announced to boost entrepreneurship which would be related to Entrepreneurship Community for networking compliance and tax assistance, entrepreneur skilling and mentorship funding financial assistance, incubation and acceleration, marketing assistance.

Infrastructure in the form of transport, power and communication is the basic requirement for the growth of entrepreneurial activities. Deen Dayal Upadhayaya Gram Jyoti Yojana was launched in 2015, with an estimated outlay of Rs. 43.033 crore. In 2019, Pradhan Mantri Sahaj Bijali Har Ghar Yojana was launched to provide access to emerge throughout the country. To promote skill training in 2014, government of India has set up of Ministry of Skill Development and Entrepreneurship, and National Skill Development Mission in 2015. They have aimed at providing formal training to nearly 400 million people across the country by 2022 (Economic Survey, 2020). In a bid

to boost entrepreneurship among scheduled castes, venture capital fund of Rs. 200 crores were provided. The objectives, of the study are as follows:

- i. To study the socio-economic performance of women entrepreneurs in the study area.
- ii. To examine the marketing problems of women entrepreneurs in the study area.
- iii. To suggest measures to overcome the challenges faced by the women entrepreneurs.

3. Review of Literature

In this section, a systematic review has been conducted and Google Scholar database was used to collect the research papers with reference to women entrepreneurs. Further, an attempt has been made to understand the major problems and challenges faced by women entrepreneurs in India.

Das (2000) studied the problems and motivational factors of women entrepreneurs and work-family conflicts in Tamil Nadu and Kerala. The study indicated that, the low level of family conflicts result in high level of family support for women entrepreneurs. It has to be noted that Indian women are similar to women from western nations in terms of problems and challenges in women entrepreneurship. It suggested that the government should provide funding initiatives for women entrepreneurs.

The study used non sampling technique to collect data from 100 women entrepreneurs in 25 zones. Women entrepreneurs from the fields like beauty parlours, hospitals, departmental stores were taken into consideration. It was found that, health, family, marketing, and lack of financial support are the major problems faced by women. The study suggested to provide gender specific training and financial support from financial institution for women entrepreneurs. Sapna et. al. (2017) analyzed the role of women towards economic development and factors influencing women entrepreneurs in India. The study also reviewed some of the government schemes for women Start-Up and Stand-Up such as PMRY, EDPs and WDCs. The study found that, financial, emotional and fear of success are the major problems among women entrepreneurs. Therefore, it suggests to provide more financial supports for women entrepreneurs to succeed in their work. Government should provide proper skill training programmes to enhance the entrepreneurship skills. Tulika (2019) examined the issues and challenges among women entrepreneurs in India. The study found financial shortage, marketing issues, raw materials shortage, cost of production, lack of training, and absence of advance skills in

entrepreneurship, lack of ability and credit facilities are the major problems of women entrepreneurs from this study. Therefore, study suggests to provide gender equality especially in education and employment and also government should provide skills which help them sustain in the global competitive market.

4. Methodology

The present study was carried out in Tirupattur district of Tamil Nadu. Since it has large number of women entrepreneurs. Further, women entrepreneurs were identified on the basis of random sampling method. Well-structured interview schedule was used to elicit information from the sample respondents. Women entrepreneurs in the study area were classified into three categories i.e., Handicraft makers (Agarbatti), Beauticians and Tailors. The primary information was collected from 150 sample respondents in which 50 from each category were taken into consideration. The t-test was performed to identify the association between income and savings before and after becoming entrepreneurs.

The present study used t-test to find out the relationship between socio-economic conditions of women entrepreneurs before and after becoming entrepreneurs. The following are the hypothesis framed for the study.

H_0 = Null Hypothesis

H_1 = Alternative Hypothesis

Where,

H_0 = Entrepreneurship does not play a vital role in the improvement of socio-economic conditions of women entrepreneurs in the study area.

H_1 = Entrepreneurship plays a vital role in the improvement of socio-economic conditions of women entrepreneurs in the study area.

5. Results and Discussion

In this section, the findings from the empirical study and outcome of the 't' test are discussed. Further, the analysis has been divided into three categories i.e., socio-economic characteristics, type of entrepreneurs and their saving and income; and problems and motivational factors of the entrepreneurs. The 't' test was used to find association between the monthly income and savings before and after becoming entrepreneurs.

Table-1: Socio Economic Characteristics

Socio-Economic variables	Frequency (N=150)	Percentage (N=100)
Age		
Less than 35	35	23.3
36 to 40	87	58.0
41 to 45	28	18.7
Educational Status		
Primary	1	0.7
Table-1 continued		
Matriculation	41	27.3
Higher secondary	71	47.3
Graduation	32	21.3
Post-Graduation	5	3.3
Family size		
1-3 members	5	3.3
4-5 members	103	68.7
Above 5 members	42	28.0
Family structure		
Nuclear	122	81.3
Joint	28	18.7
Community		
SC	38	25.3
MBC	51	34.0
BC	61	40.7
Religion		
Hindu	127	84.7
Muslim	10	6.7
Christian	13	8.7

Source: Field survey

The table exhibits the socio-economic characteristics of the respondents, as far as age group of the respondents is concerned. Majority i.e. 58% of the respondents are from the age group of 36-40, followed by 23.3% of the respondents from 31-35 age group and only 18.7% of the respondents are from

41-45 age group. With regard to education qualification of the respondents, majority i.e. 47.3% of the respondents have completed higher secondary followed by 27.3% who have completed matriculation, 21.3% completed graduation, 3.3% completed post-graduation and only 0.7% completed primary education. As far as family size is concerned, majority of 68.7% of the respondents have 4-5 members in their family, followed by 28% who have above 5 members and 3.3% with 1-3 members in their family. In family structure, majority of 81.3% of the respondents are from nuclear family. In community, majority i.e 40.7% of the respondents are from Backward Class (BC), followed by 34% from Muslim Backward Class (MBC) and 25.3% from Schedule Caste (SC) Category. In religion, majority of 84.7% of the respondents are Hindus, followed by Christians 8.7% and Muslims 6.7%.

Table-2: Type of Entrepreneurs and its Savings and Income

Type	Frequency (N=150)	Percentage (N=100)
Type		
Beauty Parlour	50	33.3
Textile Garments	50	33.3
Handicrafts	50	33.3
Monthly income before becoming entrepreneurs		
Less than 5000	134	89.3
5001 to 10000	14	9.3
10001 to 15000	2	1.3
Monthly income after becoming entrepreneurs		
Less than 15000	88	58.7
15001 to 20000	51	34.0
Above 20000	11	7.3
Savings per month before becoming entrepreneurs		
Less than 5000	138	92.0
5001 to 10000	12	8.0
Savings per month after becoming entrepreneurs		
Less than 10000	90	60.0
10001 to 15000	58	38.7
15001 to 20000	2	1.3

Source: Field survey

The table shows the type of entrepreneurs and their monthly income and savings. The total 150 respondents were taken into consideration in which 50 from each category were selected i.e., Beauty parlour, Textile garments and Handicrafts. As far as monthly income, before becoming entrepreneurs is concerned, the majority of (89%) of women entrepreneurs' monthly income was less than Rs.5000. The table depicts that around 9.3% of them possessed income between Rs. 5001 to Rs. 10001 and only 1.3% of them had monthly income Rs 10001 to Rs 15000. However, after becoming entrepreneurs, the monthly income is less than Rs. 15000 for 58.7% of the respondents, followed by Rs.15001 to Rs. 20,000 for 34.5% and above 20,000 for 7.3% of the respondents respectively. As far as savings, before and after becoming entrepreneurs is concerned, the majority of (92%) of respondents saving was less than Rs.5000 before they became entrepreneur and majority of (60%) of the respondents' saving after becoming entrepreneur is less than Rs.10000 followed by Rs.10001 to Rs.15000 for 58% of the respondents. It clearly shows that, their income and savings have increased when they become entrepreneurs.

Table-3: Motivational factors and problems in entrepreneurs

Factors	Frequency (N=150)	Percentage (N=100)
Motivational Factors		
To earn money	32	21.3
To supplement family's income	30	20.0
To help and provide employment to others	10	6.7
To keep myself busy	19	12.7
To fulfil my own ambition	39	26.0
To stand in my own legs	20	13.3
Problems in Entrepreneurs		
Production	17	11.3
Labour	37	24.7
Loan	52	34.7
Marketing	22	14.7
Others	22	14.7

Source: Field survey

The above table-3 shows the motivational factors and problems of the women entrepreneurs. Majority of 26% of the respondents are motivated by their ambition, followed by 21.3% of the respondents who become entrepreneurs to earn more money, and 20% of the respondents are motivated by their family's economic conditions. As far as problems of entrepreneurs are

concerned, majority of the women entrepreneurs i.e 34.7% have been facing loan problems, followed by 24.7% women entrepreneurs facing problems pertaining to workers. Only 29.4% of the respondents are facing marketing and other allied problems in their business.

Table-4: Association between monthly income before and after becoming entrepreneurs

One-Sample Test						
	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Differ- ence	95% Confidence Interval of the Difference	
					Lower	Upper
Monthly Income before entrepreneurs	-29.536	149	.000	-.88000	-.9389	-.8211
Monthly Income after entrepreneurs	28.820	149	.000	1.48667	1.3847	1.5886

Source: Computed data

The t-test has been conducted to identify the association between monthly income before and after becoming entrepreneurs. The table indicates that the value of t-test is statistically significant at 1% level, monthly income before becoming entrepreneurs is $[t_{(149=-29.53), n=150}]$ and monthly income after becoming entrepreneurs is $[t_{(149=28.82), n=150}]$. Hence, the ‘p’ value is significant at 1% level and lies at 2 tailed. Therefore, it has been proved that null hypothesis (H_0) is rejected and alternative hypothesis is accepted i.e., entrepreneurship plays a vital role in the improvement of socio-economic conditions of women entrepreneurs in the study area which means their monthly income has increased after becoming entrepreneur.

Table-5: Association between monthly savings before and after entrepreneurs

One-Sample Test						
	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Differ- ence	95% Confidence Interval of the Dif- ference	
					Lower	Upper

Table-5: Continued

Monthly Savings before entrepreneurs	-41.394	149	.000	-.92000	-.9639	-.8761
Monthly Savings after entrepreneurs	9.725	149	.000	.41333	.3293	.4973

Source: Computed data

The t-test has been conducted to identify the association between monthly savings before and after becoming entrepreneurs. The above table-5 indicates that the value of t-test is statistically significant at 1% level, monthly savings before becoming entrepreneurs is $[t_{(149=-41.394), n=150}]$ and monthly savings after becoming entrepreneurs is $[t_{(149=9.725), n=150}]$. Hence, the ‘p’ value is significant at 1% level and lies at 2 tailed. Therefore, null hypothesis (H_0) is rejected and alternative hypothesis is accepted i.e., entrepreneurs play a vital role in the improvement of socio-economic conditions of women entrepreneurs in the study area which means their monthly savings is better than the before, becoming entrepreneur.

6. Discussion

Our findings have indicated that majority of the women entrepreneurs are in the age group of 36-40. They have completed their higher secondary school education. Educationally qualified women manage their, enterprises much better than the men (Parveen, 2015). Majority of the respondents have 4 to 5 members in their family, and their monthly income before being entrepreneur was less than Rs. 5000 and after becoming entrepreneur the monthly income has increased to Rs. 15000. As far as savings are concerned, the present savings are Rs.10000 which have increased than before. Most of the women entrepreneurs are motivated by their ambition. Several studies found that motivation is one of the most important factors for entrepreneurial success (Pandian et.al., 2011; Parveen, 2015). Majority of the women entrepreneurs have been facing loan problems. The results from the t-test have inducted that there is an association between monthly income and savings of the women entrepreneurs; statistically it has been proved at 1% level of significance and the monthly income and savings of women entrepreneurs have increased after becoming entrepreneurs.

7. Conclusion

Women participation in the field of entrepreneurship has been increasing at a considerable rate. Indian women entrepreneurs actively participate in the production and marketing of their commodities. The government of India introduced many schemes and training for women entrepreneurs. The following are the major concerns for women entrepreneurs', socio-cultural differences, work-family conflicts and economic factors. Women entrepreneurs face difficulties like marketing, finance, family and health. Therefore, Government of India should give some important guidelines for managing business, organizing skill development programmes, providing training, financial support and capacity building to women entrepreneurs. Government may also consider woman as an emerging economic force in policy making. An impetus on fostering innovative spirit amongst rural women should be given by directing them into agribusiness and agripreneurship.

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