

Problems of Women Entrepreneurs - A Case Study of Dharwad District

Laxmi B. Parab

Research Scholar

P. G. Department of Studies in Commerce,
Karnatak University, Dharwad
Email – laxmibparab@gmail.com

Dr. R. L. Hyderabad

Professor, P. G. Department of Studies in Commerce,
Karnatak University, Dharwad
Email – drrajulh@yahoo.com

Abstract

The development of entrepreneurship among women is a major step to increase women participation in economic development. In India, women constitute around half of the of total country population. Once upon a time, they were confined to the four walls of houses performing household activities. The scenario has changed. Now, women have been performing exceeding well in different spheres of activities. Even they indulge in running the enterprises and performing well in the society. Though women contribute almost 50 per cent in business development, socio-cultural values and attitudes are the main obstacles to their entrepreneurship. Hence, in this study, an attempt has been made to describe the problems of women entrepreneurs. Women entrepreneurs encounter so many problems like family ties, lack of family support, lack of awareness about opportunities, inadequate finance, lack of training, poor knowledge of the market, cut-throat competition, etc.

Keywords: *Women Entrepreneurs, Empowerment of Women, Financial Problems, Employment Generation.*

Introduction

Entrepreneurial development is a recent trend has assumed special significance, since it is a key to economic development. The industrial development, regional growth and employment generation depend upon entrepreneurial development. Entrepreneurs are thus seeds and employment opportunities are fruits of industrial development.

Women in business are considered a recent phenomena in India because, 50% of India's population are women. Indian women are in no way inferior to men in walks of life and they can be as good entrepreneurs as men in the country. Therefore, it is essential to exploit the potentials of Indian women. The development of entrepreneurship among women is a major step to increase women participation in economic development. It will enhance economic growth and provide employment opportunities for women entrepreneurs. Providing economic opportunities for women can also improve the social, educational and health status of women and their families.

In the advanced countries, there is a phenomenal increase in the number of self-employed women after the World War II. In the U K. since 1980, the number of self-employed women has increased three times as fast as the number of self-employed men (Vasant Desai, 1991). It has been seen that women outnumber men by at least two times, particularly when it comes to starting business in China. There are over five million women entrepreneurs constituting one fourth of all the entrepreneurs in China (Workshop Proceedings 2000).

Entrepreneurship is the main vehicle to move an economy forward from static equilibrium, based on the combinatorial capabilities of entrepreneurial individuals. It is a combinatorial capabilities result in recognition of a new good/quality, a new method/process, a new market, and a new source of supply or a new way of organizing the firm/production (J. Schumpeter, 1911). Entrepreneurs promote a more productive economy due to more efficient and innovative ways of production; it is the foundation for economic growth. (R. Holcombe (1998).

The Government of India (1988) defines women enterprises as follows. “Enterprise owned and controlled by a women entrepreneur with a minimum financial interest of 51 per cent of the capital and giving at least 50 per cent employment to women”. Entrepreneurs are the key factors in any developing country, particularly in terms of contributing to economic development.

Women participation in trade, industry and commerce, requiring entrepreneurship, is still poor, mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and non-government organizations. It is important for these people to focus on the limitations faced by the women and to plan supporting systems to enhance the women’s entrepreneurship in India. The literature cites a large number of studies relating to women entrepreneurs in India. The studies conducted by Reddy (2003), Singh (1991), Anbalagan (2008), Subbulakshmi (2010) and Vandan Mathur (2009) have discussed various aspects related to women entrepreneurs.

Objectives of the study

The following are the objectives of the study.

1. To study the problems relating to womanhood.
2. To study the problems faced at the beginning of the enterprise.
3. To study the problems encountered once the enterprise is in operation.
4. To suggest measures to overcome the problems of women entrepreneurs.

Scope and Methodology

The present study attempts to examine the problems faced by women entrepreneurs in Dharwad district of Karnataka State. The study is mainly based on primary data through field investigation. The entrepreneurs were personally interviewed with the help of “interview schedule”, specially designed for the purpose. In addition to the primary data, secondary data were also collected from different states and private agencies like KSFC, DIC, CEDOK, KIADB, and RUDSETI, etc.

The sample respondents are selected from five talukas of Dharwad district, of Karnataka namely, Hubli, Dharwad, Kundgol, Kalghatgi and Navalgund. The data so collected was properly analyzed with the help of simple statistical tools. The study was based on the empirical survey of a sample 150 women entrepreneurs in Dharwad district of Karnataka state. Since the study was basically of empirical in nature, an interview schedule was used as a research instrument for data collection the respondents were visited and interview schedule was administered personally. The main reason for selecting women entrepreneurs was the inadequate attention paid by the researcher to the study of the problems of women entrepreneurs in Dharwad district of Karnataka State.

Analysis and Findings

For interpretation of the data collected from the respondents, statistical tools like simple percentage, weighted score, and ranking percentage have been used.

The findings emanating from the analysis of the empirical data are presented below. Entrepreneurial problems were classified under the three categories.

1. Problems relating to womanhood.
2. Problems faced at the beginning of the enterprise.
3. Problems encountered once the enterprise is in operation.
4. To suggest measures to overcome the problems.

The respondent women entrepreneurs were asked to mark the problems under each of the three categories according to their preferences. The data is then analyzed. The problems ranked first is given five points, the problem ranked second given four points, the problem ranked third, given three points, the problem ranked fourth two points, while the problem ranked fifth is given one point. The problems and their rankings were put together for each category, and there resulted the overall ranking.

Table-1
Total Number of Women Entrepreneurs in Dharwad District of Karnataka.

Year	Number
2007-2008	543
2008-2009	479
2009-2010	542
2010-2011	589
2011-2012	639
2012-2013	583
2013-2014	601
2014-2015	624
2015-2016	634
Total	5324

Source: District Industry Center, Dharwad

The number of women entrepreneurs registered with DIC has shown an increasing trend. 543 women entrepreneurs registered for the year 2007-08. In the year 2010-11 it increased to 589 and in the latter year 2015-16 it again increased to 634. It is evident from the data provided in table-

1 that the number of units owned by women has shown an increasing trend in the study area from 2007-2008 to 2015-2016. This is in fact a welcoming trend.

Table-2
Typical Entrepreneurial Problems faced by Woman

Problems	Ranking of problems					Weighted score	Rating percentage	Rank
	1	2	3	4	5			
Poor risk taking ability	09	09	12	08	14	147	6.49	7
Financial dependency	06	26	17	15	14	243	10.73	5
Lack of collateral security	04	09	15	12	11	136	6.00	8
Male domination	42	30	31	24	23	494	21.81	1
Poor mobility	18	16	15	14	15	242	10.68	6
Family responsibilities	24	23	16	40	31	371	16.38	2
Shyness due to feminity	34	19	16	19	15	347	15.32	3
Bias of officials about incompetent and lack of professionalism	13	18	28	18	27	284	12.54	4
Total	150	150	150	150	150	2264	100.00	

Source: Field Survey

The above Table-2 shows that a few of the entrepreneurs (10.73%) suffered from financial dependence and some others (12.54%) faced difficulties due to the biased attitudes of officials casting doubt on the competence and professionalism of women entrepreneurs. These are the false belief implanted in the minds of officials that women are incapable, lack aptitude skills and professionalism. The officials cannot be convinced easily by women to sanction loan for their entrepreneurship because they consider women as only women but not as business people.

Table-3
Entrepreneurial Problems at the Beginning of the Enterprise

Problems	Ranking of problems					Weighted score	Rating percentage	Rank
	1	2	3	4	5			
Lack of family support	13	18	18	15	13	234	10.55	4
Lack of awareness about opportunities	42	46	44	41	42	650	29.31	1

Lack of courage and fear of failure	30	23	26	25	27	397	17.90	2
Public prejudice and criticism	9	14	14	13	13	182	8.20	7
Lack of promotional agency to guide them	12	15	12	13	14	196	8.84	6
Preference for a secure job	29	23	23	23	21	353	15.92	3
Lack of information about institutional assistance and government schemes	15	11	13	20	20	205	9.24	5
Total	150	150	150	150	150	2217	100	

Source: Field Survey

Table-3 shows that “Lack of awareness about opportunities” is the major constraint faced by women (29.31%). Awareness of various opportunities is very low among women entrepreneurs. There is a need to increase the level of awareness of various sources of opportunities available to them. Due to lack of education, women had to face the problems of exposure to the outside society. A woman is discouraged to learn as compared to the male members of the family. Due to lack of education and that too qualitative education, women are not aware of business, technology and market processes. Because of these problems, women face constraints in setting up and running business enterprises. Lack of courage, and the fear of failure, preference for a secure job, and lack of family support are also seen as some of the major problems faced by them.

Table-4
Entrepreneurial Problems after the Enterprise starts functioning

Problems	Ranking of problems					Weighted score	Rating percentage	Rank
	1	2	3	4	5			
Lack of training	31	26	16	23	15	368	16.36	3
Inadequate finance	36	62	33	28	36	619	27.51	1
Poor knowledge of market	20	9	23	19	20	263	11.68	4
Lack of skilled labour	10	11	6	12	17	153	6.8	6
Lack of Follow-up assistance	3	5	15	24	27	155	6.88	5
Cut-throat competition	42	27	51	31	24	557	24.75	2

Lack of access to credit	8	10	06	13	11	135	6.00	7
Total	150	150	150	150	150	2250	100	

Source: Field Survey

Table-4 shows that 27.51% of women entrepreneurs suffer due to the problem of 'inadequate finance'. Finance has been rightly said to be the lifeblood of any business. Adequate finances are necessary to oil the wheels of business. However, women entrepreneurs suffer from a shortage of finance, because most of the entrepreneurs relied on family finances; but in many cases, family members had no confidence in their women beginning an enterprise. Besides, no financing agencies were willing to lend loans to these business women. Those who sought financial support from government agencies also faced certain problems due to procedural delays, lengthy and tedious formalities and meager finance. The majority of the entrepreneurs had problems related to limited working capital and the constant need for finance. Other major problems faced by the women are lack of training, stiff competition from big entrepreneurs and poor knowledge of the markets.

Suggestions

Women possess some admirable traits of entrepreneurship; and if properly planned and developed by making them aware of entrepreneurship they can contribute to the overall development of the nation. Based on the above analysis of the problems of women entrepreneurs in the five talukas of Dharwad District of Karnataka, the following suggestions are offered to improve the position of women entrepreneurs.

- Most of the women entrepreneurs suffer from the problem of a shortage of funds. So the government can take steps to give them financial support without many difficulties. The government can conduct many entrepreneurship programs in order to give them technical knowledge, and to increase the self-confidence of the women entrepreneurs.
- The government cannot provide employment for each and every unemployed. There is an urgent need to propagate entrepreneurship by highlighting the benefits of flexible working hours, balancing home and enterprise together, and enterprise within or near the house premises, all of which ultimately lead to economic independence.
- Many of the women entrepreneurs were unaware of the government schemes, programs, training, etc., meant for them. This major problem was expressed by women entrepreneurs when they were interviewed by the researcher. The government and the media must show them the correct path specially designed for acquiring and making use of best possible schemes, policies, programs, etc.
- Modern communication media should be utilized to increase the level of awareness of various sources of finance available to women entrepreneurs.
- In India, literacy among women is very low. Due to lack of education many women are unaware of the women entrepreneurship development. On a priority basis, the government and other agencies should make vigorous efforts to increase the literacy rate among women. With the help of education, knowledge is increased. With the increase

knowledge, the potentialities of women can be increased. So, it is mandatory to provide education to women and the literate women can put her own efforts to come out of the societal taboos. This provides her with an appropriate entrepreneurial environment and she can try to obtain the facilities which are meant for the field of entrepreneurship.

- The agencies for granting loan facilities should inform the women entrepreneurs about the pros and cons about the future prospectively and profitability of the project for which the loan is sanctioned. The sanctioning authority should impart training programs for developing entrepreneurial skills and preventing the chances of industrial failures, before the disbursement of loan.
- State financial operations and financial institutions should be permitted by statute to extend purely trade related finance to women. Infrastructure in the form of industrial plots and sheds to set up industries is to be provided by state run agencies.
- A guidance cell should be set up to handle various problems of women entrepreneurs all over the state. Women's development corporations have to be given access to open-ended financing and also provisions should be made for micro credit systems for women entrepreneurs at the local level.
- The formation of more self-help groups should be encouraged. Entrepreneurial awareness must be created among women through seminars, symposiums and workshop.
- Adequate training programs on the management skills should be provided to women. Vocational training must be extended to women to enable them to understand the process and production management.

Conclusion

An attempt has been made to analyze the constraining factors pertaining to women entrepreneurship in Dharwad.

A major problem faced by the women entrepreneurs is that they lack a centralized source of information to which they can turn to for requisite information regarding government procedures, incentives, feasibility and project reports.

Government functionaries, public sectors, business houses, social workers, technologies economist and academicians all are pooling together their energies and formulating a well planned action for the development of the women entrepreneurship; however, in spite of their best endeavors these agencies have failed to reach the expected level of results partly due to the lack of coordination among different supporting agencies and also among the women entrepreneurs.

References:

1. Ashwathappa K. (1997), *Essentials of business environment*, Himalaya Publishing House, Bombay.
2. Deshpande M. V., (1987) *Entrepreneurship of Small Industries*, Deep and Deep Publication, New Delhi.
3. Gupta C. B. and Srinivasa, N.D. (1997) *Entrepreneurship Development in India*, Sultan Chand and Sons, New Delhi.
4. Lalitha devi, *Status and Employment of Women in India*, B. R Publishing. (1992).
5. Schumpeter, J., (1911/34), *The Theory of Economic Development*, Harvard University Press, Cambridge, Ma.
6. Holcombe, R., (1998), 'Entrepreneurship and Economic Growth', *The Quarterly Journal of Austrian Economics*, 1, 45-62.
7. Vasant Desai. (1991). *Entrepreneurship Development*, Vol. 1, New Delhi: Himalaya Publishing House. P.103.
8. Anbalgan (2008), "Role of entrepreneurs and institutions in Economic Development", *Southern Economist*, Vol-47, No.6, pp.21-23.
9. Workshop proceedings, 2000. *Second OECD Conference on Women Entrepreneurship in SMEs: a major force in innovative and job creation*. Synthesis, OECD 29 November-1 December, Paris, France.