Problems Faced By The MSME Women Entrepreneurs In Coimbatore
CHAPTER VII

PROBLEMS FACED BY THE MSME WOMEN ENTREPRENEURS IN COIMBATORE

7.1. INTRODUCTION

For women entrepreneurship is a journey from poverty to prosperity, total dependence to equity, agricultural labour to entrepreneurs in industry and in service sectors and finally, as opportunity entrepreneurs. It has almost reached a stage where it is more suitable a profession than getting employed in public / private organizations which have their own limitations. Thus the women’s journey mirrors the transformation of the nation from low to high-income countries. The economic status of the women is now accepted as an indicator of a stage of development and therefore it becomes imperative for the government to frame policies enhancing the rights, roles and opportunities of women, for their betterment in particular and society in general.

The present research study has been conducted to study the problems of women entrepreneurs with special reference to some selected units in Coimbatore District of the state of Tamilnadu. The main objective of the study has been to understand the socio-economic back-ground of women entrepreneurs, and their problems in running their enterprises efficiently and profitably. All most all the women entrepreneurs irrespective of their education, age, married and the unmarried, caste, religion, type of organization, ownership type, experience, amount of capital investment, fixed assets have ranked the problem of finance as first in order followed by the problem relating to sales, competition from other sellers, purchase of raw materials, technical problems and labour related problems. The average Rank Analysis is mainly employed to identify the priority of the different categories of the respondents on each aspect of the problems studied. In this section Average Rank Analysis is employed to identify the important problems faced by the different categories of the units under various industries such as service, manufacturing and allied industrial units. Based on the consolidated opinion of the respondents the average rank is calculated and the final rank is fixed based on the criterion “Lesser the average rank more is the Priority”.

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7.2. WOMEN ENTREPRENEURS IN COIMBATORE DISTRICT

Coimbatore District is the second most industrialized district in the state, also known as the “Manchester of South India” for its development in the textile Industry. Industrialization in this district started at an early time; traced back to the early 1920’s. Coimbatore District is, one among the industrially developed and commercially vibrant districts of Tamilnadu. It has got a high concentration of Small Scale, Medium and Large-scale industries. It is an important inland district lying in the North Western part of Tamilnadu and is the fore-runners in Tamilnadu as far as SSI are concerned. In Coimbatore District, women while establishing firm foothold in literary and social status seem yet to identify their role in entrepreneurship. District Industrial Center (DIC) data shows that as of 2005 the number of enterprises managed by women entrepreneurs was 5270, where the female populations of the district being 20.96 lakhs in number, the percentage of women entrepreneurs are found to be very low. Today, we find women of Coimbatore District of Tamilnadu in a variety of industrial, traditional as well as non-traditional, such as engineering, readymade garments, fabrics, eateries, handicrafts, doll making, Poultry, dairy farming, chemical industry, knitting, and jewelers designing and the like. The motivation behind these women entrepreneurs has been an aspiration for a career in business.

7.3. PROBLEMS FACED BY WOMEN ENTREPRENEURS OF COIMBATORE DISTRICT

Women not only face problems as entrepreneurs but as women themselves and therefore compared to men the problems of women entrepreneurs are numerous. The problems range from mobilizing various resources including problem of capital, marketing, raw material, sales, labour, technical, competition, new technology, problem of land/Shed/water/power/taxes, lack of family support as well as lack of government support and the like. Hence their problems arise both from within and outside and also differ from enterprise. Some of these problems are many and similar to all, where as for some others it is more specific and related to the line of activity of the enterprise. Some have the problem of the external environment; whatever is the problem there is no prescribed formula to deal with them. The problems have to be dealt with them by the entrepreneurs.
themselves otherwise it would affect the working of the enterprise itself. Efficient and timely handling of the problems leads to their success. The problems encouraged by in women entrepreneurs are classified in to two categories: problems in the initial stage and in running the business.

7.3.1. PROBLEM IN THE INITIAL STAGE

Initial problems have been identified viz., A question of Self confidence, Start up finance, Start up finance, Lack of information /Advice on how to start an enterprise, Finding the right contracts for business venture, Awareness /Access to business support, Management skills, Entrepreneurial skills, Lack of intercultural and language skills for foreign markets and combining family and work life. The respondents were asked to rank the problems and Garrett Ranking Technique is applied to study the problems.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Problems</th>
<th>Total score</th>
<th>Mean score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A question of self confidence</td>
<td>23077</td>
<td>61.5</td>
<td>I</td>
</tr>
<tr>
<td>2</td>
<td>Start up finance</td>
<td>18927</td>
<td>50.5</td>
<td>V</td>
</tr>
<tr>
<td>3</td>
<td>Lack of information/advice on how start an enterprise</td>
<td>20595</td>
<td>54.9</td>
<td>III</td>
</tr>
<tr>
<td>4</td>
<td>Finding the right contracts for business venture</td>
<td>20362</td>
<td>54.3</td>
<td>IV</td>
</tr>
<tr>
<td>5</td>
<td>Lack of awareness/access to business support</td>
<td>18896</td>
<td>50.4</td>
<td>VI</td>
</tr>
<tr>
<td>6</td>
<td>Lack of management skills</td>
<td>17362</td>
<td>46.3</td>
<td>VII</td>
</tr>
<tr>
<td>7</td>
<td>Lack of entrepreneurial skills</td>
<td>15485</td>
<td>41.3</td>
<td>IX</td>
</tr>
<tr>
<td>8</td>
<td>Combining family and work life</td>
<td>16608</td>
<td>44.3</td>
<td>VIII</td>
</tr>
<tr>
<td>9</td>
<td>No obstacles</td>
<td>20920</td>
<td>55.8</td>
<td>II</td>
</tr>
</tbody>
</table>

The above table shows the problems faced by women in starting business. It could be identified that the first major problem was a question ‘self – confidence’ with a score of 23077, the second one being that they had ‘no obstacles’, the third and fourth ranks were ‘lack of information’, and ‘finding the right contacts for business’, the fifth being
‘start up finance’. ‘lack of awareness/access, to business support and lack of management skills’ were rated as sixth and seventh problems and eight being ‘combining family and work life and lack of entrepreneurial skills’ was assigned to least rank as all women have faith in their entrepreneurial skill.

7.3.2. PROBLEMS FACED BY WOMEN ENTREPRENEURS WHILE RUNNING BUSINESS

The entrepreneur face different problems like while running the enterprise. The problems are ranked as shown in the following table - 67

<table>
<thead>
<tr>
<th>S. No</th>
<th>Problems</th>
<th>Total score</th>
<th>Mean score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Combining family work life</td>
<td>24780</td>
<td>66.1</td>
<td>I</td>
</tr>
<tr>
<td>2</td>
<td>Liquidity and other financial problems</td>
<td>20641</td>
<td>55.0</td>
<td>II</td>
</tr>
<tr>
<td>3</td>
<td>No time for training/upgrading skills</td>
<td>17364</td>
<td>46.3</td>
<td>V</td>
</tr>
<tr>
<td>4</td>
<td>Gaining the acceptance/respect of people (internally and externally)</td>
<td>18385</td>
<td>49.0</td>
<td>IV</td>
</tr>
<tr>
<td>5</td>
<td>Being a women/ discrimination</td>
<td>19856</td>
<td>52.9</td>
<td>III</td>
</tr>
<tr>
<td>6</td>
<td>Low budget for PR and marketing activities</td>
<td>11536</td>
<td>30.8</td>
<td>VI</td>
</tr>
</tbody>
</table>

As observed from the table - 67 that among the problems faced by women entrepreneurs in running the business, combining family and work life occupied the first place, the liquidity and other financial problems were marked second followed by gender discrimination, gaining the acceptance, no time for training and low budget for PR and marketing activities were assigned IV, V and VI problem respectively. Hence it is concluded that the major problem in running the enterprise is to combine family and work life followed by financial problems.
7.4. SOME OF THE PROBLEMS OF WOMEN ENTREPRENEURS:

- **Socio personal problems:** Wrong attitude of the society against women due to lack of proper education and information, economic backwardness and low risk bearing capacity.

- **Managerial Problem:** Which is due to lack of enough knowledge of general management and experience, lack of skilled labour, absenteeism and low labour turnover, lack of clear cut objectives, transportation problem as women.

- **Production problem:** Such as inadequate availability of hand, plots, and premises, irregular supply of enough inputs, inadequate technical support of production identification, and lack of up gradation of technology research and development and quality control, poor inventory management.

- **Marketing Problem:** Difficulty in marketing their products due to lack of enough knowledge of how to market their products and also relaying on local markets; heavy competition from big enterprises, exploitation by middlemen, difficulties in the collection of dues, inadequate sales promotion avenues and lack of export market support.

- **Marketing management:** Most of the women entrepreneurs have begun to appreciate the importance of marketing management, which can be seen from table no 2, that they have not adopted the modern marketing techniques due to their limitations like small size of their enterprise, limited area of the market of their products and the like.

- **Financial problem:** Financial problem is a major problem faced by all respondents. They face this problem at the time of starting as well as during operation of their business enterprises, problem of getting loan and subsidy, insistence of collateral security and margin money requirement, time taken to process loan, tight repayment schedule, poor financial management and maintenance of accounts.
7.5. PROBLEMS IN AVAILING FINANCIAL ASSISTANCE

Financing the enterprise is another problem faced by the women entrepreneurs. Most of the entrepreneurs rely on family finance or at the maximum on partners and friends. Even among the few who sought financing from external sources it was found that it is a major problem. The entrepreneur under the study faces financial problems. 48.30% of the respondents face huge problems in getting financial assistance from organized financial institutions. Nearly 525 respondents undergo little training before they start their industry. The concerned training institutions help them to get financial assistance and also guide them following the procedures and rules and regulations of the financial institutions. Hence 503 respondents have no in problem getting financial assistance while 470 respondents face problem in getting financial assistance. It was observed that the respondents in general are aware of the institutional financial services in Coimbatore region and most of the enterprises also avail the same. Majority of the respondents inform that the time taken for sanctioning the loan is very long. Apart from this there are lot more problems in getting financial assistance from the financial institutions.

7.5.1. Problems of government assistance: Both central and State government are implementing various assistance, schemes, for the promotion of women entrepreneurship. But in practice the respondents face many difficulties in obtaining government assistance due redtapism at various levels, exploitative advisors, problems due to dishonest officials complicated and time consuming long procedures in getting the assistance etc.

7.5.2. Problem of Labour: In the course of this study, it has been observed that the women entrepreneurs in the selected group face various labour problems in their units.

7.5.3. Type of Labour Problems Faced: The human resource of an organization is the most important resources for a firm. The amount of work done, talent, skills and drive, competent and dedicated performance on the part of the labour force goes a long way for the successful accomplishment of the objectives of the industrial units. The various types of labour problems definitely hinder their success.

7.5.4. Problem of Raw – Materials: For an uninterrupted production, there is an urgent need for regular and continual supply of raw-materials, sufficient backup of stock of raw-material in times of anticipated changes in price, time consuming procedure of
procurement of raw-material, variations in the prices of raw material at different places. Uncertainty in all these and also lack of marketing experience, competition from established and large units in the purchase of raw material, non-availability of raw material are all constraints to the entrepreneurs especially at the initial stages. The difficulty in the processing of raw materials is very much felt by the women entrepreneurs. Since the allied industry depends on agriculture during off seasons the supply of raw material is not sufficient and is very difficult to get them at reasonable prices.

7.5.5. Specific Problem as Women in the Business: “A women is an adult, innovative and dynamic person willing to organize, own and run an enterprise especially commercial one, often at personal financial risk. Due to orthodox and traditional socio-cultural environment women entrepreneurs face various problems in the process of establishing, developing and running their enterprises”. The performance of formal financial institutions particularly in their lending to the poor women entrepreneurs in Coimbatore has been unsatisfactory.

7.6. SUMMARY

The present research is definitely not the first attempt in the area of women entrepreneurship nor is it going to be the last. Keeping this view some indications that could help the future research as maybe undertaken:

Women entrepreneurs could be trained and educated in order to make the successful with regard to access to capital, marketing of their products, creation of assets, selecting the form of enterprise and the nature of industry. It is always accepted the major problem of women entrepreneurs is to combine family and work life and financial problems. Therefore, societal setup that could encourage them to successfully run both family and work can be targeted. Lack of finance is identified as one of the major problems of women entrepreneurs. Hence, government should provide financial assistance to the entrepreneurs. Lack of self confidence is another major problem of women entrepreneurs as revealed in the study. Therefore, government and other agencies can take-up the risk of providing personality development courses to boost up self confidence among women entrepreneurs. Yet another major problem of women entrepreneurs was lack of access to information technology. In order to be successful in
business not only nationally but also internationally they need to be educated on information technology. It is observed that nearly half of the respondents are selling their products within the state. Hence, steps should be taken to encourage women entrepreneurs to export the products.

From the study for all the three types of industries and overall industrial setup it can be summed up that:

- All most all the women entrepreneurs irrespective of their education, age, married and the unmarried, caste, religion, type of organizations, ownership type, experience, amount of capital investment, fixed assets find it very difficult to arrange and get financial assistance as and when they want, hence have ranked the problem of finance as first in order followed by the problem relating to sales, competition from other sellers, purchase of raw materials technical problems and labour related problems.

- The most formidable problem that women normally faced is the problem of entrepreneurship among them is resistance, apathy, shyness, inhibitions, conservatism, poor response – all governed by cultural traditional, value system and social sanction.