CHAPTER – III

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CHAPTER - III

MOTIVATIONAL FACTORS AND
CHALLENGES OF WOMEN ENTREPRENEURS

3.1 Introduction

The entrepreneurship is beneficial for every individual entrepreneur as well as for the development of economy as a whole. The country’s development solely depends on the presence of entrepreneurs. The entrepreneurial activity of every person will lead to the growth of an individual and the society. Women play a major role in shaping the entrepreneurship, although autonomy of women in the society is determined by the society. Entrepreneurship among women is an indicator of economic independence which helps for the development of various industrial developments, promotes economic growth and it prevents several problems such as unemployment, and poverty which leads to antisocial activities, suicide, etc., in urban and rural areas.

Women’s education and economic independence will provide a base for attaining self-reliance. Some of the funding agencies such as micro finance and loan lending agencies, etc., are supporting by providing small loans which are reducing poverty and promoting women entrepreneurship. The traditional countries like India, women are restricted for their mobility and accessibility to learn education, etc., are playing a significant role and they are always used to maintaining their family and to support their parents or companion. Although now women have got relatively more freedom in terms of entrepreneurial activity, they are suspected not only by the society but also by the family members if they move out after normal hours or contact a man repeatedly. To start an enterprise, an entrepreneur has to visit various financial institutions and government support agencies repeatedly which aggravates women from
both angles. The humiliating attitudes of officials force her to discontinue her dreams on business venture³.

Today, more and more women entrepreneurs are starting businesses and they now account for a quarter to a third of all businesses in the formal economy worldwide. Businesses owned by women are increasing in number which reflects in economy of almost all countries. The hidden entrepreneurial potentials of women have gradually altering with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main causes for women to emerge into business venture. Woman entrepreneur is a person who accepts challenging roles to meet her personal needs and to become economically independent. A strong desire to perform optimistically is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own trait, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the employees are turning into employers. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. In India, even though women constitute the majority of the total population, the entrepreneurial world is still a male-dominated society.

This chapter deals about the problems of self-motivated women entrepreneurs confront and highlights the prospects and the future challenges. In addition to this, this chapter reveals the role of government and non-governmental agencies and their policies and programmes for supporting the women entrepreneur’s development. It also analyzes the role of women entrepreneurial training for molding up to shine in their business venture initiated by self-motivated women.
3.2 The Socio-Economic background of women entrepreneurs

Societal attitudes and social beliefs hinder some women from even considering starting a business, while systemic barriers mean that many women entrepreneurs stay confined to very small businesses often operating in the comfortable economy. This is not only limits their ability to earn an income for themselves and their families but also restricts their full potential to contribute to socio-economic development and creation of employment. The absence of basic literacy and proficiency skills can prove to be major barriers to the establishment of a successful enterprise. Lack of proper education and training makes for huge gaps in women’s knowledge and skill levels. It has been observed that the traditional role perceptions of males and females have undergone very little change over the years. Despite the increase in the number of legal and social safeguards, increased enrolment of women in the educational institutions and entry of women into varied and diversified occupations, the institution of the family remains virtually untouched in India. The rigid hierarchical structure within the family and the community, re-emphasize the role stereotypes. The appropriate traits of conformity, obedience, modesty, dependence, submissiveness and adaptability are ingrained in the girl child within the rigid hierarchical structure of the family and get reaffirmed by various other institutions like school, marriage, etc., in her later life. This results in the girl developing a low self-image and sacrificing her self-esteem to conform to the prescribed role of dutiful daughter, obedient daughter-in-law and a good mother.

There are several cultural and social customs which strongly impact the critical domain of physical mobility of women as well. Very often mobility of women is curtailed and activities were restricted by virtue of gender considerations. Other hurdles are caste or community restrictions and traditional constraints. For instance, most Muslim women have to follow the “purdah” system which contributes as a major factor
in preventing them from engaging in profitable activities. In the same way some of the rural Hindu communities, are having limited freedom of movement to women as the norm rather than the exception. This restricted mobility proves to be a significant constraint for the entrepreneurs for whom interaction and contact are mandatory for effective day-to-day functioning. It is not surprising then, that in their communication with others women are not appreciated in terms of their business roles primarily as women. For example, in a study conducted in one of the states of India-Uttar Pradesh-around 92% of the women entrepreneurs sampled, claimed to face “professional disrespect” by virtue of their gender. This finding has been reinforced in another study which stated that almost every woman in the sample “found it difficult to cope up with the attitudes and behaviour of lower level staff that simply refused to accept women in the role of entrepreneurs”. Indeed, business insight is not readily attributed to women and it is men who are seen to keep this, occupying the important role of providers or breadwinners for the family. A research on the subject of female entrepreneurship has highlighted women’s lack of confidence and assertiveness. It follows then that generally women’s lack of self-confidence, house-bound, passive and subordinate existence has raided them to the chance to realize their full potential as human beings, although this can affect them at all stages of business development. It may be critically inhibiting at the pre-start up stage when a woman may feel particularly vulnerable about the viability of her business idea. These various psycho-social and socio-cultural influences act as barriers to women’s entry into entrepreneurship. It is then natural that women are in a more disadvantage position than men when they take to entrepreneurship. They have only a limited idea of business opportunities, no exposure to industry or business, and are unaware of sources of support and assistance. It is against this backdrop that women entrepreneurs make an entry in the business world, survive, operate or exit.
The World Development Report 2013 of the World Bank proposes that productivity could increase by as much as 25% in some countries if discriminatory barriers against women were removed. By removing these barriers, such as discriminatory property and inheritance laws, cultural practices, lack of access to formal financial institutions and time constraints due to family and household responsibilities, will create greater opportunities for sustainable enterprises run by women. This in turn will contribute to women’s economic empowerment and gender equality as well as help to generate sustainable growth and jobs to the society. In the meanwhile, after eradicating these barriers necessary investment plays an important role to establish their potentials. Investing in women entrepreneurs is one of the most effective means of increasing equality and promoting inclusive and sustainable financial growth. Investments in women-specific programmes can have significant knock-on effects for development, since women generally spend more of their income on the health, education and wellbeing of their families and communities than men. While targeted measures can bridge the gap for women, it is also essential to remove inequitable aspects of economic and social policies and programmes that may impede women’s full participation in the economy and society. The entrepreneurial activity at any time is dependent upon a complex and varying combinations of socio-economic, environmental, psychological and other factors. The various environmental factors exercise a strong influence on the personality and personal background of the entrepreneurs. Therefore, any attempt to understand the entrepreneurial spirit among people should include an examination of the socio-economic origins of the entrepreneurs.

It is noteworthy, however, that despite all odds, thousands of women in India are choosing to explore the exciting career of entrepreneurship and studies conducted with successful women entrepreneurs are now pointing to the fact that these women do not face problems by virtue of their gender\(^\text{10}\). In order to gain further insights into the
challenges and problems women entrepreneurs face, it is useful to attempt an analysis which deals with each stage in the unfolding of an enterprise from perceiving the idea to start a business venture to the stage of consolidation and expansion.

3.3 Motivational Factors of Women Entrepreneurs

Motivation is considered to be a base building form of human action and the studies of motivation broadly refer to self-motivating factors and motivation by others\textsuperscript{11}. The term ‘motivation’ indicates an idea, need emotion or living state that prompts a human being to an action and it is called as motive and this is an internal factor that integrates a human’s behaviour. According to Michael J.Jucius “Motivation is the act that stimulates someone or oneself to get a desired course of action, push to the right direction to get desired action”. Entrepreneurs are creative and innovative persons and their entrepreneurial performance is an important perception of entrepreneurship which leads to an entrepreneurial motivation. Dalton E. McFarland, described that the concept of motivation is mainly a psychological force and it relates to those forces operating within the individual employee as subordinate which impels her to act or not to act in certain way”. Generally, motivating factors are classified into two types – internal and external. One’s innate capability, family status, the environment and her education are the main factors considered as internal. The Government support, infrastructure facilities, support from banks and financial and non-financial institutions are referred as external factors and women entrepreneurs set their goal and they think about ways to achieve it and they further predict the obstacles and steps to overcome it and all things constitute motivation. Motivation is the key to entrepreneurial success and it builds, leads, innovates, executes and inspires to do something new and it also plays a crucial role in determining the level of performance\textsuperscript{12}. It is clear that entrepreneurship emerges from the quality or attitude of becoming an entrepreneur.
According to Dalton E. McFarland, “motivation refers to the way in which it urges, drives, desires, strivings, aspirations for needs direct control or explain the behaviour of human beings\textsuperscript{13}. From this it can be clearly explained that it is a process that motivates a person into action and induces her to follow the course of action till the goals are finally achieved. Motivation consist motives, behaviour and goals. The entrepreneur is primarily motivated by an overwhelming need for achievement. She has a strong urge to build\textsuperscript{14}. The need for achievement is an important pre-requisite for success in entrepreneurship. But in practical life, women lack a strong need for achievement, economic independence and autonomy. Most women are happy to bask in the glory of their parents, husbands, children, etc\textsuperscript{15}. To avoid these circumstances women have required urge to achieve and few women succeed in their entrepreneurial activities. Ambitions motivate, activate and broaden one’s own of being resourceful the intentions, creative’s and initiative of a women are directed by her ambitions. The common proverb “aimless life is a goal-less game” stresses the importance of ambitions in life. Desire to become successful women entrepreneur, to earn money, to gain social prestige and continue family business is all important things that motivate women in entrepreneurial career. Sometimes, it is the compulsion rather than the ambition that leads women to success. Some unavoidable situation, initial ambition and the opportunities may clash and struggle with each other. While compelling situations shapes ones destiny, and all of a sudden one may be forced to pursue a different occupation. In this case, some women who did their best to seek petty employment and ultimately entering entrepreneurial activities on a disproportionate scale make millions of rupees and creating employment for others. Such is the role the element of compulsion play in one’s life. \textsuperscript{16} Some, environments, situation, ambition or compulsion may not make an entrepreneur. At times, the encouragement from family members, friends, relatives, and the experience gained in employment, government support, financial support from bank and other intuitions which convert ordinary women into
active entrepreneur. Success stories of other women entrepreneurs also motivate women to achieve something in their lives. Ambition or the need for achievement has also long been thought to be associated with entrepreneurship.

3.3.1 Factors Motivating Entry Level Women Entrepreneurs for New Ventures

Every successful man or woman is to be motivated towards achievements. In the same way women entrepreneurs should also be motivated by factors like confidence building, resource requirement, creation of framework for entrepreneurship. They have to improve their talents on responsiveness and flexibility towards their target. Altering organizational structure and providing a strong support structure from their family, etc., are required for further thrust on entrepreneurship. Still several other undesirable factors prevent women from self-employed perception, which is still dominated by traditional gender stereotypes. Even the decision-making process which will be taken by women for starting an enterprise, is unfamiliar to most of them and does not easily fit with their world view, as decision-making is traditionally a male’s right.

Nevertheless, some women entrepreneurs have started acting as mentors and role models to other potential women entrepreneurs and they also start running their enterprise by getting technical knowledge from their advisor and it helps them to work in their units as interns. Apart from this, family encouragement will motivate them to take up entrepreneurship as a career.

3.3.2 Family Support

Family support, or the lack of it, is of crucial importance in the decision-making process of the women entrepreneurs and depending on the response from the family, the women entrepreneur can either be highly motivated in her new business venture or completely de-motivated. Since orthodox type of society has set the separate boundaries for economic activity of men and women, the entry of women in the sphere
of entrepreneurship may get discouraged. The family may be neither appreciative of this independent decision, nor show any trust in the potential entrepreneur’s ability to start an enterprise. This discouragement from their family, coupled with opposition from society at large creates emotional and physical barriers. In 2005, Choudhary, positively states that “there is lack of family support to women entrepreneurs and also access to peer supports” and this statement is confirmed by Easwaran, who conducted a Bombay-based pilot study in 2008 and found that one out of every five business women faced active resistance from family members in their business launch. A comparative study of male and female entrepreneurs in Uttar Pradesh came up with the extreme finding that 95% of the women entrepreneurs faced family problems in the start-up phase, as compared to males. A study conducted by Padaki in 2009 on women entrepreneurs, and the survey result showed, 70% registered that their family members were a major source of inspiration and decision to start an enterprise, while 73% attributed encouragement by their husbands and only 5% of women mentioned a female family member as a source of inspiration. Hopefully, these findings are indicative of men’s changing perceptions in Indian Society.

3.3.3 Prior Skills on Entrepreneurship

Several research studies were carried out on how earlier work experience in the proposed business will motivate the individuals to become independent entrepreneurs and often holds the key to success in their enterprises. Since most women were concentrating in low-skill occupations and they seldom hold positions from where they can possibly learn management aspect for running an enterprise but their business ideas may not spell success which leads women return towards low-skilled self-employment. A survey conducted by Easwaran in 2008 identified from a sample which included comparative analysis in both poor and wealthy businesswomen, and most of the women business owners were either home makers or fresh graduates with no earlier experience of running a business. In the similar way, a numerous studies
have been conducted and pointing to the role of prior work experience in the success of a new enterprise, the supporting hypothesis states that experienced entrepreneurs follow different policies compared to those who are new to the business venture\textsuperscript{23}.

3.3.4 Ideal Factors to Motivate Women Entrepreneurs

Woman can be motivated in various ways to fulfil her own ambition and target, develop her strength to face numerous challenges like economic independence, creativity, time management, work flexibility, etc., will pull her into entrepreneurship. Apart from these there are some of the push factors like economic need, job dissatisfaction and family circumstances, etc.\textsuperscript{24}

3.3.5 Push and Pull Factors

Transposition is forces that can either push or pull a person to begin a business. Positive pull could take the form of encouragement or urging by others while negative pushes would range from exile status, loss of jobs, part time jobs or in post-retirement\textsuperscript{25}. The poor women are usually pushed into business, forced by economic inevitability to feed the family, while in higher income groups, business may originate from a desire to structure their time gainfully or from genuine achievement of motivation and these kind of push and pull factors may affect entrepreneurial performance\textsuperscript{26}. The pull forces bring with more commitment and self-involvement, since the drive and aptitude accompanying such women prepares them to achieve better. The push forces generally create weaker entrepreneurs, although women forced into entrepreneurship due to her economic necessity and family circumstances and many more, decide her to put more effort into business venture. In many cases, it has been observed that most of them take into entrepreneurship not because of their own initiative, but due to the fore of circumstance.
3.4 Role of Government and Supporting Agencies Schemes for Promoting Women Entrepreneurship

3.4.1 Government Initiatives for Women Entrepreneurs

Every woman need to be viewed not as beneficiary but also as active participant in the progression of development and revolution of country’s economic growth. The capacity to do work, her knowledge and her skills are often the only resource to call upon for survival in poor households. Thus women have to act against the serious factors in the process of moving their families out of poverty. The key way to planning for women lies in recognizing their problems and constraints and then adopting a flexible approach that permits programmes to be adopted to suit their specific needs. Women constitute the most important segment of the country’s population. From Fifth Five Year Plan (1974-79) onwards there has been a marked shift in the approach to women’s issues, from welfare to development and women empowerment has been recognized as the central issue in determining the status of women. By keeping this in view, the central and state governments have been implementing many programmes and schemes to empower women economically, socially, politically and legally. The ultimate objectives of all these plans are to make women economically independent and self-reliant in the society.

Entrepreneurs are valuable assets for any country and several plans are released by government to motivate the entrepreneurship which is important for the growing country like India. A more focused view of entrepreneurship was taken by the government, banks, financial institutions, business associations and even NGO’s, during post-liberalization. Women began to be viewed as potential income earners and positive contributors to the economic growth and development. Government of India formulated and introduced various policies and special schemes to bring women out of household chores into main stream of social reconstruction. Many government and Non
Government Organizations (NGOs) were encouraged to organize special training programme known as Entrepreneurship Development Programmes, and Entrepreneurship Awareness Programmes covering various aspects of entrepreneurial activity, modern management techniques, project planning and implementation, etc. Nowadays, many financial institutions are coming forward to provide initial capital to start up their business venture. Today, women are taking risk and entering into all industrial activities ranging from food products to software industry, competing with their men counterparts.

In recent years, Government of India has been providing more importance to the development of women entrepreneurs. In the Seventh Five Year Plan (1988-93), government includes a special chapter of integration of women in development. In this chapter they suggested three important things

- To treat women as specific target groups in all development programmes.
- To provide assistance for marketing their products.
- To involve women in decision-making process.

In the Industrial Policy of 1991, the Government of India further stressed the need for conducting special Entrepreneurship development programs for women with a view to encourage them to enter in entrepreneurial area. In recent days, Indian women have taken admirable part in the field of entrepreneurship. The Indian Government has also stressed on special entrepreneurship programmes for women with a view to uplift their socio-economic status. It is recognized that women have to play a key role in the overall economic development of the country.
3.4.2 Development Policies for Women Entrepreneurship

Since the 1950s, when development planning first entered the international domain, a number of approaches, having multiple effects on women, have been tried. These are as follows:

- **Women Welfare**

  Women welfare was the earliest approach and it was conquered in 1950 to 1970 and it is still widely followed. The main purpose was to enable women to be better mothers which were seen as their main role in the society.

- **Equity for Women**

  This was the original approach towards women in development and was utilized for women during the year 1979-1985. During this period, women were seen as active participants in the development process.

- **Anti Poverty**

  The main goal is to increase the productivity of poor women and it saw their poverty as a problem of underdevelopment not of subordination.

- **Efficiency**

  This is the most prevalent approach used today for the women entrepreneur development programmes. The main motive of this programme is to ensure the development of women entrepreneur in an efficient and effective way.

- **Empowerment**

  The empowerment approach was articulated by third world feminists since the mid 1980s. The prime aim is to empower women through greater self-reliance and
women’s oppressions as stemming not only from male patriarchal attitudes but also from colonial and neo-colonial oppressions.

As per the 2011 census of India, women constituted about 48.4 percent of the total population of the country. The Government has been implementing various schemes for the socio-economic advancement and development of women in the country. Even then, most of the women are facing many challenges starting from education, labour participation rate and earnings, etc. The National Policy for Empowerment of Women was adopted in the year 2001 with the objective of ensuring women and their rightful place in society by empowering them as agents of socio-economic transform and development. Empowerment of women is mandatory approach adopted in the Tenth Five Year Plan (2002-2007) for development of women. With this serious view, national policy (for action) should be restructured for empowerment of women. To eliminate all types of discriminations against women and the girl child and their empowerment, major strategies like social empowerment, economic empowerment and gender justice should be incorporated. Two important schemes in the areas of education viz., ‘Sarva Shiksha Abhiyan’ and ‘Mahila Samakhya’ are being implemented by Department of Elementary Education and Literacy as special efforts to stretch the reach of education especially to the girl child\textsuperscript{28}. With this objective of achieving economic empowerment and welfare of women, a number of schemes are being implemented.

3.4.3 Promotional and Development Activities for Empowering Women Entrepreneurs

Many supporting agencies actively involved in promoting tiny and small scale industries by means of its promotional and developmental activities through proper professional agencies for shaping Entrepreneurship development programmes, technology upgradation and modernisation programmes, micro credit schemes and
assistance under several schemes like Mahila Vikas Nidhi to bring about economic empowerment of women, especially the rural poor, by providing those opportunities for training and employment opportunities. Government of India launched and implemented various schemes for rural and urban development. The main objectives of these development programmes are to increase the money-making power of the women who are Below the Poverty Line (BPL). The central and state governments are taking many initiatives to save the people especially women from poverty by introducing various schemes to provide support in case of technical, infrastructural, financial and marketing problems. The lists of schemes available for entrepreneurs are,

- **National Equity Fund Scheme** – Provides equity support to small entrepreneurs setting up projects in Tiny Sector.

- **Technology Development & Modernisation Fund (TDMF) Scheme** for providing finances to existing SSI units for technology upgradation or modernisation.

- **Single Window Scheme:** It provides both term loan for fixed assets and loan for working capital through the same agency.

- **Composite Loan Scheme** for equipment and/or working capital and also for work sheds to artisans, village and cottage industries in Tiny Sector.

- **Mahila Udyam Nidhi (MUN) Scheme** provides equity support to women entrepreneurs for setting up projects in Tiny Sector.

- **Scheme for Financing Activities** relating to marketing of SSI products which provides assistance for undertaking various marketing related activities such as marketing research, R&D, product upgradation, participation in trade fairs and exhibitions, advertising branding, establishing distribution networks including showroom, retail outlet, ware-housing facility, etc.
Equipment Finance Scheme for acquisition of machinery/equipment including Diesel Generator Sets which are not related to any specific project.

Venture Capital Scheme to encourage SSI ventures/sub-contracting units to acquire capital equipment, as also requisite technology for building up of export capabilities/import substitution including cost of total quality management and acquisition of ISO 9000 certification and for expansion of capacity.

ISO 9000 Scheme to meet the expenses on consultancy, documentation, audit, certification fee, equipment and calibrating instruments required for obtaining ISO 9000 certification.

Micro Credit Scheme to meet the requirement of well-managed Voluntary Agencies that are in existence for at least 5 years; having a good track record and having established network and experience in small savings-cum-credit programmes with Self Help Groups (SHGs) individuals.

In addition to the above schemes, DIC (District Industrial Centre) program was launched to provide a number of assistance and they are running and acting as nodal agency for implementation of Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-Employment (TRYSEM) programs for creating more self-employment opportunities to women. The Small Industries Development Organization (SIDO) provides a wide range of facilities and services, which include consultancy in techno-economic managerial aspects, training, common facility services and testing facilities. These services are provided through a network of institutions. The other important financial support providers viz., NSIC, SSIC, NABARD, RRB, IDBI, SCB, SFC, etc., that are offering multidimensional direct or indirect financial assistance to small-scale industries, agriculture, cottage industries, etc., for supply or purchase of machinery and providing start up funds for initial proceeding of enterprise.
3.5. Functions of Serving Women Entrepreneurs in Chennai

There are huge numbers of women entrepreneur welfare and support organizations budding in the recent years. The main motivation of these organizations is to alter the status of women in the society. The following groups or organizations are mainly run for enhancing the power and wealth of women entrepreneurs. Several social groups and association or organizations motivates budding women entrepreneurs.

3.5.1 Marketing Organization of Women Entrepreneurs (MOOWES)

MOOWES members set up or participate in exhibitions to reach the consumer through their products. This kind of facility promotes direct consumer interactions without the help of middlemen. Hence, both an entrepreneur and consumer get benefited. It will help the women directly to place orders for products of their choice. In addition, this kind of interactions and suggestions from the consumer will help entrepreneurs to redesign or enhance the existing product to retain and survive and succeed in the market. This kind of direct approach will mainly help some of the major ventures like jute making, food processing, tailoring, leather technology, handicraft items, jewellery, jute bags and dress materials, etc. In addition to these, MOOWES’S annual feature ‘Shakthi’, a fair comprising seminar, workshops and exhibition, is the largest stage for members to showcase their products and to learn new skills as well. The seminars cover a wide range of topics such as food processing, cosmetology, handicrafts, jute, export regulations and information technology. Apart from these, women are counselled on entrepreneurship opportunities, encouraging them to expand businesses and identify new areas of growth.

3.5.2 Tamil Nadu Women Development Corporation (TNWDC)

TNWDC is involved in formation of SHGs, skill training for women entrepreneurs and credit rating to make them eligible to approach banks for credits.
Prior to this programme, women were imparted training in entrepreneurship development for a short duration. But owing to limited interest and output, TNWDC revamped its programme to train women in soft skills and management. This sort of training is conducted based on each group’s requirements, capacity and educational background. Making women learn different types of tiny scale businesses like plastic molding and manufacturing, shoe and footwear making, fashion designing, zardosi work, computer-aided learning, desktop publishing, polytechnics, etc. Credit rating is an exercise undertaken to grade the group and assess its credit worthiness, is a hallmark of the scheme. SHGs become eligible for credit rating once they complete six months. Decisive factors during the course of evaluation include repayment ability, regularity of meetings, systematic maintenance of registers and promptness in savings. Once approved, each group is eligible for a minimum of Rs.40,000 as loan, in addition to the subsidy of Rs.10,000 allotted under SGSY (Swarnajanthi Gram Swarozgar Yojana). They can also receive loans from banks or directly from the State. A successful second credit rating after a lapse of another six months allows them to start an economic activity, with assistance from SGSY (Swarnajanthi Gram Swarozgar Yojana) or banks. This corporation also encourages marketing of products through block level committees, which serve to evaluate demand and manufacturing potentials. Apart from programmes centred on women, TNWDC also conducts separate training programmes for the youths, who then receive placements.

**3.5.3 Women’s Entrepreneurship Promotional Association (WEPA)**

WEPA continuously endeavours to identify and implement new and effective methods in women training for employment, entrepreneurship and marketing and canvassing for their products. With emphasis on monitoring and mentoring, WEPA empowers women in the following ways like training in entrepreneurs, imparting information on health and hygiene, providing vocational training, increasing their talent through seminars and workshops, conducting exhibitions, training for physically and
economically disabled candidates, giving proper guidance and consultancy services, etc.

3.5.4 FICCI Ladies Organization (FLO)

FICCI ladies organization provides diverse programmes for women and works in the areas of economic empowerment, education, community development, health and literacy. This is the only national-level trade organization also serving as a forum for women to interact and share ideas and experiences in the following areas.

- **Personality development**: experts are invited to address members to encourage them to strive to succeed.

- **Awareness programmes**: FLO organizes seminars, debates and discussions where women-specific issues, from health to investment planning are taken up and the women are guided to make the right decisions.

- **Business consultancy**: This kind of cells in major metropolitan cities like Delhi, Chennai and Hyderabad offer free professional guidance to entrepreneurs requiring assistance in running their units.

- **Periodic Training**: The prime objective of this training is to enhance awareness and cultivate skills, income generation techniques for the unemployed, skill development and enhancement workshops for educated youth for managerial groups. Women are also imparted this kind of vocational training in a host of professions including manufacturing and the service industry.

- **Recognition**: The most important part of this organization is to identify the potential and outstanding contributions of entrepreneurs, professionals, social workers and institutes and appreciate and encourage them by presenting various awards every year under two categories namely ‘Outstanding woman entrepreneur’ and ‘Outstanding woman social worker’. In Chennai Division
itself it instituted its own awards in the year 2004-2005 is mainly to encourage women at the regional level. The ‘Woman of the year’ award is mainly presented to either an entrepreneur or a professional.

- **Young FLO:** Young professionals between 20 and 39 years are a part of this community that lends vibrancy to every FLO’s endeavour.

### 3.6 Schemes of Indian Banks for Initiating Women Entrepreneurs

#### 3.6.1 IDBI’s Mahila Udyam Nidhi (MUN) and Mahila Vikas Nidhi (MVN) Schemes

The small scale industry covering broad spectrum of industrial units in small, tiny, village and cottage sectors occupies an important position in the industrial structure of the country. The Industrial Development Bank of India has been extending assistance to this sector on priority basis and a special scheme has been drawn up for assistance to women entrepreneurs and subsequent to setting up of small industries development fund. In 1990s, SDBI a subsidiary of IDBI launched two major schemes for women. The objective of this scheme is to meet the gap in equity while setting up new industrial project in the small scale industrial sectors as per SSI norms. Women entrepreneurs owning and managing an enterprise with a minimum financial stake of 51% of the equity are eligible to benefit from this scheme. This scheme also provides seed capital at concessional rate along with term loan assistance to acquire fixed assets such as land, machinery, plant and building. The eligible activities under this scheme are manufacturing, trading, service, hotel, tourism and professional practice and consultancy services. The Mahila Vikas Nidhi also provides the assistance for training and extension service supports to women entrepreneurs.
3.6.2 National Small Industry Corporation (N.S.I.C)

Like other banking services, National Small Industry Corporation is also involved in the financial assistance in the following activities.

- Modernization
- Supply of Machinery under hire purchases
- Leasing of Machines
- Raw material assistance under marketing assistance scheme
- Government store purchase under single point Registration Programme
- Participates in purchases made by public sector undertakings

3.6.3 Small Industries Development Bank of India

With a view to ensuring large flow of financial and non-financial assistance of the small scale sector, the Government of India announced in the budget for 1988-89 and the planned to establish Small Industries Development Bank of India (SIDBI) as a subsidiary of IDBI. The SIDBI bill was passed in parliament in October 1989 and the bank commenced its operation from 2nd April, 1990. The immediate thrusts of SIDBI are.

I. Initiating steps for technological upgradation and modernization of existing units.

II. Expanding the channels for marketing the products of SSI sector in domestic and overseas markets.

III. Promotion of employment-oriented industries especially in semi-urban areas to create more employment opportunities and thereby checking migration of population to higher order urban centres and metropolitan cities.
3.6.4 National Bank for Agriculture and Rural Development (NABARD)

National Bank for Agriculture and Rural Development (NABARD) started paying attention to gender issues in credit and support services since July 1992. Empowering the women economically and giving a life to them, the NABARD planned to start the women development cell in all District Central Co-operative Banks. Through the women development cells, the District Central Co-operative Banks started financing eligible women to start small industries, to sell eatables, to purchase household articles, to meet their medical expenses during their pregnancy period, to repay their old debts, etc. NABARD also introduced the following focused schemes for women.

- Assistance to Rural Women in Non-Farm Development (ARWIND)
- Women Development cell and
- Linking self-help group with banks

NABARD has been making efforts to establish linkages between self-help groups organized by some voluntary agencies for poor people in rural areas and official credit for production purposes and reduce their dependence on informal credit sources. NABARD prepared guidelines for promoting group activities under DWCRA programme and provided 100 percent refinance support.

3.6.5 Scheme of Indian Bank for women entrepreneurs

Indian Bank has set up an exclusive cell for women entrepreneurs for encouraging women entrepreneurship in India. Indian Bank was probably the first commercial bank to set up an exclusive cell for women entrepreneurs manned by trained lady officers. The role of the cell is to act as a catalyst and coordinating agency for promoting women entrepreneurship. It also conducts Entrepreneurship developing training programmes and other supporting services in collaboration with State
Corporation for Development of Women and Technical Consultancy Service Organization Bank of Baroda, through the Prime Minister’s Rozgar Yojana, Central Bank of India’s scheme for rural and semi urban women entrepreneurs, a special cell of credit bank and other schemes are also providing assistance to women who wish to take up an entrepreneurial activity. The Central and State level functionaries along with voluntary organizations are also engaged in arranging special camp, course, short-term and long term training programme for assisting potential women entrepreneurs in project formulation, finance, marketing and all the related areas of entrepreneurial activity.

3.7 Role of Non-governmental Organization (NGOs) in promoting Women Entrepreneurship

A number of women entrepreneurs have emerged in the society due to the continuous efforts from NGOs. Its main focus is to conduct periodical trainings for women development to the women entrepreneurs. Many NGOs are already functioning successfully in their chosen fields like community health and family planning, tribal rehabilitation, training and skill development of women in rural areas in addition to various projects relating to forestry, agriculture, animal husbandry, etc. In rural areas, self-help groups have been organized and maintained by several NGOs, in which more than ten women join together and maintain their savings which are circulated among themselves or all savings are deposited in a bank and the bank lends the same to the members to solve their financial problems. The major aims of NGOs are creation of awareness about sanitation, protection of drinking water, wasteland development, rain water harvesting and so on. Their services are also extended to the development of entrepreneurship quality among the rural women. They create awareness and self-confidence among the women to start their own industrial units with a minimal existing investment with bank’s support. Like the above organization, several organizations and
supporting groups are motivating entrepreneurs not only men but also women entrepreneurs.

3.8 Challenges faced by Women Entrepreneurs

Many existing programmes focus both on budding and existing women entrepreneurs, but they choose many diverse channels to reach their customers. Some of the initiatives are web-based, others have only one office (often with a regional focus) and others have a good number of nationwide offices. The majority aims at providing better information and knowledge to women. This is performed by different courses and consultant programmes. Women empowerment is also a recurring subject. Here mentoring and different networking activities are the main goal to achieve. Few work with different solutions to financial problems such as micro loans. Women’s entrepreneurship is both about women’s position in society and about entrepreneurship. A considerable number of research evidences prove that being of the female sex still represents a substantial disadvantage in all of the economies surveyed. Women have a relatively weaker position than men in society. Obviously vital variation exists among countries and the relationship between equal opportunities and entrepreneurship is not always straightforward. The recent studies revealed that, in many countries, especially in developing markets, women are pushed into entrepreneurship, because they do not have any other alternative. In these cases, the weak position of women in society combined with a weak economy leads to high rates of entrepreneurship. This can be compared to more developed economies that have lower rates of entrepreneurship because women have other options at that particular time, better suited to their needs and their views of what they are able to do and not able to perform.

3.8.1 Project Formulation

This is the most significant phase of planning and decision-making as this will lead the entrepreneurs in a right direction. A host of new intrinsic and extrinsic
problems arise for women entrepreneurs and they may have to face in the very first stage while conceiving the idea, since they still have to operate in the same socio-cultural setting. In relation to financing, the signal generally reveals that female entrepreneurs start with lower levels of overall capitalization and lower ratios of debit finance than their male counterparts.

3.8.2 Business Exposure and Opportunities

As part of formulating a business plan, the entrepreneur has to be able to sense opportunities, often by exploring possibilities matching her capabilities and needs. The lack of exposure and information restricts the women entrepreneur’s potential for further exploring her business opportunities. These intrinsic problems are also noticeable in the product selection process, decisions pertaining to which are crucial to any kind of business. The women entrepreneurs had greater limitations in accessing personal savings, given more punctuated work histories and lower patterns of remuneration. Similarly, many researchers suggest that women are less likely to have generated a credit track record to establish formal credit value than their male counterparts. Female entrepreneurial ventures also tend to be concentrated in service sectors that are usually cheaper and easier to establish and both male and female entrepreneurs tend to hit mostly into savings and family support.

3.8.3 Selection of Product

Most of the women entrepreneurs lack in the aptitude skills on product selection. They adopt an impractical approach when they select products unsuitable to their background or past experience. A woman science graduate tends to select a highly technical product on the basis of her educational background, but later due to lack of skills, her unit fumbles. These kinds of problems often stem from women’s lack of knowledge and exposure to industries and business. The potential entrepreneurs do not give the product selection process adequate time, as they are unable to device its
significance in the healthy running of their business venture. Most of them have no systematic survey of existing industries in the chosen area of operation. The advantage or disadvantages associated with the manufacturing, trade or service area of chosen for business, are not examined in detailed manner. Existing demand and supply conditions are not studied and the size and nature of the market are not analyzed properly. Potential customers are not identified or targeted through a preliminary survey. Hence, sufficient effort and required time should be taken for market analysis.

3.8.4 Business Plan Preparation

A business plan provides the guidelines for enterprise creation, continuance and further development. Most of them often use ready-made business plans and submitted them to financial institutions without any thorough understanding on the part of the entrepreneur. Earlier or later, however, the entrepreneur faces a host of problems and finds it difficult to make repayments. Therefore, this stage is very vital to analyze the demands of the women entrepreneur and keep them in mind while preparing the project proposal. Woman entrepreneur lacks in systematic planning, at the time of project report preparation. Furnishing exhaustive data is hampered by intrinsic factors such as lack of information, mobility, maturity in understanding, true appreciation of the utility and value of a project report. Extrinsic factors such as a scarcity of resources, limit the entrepreneur from employing services of a consultant or consulting agency. However, it found that 30% of women entrepreneurs using consultants for preparation of project reports were identified in recent study conducted by Padaki in the year 2009. Thus, lack of exposure about the business plan creates difficulties in setting up an enterprise.

3.8.5 Execution and Marketing Site Selection

Decision pertaining to site selection for manufacturing and marketing is important. Generally, women entrepreneurs struggle at this stage. Many prefer their business place proximate to their home and few of them start operating from their
residence. This choice is based on their need to manage both the business and their home as well. This balancing of multiple demands proves to be detrimental to the successful running of the business, since time allocation is not clear-cut or well-demarcated. The role of wife or mother as the “Homemaker” interferes with the working of the enterprise, so that the business tends to be accorded lower priority, thus reducing the gains. At times, selection of business site is made on the basis of space available in shed or plot in their area of preference. It has been noted that major problem faced by prospective women entrepreneurs was their inability to get allocation for themselves of an adequate and appropriate place of their units to be located\textsuperscript{36}. The government’s outlook, although very helpful at the micro-level, did not translate into effective action for the allotment for sheds and plots concerned. Often, suitable sites are unavailable and the entrepreneur may be forced to settle for a site which is not well connected both in terms of transportation and in terms of communication networks facilities. Procurement of materials and market access also become a difficult task. Often small projects outside industrial estates are not backed up with infrastructural facilities and locations in such areas are often influenced by cheap rates or being ancestral lands\textsuperscript{37}. This is vital and the Government, taking cognizance of these problems, has already started making preferential allocation of industrial land to women entrepreneurs. Such an initiative has been started in Hyderabad where an industrial land has been reserved for the use of women entrepreneurs. In the days to come, it is expected that such efforts will spread to other parts of the country as well as for the development and benefits of women entrepreneurs.

3.8.6 Technical Constraints of Women Entrepreneurs

Technical ignorance is the major constraint for women entrepreneurs to achieve in and it is a big lacuna. Besides that, lack of technical knowledge about running the unit, insufficient technology evaluation, lack of specialized skills to work on specific project are additional drawbacks\textsuperscript{38}. Women are also hampered by non-availability of
technology and they have neither access to machinery nor the required skills for its operation. Women inevitably find themselves in competition with machine-made products. Another technical area where women flounder is planning the optimum plant capacity to deliver the products in time for continuous support from the distributors or consumers. Most of the women entrepreneurs are receiving novel ideas and knowledge about modern technology from the consultant services and it was revealed from a study conducted by Padaki, in 2009\textsuperscript{39}, and he found that around 9\% of the women entrepreneurs surveyed and acquired such proficiency.

3.8.7 Financial Aspects of Project Planning

Project planning is an important task where entrepreneurs find it difficult to identify the source of funding. From the initial stages survey of market needs is vital to starting and running the enterprises in an initial phase without any hurdles. It has been studied in many cases that the capital planning and resultant structure of enterprises is lopsided and the fixed investment decision is observed in terms of holding the land and building. The equity base is too low for project viability and hampers timely initiation and completion of the project. The complicated banking procedures, persistence on collateral and the attitudes of bankers often force women entrepreneurs to plan on non-institutional sources of credit from family, friends, money lenders, etc\textsuperscript{40}. Since, women entrepreneurs invest the entire capital for the start-up activities and it becomes very hard for them to fulfil the requirement of margin money maintained in the banks for any additional mid-term financial assistance. Consequently, a number of entrepreneurs, drop out their business. Thus it becomes essential for women entrepreneurs to familiarize themselves to face the issues wisely to protect their investment by proper ways of financial planning and therefore they can reduce failure in their existing enterprises.
3.8.8 Project Implementation

Entrepreneurs who cross the entry level barriers are exposed to another array of difficulties associated with project approval and sanction procedures. A numerous legal procedures such as registrations, no objection certificates, licenses, sanctions and exemptions, etc., to be obtained from several issuing authorities and it is usually time-consuming and highly expensive task and at this stage every entrepreneur should pay full attention to cross this level. In a study conducted by ICECD (International Centre for Entrepreneurship and Career Development) and it revealed that almost every women interviewed in the sample, expressed her inability to attain things done as early as possible during planning and implementation stages of her enterprises\(41\). The key reason behind this problem is, women have less mobility than men and it is not easy for them to reach various agencies and departments to solve the problems. In addition to this, limited exposure hinders their ability to establish rapport and deal the issues effectively with source agencies or departments. However, it has been observed that women entrepreneurs are most trusted one than their male counterparts. Interestingly, a study of women entrepreneurs in Karnataka revealed that the attitude of government officials towards women entrepreneurs is good and this kind of habits will help the women entrepreneurs in setting up and managing their enterprise successfully\(42\).

3.8.9 Programmes, Policies and Institutional Networks

Several programmes, various Government polices and various institutions are helping the entrepreneurs especially women entrepreneurs through various modes. But unfortunately most of the women entrepreneurs are lacking in awareness and information pertaining to such agencies and institutions who are really working for women entrepreneurs, various schemes sanctioned by government and money lending schemes and procedures of financial institutions, financial assistances with subsidies. Due to ignorance of the different laws applicable to business for women entrepreneurs
they are more prone to official or legal hurdles. A recent study proved that only 22% of the women entrepreneurs had participated and earned benefits from developmental activities provided by Government or institutional networks involved in women entrepreneurship welfare agencies. While the government has initiated various policies and schemes targeting women and often the implementation is only the portion of a specific scheme and some of them are not ready to initiate the scheme to receive benefits. As far as financial schemes are concerned, inadequate dissemination of information results in many women entrepreneurs not being fully aware of facilities available to them. Singh et al. (1986) found that while 72.4% of women who had not attended any training involvement were unaware of incentives and only 26.4% claimed to be aware and receive the benefits from the trained persons. The procedure followed by various agencies repels the women entrepreneurs to handle formalities related to their business. Some procedural methods such as completing application procedure to registration of their firms, obtaining licenses, water, power connections, etc., are annoying the women entrepreneurs.

3.8.10 Support System for Women Entrepreneurs

Intrinsic problems are compounded by the inadequate flow of information on commercial, technical and training matters to the active women population and they call it as support system i.e. authorities providing clearance services to women entrepreneurs are male-dominated and most of them are not supporting women entrepreneurs. This kind of non-cooperative attitude of employees delays projects initiation and running process. The procedures are extensive and complicated with a lot of formalities. Delayed sanction by respective departments demands numerous visits. The lack of coordination between various support agencies proves detrimental to the women entrepreneurs and their enterprises. Bribery is main interruption for many entrepreneurs and this sort of an unsupportive system causes delays and bottlenecks, bringing down the level of project efficacy. Success of women enterprise fully depends
on, the wider range of support from net work and they must understand women’s practical needs, the barriers they face and most importantly start taking women’s enterprise seriously\textsuperscript{46}. Taking cognizance of this, the government should arrange for the establishment of special training and counselling cells for women entrepreneurs. Schemes such as the Mhaila Nidhi Yojana, was developed exclusively for women, have been instituted. Besides that, each financial institution has been instructed to fund at least 10\% of its overall disbursement to women entrepreneurs.

3.8.11 Selection of Industrial Equipment

Women entrepreneurs often make wrong selection of machineries or industries. This leads to various complications in running the industries. Most of the women entrepreneurs are lack of poor knowledge of machineries and equipment leads to defective or unsatisfactory production and serious impairment unit health and this kind of complications are pretty common among women entrepreneurs\textsuperscript{47}. All kinds of above difficulties will lead to series of setbacks in implementation of the total project. The improper project planning, institutional and environment problems, delay genuine possibilities and bad management, contribute to increased capital costs which cause harmful and undesired effects for the survival of an enterprise.

3.8.12 Credit Accessibility of Women Entrepreneurs

Money acts as a catalyst for both existing and expanding their enterprise and income generation. Money is a big constraint for the starting up of business which directly improve the living standard and also affect the income. Hence, credit input is a vital factor determining the low level investment of women enterprises and unfortunately it becomes the major constraint of many women entrepreneurs. The credit accessibility is a very common problem in isolated rural areas as banks are located in town and villages close to communication networks. Because of women’s preparative activities and responsibilities, the time and expenditure affect their
accessibility of bank which may increase the transaction cost of borrowing tremendously, specifically if frequent interviews are needed for a loan to be sanctioned. Credit discrimination is a factual issue that enterprising women have to handle. In general, women have less access to finance and financial support than men\textsuperscript{48}. There exists a gender bias and a general distrust towards the credit value of women is observed at the times of lending credits to women entrepreneurs rather than actual financial considerations. This is more critical for poor women whose experience with banks has been particularly discouraging\textsuperscript{49}. The banks emphasize security (as the primary determinant for credit rating), rather than viability of the project of an enterprise. Lack of inheritance rights leaves women with little confidence for providing guarantee\textsuperscript{50}. The problems pertaining to financial security have been cited as a problem among 89\% of women entrepreneurs, as opposed to only 40\% male entrepreneurs in a study conducted on sample of 200 respondents in state, Uttar Pradesh, India\textsuperscript{51}. However, legally women have an ownership and legal right does not translate into actual practice at the family and community level.

The most common practice followed by banks and other financial institutions are treating women clients simply as appendages of male relations\textsuperscript{52}. Most of the projects undertaken by women require low investment; bankers are not intense to service such loans where the same sums of administrative procedures are required, while sanctioning and recovery is equal to big loan but where the returns are far lower. In the case of micro enterprises, where the profits may be marginal and no collateral exists, bankers are especially cautious\textsuperscript{53}. Many bankers cut down the loan requirement and sanction very low amount which fulfil only 40-60\% of the original requirement. The opinions by the women regarding sanctioning of loan by banks and they replied, four banks turned down their proposal for working capital and the fifth one sanctioned with low funds which does not fulfil the original needs to start up their enterprises. Several internal bank rules and national legislation further discriminate the women
entrepreneurs. A study conducted by ICECD (International Centre for Entrepreneurship and Career Development) revealed that, for most of the women in the sample and it took 6 to 8 months to get their finance sanctioned with high margin and substantial security conditions.

3.8.13 Execution of Project

Every women entrepreneur struggle very much during project execution. Error in product formulation and implementation of project leads to weakening the chances of success rate of operation. Performance of the business at this stage is greatly dependent on the women entrepreneur.

3.8.14 Entrepreneurial Vision

Due to the low orientation for leadership and lack of managerial skills and commercial expertise, many women tend to focus on small projects which do not require large capital and sophisticated managerial skills which yield quick returns. However, it tends to have limited profitability due to extreme competition and short project lives. The low entrepreneurial aptitude manifests itself in the form of lack of vision and creativity in managerial and organizational aspects, which prevents the successful supervision of labour, materials and machines which may affect quality control of both inputs and outputs. Therefore, these factors contribute to reducing the marketability and profitability of the product. An unbalanced functioning and operating style brings down many a business to its knees.

3.8.15 Marketing Strategies and Marketing Technology

Several studies reveal that even amongst successful business-women, one in every five, challenged problems related to marketing. It has been seen that defective marketing strategies are often adopted by women. The targeted market is not kept in view while adopting a marketing strategy. Product promotion is not stressed and no
effort delivered into market development, mainly because not enough funds are diverted to this area and this creates problems in the disposal of products. Customer service is also often a neglected area amongst women entrepreneurs. Many of them meet difficulties in recovering dues from customers. All sort of problems principally stem from a lack of marketing skills. However, exceptional cases appear to be different when we find to solve the problems of marketing strategies by hiring a marketing expert and an engineer to try out her new products and sell to the market.\textsuperscript{58} During operational stages of product making, several kinds of technological constraints are faced by every entrepreneur. Lack of technical knowledge about machinery and process involved in product making, formulation of products, time factors, etc. will distress the products and income. For many, non-availability of machinery and technology in distant places act as barriers, i.e., in the absence of any qualified technicians near the production site for rectifying the problems in machines in case of breakdown they had to call private technicians from far off. Women should be aware of the diverse Scientific and Industrial Research (SIR) laboratories and other agencies which provide technical and technological consultancy and guidance will help the women entrepreneurs in different ways.

3.8.16 Source and Procurement of Raw Materials

Raw materials are basic element of every industrial unit. An irregular, insufficient and untimely supply of raw materials disrupts the efficacy of a targeted production schedule has identified four basic resources are lack in supply of raw material for uninterrupted production, time consuming procedures for procurement of raw material, variations in raw material prices at different places and lack of sufficient stock of raw materials in time of short supply and anticipated price change\textsuperscript{59}. These kinds of problems are quite common for male entrepreneurs and these constraints are not gender-specific. However, helping the women entrepreneurs to anticipate the changes in the environment could certainly help them to solve such issues.
3.8.17 Accurate Maintenance of Accounts and Record Keeping

Mostly, women are poor account-keepers. Some of them have difficulty in differentiating business from personal accounts. They often incline into the business account to tide over personal or household contingencies, thereby reducing the working capital. The improper maintenance of records pertaining to costing and accounting leads to loss in their business. Unorganized accounts, besides contributing to poor financial planning, corrode institutional confidence and cause critical delays. In the absence of these data, the women entrepreneurs cannot estimate the true performance of the enterprise. Besides that, incomplete records are not accepted by lending agencies at the time of application and sanctioning of funds. Poor record-keeping can cause legal complications at the time of inspection by various government authorities. However, it is found that amongst those women entrepreneurs surveyed in the state of Karnataka nearly 43% of them claimed to be handling their accounts independently. To address these issues, specialized courses should be widely conducted for women entrepreneurs on book-keeping, accountancy and financial management. So many sophisticated software relating to accounts are readily available in the market, thanks to the technological advancement. It helps to reduce the man power with effective account maintenance and such training will improve the status the women entrepreneurs.

3.8.18 Labour Related Problems

The scarcity of skilled labour is more in almost all kinds of industries or enterprises and it was surveyed with 23% of a study sample of successful women entrepreneurs, labour problem received highest score. In 1992, Singh cites the case of Ms.Bhalla, proprietor of automobile products of India; he identified labour unrest being among the major problems. Moreover, controlling and dealing with male labourers is not an easy task for women entrepreneurs. Deploying skilful labour is not so easy because they will demand more wages for their job. Most of the experienced workers
leave the unit once they gain sufficient exposure. However, a handful of women entrepreneurs greatly respect their employees as they have a great concern for their welfare and also ready to provide them with help in every aspect. Their employees are seen to work persistently from dawn to dusk, even in the absence of their proprietors. Subsequently they feel duty-bound to their employers.

3.8.19 Working Capital

Working capital is an important component of every business in an initial stage and most of the entrepreneurs are tussling with this problem. Finance is a perpetual need and women entrepreneurs are not much aware of this problem in the initial phase of production. They are affected by financing sources from where they get funds for their needs. Most of the financial needs are due to improper returns of sales or credit by distributors, etc. Lack of finance, cutting down of advancement, delays and adversely affect the capacity of enterprise utilization and the confidence of women entrepreneurs. Financial rejection from major financial institutions leads the women entrepreneur choose the informal capital market characterized by very small loans and very short pay-off periods, resulting in inability to mobilize savings to refinance and to adjust terms. Women entrepreneurs in the north-east region of India, faced problems related to finance either in delayed sanction or disbursement of getting seed money or margin money. Majority of women entrepreneurs opined that finance was the major problem. For example, an experience narrated by a women entrepreneur is worth mentioning here. A detailed techno-economic feasibility report was submitted to the West Bengal Financial Corporation seeking term loan assistance on 30.7.2009 and response received from WBFC was only after seven months (17.02.2010). The entrepreneur made it routine to visit their Calcutta branch office at least once in a week. The dealing of officials was found to be a difficult task to receive the loan amount. They were in the habit of verbal discussions spread over months with a distressing approach and finally they discouraged the first generation of women entrepreneur. Such operational
problems cause setbacks for the enterprise. A considerable number of women entrepreneurs are able to tide over these survival barriers to enter into the succeeding level and most of the population panic and quit their enterprise. However, exiting is not an easy way due to several factors such as emotional, psychological, economic and legal barriers.

3.8.20 Enterprise Expansion, Delegation and Adventurous Action of Women Entrepreneurs

When the women entrepreneurs think of expanding their business, they have their own apprehensions about the success. Several issues crop up when making an expansion decision and women entrepreneurs show more passion to improve their operations rather than expansion. In most of the cases, women entrepreneur’s ventures stay small because expansion requires credit access for the smooth running of their business. This problem can be effectively addressed by training programs, dealing with issues related to delegation of targeted women entrepreneurs. For women entrepreneurs, the delegation of responsibility to others is synonymous with the men in the family. In some cases, women let their husbands or family men take over the leadership role once the business is well-established and the expansion is inevitable. The other problem is of non-availability of liquid funds. The business can either grow, big or start slipping due to problems of money, delegation and management. In few cases, where the business reaches maturity, the extreme problems are those of control and consolidation of financial returns and entrepreneurial spirit. Decision making is not so easy in the context of money and it is usually handled by a male member of the family or decisions are taken in consultation with elders or male members. In a number of cases, men provide protective but conservative suggestion and women are all too agreeable to accept this suggested course of lower risks. According to Mehta and Mehta, 2011, women in India live protected lives and a woman is taught to depend on the male members of her family from the birth. She is not allowed to take any type of
risk even if she is willing to take it and has ability to bear it as well. However, this is not completely factual since many great women proved that they have risk bearing capacities and attitude to take risks in entrepreneurial activities. They have become aware of their rights and potential situations and therefore entered in different fields of businesses. However, most of the women are not performing entrepreneurial activities because they are not much aware of the ways of acquiring such capabilities. Their own limitations like avoidance of risk, coupled with low perception of change in the environment, challenge the women entrepreneurs.

3.8.21 Poor Degree of Financial Autonomy

In Indian families, the degree of financial freedom for women is very unfortunate, especially in both uneducated families and rural families. In this case, the family women can’t take any entrepreneurial decision without consulting their family members as well as considering social ethics and traditions. Due to financial dependency, a woman can’t start any kind of enterprise or any economic activity to become independent. Therefore, it become a vicious circle of dependency and no direct ownership of the property, the right of property is given as a legal provision in India, but it raises the most important questions regarding the right to property for women. In most of the cases, women are not enjoying their right of property and are being treated as second-class citizens, which keep them in a pervasive cycle of poverty.

3.9 Summary

It is further observed that those units which have relatively high risk, involved in every higher investment, are able to fetch better returns in terms of income. Such units employ less literate, low paid labour. Hence, it may be stated that if more risk is taken and more investment is made, it may bring higher returns and they are encouraged to sustain the activity. However, if the scale of operation gets enhanced there may be difficulties as these women have to identify marketing sources. This
would require collective effort, more time and energy to be shown to their enterprise. However, there are constraints for women to invest their full time to business. This tends to constrain their scale of operation and this is one of the major reasons for the women-owned enterprises as they are micro in their scale. Women entrepreneurs faced many challenges specifically in marketing of their product (including family responsibilities) that have to be overcome in order to provide them access to the same opportunities as men. In addition to this in most of the countries, women experienced the obstacles with respect to holding property. Increased participation of women in the labour force is a prerequisite for improving the position of women in society and self-employment, particularly the entry of urban women in business venture will be encouraged. Women can do wonders by their effective involvement in entrepreneurial activities. Women are having basic indigenous knowledge, skill, potential resources to establish and manage the enterprises. The key area of women entrepreneur development is providing ways to accessibility of loans, various funding agencies and procedure regarding certification, awareness on government welfare programmes, motivation, technical skills and government and other organization. Moreover, formation and strengthening of women entrepreneurs’ network must be encouraged. Women entrepreneur networks are major sources of knowledge for women’s entrepreneurship and they are increasingly recognized as a valuable tool for development and promotion of country’s economy. This network is helpful in giving lectures, printed material imparting first hand technical knowledge in production, processing, procurement, management and marketing, etc. This kind of activities will motivate other women to engage in small scale business enterprises with the right assistance and they can strengthen their capacities besides adding to the family income and national productivity.

Apart from the above constraints, some of the important problems to be identified and solved are technical constraints, financial point of view, planning and
implementing the project. Women entrepreneurs should be aware of ongoing programs/schemes, various government policies for product making and marketing, rules governing the import or export of raw materials or products and institutional groups and their networks for expanding their business, identifying cost effective and quality machineries, the legal and safe mode of handling the credits, marketing strategies. They should get to know the current technology in industries, proper maintenance of accounts and preservation of records, addressing of labour problems, and avoidance of risk. These are the major challenges faced by women entrepreneurs. Hence, “Every problem has the solution in itself” is the chief axiom women entrepreneurs have to identify and address the problem in an effective way by transforming challenges into self-motivation by applying their experience and knowledge they gained.

Hence, this study brings out the problems that the women entrepreneurs confront during the course of setting up and management of their enterprises and also highlights the prospects to future women entrepreneurs. The possible ways of receiving support from various agencies will fine tune the entrepreneurial potentiality and also it will assist the women entrepreneurs to enter the main stream of country’s economy, which in turn, will speed up the economic growth of our county. Women entrepreneurs have the world waiting for them today in almost every field. However, they need to break the traditional ground to emerge as the educated young dynamic leaders of today and tomorrow.
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