CHAPTER III
ENTREPRENEURSHIP: A THEORETICAL FRAMEWORK

3.1 INTRODUCTION

In this chapter an attempt is made to provide information about Entrepreneurship and the problems experienced by women entrepreneurs. This chapter defines women entrepreneurs, describes the characteristics of women entrepreneurs, stress experienced by women entrepreneurs, the concept and strategies to overcome role stress conflict. It also provides remedial measures adopted by women entrepreneurs to overcome barriers and succeed in small business enterprise.

3.2 DEFINITION

“Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risk in terms of equity, time and career commitment of providing value for some product or service. The product or service may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources” says Robert Ronstadt.

In the words of A.H.Cole, entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain, or organize a profit-oriented business unit for the production or distribution of economic goods and services.
Higgins defines Entrepreneurship as “the function of seeing investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labour, arranging for the supply of raw materials and selecting top managers for the day-to-day operation of the enterprise”.

According to Peter Drucker, “Entrepreneurship is a process of gathering and using resources that must be allocated to opportunities rather than to problems”.

Schumpeter states that “Entrepreneurship essentially consists in doing things that are not generally done in the ordinary course of business routine”.

McClelland describes Entrepreneurship as “doing things in a new and better way. Entrepreneurial role calls for decision making under uncertainty”.

The New Encyclopedia Britannica considers an entrepreneur as an “individual who bears the risk of operating a business in the face of uncertainty about the future conditions”.

In other words, entrepreneurship means the function of creating something new, organizing and coordinating and undertaking risk and handling economic uncertainty.

### 3.3 ENTREPRENEURIAL TRAITS

A successful entrepreneur must be a person with certain traits that distinguishes them from the others. They are:
1. Mental ability

Mental ability consists of intelligence and creative thinking. An entrepreneur must be reasonably intelligent and should have creative thinking and must be able to engage in the analysis of various problems and situations in order to deal with them.

2. Clear objectives

An entrepreneur should have a clear objective as to the exact nature of the business, the nature of the goods to be produced and subsidiary activities to be undertaken.

3. Business secrecy

An entrepreneur must be able to guard business secrets. Leakage of business secrets to trade competitions is a serious matter which should be carefully guarded against by an entrepreneur.

4. Human relation ability

An entrepreneur must establish good relation with his customers to establish relations that will encourage them to continue or patronise his business. He must also maintain good relations with his employees if he is to motivate them to perform their jobs at a high level of efficiency. An entrepreneur who maintains good human relations with customers, employees, suppliers, creditors and the community is more likely to succeed in business.

5. Communication ability

It is the ability to communicate effectively. Good communication also means that both the sender and the receiver understand each other and are being understood.
6. Technical knowledge

An entrepreneur must have a reasonable level of technical knowledge. It is one’s ability that most people are able to acquire if they try hard enough.

Robert D. Hisrich\textsuperscript{147} has identified a few more capabilities or personal characteristics that an entrepreneur should possess. According to him, the entrepreneur must have an adequate commitment, motivation and skills to start and build a business. Some key characteristics of successful entrepreneur are:

1. Motivator: An entrepreneur must build a team, keep it motivated and provide an environment for industrial growth and career development.
2. Self confidence: Entrepreneurs must have belief in themselves and the ability to achieve their goals.
3. Long term commitment: An entrepreneur must be committed to the project with a time horizon of five to seven years.
4. High energy level: Success of an entrepreneur demands the ability to work long hours for sustained periods of time.
5. Persistent problem-solver: An entrepreneur must have an intense desire to complete a task or solve a problem. Creativity is an essential ingredient.
6. Initiative: An entrepreneur must have initiative accepting personal responsibility for actions and make good use of resources.
7. Goal setter: An entrepreneur must be able to set challenging but realistic goals.
8. Moderate risk taker: An entrepreneur must be a moderate risk taker and learn from many failures.

\textsuperscript{147} http://210.212.119.186/studymaterial/mba/cp-401.pdf
3.4 CULTURAL THEORIES

The following theories portray that the cultural factors are always responsible for the emergence of entrepreneurship:

- Hofstede’s theory
- Hoselitz’s theory
- Stoke’s theory

3.4.1 Geert Hofstede’s Cultural Dimensions

National cultures can be described according to the analysis of Geert Hofstede\(^{148}\). These ideas were first based on a large research project into national culture differences across subsidiaries of a multinational corporation (IBM) in 64 countries. Subsequent studies by others covered students in 23 countries, elites in 19 countries, commercial airline pilots in 23 countries, up-market consumers in 15 countries and civil service managers in 14 countries. Together these studies identified and validated four independent dimensions of national culture differences, with a fifth dimension added later. The five dimensions are:

1. **Power/Distance (PD)** – This refers to the degree of inequality that exists – and is accepted – among people with and without power. A high PD score indicates that society accepts an unequal distribution of power and people understand "their place" in the system. Low PD means that power is shared and well dispersed. It also means that society members view themselves as equals.

\(^{148}\)http://www.clearlycultural.com/geert-hofstede-cultural-dimensions/
2. Individualism (IDV) – This refers to the strength of the ties people have to others within the community. A high IDV score indicates a loose connection with people. In countries with a high IDV score there is a lack of interpersonal connection and little sharing of responsibility, beyond family and perhaps a few close friends. A society with a low IDV score would have strong group cohesion and there would be a large amount of loyalty and respect for members of the group. The group itself is also larger and people take more responsibility for each other's well being.

3. Masculinity (MAS) – This refers to how much a society sticks with and values, traditional male and female roles. High MAS scores are found in countries where men are expected to be tough, to be the provider, to be assertive and to be strong. If women work outside the home, they have separate professions from men. Low MAS scores do not reverse the gender roles. In a low MAS society, the roles are simply blurred. You see women and men working together equally across many professions. Men are allowed to be sensitive and women can work hard for professional success.

4. Uncertainty/Avoidance Index (UAI) – This relates to the degree of anxiety society members feel when in uncertain or unknown situations. High UAI-scoring nations try to avoid ambiguous situations whenever possible. They are governed by rules and order and they seek a collective "truth". Low UAI scores indicate the society enjoys novel events and values differences. There are very few rules and people are encouraged to discover their own truth.

5. Long Term Orientation (LTO) – This refers to how much society values long-standing – as opposed to short term – traditions and values. This is the
fifth dimension that Hofstede added in the 1990s after finding that Asian countries with a strong link to Confucian philosophy acted differently from western cultures. In countries with a high LTO score, delivering on social obligations and avoiding "loss of face" are considered very important.

Hofstede’s dimensions for India are shown in Figure 1.

**Figure 1**

**Hofstede’s Dimension for India**

India has Power Distance (PDI) as the highest Hofstede Dimension for the culture, with a ranking of 77 compared to a world average of 56.5. This Power Distance score for India indicates a high level of inequality of power and wealth within the society. This condition is not necessarily subverted upon the population, but rather accepted by the population as a cultural norm.
India's Long Term Orientation (LTO) Dimension rank is 61, with the world average at 48. A higher LTO score can be indicative of a culture that is perseverant and parsimonious.

India has Masculinity as the third highest ranking Hofstede Dimension at 56, with the world average just slightly lower at 51. The higher the country ranks in this Dimension, the greater the gap between values of men and women. It may also generate a more competitive and assertive female population, although still less than the male population.

India's lowest ranking Dimension is Uncertainty Avoidance (UAI) at 40, compared to the world average of 65. On the lower end of this ranking, the culture may be more open to unstructured ideas and situations. The population may have fewer rules and regulations with which to attempt control of every unknown and unexpected event or situation, as is the case in high Uncertainty Avoidance countries.

3.4.2 Hoselitz’s theory

Hoselitz\textsuperscript{149} states that culturally minority groups are the spark-plugs of entrepreneurial and economic development. Culturally marginal groups like the Jews and the Greeks in medieval Europe, the Lebanese in West Africa, the Chinese in South Africa and the Indians in East Africa have played a part in promoting economic development. The theory can be viewed from the following standpoints:

\textsuperscript{149} www.scribd.com/.../Theories-and-models-of-entrepreneurship
1. Hypothesis of marginal men: Hoselitz formulated the hypothesis of marginal men who are the important reservoir of entrepreneur development. Hoselitz, marginal men because of their ambiguous position from a cultural or social statement are particularly suited to make creative adjustments in situations of change and in the course of this adjustment process, they develop genuine innovations in social behavior.

2. Managerial and leadership skill: individuals who possess extraordinary managerial and leadership skills can bring entrepreneurial talents in the society.

3. Contribution of specific social classes: the theory reveals that in several countries entrepreneurial talents are found in persons having particular socio-economic back ground. The dominant social classes in the field of entrepreneurship are found to be the United States and Turkey in Britain, Samurai in Japan, family pattern in France, Yoruba in Nigeria, Kikiyu in Kenya, Christians in Lebanon, Halai Menon industrialist in Pakistan, Marwaris and Parsis in India.

3.4.3 Stoke’s theory

According to Stoke\textsuperscript{150}, socio-cultural values channel economic action. He suggests that personal and societal opportunities and the presence of requisite psychological distributions may be seen as conditions for an individual movement to get changed into industrial entrepreneurship.

\textsuperscript{150} http://www.scribd.com/doc/19497374/Thoeries-of-Entp
3.5 PSYCHOLOGICAL THEORIES

Psychological theories center round the psychological characteristics of an individuals in a society. Psychological characteristics influence the supply of entrepreneurs in a society. The two theories portray the emergence and supply of entrepreneurs.

- Theory of personal resourcefulness
- Theory of entrepreneurial supply

3.5.1 Theory of Personal Resourcefulness

Personal resourcefulness is a critical factor for the growth and development of entrepreneurship. The theory of personal resourcefulness has got the following implications as far as the supply of entrepreneurs is concerned in the society:

1. **Cognitive function**: the present theory presupposes the activities undertaken by the individuals who require cognitively mediated behavior like emotions, sentiments, inner feelings, thoughts and actions. In these situations, entrepreneur is fully appraised of the situation and knowledge which is shaded by risk and motivational involvement.

2. **Human aspect of psychology**: Different authors have given their opinions on human aspect of psychology. Bygrave and Hoffer ¹⁵¹ highlight the significance of human volition. Schumpeter pointed out entrepreneur as innovator while

Carland gives emphasis on organization building for entrepreneurship development. In the words of Schumpeter, entrepreneurship is influenced by the following traits:

(a) will to power
(b) will to conquer

3.5.2 Theory of Entrepreneurial Supply

John H. Kunkel advocated the theory of entrepreneurship supply. According to him, psychological and sociological variables are the main determinants for the emergence of entrepreneurs. He contemplated that entrepreneurial talent can be found in minorities, religious, ethnic, migrated, displaced elites and these minorities have supplied most of the entrepreneurism in the society.

Entrepreneurism can be dependent upon the following structures in the economy:

1. Demand structure: It implies economic demand with relation to changes in economic development and government policies. Demand structure can be augmented with the help of material rewards which can influence entrepreneurial behavior.

2. Limitation structure: It is originally socio-cultural in character. In this structure, entrepreneur is regarded as the most deviant individual in the

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society and that’s why the society restricts specific activities that influence all members in the society.

3. **Labour structure**: It refers to the supply of skilled labour. The structure is governed by a large number of factors such as racial stock, available job alternatives, traditionalism and mobility of labour.

4. **Opportunity structure**: it is the most important structure governing the supply of entrepreneurs. The structure refers to the technological and managerial skills, information about techniques of production, market structure and supply of capital

The behavioral model is based upon the following premises.

1. **Man’s internal state** – beyond objective analysis: man’s internal state is beyond the scope of presently available means of measurement and objective analysis and so knowledge about this is of less significance so far as the explanation and prediction of behavior is concerned.

2. **Conditioning procedure, determinant of individual activities**: the behavioral model depicts that the determinant of an individual activities are to be found largely in the conditioning procedure, both deliberate and accidental and in the sets of reinforcing and discriminative stimuli which become part of his behavioral chains and are part of present social context.

3. **Behavioral approach and human spirit**: this model does not deny the existence of human spirit.
4. **Model contrast with psychogenic approach:** According to Kundel, to change man’s activities one need not concern oneself with altering values, one need to change only certain elements of the operant conditioning context of which all men at all times are an integral part.

5. **Role of ambiguous and inadequate concepts:** In this model, Kundel indicates the ambiguity and inadequacy of some concept like values, personality and attitudes.

### 3.6 SPECIALISTS VIEW ON ENTREPRENEURSHIP

Valuable views on entrepreneurship have been provided by eminent specialists as theoretical supplements to entrepreneurship. Thus the views of the specialist such as Walker, Harbison, Drucker and Peter Kilby are discussed here.

#### 3.6.1 Walker on entrepreneurship

According to Walker\textsuperscript{153}, entrepreneur is a person who organizes and coordinates the various agents of production. He points out that the true entrepreneur is one who is in possession of above average ability for organizing and coordinating the resources. “True entrepreneur “ is limited in a country. They are endowed with different levels of organizational skill and coordinating capacity. Thus entrepreneurs with higher level of competency are more successful and effective in earning superior rewards in terms of profit in comparison to their counterpart.

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\textsuperscript{153} Sangram Keshari Mohanty (2005), op.cit.
3.6.2 Harbison on entrepreneurship

Harbison\textsuperscript{154} categorized the functions of modern entrepreneurs in the following ways:

a) Under taking and managing of risk and the handling of economic activity
b) Planning and innovation
c) Co-ordination administration and time control
d) Routine supervision

In small enterprise, the above functions are performed by a single individual. According to Harbison all the people who perform entrepreneurial function in a large organization are characterized as Managerial Resources.

3.6.3 Drucker on entrepreneurship

According to Peter. F. Drucker,\textsuperscript{155} successful entrepreneurship involves the following things:

a) Value and satisfaction obtained from resources by the consumer are increased.
b) New values are created.
c) Material is converted into a resource or existing resources are combined in a new or more productive configuration.
d) Entrepreneurship is the practice that has a knowledge base.
e) Entrepreneurship is not confined to big business and economic institutions; it is equally important to small business and non-economic institutions.
f) Entrepreneurship behavior rather than personality trait is more important to enhance entrepreneurship.

\textsuperscript{154} Sangram Keshari Mohanty, (2005) op. cit.

\textsuperscript{155} Sangram Keshari Mohanty (2005) op. cit.
g) The foundation of entrepreneurship lies in concept and theory rather than in intuition.

3.6.4 Peter Kibly on entrepreneurship

Peter Kibly is a famous author on entrepreneurship. In his book *Entrepreneurship and Economic Development*, he has attempted to study the entrepreneur in greater detail and gave a comprehensive list of activities critical to entrepreneurial success in the context of an underdeveloped country. According to him: “entrepreneurial performance in those roles involve exchange relationships.” On the other hand, entrepreneurs typically do not apply themselves with equal intensity or skill to their task in the realms of management control and technology. Deficiencies in these later areas represent, in many instances, the operational bottleneck to indigenous industrial development.

3.7 ROLE OF ENTREPRENEUR

3.7.1 Innovator in Economic Growth

Though the last decade of 20th century experienced the growth of a large number of small entrepreneurs in India, the number of innovating entrepreneurs is less than the imitating entrepreneurs; as a result of which, the country has been lagging behind in moving at a pace which the international community’s demand. Therefore, to cope with the international order and the dynamism of the society, an entrepreneur’s role as an innovator is of prime importance. According to Schumpeter, an entrepreneur is basically an innovator who introduces new combinations of means of production. As an innovator, entrepreneur forces the
potentially profitable opportunities to exploit it. He is a risk bearer, problem shooter and gets satisfaction in confronting problems.

### 3.7.2 Generation of Employment Opportunities

Entrepreneur plays a significant role in generation of employment opportunities. The development strategy of a country confronts two important problems- unemployment and poverty of the masses. These problems can effectively minimized by activating the latent human potentials through entrepreneurship. This leads to the creation of self employment and wage – employment avenues for large number of people. Role of entrepreneur in establishing tiny, micro and small scale enterprises is perceived as a powerful medium to address several socio-economic issues and the chief among them is generation of employment opportunities for millions. In a developing economy like India and Africa, where population pressure is quite high and the job employment is limited, the role of an entrepreneur is very much significant. Entrepreneurship gives rise to economic independence through self-employment.

### 3.7.3 Complementing and Supplementing Economic Growth

Schumpeter postulates that the rate of economic progress of a country depends largely upon its rate of innovation, which in turn, depends upon the entrepreneurial talents. According to Schumpeter, technological development cannot alone bring about economic growth unless they are put to practical use by the entrepreneurs. Similarly, Peter Drucker has also emphasized that this is the age of entrepreneurial society. Economic development and growth of a country depends to a great extent upon effective entrepreneurship. In his opinion,
entrepreneur plays a crucial role for the creation of new small enterprises that energize the economic structure. Through constant creativity, new businessmen/entrepreneurs assure a strong economy and rising national income. Thus, the role of entrepreneur is important, as it is not only complements but also supplements the economic growth of the country.

3.7.4 Social Stability and Balanced Regional Development of Industries

Entrepreneur plays a crucial role in bringing about social stability and balanced regional development. In each and every country, entrepreneurs are considered as a valuable human resource. The responsibility of social stability lies on his shoulders.

Entrepreneurs help in alleviating poverty by reducing unemployment through creation of large number of jobs by ways of setting of small and tiny units. Thus social stability is maintained.

Entrepreneurs facilitates economic development and social stability through creation of social infrastructures like, schools, colleges, health care centers, vocational institutions, banking and insurance facilities, roads and buildings etc. consequent upon establishment of industries.

The role of entrepreneur is also of paramount importance in bringing about balanced regional development. Establishing industries in rural and backward regions and availing concessional finance, investment subsidy, transport subsidy and the like are provided by the government to reduce regional disparity.
3.7.5 Export Promotion and Import Substitution

In recent years, liberalization, privatization and globalization have opened up a vista of export opportunities for entrepreneurs in India. They have evinced their interest in setting up industries which are export–oriented in nature. They also find it more lucrative to establish industrial units which produce import substitutes thereby making India self-reliant. As such, the role of entrepreneur is of fundamental importance as far as export promotion and import substitution are concerned.

Entrepreneurs are interested in manufacturing consumer goods as well as capital goods in the country in order to minimize dependence on foreign countries. Establishment of small industries for FMCG (fast moving consumer goods) as well as consumer durables make the country self-sufficient and thus, they help in accelerating economic development.

3.7.6 Foreign Exchange Earnings and Meeting Local Demand

The earnings of small scale sector have been increasing at a faster rate and so also the FOREX earnings. Increase in exports brings about increase in foreign exchange earnings and thereby helping to achieve a favorable balance of payment. It is known that expansion of exports is kingpin of any policy of solving the problem of deficit and increase of foreign exchange earnings. The entrepreneurs of small scale units, therefore, play a great role in augmenting exports and thereby leading to earnings of foreign exchange reserve which is much needed for the development of a country like ours.
Foreign trade acts as an engine of growth for the underdeveloped countries. Nowadays entrepreneurs of developing countries are no longer exporters of primary products and importers of manufactured goods. According to GATT (General Agreement on Tariffs and Trade) they import only one-third of their total consumption of manufactured articles and even this proportion is on the decline. They produce the remaining two-third at their home.

3.8 CONCEPT OF WOMEN ENTREPRENEUR

Women entrepreneurs may be defined as the woman or group of women who take initiative to set up a business enterprise and to run it smoothly. According to the Government of India, a women entrepreneur is defined as “an enterprise owned and controlled by a woman and having a minimum financial interest of 51 per cent of the employment generated in the enterprise to women”

Women entrepreneurs are those women who generate business ideas or select the best opportunity, mobilize resources, combine the factors of production, undertake risks and operate the enterprise in the most effective manner with a view to earning profit.

There has been significant growth in female self-employment, with women now starting new ventures at a higher rate than men. Although the characteristics of male and female are generally very similar, female entrepreneurs differ in terms of motivation, business skills and occupational backgrounds. Table 3.1 shows the comparison of male and female entrepreneurs.
## TABLE 3.1

### Comparison of Male and Female Entrepreneurs

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Male Entrepreneurs</th>
<th>Female Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation</strong></td>
<td>Achievement- strive to make things happen Personal independence – self -image as it relates to status through their role in the corporation is unimportant.</td>
<td>Achievement- accomplishment of a goal Independence- to do it alone</td>
</tr>
<tr>
<td><strong>Departure point</strong></td>
<td>Dissatisfaction with present job. Sideline in college, sideline to present job, or outgrowth of present job Discharge or layoff Opportunity for acquisition</td>
<td>Job Frustration Interest in and recognition of opportunity in the area Change in personal circumstances</td>
</tr>
<tr>
<td><strong>Sources of funds</strong></td>
<td>Personal assets and savings Bank Financing Investors loans from friends and family</td>
<td>Personal assets and savings Personal Loans</td>
</tr>
<tr>
<td><strong>Occupational Background</strong></td>
<td>Experience in line of work Recognized specialist competent in a variety of business functions</td>
<td>Experience in area of business Middle management or administrative – level experience in the field</td>
</tr>
<tr>
<td><strong>Personality Characteristics</strong></td>
<td>Opinionated and persuasive Goal oriented Innovative and idealistic High level of confidence Enthusiastic an energetic Must be own boss</td>
<td>Flexible and tolerant Goal oriented Creative and realistic Medium level of self confidence Enthusiastic and energetic Ability to deal with the social and economic environment</td>
</tr>
<tr>
<td><strong>Background</strong></td>
<td>Age when starting venture; 25-35 Father was self-employed College educated- degree in business or technical area (usually engineering) First born child</td>
<td>Age when starting venture: 35-45 Father was self-employed College educated- degree in liberal arts First born child</td>
</tr>
<tr>
<td><strong>Support group</strong></td>
<td>Friends, professional acquaintances (lawyers, accountants) Business associates Spouse</td>
<td>Close friends Spouse Family Women’s professional groups Trade Associations</td>
</tr>
<tr>
<td><strong>Types of business started</strong></td>
<td>Manufacturing or construction</td>
<td>Service related- educational services, consulting, or public relations</td>
</tr>
</tbody>
</table>

3.9 FACTORS GOVERNING WOMEN ENTREPRENEURSHIP

Women entrepreneurship is governed by four spheres-psycho-sphere, socio-sphere, techno-sphere and econo-sphere. These spheres are given in the Figure 2.

Figure 2

Domains Governing women entrepreneurship


The constraints faced by women entrepreneurs in these different domains are given below:
Constraints in psychological domain:
(a) Lack of self-motivation
(b) Conflicts due to dual responsibility
(c) Poor risk-taking ability

Constraints in social domain:
(a) Lack of social contacts
(b) Male dominance
(c) Not in tune with social norms

Constraints in technical domain:
(a) Lack of project ideas
(b) Lack of process know-how
(c) Lack of do-how (implementation capacity)

Constraints in economic domain:
(a) Economic support not forthcoming from family
(b) Inadequate advance through financing agencies
(c) Lack of economic ownership and control

3.10 PROBLEMS FACED BY WOMEN ENTERPRENEURS

Women entrepreneurs generally face a large number of problems. Due to these problems, entrepreneurship development among women has not been satisfactory.

Lack of self-confidence- Women lack self confidence in their own abilities which is partly due to cultural environment. This is because of family’s reluctance to
provide funds for their venture. Banker’s reluctant to fund their project due to lack of collateral securities on their names and above all, very few development agencies come forward to extend them assistance.

**Male- dominated society**- Male chauvinism is an important barrier to the empowerment of women. The prevalent socio-cultural attitudes and beliefs are not conducive to the blossoming of women as entrepreneurs. A male child is still preferred in family from birth and is considered as assert throughout life time. This acts as a stumbling block in the strife for equal status with men in society.

**Low risk bearing capability**- Women are less educated than men which reduces the capacity to run the enterprise.

**Lack of encouragement from family**- The duty of women is to take care of the children and members of the family. This does not provide little time to take up entrepreneurial activity. Studies reveal that women brought up in homes with less restriction are found to be innovative, independent and dynamic and are likely to become successful entrepreneurs.

**Discrimination in upbringing**- From childhood girl child is taught not to be aggressive and independent. Decision making is done by elders in the family. This discrimination in family at times acts as a barrier for development of women as an entrepreneur.

**Role conflict**- Entrepreneurship needs a high level of commitment, devotion and dedication. Women are posed with different roles such as mother, wife and home maker, which causes stress due to over load.
Lack of education- Illiteracy is the major problem of socio-economic backwardness. In India 60 per cent of the women are still illiterate.

Low mobility- Due to socio-cultural barriers woman is less mobile.

Problem of access to finance- Women lack access to financial institutions, due to absence of tangible security and also lack credit in the market. Most of the women enterprises suffer due to lack of finance.

Stiff competition- Organized industries are the competitors to women enterprise. This results in closure of enterprises run by women.

3.11 EMPOWERMENT OF WOMEN THROUGH ENTERPRISE

In the context of empowerment through enterprise, empowerment of women involves access to resources and markets, actual ownership and control. These three factors act as the bull work for empowering women through enterprise.

The essence of self development and empowerment of women lies in self-concept of women which can be developed through the following competency-development exercises:

(i) Self-concept which implies discovering one’s potential.
(ii) Self-identity which relates to the exercise “who am I”
(iii) Self-evaluation which indicates self-confidence and self-respect that is “What am I worth”
(iv) Self-deal which reveals “What should I be” and “What could I become”

In the process of empowerment, women should consider their strengths, weaknesses, opportunities and threats and move forward to unfold their own potential to achieve their goals through self-development.

3.12 WOMEN ENTERPRISES

The number of women enterprises in USA, has risen dramatically during the last two decades. Newspapers and business magazines frequently feature women as successful entrepreneurs. Between 1982 and 1987, the number of women-owned businesses increased by 57.4 percent, with receipts of these businesses rising by 81.2 percent.\textsuperscript{156} A study by economist David Birch\textsuperscript{157}, released in 1992, reported that women owned 28 percent of the business in U.S. and that they owned 10 percent of the country’s workers. Women’s business ownership has been expanding much more rapidly than men’s business ownership, but women are expanding from a smaller base of ownership.

3.13 STRESS AND THE ENTREPRENEUR

Stress in the workplace is a common complaint of employees in almost any job or profession. The demand of instantaneous results creates an environment of constant pressure to perform flawlessly with ever tightening deadlines.

\textsuperscript{156} www.alliedacademies.org/.../AEJ%20Vol%2012%20No%201%202006%20p%201-18.pdf

\textsuperscript{157} www.kuliah.dinus.ac.id/edi-nur/Slide-Wirausaha/Ch01/tif01.doc
For the entrepreneur, these demands are amplified by the relative isolation and unique responsibilities associated with owning a business. Entrepreneurs are especially driven, which leads to long hours and frequent apprehension related to potential threats to their company. Combining these characteristics with the inherent pressure associated with business ownership creates a perfect environment for stress and anxiety. If left unaddressed, these conditions can ultimately lead to occupational burn out.

3.13.1 The Causes of Stress and Its Effects

Poor eating habits, lack of exercise and reduced interaction with one’s family are certainly manifestations of the condition, but they tend to be the consequences of underlying issues. The causes of business related stress tend to fall into the following categories:

**Financial matters:** The primary source of anxiety for business owners is typically financial in nature. Omnipresent and sometimes overwhelming, it is inescapable to some degree. The most serious cause of financial misery revolves around delinquent receivables or its subsequent cousin past due payables. Perhaps even more distressing and in some cases terrifying is an inability to cover payroll. New businesses that are underfunded or growing businesses that underestimated cash flow requirements often find themselves in a desperate struggle between collecting money and paying creditors.

**Sales Issues:** Problems with top end revenue are always a source of pressure for the entrepreneur. This would include the loss of a significant customer, an economic downturn, or the loss of an important product line.
Whatever the cause, both the employees and the infrastructure of the business itself will be affected. In a gross revenue crisis, the business owner must accurately determine the extent of the problem and what path the company must take to mitigate the damage.

**Role Overload:** Many entrepreneurs fall prey to the need to exert their influence over every facet of the company. It is a common failing of owners to believe that no one can execute a task as thoroughly and efficiently as they can. Control issues are common and this often leads to a multitude of projects that remain uncompleted within an environment where the workload always exceeds the available hours.

**Employees:** A key employee leaving the company can prove to be extremely unsettling especially if it is unexpected. Questions as to the employee’s motivations, whether their new employer will be a competitor, or how their departure will affect sales will all weigh heavily on the business owner. Employees have the luxury of leaving and finding new employment, while the owner of the company remains to try and minimize the impact.

Nearly as unpleasant is the need to layoff a long time employee because of economics. Small businesses in particular tend to have a “family oriented” feel to them and the knowledge that the life of the terminated employee will be affected negatively is often very painful to the business owner.
3.13.2 Reducing Stress through Better Practices

Conventional methods for addressing stress such as exercise, improved diet and breaks from the daily routine are all helpful, but do not deal with the underlying causes of the problem.

Instead, the focus should be directed at improving the fundamentals of the business to insure bona fide receivable and positive cash flow. Growth should only occur when it can be paid for through profits or a manageable debt service.

The entrepreneur should also work to broaden the client base so that no single customer accounts for more than 10 per cent of the total sales. When the sales base is diversified, the loss of any individual customer will not prove to be catastrophic.

The business owner should also work to delegate responsibility despite reservations. Not only will scaling back personal tasks contribute to better stress management, it will usually lead to more overall productivity by the company as a whole.

Since employees play such a pivotal role in the success and smooth operation of a business, particular care should be given to key personnel. Competitive compensation packages as well as incentives should all be crafted to insure that the employee has a strong motivation to stay with the company.

Ultimately, stress reduction is most acute when the fundamentals of the business are strong, sales are robust and the staff is happy and productive. These
are the best methods for reducing or eliminating stress and anxiety for the entrepreneur.

3.14 FUTURE OF ENTREPRENEURSHIP

Entrepreneurship means different things to different people and can be viewed from different conceptual perspectives. However in spite of differences, there are some common aspects: risk taking, creativity, independence and rewards. These commonalities will continue to be the driving force behind the notion of entrepreneurship in the future. The future of entrepreneurship appears to be very bright. We are living in the age of entrepreneur, with entrepreneurship endorsed by educational institutions, governmental units, society and corporations.

Entrepreneurship education throughout the world is also growing. Many universities in Europe have recently started a program in Entrepreneurship. Universities and associations do research on entrepreneurship, followed by training courses and then education courses- courses for which degree credit is given. Also in India, a course is provided in the curriculum of MBA program.

Various Governments are taking an increased interest in promoting the growth of entrepreneurship. Individuals are encouraged to form new businesses and are provided such government support as tax incentives, subsidies, buildings, roads, to facilitate this creation process. Encouragement by the federal and local governments should continue in future as more law makers understand that new enterprises create jobs and increase economic output in the area.
Society’s support of entrepreneurship will also continue. This support is critical in providing both motivation and public support. Entrepreneurial endeavors in the United States are considered honorable and even, in many cases, prestigious pursuits. A major factor in the development of this societal approval is the media. This media coverage uplifts the image of the entrepreneur and growth companies and focuses on their contributions to society.

3.15 SUMMARY

This chapter attempted to draw on the definitions on entrepreneurs and entrepreneurship from the words of experts and researchers in the field to bring out its practices across different nations. The theories developed by eminent scholars have been described in detail to explain the role of entrepreneurs in developing nations. Special emphasis has been placed on the concept of women entrepreneurs and the distinguishing features that characterize female entrepreneurs from the male entrepreneurs. The domains governing women entrepreneurs along with the constraints experienced in each of the domains have also been brought forth. A discussion is also given on the problems encountered by women entrepreneurs and the stress experienced by them. The strategies that entrepreneurs adopt to reduce stress and balance work-life situations are described. It is thus concluded that a systematic approach towards the work will enable women entrepreneurs to be successful in carrying out their role at home and society.