



A Study on Challenges and Constraints Faced By Female Entrepreneurs to Develop Business in Gujarat

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ABSTRACT

An important role is played by the female entrepreneur in trade and industry as well as in Indian community. Whether it is a major or a minor business, females are entering in the in male dominant industrial society and face lot of challenges. However, their efforts create employment for other females which help in the development of economy and betterment not only in their lives but also in the lives of several others. Present study is an attempt to explore the challenges and constraints confronted by female entrepreneurs to develop their business in Gujarat state of India. The target industry as the population for the study is 150 self-employed women located in 6 cities of Gujarat state and the businesses that are in operation for at least last 7 to 10 years. Data for the study is collected through in-depth interview of a sample of women entrepreneurs using structured questionnaire. It also proposes the approach of eliminating and reducing the constraints of women entrepreneurs in Indian perspective. The study identify challenges and constraints that female entrepreneurs for which Females should develop their basic knowledge of business and it is recommended that a continuous attempt to inspire, encourage, motivate and co-operate female entrepreneurs related to business or how to start own venture.

KEYWORDS : Entrepreneurship, Business Management

1. Introduction

In the dynamic world, for any nation, Entrepreneurship is the core of sustained economic development and social progress as it acts as a positive force in economic growth by serving as the bridge between innovation and market place.

In today's human race, more female entrepreneurs are rising with innovative businesses. But in spite of the increasing number of the female equivalence in the business world, they still face so many challenges and constraints in depriving them of approaching top in the business world.

As per the 2011 Census, in India where there is highest number of productive work force all over the world, people possess great entrepreneurial potentials in which female constitute 48.46% (around half) of the population of the nation.

But in entrepreneurial and economic activities, their participation is very small because of social, attitudinal, and economic barriers. They have to struggle a lot at the time of entering into economic and business activities.

But, for the period of the last two and half decades, growing number of Indian female have entered the field of entrepreneurship and also they are steadily changing the visage of business today, both accurately and symbolically.

2. Literature Review : Entrepreneurship & Female

An entrepreneur is the one who undertakes a commercial enterprise and who is an organisational creator and innovator.

The word "Entrepreneur" does not discriminate between the genders.

In common parlance, Female Entrepreneurs may be understood as the female or a group of female, who initiate, organize and operate a business enterprise.

Entrepreneurship represents a suitable prospect for female across the globe.

The Government of India has defined female entrepreneurs as, "An enterprise owned and controlled by a female having a maximum financial interest of 51% of capital and giving at least 51% of employment generated in the enterprise to female."

"You cantellconditionofanationbylookingatthe status ofits women."

First Prime Minister Shri Jawaharlal Nehru

"Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and

ultimately a good nation."

Ex-president A.P.J. Abdul Kalam

Female entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in the developing world due to the lower status of female in the society. There is no doubt that the entry of female in economic and business sphere will build a strong developed society and will bring prosperity for the nation.

Female entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. A variety of stakeholders has pointed at them as an important 'untapped source' of economic growth and development. According to the World Economic Forum 2012, Female entrepreneurs are "the way forward". Governments and Academics tend to focus on encouraging entrepreneurship due to its role in job creation, innovation, importance to large businesses and a dynamic economy. Female entrepreneurs have been identified by organization for economic cooperation and development as a major force for innovation, job creation and economic growth.

In recent years, female have made their mark in different walks of life and are competing successfully with men despite the social, psychological and economic barriers. This has been possible due to education, political awakening, urbanization, legal sate guards, social reforms etc.

Female entrepreneurs require confidence, leadership and managerial skills for their accessibility to new markets. Entering into business as a female offers the Omni-challenges of learning how to effectively operate the activities of such business while simultaneously attempting to meet all other expectations that are part of entrepreneurship. She can either be self or paid employed. But both of the employments are prone to risks and problems that discourage females in both domains. Researchers claim that family issues such as giving proper time and fulfilling family culpabilities are the chief issues confronted by them. By keeping all these cited issues, challenges and societal set up the participation of female into economic growth through entrepreneurship requires strong family policies which are designed to support female's opportunities . Female can opt for entrepreneurship as a noble profession to cope with the issues like subordination in their respective families and societies.

It can be said that today we are in a better position wherein female participation in the field of entrepreneurship is increasing at considerable rate, efforts are being taken at the economy as well as global level to enhance female's involvement in the enterprise sector. This is mainly because of attitude change, diverted conservative mindset of society to modern one, daring and risk-taking abilities of female, support and cooperation by society members, changes and relaxations in government policies, granting various upliftment schemes to female

entrepreneurs etc.

At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to female. Female entrepreneurship must be molded properly with entrepreneurial traits and skills through training and other demanding assistance to meet the changes in trends, challenges of domestic and global markets and be competent enough in present scenario. In light of the reviewed literature the study aims at following objective.

3. Research Objective

Present study is an attempt to focuses on women entrepreneurship development in India and especially explores the challenges and constraints confronted by female entrepreneurs when they ventured out to carve their own niche in the competitive world of business environment in the Gujarat state of India.

4. Research Methodology

The target industry as the population for the study is 150 self-employed female located in the cities of Ahmedabad, Vadodara, Surat, Rajkot, Unjha, Bhuj of Gujarat state and the businesses that are in operation for at least last 7 to 10 years. In-depth interviews of 50 respondents were conducted in order to gain better understanding of their operations. Primary data for the study is collected through structured questionnaire and in-depth interviews. The secondary data is collected through the review of existing literature, books, magazines, newspapers, journals and research thesis. The tools used for data collection are questionnaire, in depth interviews and informal interaction with the respondents.

5. The Findings

Indian female entrepreneurs face the following Challenges & Constraints in setting up and running business units:

Internal Challenges & Constraints

- 1) Social Attitudes – Gender Discrimination
- 2) Absence of Definite Agenda of Life
- 3) Family Ties - Relationships & Family Obligations
- 4) Lack of Education & Inadequate Vocational / Technical Training
- 5) Low level of Management skills (Production – Marketing – Social networking)
- 6) Low level of Negotiation & Bargaining skill
- 7) Low level of Decision making and Problem solving skill
- 8) Low level of Risk Taking Attitude
- 9) Lack of Motivation – Directions & Confidence
- 10) Mobility Constraint
- 11) Poor Degree of Financial Freedom
- 12) Competition from Male Entrepreneurs
- 13) Updating on Technological Changes

External Challenges & Constraints

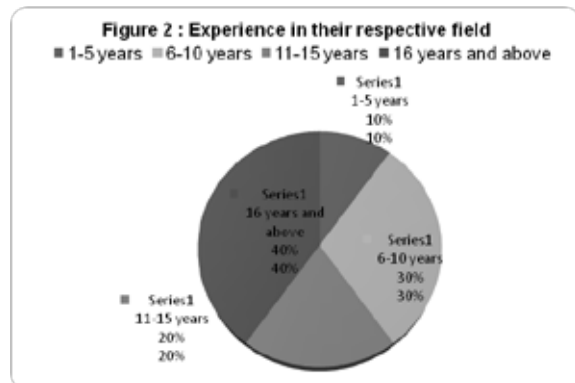
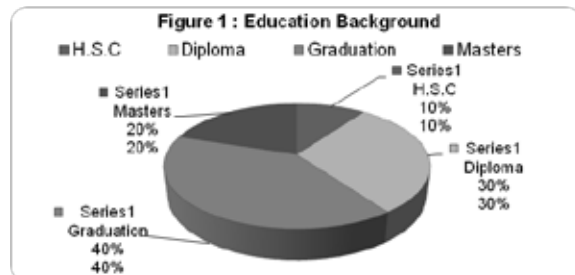
- 1) Lack of Knowledge of Availability of Raw Materials
- 2) Non-Availability of Finance – Negligence by FIs
- 3) Production Problem – High Cost
- 4) Discouraging Experience
- 5) Excessive Regulations and Legal, Statutory & Procedural Formalities
- 6) Problems Relating to Acquisition of Inputs
- 7) Lack of Developmental Institutions (Public & Private)
- 8) Lack of Interaction with Successful Entrepreneurs
- 9) Lack of Awareness about Government Programmes & Schemes

Table 1: Age of the Respondents

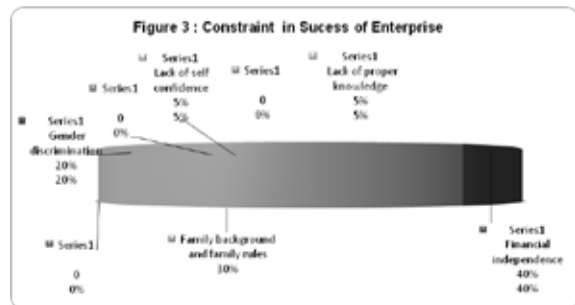
Sr. No	Age (Years)	No. of Respondents
1.	25 - 35	20%
2.	36 - 45	33%
3.	46 - 50	35%
4.	51 & Above	12%

Source: Author's Calculation

A large percentage of respondents are below 45 years of age which means that many have started young. Of these respondents 50 per cent are married and rest 30 per cent are single and 20 per cent are divorced. Figure 1 shows the educational background of the respondents. 40 per cent of them are graduates and 20 per cent are post graduate degree holders. Only 20 per cent are Higher Secondary Certificate holders.



So far as the experience in their respective field is concerned more than 40 percent are having experience more than 16 years where as 20 percent have the experience between 11 to 15 years. 10 percent have 1 to 5 years of experience where as 30 percent have 6-10 years of experience. Entrepreneurs do not have smooth sailing. They have unseen challenges. When asked about the challenges faced in several areas related to family background, finances, gender discrimination, lack of knowledge and lack of confidence in running the business.



Largest numbers of entrepreneurs have rated managing finance at top with 40 per cent which includes financial problems related to long term and short term access to finance followed by family background a second and gender discrimination at third position. However only 5 per cent feel lack of confidence and another 5 per cent take lack of knowledge as a challenge. Taking this as an indicator it is necessary for the government to have institutional set up to train these female entrepreneurs in managing finance.

Table 2: Constraints faced by Female entrepreneurs

Sr. No	Constraints	Respondents (Per cent)
1	Lack of security	30%
2	Insufficient skills about managing Financial issues	20%
3	Self Satisfaction	15%
4	Health Problems	23%
5	Transportation	12%

Source: Author's Calculation

Suggestive Growth Efforts

Right efforts on from all areas are required in the development of female entrepreneurs and their greater participation in the entrepreneurial activities.

Following efforts can be taken into account for effective development of female entrepreneurs through considers female as specific target group for all entrepreneurial developmental programmers with a continuous attempt to inspire, encourage, motivate and cooperate female entrepreneurs.

- 1) Govt. should conduct an awareness programme on a mass scale with the intention of creating awareness among female about the various areas to conduct business.
- 2) Govt. should attempts to enhance the standards of education of female in general as well making effective provisions for their training, practical experience and developmental programmes Personality, Soft skill, Managerial skill (marketing & sales development) etc. to encourage female's participation in decision-making.
- 3) Training and counseling of existing female entrepreneurs to remove psychological causes like lack of self-confidence and fear of success through the aid of committed NGOs, psychologists, managerial experts and technical personnel. Vocational training to be extended to female community that enables them to understand the raw material availability, quality enhancement, economic utility, manufacturing process, profit planning, R&D management etc.
- 4) State finance corporations and financing institutions should permit by statute to extend purely trade related finance to female entrepreneurs. Female's development corporations have to gain

access to working capital assistance & open-ended financing both for small scale venture and large scale ventures.

- 5) Making provision of micro credit system and enterprise credit system to the female entrepreneurs.
- 6) Self help groups of female entrepreneurs to mobilize resources and pooling capital funds, in order to help the female in the field of industry, trade and commerce can also play a positive role to solve this problem.
- 7) Govt. should be organized International, National, Local trade fairs, Industrial exhibitions, seminars and conferences to help female to facilitate interaction with other female entrepreneurs.
- 8) Attempts by various NGO's and government organizations to spread information about policies, plans and strategies on the development of female in the field of industry, trade and commerce. Female entrepreneurs should utilize the various schemes provided by the Government.
- 9) To establish all India forums to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of female entrepreneurs and giving suitable decisions in the favor of female entrepreneurs and taking strict stand against the policies or strategies that obstruct the path of economic development of such group of female entrepreneurs.

6. Conclusion

The purpose of this study was to examine constraints and challenges faced by women entrepreneur in the state of Gujarat in India. The study identified that many challenges that female entrepreneurs facing are Family Ties, Social Attitudes, Lack of Business Knowledge&Management skills, Financial Difficulties, Gender Discrimination, Competition from Male Entrepreneurs and constraints such as Financial Constraints, Mobility Constraint, Less Confidence, Low Level of Risk Taking Attitude, Lack of Education & Inadequate Vocational / Technical Training etc. Females should develop their basic knowledge of business and it is recommended that a continuous attempt to inspire, encourage, motivate and co-operate female entrepreneurs related to business or how to start own venture.

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