



## Women Entrepreneurship: A Global Perspective

### KEYWORDS

Women Entrepreneurship, Economic conditions, Micro Small Medium Enterprises

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**ABSTRACT** *Women Entrepreneur may be defined as a woman or a group of women who initiate organize and run a business enterprise. The number of women entrepreneur are increasing all over the world but the entrepreneurial ventures in developing countries are quite low when Entrepreneurship is growing nearer in developed countries like united states ,united kingdom and Canada unfortunately such is not the case in developing countries like Albania, Zambia and India where women entrepreneur are growing at a very slower. By seeing that the difference is ,growth in women entrepreneurship around the world is due to change in perception, social and economic conditions existing in the countries, with this backdrop this paper has made an attempt to present the global perspective on women entrepreneur from the global perception ,the characteristics, motivation and problems which women entrepreneur face the kind of information and their growth*

### INTRODUCTION TO WOMEN ENTREPRENEUR

Women Entrepreneur may be defined as a woman or a group of women who start organize and operate a business enterprise. The Government of India has defined women entrepreneur as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women entrepreneur are engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this recommend Saddled with household responsibilities and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneur chooses a profession as a challenge and as a recommend to do something new. Such a circumstances are described as pull factors. While in push factors women were engaged in business activities due to family obligation and the responsibility is power upon them.

### Concept of women Entrepreneur Enterprise

A small scale industrial unit or industry –related service or business enterprise, managed by one or more women entrepreneur in a concern, in which they will individually or jointly have a share capital of not less than 51% as shareholders of the private limited company, members of co-operative society.

### Categories of Women Entrepreneur

- Women in organized & unorganized sectors
- Women in traditional & modern industries
- Women in urban & rural areas
- Women in large scale and small scale industries
- Single women and joint venture Skills of women entrepreneur:
- Innovation
- Autonomy
- Independent
- Possess an internal locus of control
- accept certainty
- Determination to succeed
- Create a collaborative and empowered team atmosphere
- Believe in decentralized decision making
- Loyal and strong networking ability

### Categories of Women Entrepreneurship in Practice India

- First Category
  - Established in cosmo&metropolitan cities
  - Having higher level technical & professional qualifications

- Nontraditional Items
- Sound financial positions

### • Second Category

- Established in cities and towns
- Having sufficient education
- Both traditional and nontraditional items
- Undertaking women services-kindergarten, creches, beauty parlour, health clinic etc

### • Third Category

- Illiterate women
- Financially week
- Involved in family business such as Agriculture, Horticulture, Animal Husbandry, Dairy, Fisheries, Agro Forestry, Handloom, Power loom etc.

### Characteristic of women

#### Education

Education empowers women and gives them the opportunity to earn their own sources of revenue Earlier many women with higher education and academic degree was not considering Entrepreneurship as a career opportunity, because education gave them access to more interesting and better –paid occupations (Global Entrepreneurship Monitor Report, 2004).They preferred employment to Entrepreneurship .Nowadays with changing times educated women especially in developed countries are giving preference to entrepreneurship (United Nations, 2000)

#### Experience

Studies have shown that most people start firms in industries where they have worked previously (Bruderl et al, 1992) .Men often have experience in manufacturing, financing or technical areas, but Women usually have administrative experience ,which is limited to the middle-management level ,often in more service –related areas as education ,secretarial work, or retail sales (Hisrich and Peters,1995)

#### Age

Women in developed countries with higher education tend to start business late in life than women in developing countries who are less educated or are illiterate (Minniti et al, 2004). Studies have found that women in developing countries start busieness in their late twenties and early thirties whereas women entrepreneurs in developed countries start business in their late thirties and early forties (OECD-report, 2004).

#### Family background

From the study conducted hitherto no overview has been

made regarding the family background of Women Entrepreneurs. They seem to be coming from mixed environment. In fact there was a time when women were not welcome in family businesses at all, except as office workers (Knight, 1989; Hugron, 1989), but regularly things are changing and now we find daughters and wives rise to leadership positions in family firms and daughters taking over businesses in traditionally male-dominated fields (Nelton, 1998).

### Business characteristics

#### Capital

World over women employed less start-up capital as compared to men (Verheul and Thurik, 2001) often, starting a business is less expensive in developed countries than in developing countries as they have a better physical infrastructure and more advanced capital markets (Bygrave and Hunt, 2004).

#### Type

Women in general are mainly in conventional Entrepreneurship which means that they have a tendency to create businesses in service sectors where they are already economically active as managers owners or employees (Anderson and Woodcock, 1996). However there are a few women who have rejected to be conventional. They are the essential women Entrepreneurs who are the selected women in the cities are highly educated and have acquired technical skills (Vinze, 1987).

#### Size and Growth

Firms owned by women are significantly more likely to have no employees compared to firms owned by (Franco et al., 2002). Most enterprises are run by them single handedly or with the help of additional jobs that a business expects to create is an indicator of the growth of business. Women entrepreneurs have little interest in expanding their business. Women entrepreneurs have always been characterized by small company size (Kirsi, 2005).

#### Competition

Women in developed countries face less competition than women in developing countries. This is because women in developed countries follow opportunity entrepreneurship businesses created to pursue opportunities rather than out of requirements tendency to be in technologies thus reducing competition for Women entrepreneur (OECD-report, 2004).

#### Motivation

Women are found in two type of entrepreneurship opportunity Entrepreneurship and necessity Entrepreneurship in opportunity entrepreneurship women choose to become entrepreneur because they see better opportunities like growth, independence and work satisfaction in an entrepreneurial venture (Beegam, 2006) on the other hand in necessity entrepreneurship women are forced to take up entrepreneurship as they do not have any other means of source of revenue.

### Problems Faced By Women Entrepreneurship

#### Gender Gap

Gender plays an important role in the choice made by entrepreneur. In most countries men are widely believed to be more knowledgeable than women, except when performing female tasks.

#### Compound roles

Their career is considered secondary to that of their husband (Brannon, 1999). As they play multiple roles they are also left with less time to devote to business (Lisowska, 1996). Their duties are given priority as a wife, mother, daughter-in-law and daughter of the family. Duties as owners of small business come last in order of priority.

#### Family policies

Balancing work and family is very important for women entrepreneurs all over the world and the role of family policy has been identified as very essential in this regard.

#### Psychological factors

The Psychological factors often pose obstacles for women even

when credit, capital and skill are made available to them (Sasikumar, 2002). The subjective perception about one's own skills

Likely hood of failure and the existence of opportunities are all highly and significantly correlated to a women's decision to start new business (Kollinger et al., 2004).

#### Lack of knowledge and experience

Many time women entrepreneur are not fully conversant with the various laws. Formalities and regulations prevailing in their state (Vinze, 1987). Many of them are unfamiliar with market techniques, or do not possess the experience and ability needed to expand their businesses.

#### Reduced infrastructure

Most of the developing countries have weak infrastructure which hampers the growth of business women especially in developed countries have problem in accessing appropriate and affordable premises, most of the women entrepreneurs operate their business enterprises on the street (ILO report, 2000).

#### Finance

Credit is one of the biggest problems, which women entrepreneur face all over the world. They complain about the inflexible formalities and procedures for availing credits. (Ramanunni, 2003).

#### Network and Role models

Networks are major source of knowledge about women's entrepreneurship and they are increasingly recognized as a valuable tool for its development and promotion. Almost all over the world a strong positive and significant relationship exist between knowing another entrepreneur and woman's involvement with starting a new business. The influence of role model is gender related.

#### Low saving

Compared to developed countries women in developing countries have low savings. With a low income it is difficult to save money and hence the probability of becoming an entrepreneur diminishes as well.

### Barriers Faced By Women Entrepreneur

Female entrepreneurs face many barriers especially when starting a new venture or aiming for further growth.

- Raising capital is the primary barrier that female entrepreneurs face since age factor. Start up financing; credit and cash flow management in the early stages of business are the biggest obstacles. Most funding is usually through family loans, personal savings, credit cards and home equity loans. Today, corporate investors, venture capitalists, angel investors, grants by the government assists female entrepreneurs in raising funds. This barrier is tough but not without a solution.
- Lack of support network is another well-known barrier that female entrepreneurs must overcome. Their firms struggle against a male-dominated working environment. It becomes very vital for women to create their own sub-networks that will be advantageous in a gender-based community. Their capability to build strong and hard-wearing relationships will help grow and maintain these networks.

### Risks of Business in women Entrepreneurship

Probability of suffering from heavy losses. A businessman or woman faces setbacks in business in case the market is not favorable or there is general economic decline. Recession, for example, causes many setbacks to business people. Products do not get sold in the market as the purchasing power of the individual comes down. Business people cannot sell their products and as a result are they unable to make profits.

- **Market fluctuations** – Market does not always remain constant. It fluctuates. Many variables cause this. Steady profits may not always be there.

- **Loan expenses** – A businessman is usually in debt as he or she has to have access to a lot of money to invest regularly he or she suffers losses and is unable to pay up the loans. Debts can source much worry.
- **Strike and Lockouts** – Workers go on strike for either increased salaries or for being neglected by management. Valuable production time is lost. An entrepreneur loses out on money on such occasions. Time is money for them.
- **Competition** – solid competition at times can wipe out a business completely. Many times small ventures cannot survive the attack of big ventures. The latter have money to advertise and publicize their products.

A business without risks is not business at all. An entrepreneur loves taking risks. He or she gets much exploration in venturing into unknown domains.

#### Suggestions to Improve Women Entrepreneurship

- Training in vocational and business skills could empower female entrepreneurs
- Focus on personal empowerment skills
- Innovative participatory approaches to education, in-

formation and problem solving rather than traditionalist methods

- Creating a favorable environment for female entrepreneurs by initiating macroeconomic policies
- Special funding schemes that help them in raising capital

#### Conclusion

Women entrepreneurship is growing more rapidly in developed countries than in developing countries. There is a strong positive correlation between Entrepreneurship growth rate of men and the Entrepreneurship growth rate of women. Countries with a higher men entrepreneurial rate are also likely to have higher percentage than entrepreneurs women in general are mainly into conservative entrepreneurship however there are a few radical women entrepreneurs in developed countries who are moving rapidly into fields that have been traditionally male dominated such as production, construction, computer (IT)electronics ,bio –technology and stock exchange World over for women the choice to start a new business is often linked to financial security and flexibility of times besides women also choose to become entrepreneurs Out of requirements or opportunities.

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