

## EFFECT OF COVID-19 PANDEMIC ON WOMEN ENTREPRENEURIAL SUSTAINABILITY, CHALLENGES AND POST PANDEMIC OPPORTUNITIES

---

Ms. Nainita J Mistry\*  
Dr. Pankaj Gandhi\*\*

### ABSTRACT

COVID-19 is unique in the severity of its impact as it is a humanitarian disaster that has caused both a supply and a demand shock to the global economic system. It has disproportionately affected women entrepreneurs as their firms are younger and smaller. **Aim:** This study aimed to examine the effect of COVID-19 Pandemic On Women Entrepreneurial Sustainability, Challenges And explore the Post Pandemic Opportunities for women entrepreneurs from informal sector belonging to Patel community, Vadodara, Gujarat.

**Methods:** We conducted a survey using a survey questionnaire to explore the impact of the COVID-19 pandemic crisis and subsequent lockdown on women business operations and to get their perspective. Data were collected from 40 women entrepreneurs. Variables like Actions taken, Preferred type of assistance, Opportunities identified, Business preparation, Cost-cutting actions taken and Expected time to recovery formed the part of survey questionnaire.

**Results:** The data from survey show that women entrepreneurs are clearly traumatized by the shock of the COVID-19 crisis. In fact, only about 10% of the women entrepreneurs in the survey stated that they expected to resume normal operations within a year, while the rest said it would take more than one year, and/or that it was too soon to tell. While these women entrepreneurs have scrambled to adapt to the emergency conditions by making significant decreases in spending, they also recognized the opportunities offered by the COVID-19 pandemic and pivoted their business models in order to seize these opportunities. About half of all women entrepreneurs (55%) surveyed said they have identified New markets and have adopted to online marketing and services in a different way. While these women entrepreneurs have scrambled to adapt to the emergency conditions by making significant decreases in spending, they also recognized the opportunities offered by the COVID-19 pandemic and pivoted their business models in order to seize these opportunities.

**Conclusion:** COVID-19 pandemic has created new opportunities. Contrary to assumptions predicting that women entrepreneurs will primarily adjust their business models to reduce risk, these findings suggest that some women entrepreneurs moved very quickly to capture new business opportunities resulting from the crisis. However, research on women entrepreneurs who pivot their business models to take advantage of the opportunities created from the COVID-19 pandemic is only just emerging.

**KEYWORDS:** Women Entrepreneurship, India, Challenges, Opportunities, COVID-19.

---

\* Ph.D. Scholar, Parul University, Gujarat, India.

\*\* Ph.D. Management, ACS,, New Delhi, MIIChE, MFACT, Researcher, Consulting Engineer, Government Approved Valuer, Faculty of Social Work, Parul University, Gujarat, India.

## Introduction

COVID-19's impact on entrepreneurial business models is an exogenous shock and it has an immediate impact upon existing businesses. It is important to note that not all 'external shocks' are equal in force, as they do not elicit or deserve the same response with the same effects from given agents. In fact, some external shocks are gradual and/or reasonably predictable, while others are traumatic and unpredictable. In addition to being unpredictable and dramatic, and unlike prior exogenous shocks, the COVID-19 pandemic caused a double-shock to the global economic system. On the supply side, COVID-19 resulted in the immediate cessation of contact-intensive business sectors affected by the lockdown policies and in large-scale disruptions in global supply chains. On the demand side, COVID-19 led to abrupt rises in demand for certain classes of hospital equipment and supplies, personal protection equipment, household staples and digital services, while simultaneously causing a dramatic drop in demand for services such as non-emergency healthcare, bars, restaurants, entertainment or travel and accommodation services (Bhalekar, 2020)<sup>1</sup>.

### COVID-19's Impact on Women Entrepreneurs

Women-owned businesses typically more vulnerable to economic impacts due to lower average firm age and size, and also they are concentrated in the industry sectors which are hit hardest by economic shutdowns. Recent data from the Global Entrepreneurship Monitor show that more than 50% of women entrepreneurs operate in the wholesale/retail trade sector, compared to 42.6% of men, and 17.2% of women operate in government/health/education and social services compared to 10.1% of men. These sectors are characterized by lower entry barriers, have a heavy reliance on consumers as customers (rather than businesses) and are extremely competitive, which makes them among the most vulnerable in most economies. Furthermore, in the absence of school, childcare or eldercare services, women entrepreneurs bear the majority of the burden of family care. In addition, women also take on a greater proportion of housework. This creates a perfect storm for women entrepreneurs. While business relief programmes offer some buffer against environmental shocks, policy responses typically are directed to all entrepreneurs and do not take gender into consideration, which leaves women entrepreneurs to fend for themselves in many respects (Dahiya, (2020)<sup>2</sup>

In sum, the COVID-19 pandemic has caused the following three major challenges for women entrepreneurs:

- the industries where most women operate are disproportionately affected by the recession;
- women are more likely to run many of the youngest, smallest, most vulnerable businesses; and
- with schools closed and elderly family members under threat, women are more likely to be juggling primary care-giving and homemaking, while they are scrambling to save their businesses. The prospects are daunting, and the options for women are limited.

In this article, we attempted to understand how women entrepreneurs are pivoting their business models in response to the COVID-19 pandemic. COVID-19 provides the perfect, albeit costly, natural experiment to examine successful business model pivots in response to a crisis that is both economic and humanitarian. Therefore, this study was aimed to examine the effect of COVID-19 Pandemic on Women Entrepreneurial Sustainability, Challenges and explore the Post Pandemic Opportunities for women entrepreneurs from informal sector belonging to Patel community, Vadodara, Gujarat.

### Method

The sample was selected from the population of informal women entrepreneurs who were engaged in home-based businesses (N = 40) in Waghodia Taluka, Vadodara district, India. Three business types (i.e. dairy products, cosmetics and cloth) were selected because of the large number of women that were engaged in these businesses. A quantitative research approach was used to analyze the effect of COVID-19 pandemic on Women Entrepreneurial Sustainability, Challenges and Post Pandemic Opportunities. The questionnaire comprised of closed-ended questions and was developed for data collection through Google Forms. The questionnaire was in English and translated into the local language. Data were collected from 40 participants and was entered and analyzed using the IBM SPSS (version 27). Statistical measures include frequencies and percentages of the study variables.

**Results****Table 1: Survey results on COVID-19 impact on women entrepreneurs (N = 40)**

Study variables	Responses	Count	%
<b>Actions taken</b>	Deferring or reducing executive pay	23	57.5
	Reducing employee hours	28	70
	Moving all or some employees to remote status	34	85
	Laying off employees	21	52.5
	Reducing employee pay	35	87.5
	Closing down my business permanently	17	42.5
<b>Preferred type of assistance</b>	Tax relief	38	95
	Low interest personal loans	35	87.5
	Wage subsidies	34	85
	Deferred rent payments	34	85
	Deferred loan payments	35	87.5
<b>Opportunities identified</b>	Online services	26	65
	Online marketing	19	47.5
	New markets	22	55
	New Funding sources	11	27.5
	Proactive Crisis planning	09	22.5
	Education and training	12	30
	Remote work	18	45
	Revised Contract terms	15	37.5
<b>Business preparation</b>	Cash-on-hand to cover three months or more of payroll and expenses	06	15
	Sufficient inventory to support operations for three months	08	20
<b>Cost-cutting actions taken</b>	Cutting office expenses	33	82.5
	Reducing marketing spend	35	87.5
	Freezing all hiring	38	95
	Terminating a lease early	29	72.5
<b>Expected time to recovery</b>	one year	04	10
	> one year	28	70
	Don't know	08	20

Results from the survey suggest that most women entrepreneurs were not well prepared for business interruption and for the impact of the pandemic on the marketplace. In fact, only about 10% of the women entrepreneurs in the survey stated that they expected to resume normal operations within a year, while the rest said it would take more than one year, and/or that it was too soon to tell. While these women entrepreneurs have scrambled to adapt to the emergency conditions by making significant decreases in spending, they also recognized the opportunities offered by the COVID-19 pandemic and pivoted their business models in order to seize these opportunities. About half of all women entrepreneurs (55%) surveyed said they have identified New markets and have adopted to online marketing and services in a different way.

**Discussion**

Previous researchers have studied the different characteristics of the entrepreneurship behavior or entrepreneurial sustainability and opportunities during the different crisis (Ng & Fu, 2018<sup>3</sup>; Bartik et al, 2020<sup>4</sup>; Bullough & Renko, 2013<sup>5</sup>).

These crises have been impacted the world economy in the small scale or the specific region or a country in the world. Like the (Doern, 2016)<sup>6</sup> studied the entrepreneurship activities during the London riots, whereas the (Runyan, 2006)<sup>7</sup> explored the different characteristics of the entrepreneurial sustainability and different entrepreneurial opportunities during the Katrina hurricane crisis. The Aiyar (2012)<sup>8</sup> and Nayyar (2011)<sup>9</sup> explore the different start-ups or SME during the different financial recession. Hence all of these studies had been indicated that there are no significant studies have been conducted during or after the COVID-19 epidemic crisis on the female entrepreneurial sustainability.

and opportunities. The women entrepreneurs are important pillars of any economy. Without the active participation of the women' entrepreneurs we cannot be economically established in the recent crisis of the COVID-19. In our study, the survey had a few questions about business related questions related to entrepreneurial mentality, entrepreneurial sustainability, opportunities and human capital in relation with current pandemic situation.

The present study is limited to women's home-based entrepreneurship operated in the informal sector. The current study focused on only three business types (cloth, cosmetics and dairy products) operating in the informal market. Future studies might investigate other sectors to see if the present results hold.

### **Conclusion**

The COVID-19 pandemic has had multidimensional effects on informal women entrepreneurs from Patel community, Vadodara, Gujarat. However, COVID-19 pandemic has created new opportunities. Contrary to assumptions predicting that women entrepreneurs will primarily adjust their business models to reduce risk, these findings suggest that some women entrepreneurs moved very quickly to capture new business opportunities resulting from the crisis. However, research on women entrepreneurs who pivot their business models to take advantage of the opportunities created from the COVID-19 pandemic is only just emerging.

### **References**

1. Bhalekar, V. (2020). Novel Coronavirus Pandemic-Impact on Indian Ecology, Economy, Ecommerce, Education and Employment. *Economy, E-commerce, Education and Employment*.
2. Dahiya, M. P. (2020). Impact of COVID-19 Pandemic on Economy's Employment Creation Power: Special attention to New Graduates and Women Workforce.
3. Ng, K. S. & Fu, P. P. (2018). Factors Driving Foreign Women Entrepreneurship in China. *Entrepreneurial Business and Economics Review*, 6(4), 49.
4. Bartik, A. W., Bertrand, M., Cullen, Z. B., Glaeser, E. L., Luca, M., & Stanton, C. T. (2020). How are small businesses adjusting to covid-19? early evidence from a survey
5. Bullough, A., & Renko, M. (2013). Entrepreneurial resilience during challenging times. *Business Horizons*, 56(3), 343-350.
6. Doern, R. (2016). Entrepreneurship and crisis management: The experiences of small businesses during the London 2011 riots. *International Small Business Journal*, 34(3), 276-302.
7. Runyan, R. C. (2006). Small business in the face of crisis: identifying barriers to recovery from a natural disaster. *Journal of Contingencies and crisis management*, 14(1), 12-26.
8. Aiyar, S. (2012). From financial crisis to great recession: The role of globalized banks. *American Economic Review*, 102(3), 225-230.
9. Nayyar, D. (2011). The financial crisis, the great recession and the developing world. *Global Policy*, 2(1), 20-32.

