

## PROBLEMS OF WOMEN ENTREPRENEURS IN THANE CITY: A STUDY

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### ABSTRACT

*Traditionally, women in India are generally found in low productive sectors such as agriculture and household activities. Few of them venture into services industry relating to hospitality, catering, educational services, consultation or public relations, beauty clinics, etc. The Planning commission as well as the Indian government recognizes the need for women to be part of the mainstream of economic development. Women entrepreneurship is seen as an effective strategy to solve the problems of poverty and gender inequality as India's GDI rank is 103 (2004). Study is an attempt to understand the problems if any faced by women entrepreneurs, contributing to limited growth of their businesses, and to find out important problems faced by them. Research is based on primary as well as secondary sources. Sample survey method is used to collect data from 93 women entrepreneurs in Thane city. Findings reveal that women as entrepreneurs face gender discrimination, limiting growth of their businesses.*

**KEYWORDS:** *Productive Sectors, Household Activities, Economic Development, Women Entrepreneurship.*

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### Introduction

Women entrepreneurs may be defined as a 'Woman or a group of women who initiate, organize and run a business enterprise'. Normally, women entrepreneurship is found in the extension of their kitchen activities, mainly in preparing commercially, Pickles, Papads and Powder. Few of them venture into services industry relating to hospitality, catering, educational services, consultation or public relations, beauty clinics, etc. Present study is an attempt to understand the problems if any faced by women entrepreneurs limiting the growth of their businesses, and to find out important problems faced by them. Study is based on sample survey method, surveying 93 women entrepreneurs from Thane city. Research paper is divided into five sections, namely introduction, literature review, research methodology, findings of the survey and concluding section, titled as discussion and conclusion.

### Literature Review

**Bowen & Hisrich, (1986)**, compared and evaluated various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies stating that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values, likely to have had entrepreneurial fathers, relatively likely to have been first born or only children, unlikely to start business in traditionally male dominated industries and experiencing a need of additional managerial training.

**Singh (2008)** identifies the reasons and influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles and challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs,

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family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting and pulling to Women Entrepreneur in India, grow and support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry and social and welfare development ministry of the Government of India.

### **Research Methodology**

#### **Objectives**

- To understand the problems if any faced by women entrepreneurs, contributing to limited growth of their businesses
- To find out important problems faced by women entrepreneurs.

#### **Hypothesis**

- Women as entrepreneurs face gender discrimination, limiting growth of their businesses.

#### **Data Collection and Analysis**

Research is based on primary as well as secondary sources. Sample survey method is used to collect data from 93 women entrepreneurs in Thane city. Data is collected pertaining to their age, education, year of setting up, whether the business is established by them or is inherited, amount of fixed investments, source of funding, their monthly income and expenditure besides source of labour used by them. Surveyed women entrepreneurs in Thane city were asked to rank only the valid problems if any faced by them, which has limited the growth of their businesses.

The sample consists of women entrepreneurs engaged in different activities like making of pickles, papads and spices, poli bhaji kendras, canteen, laundry and beauty services, tailoring, clothing, teaching, grocery, jewelry, xeroxing, retailing to highly skilled activities like medical clinics. Collected data was analysed using simple statistical tools. The secondary information is collected from different books, articles from different journals, periodicals and websites.

#### **Findings**

The findings of survey are as follows:

About 70 percent of the sample consists of women in age group 31-50 years. About 85 percent of women entrepreneur's education is up to class twelfth. 72 percent of the sample is engaged in service oriented activity where as 28 percent are in to production. 77 percent reported to be in same business or current activity for more than 10 years. 97 percent of women entrepreneurs surveyed have established businesses by themselves and the remaining have inherited their businesses. About 70 percent have invested less than fifty thousand in fixed capital (excluding premises), and 70 percent are also owners of the premises from where they operate. Top three sources of finance reported by them were self-funding, followed by funds from family and friends and bank loans. Total monthly earnings reported were less than fifty thousand rupees. When asked about their monthly spending pattern, about 75 percent reported spending less than 20,000 rupees on household needs and about 90 percent reported reinvestment of up to rupees 20,000 per month.

78 percent of the sample reported having received no help from government for setting up of their business, and other were helped by government in terms of workshops and training programmes organized by government. Only 32 percent use hired labour in their business, with employment generation for up to 20 labourers. Only 48 percent reported their businesses to be registered.

Surveyed women entrepreneurs were asked about the problems if any faced by them as 'women entrepreneurs', where they were asked to rank only the valid problems from the twelve choices given. The problems were family ties, lack of education, socio-economic barriers, shortage of raw material because of small size of business, problem of finance, tough competition/ market risk, low risk bearing capacity, limited mobility, limited managerial ability, insufficient understanding of legal formalities, lack of confidence and lack of training/ knowledge about business administration.

Large part of sample (88 percent) surveyed agreed facing problems as women entrepreneurs.

When asked about the nature of problems faced by them family ties emerged to be the most important problem mentioned by them, as being women they were to take care of dual responsibility and lack of family support has resulted in to adverse effect on their business. About 38 percent of surveyed sample considered it in top four important problems faced by them.

Second most important problem contributing to limited growth of their business according to them was problem of finance, 36 percent of the sample surveyed mentioned lack of sufficient finance in top four important problems faced by them. Whereas 45 percent of the sample surveyed does not consider it to be the valid problem.

Lack of finance contributes to small size of their business, limiting its growth, leading to shortage of raw material for them, as suppliers prefer bulk orders. 28 percent of the surveyed sample considers shortage of raw material in the top four important problems which has limited growth of their business. Whereas 66 percent of the sample surveyed does not consider it to be the valid problem.

Low level of educational attainment is also found to be limiting growth of their business, as mentioned by 31 percent of the sample surveyed in top four important problems. Whereas 59 percent of the sample surveyed does not consider it to be the valid problem.

Socio-cultural barriers faced by women in society are mentioned in top four important problems faced by them by 28 percent of the sample surveyed. Whereas 64 percent of the sample surveyed does not consider it to be the valid problem. 24 percent of the women entrepreneurs considered their limited mobility permitted by family and society in the four most important problem faced by them, which has limited growth of their business. Whereas 66 percent of the sample surveyed does not consider it to be the valid problem. This also shows change in the way society treats their women entrepreneurs.

25 percent of the surveyed sample considered tough competition/ market oriented risks as the most important problem listing it in first four important problems. Whereas 67 percent of the sample surveyed does not consider it to be the valid problem.

26 percent of the women entrepreneurs surveyed considered their risk bearing capacity being low because of their gender. They considered in first four important causes limiting the growth of their business. Whereas 64 percent of the sample surveyed does not consider it to be the valid problem.

Many of the surveyed women entrepreneurs did not consider their limited managerial ability, insufficient understanding of legal formalities, lack of confidence and lack of training/ knowledge about business administration as the most important problem faced by them.

Only 11 percent of the surveyed sample considered their limited managerial ability being women in the top four important problems faced by them. Whereas 78 percent of the sample surveyed does not consider it to be the valid problem.

Insufficient understanding of legal formalities is considered in the top four most important problems by 9 percent of the sample surveyed. Whereas 81 percent of the sample surveyed does not consider it to be the valid problem.

Lack of confidence was considered to be in the four most important problems by 11 percent of the sample surveyed. Whereas 76 percent of the sample surveyed does not consider it to be the valid problem.

Lack of training/ knowledge about business administration is considered to be in the top four most important problems by 12 percent of the sample surveyed. Whereas 76 percent of the sample surveyed does not consider it to be the valid problem.

### **Discussion and Conclusion**

88 percent of the surveyed women entrepreneurs in Thane city agreed facing problems as women entrepreneurs, which has limited growth of their businesses. This validates hypothesis that 'Women as entrepreneurs face gender discrimination, limiting growth of their businesses.'

Gender discrimination is most prevalent in Indian cultural ethnicity. 'Family ties' was ranked to be the most important problem by majority of the surveyed women entrepreneurs. Women entrepreneurs also suffer from insufficient finance, leading to even shortage of raw materials limiting their business size. Their lower educational attainment also was considered by them as the important obstacle.

Limited managerial ability, insufficient understanding of legal formalities, lack of confidence and lack of training/ knowledge about business administration were not considered to be the most important problems by majority of them.

Despite its recent economic advances, India's gender balance for entrepreneurship remains among the lowest in the world. Improving this balance is an important step for India's development and

its achievement of greater economic growth and gender equality. Unlocking female entrepreneurship will promote a broader dynamic economy. Appropriate support and encouragement from the society, family and government can make these women entrepreneurs a part of mainstream of national economy and they can contribute much more to the economic progress of India.

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