

# **ISSUES AND CHALLENGES FACED BY WOMEN ENTREPRENEURS AND THEIR TRAINING NEEDS**

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## **Abstract**

Entrepreneurship is the core of economic development. It is a multi-dimensional task and essentially a creative activity. Entrepreneur is key factor of entrepreneurship. Women entrepreneurship is a recent phenomenon and in the process have to face various problems. Entrepreneurial talents and capabilities are latent in all communities but their translation to innovative action depends on appropriate stimuli and environment and these stimuli can be generated through training. Training women for entrepreneurial and managerial capabilities should be conceived as one of the most important factors for accelerating growth. Efforts are being made along these lines, however they are limited only to bring changes quantitatively but not qualitatively. Hence appropriate training and interventions are needed to bring qualitative changes in the situation. Therefore, this study was conducted on hundred women entrepreneurs selected through random and snowball sampling technique from four zones of Faridabad, India. Nursing homes, boutiques, beauty parlours and general stores were the enterprises selected for study. The objectives of the endeavour were to ascertain the financial and constraints faced by women in their enterprises; assessment of their health status, work place facilities and to develop guidelines for becoming a successful entrepreneur. An attempt was made in this study to examine the quality of management by women in socio-cultural milieu and to project the management training needs of women entrepreneurs. Keeping in view the findings of the study and perceptions of women entrepreneurs - confidence building, competence, connections and capital are projected as essential management training needs. Poor location of unit, tough competition from larger and established units, lack of transport facility, lack of rest and sleep, competitions from male counterparts and non-availability of raw material were the significant problems faced by entrepreneurs. The factors causable to these problems were; difficulty in affording own vehicle, not being popular, heavy schedule of work, non-supportive family and long working hours. Common entrepreneurial problems can be dealt by formulating self help mutually aided groups. Support mechanism such as institutional credit need to be strengthened to keep entrepreneurs aware about loaning schemes/credit facilities for further expansion.

**KEYWORDS:** Enterprises; entrepreneurial problems; successful entrepreneurial-guidelines; management styles; need for training

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## **INTRODUCTION**

Entrepreneur is the key factor of entre-preneurship and now women have been recognized as successful entrepreneurs as they have qualities desirable and relevant for entrepreneurship development. Entrepreneurship is a more suitable profession for women than regular employment in public and private sectors since they have to fulfill dual roles. Increasingly, female entrepreneurs are considered important for economic development. Not only do they contribute to employment creation and economic growth through their increasing numbers, but they also make a contribution to the diversity of entrepreneurship in the economic process (Verheul and Thurik 2001).

Women have been taking increasing interest in recent years in income generating activities, self employment and entrepreneurship. This is seen in respect of all kinds of women both in urban and rural areas. Women are taking up both traditional activities (knitting, pickle making, toy making, jam and jelly) and also nontraditional activities (computer training, catering services, beauty parlour, gym etc.). It is clear that more and more women are coming forward to set up enterprises. In the process of entrepreneurship, women have to face various problems associated with entrepreneurship and these problems get doubled because of her dual role as a wage earner and a homemaker. Women in India constitute a larger proportion of total unemployed population and hence it is imperative to find out the entrepreneurial constraints faced by them. They feel frustrated at times because they need to spare their time and energy, both towards their business as well as domestic affairs. Realizing the need for training, government started introducing several programmes. Critical evaluation of the existing governmental and nongovernmental efforts indicate that training and technical assistance offered are not geared to suit the individual needs. They are only “capsule” inputs focusing rested interests of individual trainers and considering the training as an “end” in itself (Ramachandran, 1993). The studies conducted by Kale (1990); Kirve and Kanitkar (1993), revealed that training approach is an important one for helping women in non-traditional high skill, male dominated activities and also to build confidence among women to meet the specific needs. Intensified effort has to be taken to assess the social attitude, mentality, needs and abilities of the women and to impart training. Flexible training programme and interest based skill training can push the women towards entrepreneurial activities. Training to develop good managerial skills is useful and essential to women (Padmavati, 2002 and Sathyasundaram, 2004). Therefore, with a view to develop guidelines on the basis of problems faced by them, this study has been done with the following specific objectives:

1. to ascertain the financial and marketing constraints faced by women in their enterprises;
2. assessment of their health status and family constraints;
3. to project the management training needs of women entrepreneurs.

## **METHODOLOGY**

The study was conducted in four zones of Faridabad. Random sampling technique was adopted for the selection of study area. A sample of 100 women respondents (25 from each zone) was taken on the basis of criterion that they should be running their enterprise independently and not

in partnership. Enterprises taken up for the study were boutiques, beauty parlours, nursing homes and general stores to analyse the process and styles of management.

For in-depth analysis, 50 women entrepreneurs from this 100 sample were taken. The sample was selected using non-random opportunity sampling technique as the list of women entrepreneurs available with the business development organizations did not tally to a great extent with the existing women entrepreneurs. In this research, interview and case study techniques were employed and the data was collected using the following tools:

- Interview schedule: to collect socio, economic, demographic profiles for in-depth analysis of women entrepreneurs.
- Entrepreneurial personality questionnaire (Dina Lavoie, 1994): to evaluate the entrepreneur and non-entrepreneur personality of the women entrepreneurs.
- Entrepreneurial management questionnaire (Dina Lavoie, 1994): to evaluate the management styles of women entrepreneurs.
- Socio-demographic, economic, managerial and entrepreneurial profiles of women entrepreneurs were prepared to project the efficacy of microenterprise management in women.
- Management training needs as perceived by the women entrepreneurs were also collected to design appropriate entrepreneurial interventions.

## RESULTS AND DISCUSSION

An indepth analysis of socio-economic demographic, entrepreneurial personality and management profiles of women entrepreneurs was made to project the significant management training needs of the sample. This is made keeping in view of the perceptions of women entrepreneurs themselves on training needs and experienced trainers concerned with women entrepreneurship development. Socio-economic and demography profile of women entrepreneurs was prepared to project their characteristics and presented in **Table1**. Most of the women entrepreneurs (54%) belonged to the age group of 36 and above followed by the age groups of 26-35 (28%) and 16-25 (18%) in that order.

Hisrich and Brush (1986) described the typical women entrepreneur to be about 35 years of age when she starts her first business venture. It appears women think of business idea in their thirties due to economic pressure/demand and more leisure time as their children are growing. Half (51%) of the women interviewed, belonged to the low income level. 38% of them belonged to the middle class and 11 per cent belonged to the high income strata respectively.

The data indicate that economic need is the essential triggering factor for the women to enter into entrepreneurship. On the other hand women with small families enter into entrepreneurship compared to those with large families who are generally depending on wage employment. Immediate gratification is the driving force for the women with large families to decide on the strategy for economic development.

50% of women entrepreneurs had education less than S.S.C., 18% were illiterates, 13% had education upto SSC and the remaining 19% had college education. The data indicates that majority of the women entering into business have quite low or no education.

**Table I: Socio -demographic –economic profile**

<b>Socio-demographic characteristics</b>	<b>Respondents (n)</b>	<b>100</b>
	<i>n</i>	%
<b>Age</b>		
16-25 yrs.	18	18
26-35 yrs.	28	28
36 and above yrs.	54	54
<b>Education</b>		
Illitrates	18	18
Less than SSC	50	50
SSC	13	13
Intermediate	7	7
Degree and more	12	12
<b>Marital Status</b>		
Unmarried	8	8
Married	76	76
Widow	10	10
Divorcee/Separated	6	6
<b>No. of Children</b>		
None	18	18
1	12	12
2	37	37
3	20	20
4	7	7
5 and above	6	6
<b>Income</b>		
Rs. 500-2500	51	51
Rs. 2501-5000	38	38
Rs. 5001-7000	11	11

Educational status does not influence women in seeking entrepreneurship (Rani, 1992). This trend may leads to less realization of the need for appropriate pre-entrepreneurial interventions. Majority (76%) of the women entrepreneurs were married and only low per cent of them were unmarried (8%), widows (10%) and divorces/separated (6%). Married were experiencing freedom and receiving support directly and/ or indirectly to start and manage their enterprises. Further parents were expressing that economic independence through entrepreneurship is a barrier in fixing their marriage alliances. Single women households experiencing several problems like low/no support from both family as well as financial agencies.

Majority (60%) of the respondents had fewer than two children, which included 18% who had no children, 12% were single parent, and 37% of the women entrepreneurs had two children. Only 40% of women entrepreneurs had more than two children. It is clear from the data that more women with small families enter entrepreneurship compared to those with large families. Chandralekha (1994) also expressed that fewer number of children means less responsibility and more free time which must be a facilitating factor for women to take up entrepreneurship.

Entrepreneurial personality of the women entrepreneurs was assessed using simple questionnaire. The questions on entrepreneurial personality characteristics include initiation, risk taking, sociability, leadership independence etc. The data collected reveals that entrepreneurial personality traits range from low average to high average and thus concluding that women entrepreneurs possessed only average personality profile. Several factors like socio, economic demographic and cultural might be responsible for the existing average entrepreneurial personality profile.

Management styles of women entrepreneurs was also analyzed using another questionnaire contained questions on four entrepreneurial management skills i.e., producer, administrator, integrator and entrepreneur. It was observed that they have average production skills and average entrepreneurial skills. This entrepreneurial skills include preoccupied by external system, by change, by creativity and by new demands.

Administration skills are found to be low. Integration skills are found to be very good, that is personnel skills, communication skills, negotiation skills, co-ordination skills etc. Integration skills are identified as one's concern to establish, maintain and sustain effective relationships with others. This is found to be important for those whose aim in life requires sacrifices and an avoidance of inter-personal conflicts in order to succeed.

In-depth analysis of 50 cases revealed that out of 50 cases, 15 cases were effectively managing (EME) their micro-enterprises in terms of profit, personal satisfaction etc., and the remaining are merely surviving in their enterprises. Different management styles were exhibited by these two groups of entrepreneurs.

The mere Surviving Entrepreneurs (SE) have average production skills, low administration skills, high average integration skills and average entrepreneur skills. When compared with effectively managing entrepreneurs (EME), both have equal production/service skills, EME have low average administration skills i.e. in setting up internal system, to be able to control, analyse the results, to plan for strategies, to set up norms and expectations, which is low in SE. SE have good integration skills, i.e. people skills, communication skills, negotiation skills, coordination skills compared to EME. But both have average entrepreneurial skills. Appropriate education training in entrepreneurship skills are necessary for women.

Management process of 50 women entrepreneurs was studied in respect of their planning, execution and controlling the activities of enterprise using their case study profiles. Most of the women entrepreneurs (56%) belonged to service sector, 20% belonged to production and 24% of women entrepreneurs belonged to business sectors respectively.

This supports the argument that women would tend to initiate business in sectors which are generally accepted as being "appropriate" for women. From among the 18% per cent of women

entrepreneurs only 8% had formal experience compared to 10% who received informal experience by assisting/participating/ observing parents/siblings working for the enterprise.

As shown in **Table 2**, 52% of women entrepreneurs invested only below Rs.1000/- for their enterprises while 30% invested Rs.1000/- to Rs.5000/- and only 18% invested more than Rs.5000/-. This supports the fact that limited access to finance is the factor that works against the economic progress of women. Legally the property that is to be converted for the business is not often either inherited or belonged to the wife. So the freedom that is enjoyed in converting such assets into cash is naturally very limited. One factor found among women was that they would not go for large investment (Job, 1996).

**Table II: Investment invested by Women Entrepreneurs**

Investment	Respondents (n)	
	%	
Rs. 101- 1000	26	52
Rs. 1001-5000	15	30
Rs. > 5000	9	18

Most of the women entrepreneurs are aware of the support systems from banks, but many more are not aware of the support systems helping women entrepreneurs.

This need emphasizes for orienting them with various incentives and assistance provided by the government and financial institutions and ways of accessing them. Few percentage of women entrepreneurs are utilizing the services of support systems such as banks, governmental schemes and women groups and a large percentage of women entrepreneurs are constrained to use them. The procedures of bank loans, the delay and the running about involved discourages many a women from borrowing from banks. As the assistance from some government services and women groups is meager, they are borrowing from the relatives and money lenders at high rate of interest.

68% of women entrepreneurs took only below 1 month time for planning the business and 32% of women entrepreneurs took more than one month time for planning the business. Skill in planning is influenced by factors like entrepreneurial personality traits, formal managerial training etc.,

In the absence of formal training, the quality of planning are generally affected and an adverse kind of results are seen in their businesses. Number of hours devoted for business is one of the important factor in business, (**Table 3**).

14% of women entrepreneurs are devoting only 1-3 hours per day for business whereas 56% are devoting 4-6 hours and 30% of women entrepreneurs devote more than 6 hours per day respectively. When taken the number of hours devoted for family by these entrepreneurs, 36% of women entrepreneurs are devoting 1-3 hours per day for household work in the family and this group is mostly the married women who have grown up children, and getting help from the children in household chores. It is evident that women are devoting more or less as much as time for both family and business. Women differ from men with respect to the conflicting demands of business and family. Married women entrepreneurs typically find that their husbands expect

them to continue with their household duties despite the demands of their businesses and they rarely assist in running of houses.

**Table III: Number of hours devoted for their businesses**

No. of hours	Respondents (n)		50
	n	%	
1-3 hrs.	7		14
4-6 hrs.	28		56
7-9 hrs.	11		22
9 hrs.	4		8

Apart from these aspects other problems like finance, marketing, health, family and location were some more areas where the women entrepreneurs faced problems and the need for a proper training is found necessary.

Other impediments like traditional views on the role of women in society, statistical availability of the composition of business owners or operators are also the factors which need attention to cater to their problems.

### **RECOMMENDATION**

In order to meet the above said entrepreneurial management training needs, the following points need to be kept in mind while designing the entrepreneurship management training programme.

1. Gender specific training is more essential to suit socio-economic-demographic conditions.
2. Holistic approach is needed to look at the whole individual in a business perspective in the socio-cultural milieu.
3. The product must fit the need through bottom-up approach.
4. Some women need tremendous amount of non-technical support also.
5. Some women need pre-entrepreneurial training first.
6. Total personal support and awareness is needed - counseling, stress coping skills, public speaking skills.

### **CONCLUSION**

Women entrepreneurs faced constraints in aspects of financial, marketing, family, health and location problems. Guidelines framed as a solution to these problems can help women entrepreneurs to deal with these problems effectively. What women need for enterprise management is little training, finance, co-operation and encouragement in the sphere of activities, at all levels - home, the society and the government.

It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes,

developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures.

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