

# Women Entrepreneurship Development- A Conceptual Framework

Dr. Uma Rani Bade<sup>1</sup>, Dr. P. Divakara Rao<sup>2</sup>

Associate Professor, Department of MBA, Avanthi Degree & PG College, Hyderabad, Telangana, India<sup>1</sup>

Associate Professor, Department of Mechanical Engineering, JB Institute of Engineering & Technology, Hyderabad, Telangana, India<sup>2</sup>

**ABSTRACT:** In the last three decades women entrepreneurship is expanding enormously where in the number of women enterprises have increased contributing to the economic development of the nations. Women entrepreneurship can be defined as the process where women organize all the factors of production, undertake risks, and provide employment to others. Women entrepreneurship has been considered to be an important resource of economic growth of any nation. Women entrepreneurs create opportunities not only for themselves but also provide employment for others. Entrepreneurship development is a significant part of human resource development. This paper focuses on exploring conceptual framework of women entrepreneurship development. The literature review for the study includes all documentary material relevant to women entrepreneurship development. Though the Government is providing facilities and exclusive schemes for women entrepreneurs, most of them are deprived of receiving them and this is affecting adversely on the performance and efficiency of women entrepreneurs. Therefore it is important to develop a mechanism for creating awareness among women entrepreneurs, for providing basic entrepreneurial education, for taking up rigorous training programmes, for conducting effective EDP programmes to facilitate overall development of women entrepreneurs. Both the government and private sectors have a major responsibility to promote women entrepreneurship development.

**KEYWORDS:** Women Entrepreneurs, Challenges, Growth, Development.

## I. INTRODUCTION

Entrepreneurship is an economic activity which is undertaken by an individual or group of individuals and is defined as the approach that reveals an individual's ambition to identify an opportunity and to pursue it in order to make new product thus looking for economic success. Women entrepreneurship can be defined as the process where women organize all the factors of production, undertake risks, and provide employment to others. According to the Government of India, woman entrepreneur is the one who acquires financial control (minimum financial interest of 51 per cent of the capital) in an enterprise (Government of India, 2012).

According to Global Entrepreneurship Monitor research project studied in 59 economies around the world, women entrepreneurship ranges from 1.5 percent to 45.4 percent of the total female population. Even though, the proportion of women entrepreneurs varies considerably among the economies, women are starting business at a more rapid pace than men, making considerable contributions to the growth of their economy. In developed countries like US, women owned enterprises are twice the rate of all firms. Around 30% of women enterprises are owned by women. But in case of UK only 20% businesses are owned by women. This shows that growth has been much slower in other developed nations. In developing countries women enterprises are into small and medium enterprises where policies need to be framed to address the solutions to problems faced by them such that economic empowerment of women and sustainable development is possible.

Economic development of a country is generally determined by the growth of per capita income. Gillis, Perkins, Roemer and Snodgrass (Economics of Development, 1996) viewed that in economic development the people of the country must be major participants in the process. Participation in the process of development also implies participation of those benefits.

In the last three decades women entrepreneurship is expanding enormously where in the number of women enterprises have increased contributing to the economic development of the nations. The foreign direct investment, technological innovations and manufactured exports have created economic and social opportunities to women entrepreneurs especially in Asia-Pacific region. In this entrepreneurial world, women entrepreneurs play a significant part in the global pursuit of social improvement and sustained economic development.

## II. REVIEW OF LITERATURE

Masood, (2011) is of the opinion that Women owned businesses are highly increasing in the economies of almost all countries. He emphasized that woman entrepreneurs are a significant part of the global expedition for sustained economic development and social progress. The paper by Asghar and et al., (2010) discusses the political and economic transformations and emphasized that women in advanced market economies own more than 25% of all businesses. The study conducted by Ettl and Welter (2010) attempted to explore how female entrepreneurs acquire business related knowledge. This is the result of greater influence in terms of gender related issues as German society still restricts women to join entrepreneurship. In another study, Ettl and Welter explored entrepreneurial learning and opportunity recognition in relation to gender and context (country and regional) by employing qualitative methodology.

According to Dzisi, 2008, women entrepreneurs influence the economic growth of a country by providing jobs, increase income and the standard of living through the innovation, development and production of products that satisfy the needs of the population and in so doing; it provides them self-satisfaction, flexibility and independence. The studies conducted by Fielden & Davidson,(2005) depicts that women entrepreneurs are on the rise and have increased over the past decades due to societal, political and economic change occurring around the globe as more are in the workforce, in businesses and commencing businesses. Moreover, more women are independent, educated and aspire for financial independence. Julie R. and Seiler, Danielle (2001), in their research paper show that the women entrepreneurs are gradually stepping forward and trying to spread their business so that it can flourish. They need encouragement and support from their families, society and most importantly the government. Government should make initiations to provide financial supports to women entrepreneurs.

The research paper by Jalbert, Susanne E (2000), depicts the profile of women entrepreneurs. The author observed that individually, business ownership provides women with the independence they crave and with economic and social success they need. Nationally, it is of great importance for future economic prosperity and globally, women are enhancing, directing, and changing the face of how business is done today. Therefore, women entrepreneurs must be recognized for who they are, what they do, and how significantly they impact the world's global economy. In their paper Tiwari and et.al explains that as the enterprises are undergoing a drastic change, the skills needed by women entrepreneurs in managing these enterprises helps us to understand their profile as regards the organization of work, qualifications and management.

The paper on Women Entrepreneurship in India by Sunil Deshpande and et.al discusses that attempts should be made to improvise women entrepreneurs' over-all personality standards by enhancing the standards of education of women, making effective provisions for their training, practical experience and personality development programmes. Attempts should also be made to establish proper training institutes for enhancing their level of work-knowledge, skills, risk taking abilities, enhancing their capabilities that bring about a society attitude change, generation of awareness and consciousness on the policy of self-development of women entrepreneurs.

## III. METHODOLOGY

The study is exploratory in nature and attempts to rewrite the phenomena of women entrepreneurship in Indian context. The objectives of the study are :

- 1.To explore the definition and concept of Women entrepreneurship in India.
- 2.To study the conceptual framework of Women entrepreneurship in India
3. To explore the factors influencing the Women entrepreneurship in India.
- 4.To find out the challenges encountered by Indian Women entrepreneurs.

## IV. CONCEPTUAL FRAMEWORK OF WOMEN ENTREPRENEURSHIP

Components of conceptual framework for women entrepreneurship development comprises of assets like human capital which involves skills and knowledge of women entrepreneurs; social capital involving women entrepreneurs themselves; physical capital involving infrastructural facilities and raw materials; financial capital involving funds to start up and expanding the business ventures. In addition, these assets are related to the policies, norms, values and culture created by society, government, non-governmental organizations, banks, financial institutions and other supporting associations. A closer look reveals that several factors viz economic, demographic factors, technological know-how, cultural and institutional factors are playing an important role in influencing the women entrepreneurial intent. Apart from these, barriers to women entrepreneurship also play a crucial role in challenging the women entrepreneurs to be successful.

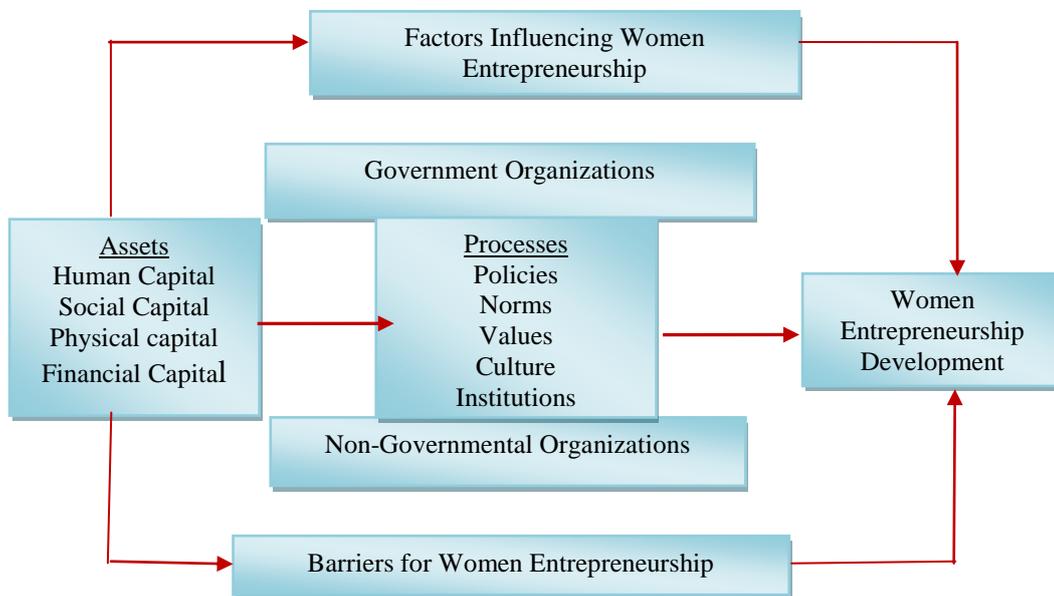


Fig. 4.1 Conceptual Frame Work for Women Entrepreneurship Development

#### V. FACTORS INFLUENCING WOMEN ENTREPRENEURSHIP

Factors that contribute to the growth of entrepreneurial intent among women in current scenario is labour market demand versus labour force, nature of job. Entrepreneur is different from other profession which needs lots of inborn qualities like leadership, risk taking innovativeness. It is appreciable fact that Indian women are participating in entrepreneurial activities, at the same time ,to what extent they are able to succeed and to which extent they are being allowed by the society in current scenario, are the area where researchers are pondering even today both in international and national forums. There are few countries where women entrepreneur development level is considerably high in terms of promising and young business prevalence rate, like US, Australia, Mexico when compared to countries like France and Japan.

It is mandatory for a researcher to ponder over the effect of cultural background on female entrepreneurial intent in this century. As it is well understood that globalization and liberalization has opened the door for women to be a part of working sector, it is important for everyone to reconcile the differences due to cultural aspects. Especially nations like India are prone to this kind of cultural influence on development of different facets especially entrepreneurial intent.

#### VI. PROBLEMS ENCOUNTERED BY WOMEN ENTREPRENEURS

The problems and constraints experienced by women entrepreneurs have resulted in confining the growth of women entrepreneurship. The major problems encountered by women entrepreneurs are:

- i)The greatest barrier to women entrepreneurs is to be a woman. In a male dominant society, being a woman is a stumbling block in their way towards business success.
- ii)Though in India women constitute about 50 per cent of population, the percentage of SMEs where women own 51 percent of share capital is less than 5 percent. Women are often deprived of credit by bankers on the ground of lack of collateral security thus limiting women access to risk capital.
- iii)The complicated bank loan procedures, the unreasonable delay in obtaining the loans and running about a lot discourage many women from venturing into new businesses. Institutions think it a risk financing the ventures run by women.
- iv)Many times women entrepreneurs lack information regarding the financial assistance in the form of incentives, loans, schemes etc even though sincere efforts were taken to create awareness.
- v)Women entrepreneurs have to face a rigid competition with the men entrepreneurs who easily involve in the promotion and development of their products with both the organized sector and unorganized sector.

- vi) Women face marketing challenges in the form of competition from cheaper and substitute products, delayed payment and liberal credit terms. Women entrepreneurs have limited knowledge and access to proper markets thus making them to be exploited by middlemen in relation to price and demand
- vii) The family members and the society are unwilling to support women entrepreneurs in their entrepreneurial growth which hinders their self-confidence, optimistic attitude and strong will power.
- viii) Since cultural norms and values strongly influence the nature of women entrepreneurship, gender-related issues, cultural barriers and institutions add to economic and business-related factors in hindering women businesses from developing.
- ix) Social expectations, norms and attitudes, family traditions, all have the potential to act as a barrier for women's entrepreneurial outcomes.
- x) In India women are socially and economically dependent on their family and lead a protected life which reduces their ability to bear risks and uncertainties involved in running a business unit.

Apart from the above discussed problems there are other serious problems faced by women entrepreneurs as improper infrastructural facilities, attitude of people towards the modern women business outlook, lack of management experience, traditional socialization, high cost of production and delayed entry into the businesses when compared to males.

## VII. CONCLUSION

Entrepreneurship plays an important role in economic development of any country through creation of enterprises that energizes and rejuvenates the economy. The emergence of Women Entrepreneurship and their contributions to national economy are quite evident in India. As more opportunities are been provided to women, they are becoming more job creators than job seekers. Women entrepreneurship is very much important for achieving economic and societal growth in any nation. Despite comprising around 50% of total population of India, the economic participation of women is very small. Since there are numerous challenges faced by women in their entrepreneurial career there is a need of comprehensive action plan to counter these challenges. Women entrepreneurship development in largely depends on social, economic, motivational and personality factors apart from Policies of Government and other Supporting organizations. Though the Government is providing facilities and exclusive schemes for women entrepreneurs, most of them are deprived of receiving them and this is affecting adversely on the performance and efficiency of women entrepreneurs. Therefore it is important to develop a mechanism for creating awareness among women entrepreneurs, for providing basic entrepreneurial education, for taking up rigorous training programmes, for conducting effective EDP programmes to facilitate overall development of women entrepreneurs.

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