

A Study on Challenges Faced & the Support Received during Project Stage by Women Entrepreneurs

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Abstract

Purpose: The core objective of this study is to make an attempt to analyze the key problems and challenges faced by women entrepreneurs during project stage and the nature of support received in their demographic and professional background.

Research methodology: The present study is exploratory and descriptive in nature. Pre-coded as well as open ended questionnaire were filled through email, post and personal visit to generate relevant information. Sample women entrepreneurs were randomly picked from the MSMEs registration list. Study was limited to 131 women entrepreneurs of manufacturing and ancillary units located in Mumbai and urban suburb. Simple statistical tools i.e. percentage, frequency, mean and rank were used to analyze the data.

Findings: The findings of the study indicate that very few women entrepreneurs had professional qualification and undergone formal trainings. Also most women were house-wives before induction in to the business and were lacking practical experience. The majority of women entrepreneurs have faced problem in financial area, fulfilment of regulatory requirements and technical matters including project report and received support from family including spouse.

Originality/value: There are not many studies available on challenges faced during initial stage of business life cycle by women entrepreneurs. This study intends to fulfill that gap.

Keywords: Women Entrepreneurs, Startup Problems, Project Planning

Introduction

Entrepreneurial activities among women have increased and more and more women are entering the industrial scenario and establishing enterprises of their own. The development of women entrepreneurship is significant to strengthen the industrial base, create employment opportunities and to stimulate growth in the country. There is significant contributions of women entrepreneurs towards society. Women are more likely to start businesses with both social and economic goals, and hybrid ventures (Meyskens, Allen & Brush, 2011)

During last few decade, a significant growth is observed in women entrepreneurship in India. There are growing number of women entrepreneurs entering in all the sectors. In fact, the 2016 BNP Paribas

Global Entrepreneur Report has ranked India on top for the highest percentage of women entrepreneurs. Conducted among 2,500 entrepreneurs in 17 markets spanning the US, Europe, Middle East, and Asia. For the first time in 13 years, the Global Entrepreneurship Monitor (GEM) study of 59 economies shows that women are creating businesses at a greater rate than men in three economies and in four others, the rates are nearly equal. According to the report entrepreneurship in India is a less desirable career choice when compared to BRIC and factor-driven economies. The Total Early-stage Entrepreneurial Activity (TEA) is 9.9% for India which is lower than the average of efficiency-driven nations (compared to 10.7% for Singapore, 14% for China and 12.7% for the US. In fact, India has the lowest TEA rate after Algeria, among all factor-driven economies (21%). The survey pointed out that among all early-stage entrepreneurs, around one-third or 32% are women.

According to the Sixth Economic Census, 2014, only 14 percent of business establishments in the country are being run by women entrepreneurs. This means, out of the 58.5 million functional businesses, only 8.05 million of them have a woman as a boss. The survey also revealed that most of these women run companies are small-scale dominating in manufacturing and retail trade sector and about 79 percent of them are self-financed.

Review of Literature

Identifying the constraints and challenges faced by women entrepreneurs in starting their own businesses and during running their business is important for understanding the women entrepreneurship development in the country. A number of studies have been conducted to identify the major problems faced by women entrepreneurs in SMEs in India. The experts of the country pointed out financial support, education and training, and government policies as three major constraints for entrepreneurial activities in India (GEM India Survey, 2014). In addition, business networking is also one of the major challenge. The adverse circumstances for women entrepreneurship are reflected in the Gender-GEDI Index for 2014 which ranks India in the bottom five with rank 26 of 30 countries surveyed for conditions that foster 'high potential' women entrepreneurship. ...'High potential' women entrepreneurs are those who through job creation and widening of markets can boost economic growth.

Women entrepreneurs also face challenges such as prevailing social and cultural gender-based inequalities and biases (Barwa 2003). In addition, women's whole socialization process makes her apprehensive of success and reluctant to take risks, and the social, economic, cultural constraints including lack of encouragement from the family, support from institutions, etc. limit women to become as successful as male entrepreneurs (Manimekalai

N 2000). Women face specific obstacles such as family responsibilities and work life balance. Women entrepreneurs in Africa feel they lack abilities, skills and expertise in certain business matters and many of the issues mentioned appear to relate to women's relative lack of exposure to the world of business (Richardson et al, 2004).

In the stage of setting up their own business, women entrepreneurs face a number of challenges. Cash flow problems were the most commonly stated issue with "inadequate working capital", "promoting the business", "lack of managerial experience" and "lack of time" being mentioned very frequently (Malika Das 2001). Most of these women had no previous experience in business- either as employees or as owners. This may account for many of the other start-up problems faced by these women (Malika Das 2001).

Objectives of the Study

The first step in any business startup is project planning which is helpful in both project execution and project control. Typically a project plan encompasses nature of the problem that is going to be addressed to, type of the work that will be performed on the project, team and their responsibilities, resources required and the project execution timeline. The problems most commonly faced by the women entrepreneurs in any business startup are pertaining to statutory requirements e.g. licensing, registration, NOCs; technical and managerial skills, problems related to operations, organizational skills, and finance.

There are not many studies available on challenges faced during initial stage of business life cycle by women entrepreneurs. This study intends to fulfill that gap in the literature by taking a closer look at problems and constraints faced by women entrepreneurs at starting their own businesses.

The objective of this study is:

- To make an attempt to analyze the key problems and challenges faced by women entrepreneurs during project stage.
- To investigate source and the nature of support received in their demographic and professional background.

Research Methodology of the present study is exploratory and descriptive in nature. Pre-coded as well as open ended questionnaire were filled through email, post and personal visit to generate relevant information from women entrepreneurs. Secondary data were used from the reports of various departments, agencies, developmental institutions. For the proposed study the researcher has chosen Mumbai and Suburban urban geographical area. 250 women entrepreneurs randomly picked were selected from the

MSMEs registration list of DIC, Mumbai and suburbs, who were registered up to 2007 and at least working for minimum of three years, constituted the sampling frame. There were 160 respondents. Data segregated and the final sample comprised 131 women entrepreneurs from manufacturing and ancillary. Simple statistical tools i.e. percentage, frequency, mean and rank were used to analyze the data.

Analysis and discussion

Background Characteristics of Respondent Women Entrepreneurs

Data were collected on age, marital status, family type, level of education, training and earlier occupation of women entrepreneurs to understand the possible reasons for facing challenges at initial stage of their business. Respondent women entrepreneurs represents diverse business background such as different form of organization and varied capital investment.

Table 1: Demographic Characteristics of Respondent Women Entrepreneurs
N=131

Variables	Characteristics	Frequency	%
Age- (Yrs.) (At start of Business)	< 25	1	1
	25 -35	114	87
	35 -45	11	8
	45 - 55	5	4
	> 55	-	-
Marital Status	Unmarried	2	2
	Married	129	98
	Widow/ Separated	-	-
Type of Family	Joint	36	27
	Nuclear	95	73

Source: Compiled by the Researcher Based on Primary Data

From the table 1, it is observed that the maximum number of women entered in business in their age group of 25-35 and mostly were married. Also most women Entrepreneurs had

nuclear family so family especially spouse support becomes very important.

Table 2: Education, Training & Experience of Respondent Women Entrepreneurs
N=131

Variables	Characteristics	Frequency	%
Educational Qualification	Up to 12	5	4
	UG	87	66
	PG	30	23
	Professional	3	2
	Any Other	6	5
Training Received (At start of Business) *Past experience / None	Formal	15	11
	Informal	48	37
	Professional	4	3
	Other*	64	49
Occupation (Before Induction into Business)	Manufacturing	9	7
	Agriculture	-	-
	Trading	3	2
	Professional/Service	7	5
	House wife	111	85
	Other	1	1

Source: Compiled by the Researcher Based on Primary Data

Table 2 indicates level of education, training received and prior occupational experience of women entrepreneurs at the time of their induction in the current business. In case of

education, as indicated in Table 2, most women entrepreneurs are fairly well educated with over 89% holding a university degree (UG or PG). But very few (2%)

have professional degrees. It is observed that a small number of respondents only received formal training whereas very few are professionally trained. Rest of women entrepreneurs either have received informal training from various sources or managing business on the basis of past experience gained during assisting, participating,

observing other businesses. It appears that significant number of women gain their first management experience in their own business. It is observed that around 85% women entrepreneurs were house wife before their induction into business.

Table 3: Business Characteristics of Respondent Women Entrepreneur

N=131

Variables	Characteristics	Frequency	%
Form of Organization	Sole Proprietary	91	69
	Partnership	31	24
	Pvt. Ltd.	9	7
	Public Ltd.	-	-
	Cooperative Society	-	-
Capital Investment	Up to 10 Lakh	2	2
	10 – 25 lakh	32	24
	25 – 50 Lakh	94	72
	Over 50 Lakh	3	2

Source: Compiled by the Researcher Based on Primary Data

As indicated in table 3, most entrepreneurs were having sole proprietorship firm which constituted 69 % of total population followed by women entrepreneurs were having partnership firms and few entrepreneurs were having Pvt. Ltd. firms. There were no firms in the form of public limited company or cooperative society. It is found that in the sample surveyed 94 industries (72%) belonged to category of 25-50 lakh capital investment, followed by industries in the investment group of 10 – 25 lakh. There were few industries having capital investment up to 10 lakh as well as capital investment in excess of 50 lakh.

Problems Faced and Help Received during Project Stage by Women Entrepreneurs

This study is an attempt to analyze the key problems and challenges faced by women entrepreneurs during project stage, who helped and the nature of support received in their demographic and professional background. The responses were compiled in the tables 4 to table 6. In these cases, the numbers of responses have exceeded the number of respondents (N =131) due to nature of questions where respondents have given multi-options, mean frequency and mean percentage along with rankings have been given to analyses the data.

Table 4: Problems Faced During Project Stage by Women Entrepreneurs

N = 131

Problems Faced in Planning	Frequency	Percentage	Rank
Technical skills	119	91	1
Managerial skills	88	67	4
Organizational skill	59	45	5
Finance	115	88	2
License / Registration / NOC	93	71	3
Other	46	35	6
Mean Value	87	66	

Source: Compiled by the Researcher Based on Primary Data

Table 4 gives distribution of problems faced by women entrepreneurs during project stage. Analysis shows that most women faced one or other challenges in project stage .technical skills was the major problem faced by women entrepreneurs (91%) which ranked 1, which is understandably so because majority of the women

entrepreneurs were not technically qualified. The problem concerning finance took the second place in ranking, followed by statutory compliance e.g. license, registration and NOC, managerial skills, organizational skills which ranked 3, 4 & 5 respectively.

Table 5: Help Received by Women Entrepreneurs During Project Stage**N = 131**

Help in Project Planning	Frequency	Percentage	Rank
Husband	111	85	1
Family Members	74	56	2
Friends	13	10	4
Professionals	34	26	3
Mean Value	58	44.2	

Source: Compiled by the Researcher Based on Primary Data

All the entrepreneurs, received support at the entry stage from members in their families. Factors like the nature, extent, and type of family support were important in determining the progress of enterprises run by women. Women entrusted such responsibilities to husband, other members of the family or professional who did the work on payment.

As shown in table 5, 111 women entrepreneurs have

received help from husband amounting to 85% of sample industries. Since majority of the entrepreneurs begin business after marriage, the role of husband in women entrepreneurship development has been significant. This was followed by help received from other members of the family (74, 56%). 34 entrepreneurs (26%) have taken help from professionals and 13 entrepreneurs (10%) have been helped by their friends.

Table 6: Nature of Support Received by Women Entrepreneurs During Project Stage**N = 131**

Nature of Support	Frequency	Percentage	Rank
Project Identification	50	38	6
Project Report	68	52	3
Project Planning	59	45	5
Site Selection	43	33	8
Setting up Business	46	35	7
Govt. formalities	72	55	2
Banking	63	48	4
Financial Management	81	62	1
Mean Value	60	46	

Source: Compiled by the Researcher Based on Primary Data

Table 6 indicates the nature of support received during project stage by women entrepreneurs. The data shows that finance management was one area in which women entrepreneurs needed and received maximum support (62%) and ranked first. Full filling government formalities and compliance was the next in which 55% entrepreneurs took assistance and support. Other areas where support were needed by women entrepreneurs are project report preparation (52% ranked 3), banking (48% ranked 4), project planning (45% 5), project identification (38% ranked 6), setting up business (35% ranked 7) and site selection (33% ranked 8).

Conclusion

Present study gives us some clear indices about the nature and problems of women entrepreneurs in business start-up. While majority of women enter business in the age group of 25 -35 and after marriage, the problems faced by them are related to their education, training received and family support. Very few women had professional qualification and undergone formal trainings. Also most women

entrepreneurs were house-wives before induction in business and were lacking practical experience. This may account for many of the start-up challenges faced by them. It is suggested that women entrepreneur should gain some prior exposure in the field either by practical experience or by attending workshops and conferences meant for their business before venturing into business.

The majority of women entrepreneurs have faced problem and needed support in financial area, fulfilment of regulatory requirements and technical matters including project report. The data indicates the need for stronger focus on trainings for women entrepreneurial skills enhancement, financial management training beside providing easy finance options and conducive regulatory requirements for creating and sustaining new ventures by women entrepreneurs.

The present study had its own limitations with respect to sample size and geographical area. It is recommended that this study be done on a much larger sample size and covering more and wider geographical region which will give more

accurate data on problem faced by women entrepreneurs in starting a business and will help the statutory bodies in formulating favourable policies to encourage women entrepreneurs.

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