

A System Dynamic Approach to Mitigate Problems of Women Entrepreneurship in India

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Abstract

An Indian women entrepreneur plays a significant role in the economic development of the society. Women are the vital part of the society that helps in the overall growth of the economy. The present research helps to understand the problems and barriers faced by the women entrepreneurs in the society. The study helps to overcome and mitigate the particular barriers to sustain the women entrepreneurs for the long run. The secondary Method is used to collect the data. The system dynamic approach was adopted to examine the various positive and negative relationships among factors for the women entrepreneurs. The research helps to mitigate the social, economic, market, financial vulnerabilities from the economy and helps in the capacity building of the women entrepreneurs for the longer period.

Keywords: Causal Loop Diagram, Stock Flow Diagram, Capacity Building, Mitigation Strategies, Entrepreneur.

Introduction

An entrepreneur is the essential element of the society as it provides employment and mobilizes the resources available in the society and helps in the economic development of the society. Since 21st century women are also taking spurring initiatives to start their own business or expand their family business. Women entrepreneur is the essential component for the welfare of the society. It is rightly said by Swami Vivekananda, "There is no chance for the welfare of the world unless the condition of women is improved."

In today's era women are taking initiatives to run enterprises. They are entering into every industry and contributing in the long term sustainable growth of the Indian economy. Some of the push and pull reasons of women becoming entrepreneur include feeling of independence, recognition, social status, self-satisfaction, job security, career oriented, self-identity, personal and wealth development in the society. The women entrepreneurs have to face many social, markets, financial, economic, etc. problems while doing the business planning and implementation.

The Indian government also provides several schemes, capital and resources to the rural and urban women entrepreneurs to promote women entrepreneurship. The Government of India has defined women entrepreneurs as "An enterprise owned and controlled by

women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women". Women entrepreneurs utilize resources, skilled labor force to eradicate poverty and unemployment from the economy. In the present era there are many successful women entrepreneurs that have contributed in the upliftment of the Indian economy system.

Though both state and centered government has started a number of measures like exceptional concessions, incentives, grants, mechanical and managerial teaching and assistance, yet a vacuum is glimpsed in the participation of women in the entrepreneurial development.

Literature Review

Various authors have conducted several researches in the past on women entrepreneurship. Singh, 2008, conducted a study to identify the factors that catalyze entry of women in entrepreneurship and the hindrances in the growth of women entrepreneurship. The factors identified were lack of interaction with successful entrepreneurs, social unacceptance as women entrepreneurs, family responsibility, gender discrimination, lack of social networking, low family and financial support.

Tambunan, (2009), conducted a study on women entrepreneurs in Asian developing countries in small and medium enterprises and found that entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. Bharthvajan R, 2014 identified the major barriers encountered by women entrepreneur as lack of management and marketing skills, lack of self generated finance, lack of access to technology, limited mobility due to household responsibilities, male dominated society, low risk bearing ability and socio-cultural barriers.

Rupashree Senapati (2017) in a study ascertaining variables influencing agri-entrepreneurship development by rural women found the socio-personal/gender influence as more negatively impacting variables as compared to variables such as availability of resources and access to facilities and infrastructure related entrepreneurship.

In another study Sunitha V Ganiger (2013), family attachment, lack of higher education, training and self confidence, lack of finance, tough competition and lack of risk bearing capacity, Legal and social formalities were found as major challenges faced by women entrepreneurs. Similarly a recent study Jyoti Agarwal (2018) found Prioritization, Marketing Problems, Limited access to resources, funding issues, male dominated society as major

problems faced by women entrepreneurs.

Objectives of the Study

Women entrepreneurs are the backbone of the Indian economic system. The present research helps to explore various problems and challenges faced by the women entrepreneurs in the society. The study helps to overcome and mitigate the barriers to sustain women entrepreneurs in the long run. Factors such as social, motivational, financial, market and government positively influence women entrepreneurs to optimize the available resources and create various opportunities for the Indian economy and society. The researches had revealed that self-independence, ambition, family business, government schemes, etc. are some of factors that motivate women to become an entrepreneur. Utilization of these opportunities by women entrepreneurs can mitigate the problems. The system dynamics approach is adopted to examine various positive and negative relationships among factors influencing women entrepreneurship. The research helps to mitigate the social, economic, market, financial vulnerabilities from the economy and helps in the capacity building of the women entrepreneurs for the longer period.

- a) To study the present status of women entrepreneur in India.
- b) To identify the challenges faced by women entrepreneurs in India.
- c) To develop a casual loop diagram and stock flow diagram to mitigate the problems of women entrepreneurs.

Research Methodology

The variables influencing women entrepreneurship were identified through secondary research including newspapers, journal articles, and reports to develop the causal loop diagram and stock flow diagram, the several factors had been identified from the study that had been conducted in the past. The system dynamics approach is adopted to showcase the problems faced by for the women entrepreneurs in India and solutions to mitigate the problems. The study is descriptive in nature as it helps to studies the current scenario and explores various issues faced by the women entrepreneurs in India. The research is also causal in nature because it seeks to understand the underlying relationship among factors. The system dynamic approach creates the virtuous and vicious loops among the variables to mitigate the problems of women entrepreneurs.

Data Analysis

There are various push and pull factors that enable and inhibit respectively in women entrepreneurship. For the

purpose of the study, the factors identified from secondary data have been classified under Social, Economic and Market factors. The below given table enlists various

problems and barriers faced by the women entrepreneurs in the Indian society.

Table 1: Problems Faced by Women Entrepreneurs	
Social Factors	Education Gender Discrimination Lack of support from family/relatives/community Work-Life Balance/Family responsibility Male dominated Society
Economic Factors	Financial assistance from Institutional sources Limited access to Raw Materials Lack of Access to Credit Lack of Capital
Market Factors	Lack of Management and Marketing Skills Lack of risk bearing capacity Lack of technical knowledge Potential Entrants

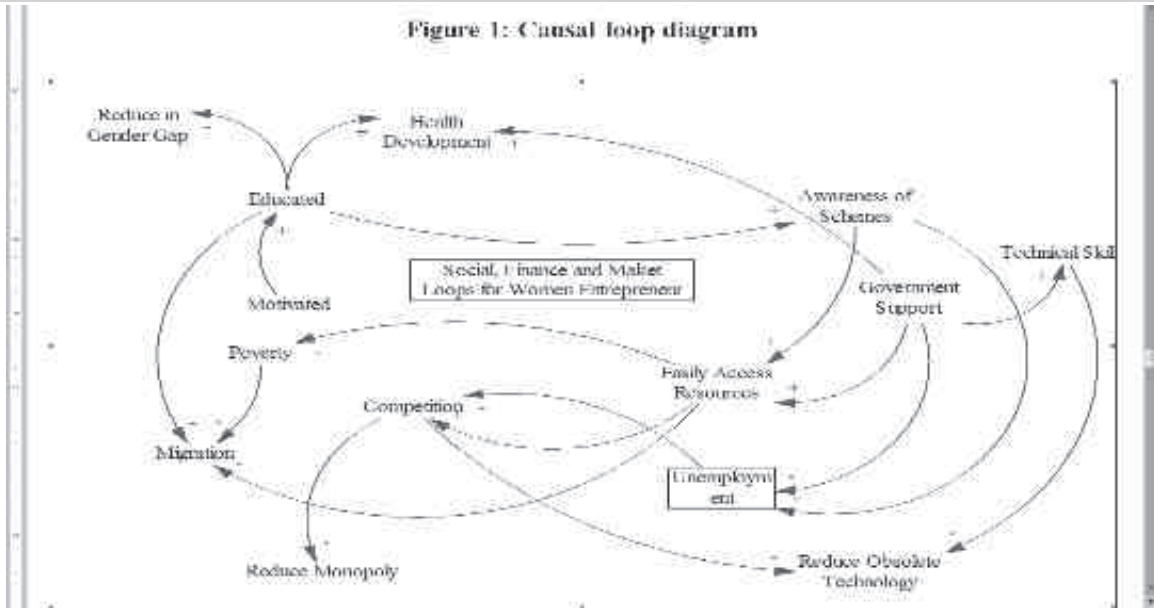
Under Social factors lack of proper education, socio-cultural barriers such as gender discrimination, lack of support from family and household responsibilities, male dominated society have been identified as major hurdles for the women entrepreneurship. Lack of capital and lack of access to credit as well as limited assistance from institutional sources because of need of collateral security, limited access to credit, and limited access to raw materials due to restricted mobility are some of the problems faced by women under Economic Factors. For survival and expansion of business in the long run women entrepreneurs need to possess management and marketing skills, risk bearing capacity, technical knowledge. Lack of these skills and knowledge serves as potential barriers in women

entrepreneurship and classified as Market Factors. when they have proper access to business education, training, financial support, Skilled Labour, stiff competition, access to raw materials, managerial and entrepreneurial ability, etc.

Casual Loop Diagram to Mitigate the Problems of Women Entrepreneurs

Casual loop diagram is the system dynamic approach that explains the challenges of the women entrepreneur system for the present study. Causal loop diagram identifies the several social, markets and finance factors and create the positive and negative relationship among them.

Figure 1: Causal loop diagram



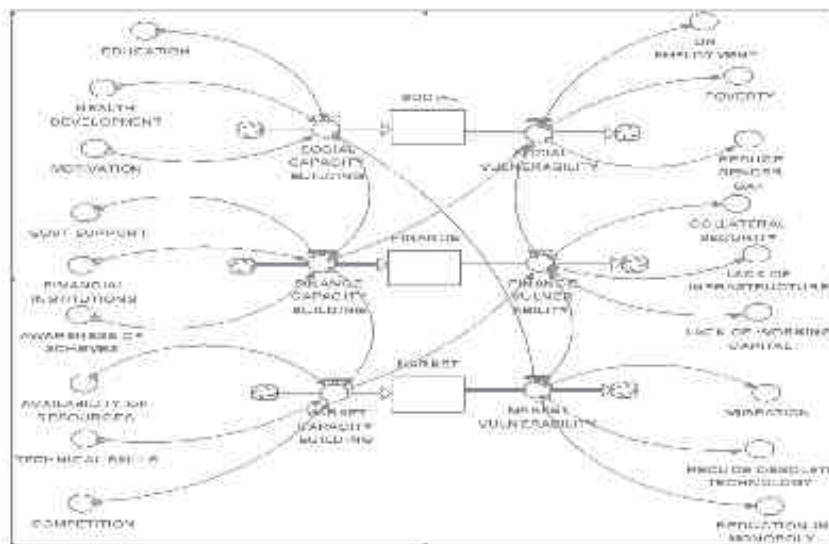
If women are motivated and educated it would help them excel in their careers and mitigate gender discrimination, poverty, unemployment, etc, from the society. If women entrepreneurs are educated, then they would have increased awareness of government schemes and also possess knowledge of technical skills that leads to development of women entrepreneurship in the society. If women entrepreneurs receive support from the government in terms of easy access to credit, it would enable easy access to resources and prevent their migration elsewhere. Women can then run the business from their native place and provide employment to others. The technical skills would help reduce obsolete technology and lead to higher competition. If gender discrimination and

unemployment are eliminated, then it would lead to the competition in the business. When there is a huge competition among business then it would lead to reduction in monopoly from the market.

Stock Flow Diagram to Mitigate the Problems of Women Entrepreneurs

Stock flow diagram depicts several inflows and outflows variables that are controlled by the social, finance and market stocks. An inflow variable leads to capacity building and outflow variables leads to mitigation of the vulnerabilities of the women entrepreneurs. Stock flow diagram creates the virtuous and vicious loops among the variables.

Figure 2: Stock flow diagram



The above diagram explains that there are majorly three stocks i.e. social, market and finance that enhance capacity building to eradicate vulnerabilities faced by women entrepreneurs. The social finance and market factors of capacity building create the virtuous loop which shows that each variable have a positive effect on other variables. The social finance and market factors of vulnerabilities create the vicious loop which shows that each variable have a negative effect on other variables. If an individual women of the society get proper access to the education, resources, support from financial institutions, awareness of government schemes, government support, motivation, Competition, Technical skills and health development to run or expand the business. Then further it leads to mitigate or eradicate the unemployment, poverty, gender gap, lack of infrastructure, lack of capital, migration, reduction in monopoly and reduce obsolete technology from the society.

Conclusion

An Indian women entrepreneur plays a significant role in the economic development of the society. Women are the vital part of the society that helps in the overall growth of the economy. Women are becoming motivated and educated to run the business enterprise to generate the employment for the individuals. Women entrepreneurs work for the upliftment and welfare of the society. There are various factors like social status, career oriented, job security, etc. that leads women to take the initiative to set up the business. India is a society where the gender discrimination plays an important role. There are several social, Economic, markets, financial, etc. problems that become the huge barriers in the development of the women entrepreneur.

There are various mitigation strategies like to get proper access to the education, resources, financial institutions, awareness of schemes, government support, motivated, Competition, Technical skills and health development that helps to eradicate the social, economic, market and financial vulnerabilities from the society. The several vulnerabilities faced by the women entrepreneurs in the society are eradicated and mitigated by the several strategies that helps in the capacity building and helps to sustain the Indian economy for the longer period of time.

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