

# PROMOTION OF WOMEN ENTREPRENEURS – AN ANALYSIS

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## Abstract

*Self-employed women are contributing in significant ways to economic health and competitiveness in countries around the world. The contribution of women in business has been increasing tremendously at global level since past 10 years. Women-owned firms represented nearly 40 per cent of all firms in the United States, and employed approximately 27.5 million people (NFMBO 2001). Similarly, women in advanced economies own more than 25 per cent of all businesses. In India 9.5 per cent of women entrepreneurs are managing the small enterprises (GoI 2001).*

*The main objective of this paper is to analyze the training and business management, management skills and to identify the various constraints and contributions of women entrepreneurs. The research methodology is explorative cum descriptive in nature. Some of these are, spread of education, change in life-style, growth of IT and service sector in the economy. Even so, the rate of women's participation is found to be low when compared with advanced countries of the world. The reason for the low participation has been assigned to the dual role performed by women, and the socio-cultural environment prevailing in our society. Management of small enterprises needs a unique cadre of owners who can perform various functions independently.*

*Among all the managerial functions of a business, marketing is one of the important and challenging functions. Marketing poses a major problem both regarding new material and finished goods. To cope with competition in the market, advertising and publicity of the product become indispensable, and that again involves heavy funding. The small enterprises do not know anything about markets; they do not have R & D facilities, know-how for improving design and quality; nor do they know the technicalities of pricing, etc. It has been observed that most of the women entrepreneurs could not continue with their business or trade activity for the want of guidance on consumer demand and market mechanism.*

*Key words:- Entrepreneurs, Training, Women, Small Scale Industries, Post liberalization.*

## Introduction:

In India, the number of women entrepreneurs has grown over the years, especially in the 1990s. It is estimated that presently women entrepreneurs comprise about 10 per cent of the total entrepreneurs in India. It is also clear that this percentage is growing every year. If prevailing trends continue, it is not unlikely that in another five years women will comprise 20 per cent of the entrepreneurial force in India.

## Objectives of the Study:

Main objectives of this paper are as follows:

1. To study the various types of training and business Management of women entrepreneurs engaged in small scale industries in the NCR Region post liberalization.
2. To examine the various Training and Development Management skills of women entrepreneurs.

- To identify the factors contributing and constraints related encountered by women entrepreneurs at the institutional and entrepreneurial level post liberalization.

### Research Methodology

The study is explorative cum descriptive in nature. The theory is developed from secondary sources of information. The secondary data has been collected from various sources such as Annual report of different ministries, five year plans, statistical abstracts, Govt. documents, research journals and magazines and unpublished research reports etc.

This paper is useful and helpful for policy makers, planners, administrators, industrialists, managers, women leaders and researcher who are engaged in this field. More specifically, this is very helpful to those women entrepreneurs who are engaged in their own work or industries.

### Promotion of Women Entrepreneurs

It is expected that by 2020, 25 to 30 per cent of the entrepreneurial force in India would be women. (Source) In order to harness their potential and their continued growth and development, it is necessary to formulate appropriate policies and strengthen the existing policies for stimulating, supporting and sustaining their efforts in this direction. The stimulating activities are those which contribute to entrepreneurial education and motivate new entrepreneurs. Supportive activities are those which result in actual assistance to a venture such as the availability of finance, infrastructure, common facilities and market. Sustaining activities are those which help in running a unit and thereby prevent its closure.

**Table 1.1**  
**Results of Third SSI Census (Reference period: 2001-2002)**

	Regd. Units	Unregd. Units	Total
No. of women enterprises	1,37,534 (10%)	9,26,187 (10.13%)	10,63,721 (10.11%)
No. of units managed by women	1,14,361 (8.32%)	8,80,780 (8.37%)	9,95,141 (9.46%)

**Source:** Office of Development Commissioner (MSME)

According to the Third All-India Census of Small State Industries conducted by SIDO in 2001-02, the number of women enterprises was 10,63,721 (10.11%). The number of enterprises actually managed by women was 9,95,141 (9.46%). Currently (2006-07) their estimated number is 12.99 lakh women managed enterprises and 12.15 lakh actively women managed enterprises.

Compared to the First and Second Census, the Third Census brought out some structural changes in the registered SSI sector. While the proportion of working units remained the same by and large, the domination of SSIs among the working units has been reduced considerably from 96 percent to 66 per cent. This is mainly due to the increase in the number of units engaged in services. The per unit employment as gone down from 6.29 to 4.48, while the per unit fixed investment has gone up from Rs. 1.60 lakh to 6.68 lakh. This could be due to technological up gradation.

### Training for Entrepreneurs – Various Types

Many scholars, industrialist and Govt. of India agree that the specialized faculties for the women can be invoked in field of entrepreneurship through implementing various development programmes. We feel that entrepreneurial potential exists in the women in all the communities in various regions. The early the batter for developing countries to embark upon various schemes of development of women entrepreneurship to cope with the short supply of women entrepreneurs in the field of management, technical, medical, law and other areas which is specialized for women.

The Govt. of India accepted in principle that women entrepreneurs can be made and developed through the various schemes and programmes and decided to identify individual women from all communities who have entrepreneurial talent to motivate them and train them through properly organized programmes for undertaking risk bearing activities.

The entrepreneurship development programme (EDPs) is necessary for the proper development of women ability on the line of male entrepreneurs. The Govt. and many other organizations have taken up the spirit of women entrepreneurship development programmes in right earnest.

**In broad terms the EDP consists of three basic or Functional Phases:**

- (i) Initiation phase: For creating awareness about the women entrepreneurial opportunities into different fields.
- (ii) Development phase: Through training programmes in developing motivation and management skills in women.
- (iii) Support phase: For counseling, encouragement and infrastructural support to women entrepreneurs for establishing and running enterprise.

In the initial phase, it is aimed to identify women with potential for development of entrepreneurial disposition. The main purpose of development phase is to infuse motivation among the women through achievement motivation training. It is to be supported with adequate managerial and technical knowledge, but the most important factor is the support phase, as from entrepreneurial point of view the most crucial state is the start-up period.

In this connection, the important factors are affection to the women entrepreneurship development in our country:-

1. Selection of Right women for entrepreneurship development programmes.
2. Proper training for better quality for women entrepreneurs.
3. Assistance in product selection for new venture.
4. Suitable organizational arrangement for technology and selection of equipment and machinery.
5. She should be provided full assistance not only for preparing this project report but also for financial arrangements.
6. The EDP should aim to provide adequate information to the women entrepreneurs in regards to various rules and regulations connected with the setting-up of a new industrial venture and help in registration and licensing work.
7. Adequate information regarding other marketing products.

Most EDP strategies hinge around developing entrepreneurship among graduate persons specially engineering graduates and women candidates, edp pervade among all classes of society in all regions. The techniques and strategies have to be tailored according to the socio-economic and cultural situations in the society.

ETP provides intensive training technical assistance to people with a promising business idea and start their own business. The curriculum includes seminars on market research, marketing tools, strategic networking and community resources, sales technique, presentation skills, and financial management as legal, insurance, human resource, time management and commercial real estate issues. The business use technology and the internet is also thoroughly explored. The objective of the program is to assist participator preparation and implementation of a specific, comprehensive Business Plan tailored to each individual entrepreneur's needs. Another important component of the program is to facilitate connections between training entrepreneur and all of the resources and services he or she may need to successfully launch and sustainable. The purpose of these programs is to create jobs and contribute to the economic development.

The program is structured to include approximately 10 weeks of intensive classroom training followed by additional 10 weeks of one-on-one consulting to help each entrepreneur through the start-up phase of his business. At the conclusion of the classroom portion of the program each entrepreneur presents his/her plan to a panel of bankers, consultants and other business planning experts for some? Real world? Feedback business concept. Development and presentation of a business plan is among the requirements for success completion of the program.

ETP differs from other business assistance programs in several key ways:

- Using an established and tested curriculum, the program ties all of the various aspects of the plan to an integrated fashion;
- Financial basics are stressed, enabling participants to gain the financial knowledge necessary to effect control their businesses;
- Program staff have cultivated partnerships with many community, business and government entitled program participants can be linked to the resources they need to establish and grow their businesses.
- Each instructor is or has been a successful business owner providing an important perspective only issues faced in start up and growth situations.

This is a comprehensive combination of courses, individual coaching and business plan development that is designed to help entrepreneurs develop business skills and attract financing. This program is available for start-up venture or business expansion.

## **Program Components**

1. Orientatio-n meeting
2. Small business; the fundamental (click to see full program details and dates).
3. Developing a business plan (click to see full program details and dates).
4. Individual coaching and small group meetings to help you through the business planning process.
5. Completion of a written business plan.

The role of the Ministry of Micro, Small and Medium Enterprises (MSME) is primarily to assist the States/Union Territories in their efforts to promote growth and development of MSMEs. The main focus of the schemes/programmes undertaken by the organizations of the Ministry is thus to provide/facilitate provision of a wide range of services and facilities required for accelerating the growth of MSMEs. The schemes/programmes generally focus on capacity building in Stage/Regions; nevertheless, which are individual beneficiary oriented. While, there are no specific reservations for women, in the latter, there are some concessions/incentives available under these progrmmes for the benefit of women entrepreneurs.

In respect of entrepreneurship/ skill development training programmes, under the National Awards for Entrepreneurial Development (Quality Products) and Trade Related Entrepreneurship Assistance & Development (TREAD) Programme for Women, the necessary guidelines have been issued and specific reservation provided for women. Similarly, under two employment generation programmes being implemented by the Ministry, namely, Rural Employment Generation Programme (REGP) and Prime Minister's Rozgar Yojana (PMRY), some concessions have been provided for women beneficiaries. Besides, the Coir Board is implementing the Mahila Coir Yogana which is a women oriented self-employment programme.

## **Training of Women Entrepreneurs**

The industrial policies of the Government announced from time to time, have laid considerable emphasis on promotion of women entrepreneurship, particularly among first generation women entrepreneurs, through various training and support services. Special attention is being given by organizing exclusive Entrepreneurship Development Programmes (EDPs) for women.

The Field Institutes of MSME-DO conduct need based entrepreneurship/ skill development programmes for existing and prospective entrepreneurs. During the year 2007-08 (up to December, 2007)

approximately 1500 women participated in these training programmes. The autonomous bodies under MSME-DO also conduct various short-term/long – term training programmes in footwear technology, tool and dye-making and other allied industries. These bodies provided training to approximately 3775 women. No fee is being charged from women participants. Besides, MSME—DIs/Br. DIs are also giving stipend @ Rs. 500/- per month to the participants belonging to disadvantaged groups including women.

In addition to programmes/ schemes of MSME-DO, NSIC, KVIC and Coir Board, relating to conduct of EDPs & SDPs for benefit of potential women entrepreneurs, three national level entrepreneurship development institutes set up by the Ministry, particularly, Indian Institute of Entrepreneurship (IIE), Guwahati, are also undertaking training programmes for skills and entrepreneurship development for women. The National Institute for Entrepreneurship and Small Business Development (NIESBUD), NOIDA had conducted seven training programmes exclusively for 227 women participants during 2007-08.

Further, the Ministry has recently launched 'Rajiv Gandhi Udyami Mitra Yojana' (a Scheme for Promotion and Handholding of Micro and Small Enterprises) to help and facilitate the potential first generation entrepreneurs in completion of various formalities and tasks necessary for setting up and operationalization of their enterprises. Under this scheme, women beneficiaries are not required to contribute Rs. 1000/- which is required by the beneficiaries from general category. The contribution in respect of women beneficiaries is provided to 'Udyami Mitras's as grants by the Government.

## **The Major challenges faced by women entrepreneurs**

The greatest deterrent to women entrepreneurs is that they are women. Male dominance is more prevalent in our society. Hence, women have the tendency to keep away from such activities, which are regarded as for men. The major challenges faced by women entrepreneurs are listed below:

### **1) Self –confidence**

One of the basic requirements for entrepreneurship is self-confidence. Though women are equally qualified as men, they suffer from certain disadvantages, i.e., lack of confidence in their own abilities and lack of society's support. Socio-economic and cultural inhibitions in our society are the biggest obstacles in women's entrepreneurial development. A study conducted by NIESBUD (1956) had revealed that majority of the women (81%) had indicated problems in the area of managing the workers. Nearly 44 per cent of the women felt that they had to fight harder in the entrepreneurial world.

### **2) Female literacy rate**

Low literacy rate has hampered women entrepreneurs in getting themselves adjusted to the technological developments, market trends and so on. Malikaarjuna Rao (1990) stated that major hurdles in fast growth of women entrepreneurship are lack of awareness and lack of education.

### **3) Social barriers**

The traditional structure of the society does not permit unmarried girls especially from the rural areas to get into any kind of job or get themselves self-employed. Resistance, shyness, inhibition, conservatism are some of the cultural and social systems prevailing in the Indian society. In a study of Bulsara and Pandurengan, 25 per cent of women had mentioned lack of family support as a major discouraging factor.

### **4) Financial resources**

Large investments become difficult for women. Lack of access to external funds due to their inability to provide the security is the biggest problem women entrepreneur face in our society. Studies conducted by Vaidehi Pandurengan and Hemant Kumar P. Bulsara revealed that for 40 per cent of women the main discouraging factor was sourcing of resources for investment.

### **5) Proper training**

Adequate training helps to acquire sufficient knowledge to face the problems in the business world. Though many facilities are provided for training women entrepreneurs majority of them do not take seriously

the training provided. The US Commission on Civil Rights (1975) indicated that the biggest problem during start-up was the lack of business training.

In addition, lack of information and experience, non-availability of raw material, lack of professional marketing expertise, discrimination against women in granting loans, lack of technical assistance and guidance and overall lack of awareness of the different types of facilities available to them are other hurdles faced by women. Banks and other financial institutions lack faith in women's entrepreneurial abilities.

A country to bring about development of entrepreneurship should provide facilities to acquire the necessary knowledge and skill so that an individual who wishes to be an entrepreneur can equip herself for playing the role of an entrepreneur. Economic policy of the Government, financial institutions, consultancy services, industrial estates, industrial laws, is important. Education and training institutes, i.e. support systems, promote entrepreneurship through reinforcing values which favour taking of initiative, innovativeness, and risk-taking with personal responsibility. Particularly in an underdeveloped country the role of Government is important. Government should create conditions for the growth of entrepreneurship, e.g., to create awareness of the role of entrepreneur in accelerating growth of the economy, i.e., promoting a climate which values entrepreneurial behaviour and gives it prestige in the country by propaganda through press, mass education programme, industrial research institutes, and labour relation services.

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