

# Women Entrepreneurship: A Way to Economic Development

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## ABSTRACT

Women are an essential element of society and exhibit a significant role in nation-building. The participation of women in business activities is admirable in sustained economic development and social progress. With the spread of education and awareness, women have successfully taken part in the business. They managed to survive and succeed with their hard work, diligence, and perseverance. The role of women entrepreneurs in economic development is quite inevitable. Although women are playing a key role in society, their entrepreneurial ability has not been properly tapped. This research paper endeavors to understand the meaning, concept, and importance of women entrepreneurship, various factors influencing women entrepreneurs, and major obstacles. The paper will also try to suggest some supportive measures for women's development while pursuing their business. This is a conceptual paper based on an extensive literature review of entrepreneurship that seeks to develop a deeper understanding of women entrepreneurs. Women entrepreneurs create new jobs for themselves and others, as well as exploit entrepreneurial opportunities. The findings of this paper exhibit that women entrepreneurs contribute to society's welfare. Women entrepreneurs face many obstacles, specifically in marketing their products. The study proposes that the government should provide financial support for the enduring and enhancement of women entrepreneurship. The research paper contributes to women entrepreneurship literature by emphasizing women entrepreneurship as a significant economic development predictor. Understanding women entrepreneurship is necessary since nurturing and retaining women entrepreneurs is a unique challenge.

**KEYWORDS:** Women Entrepreneurs, Obstacles, Economic Development

## 1. INTRODUCTION

'You can tell the condition of a nation by looking at the status of its women' – Jawaharlal Nehru. Women entrepreneurship is the process of establishing women enterprises by the women entrepreneurs. Women Entrepreneurs commence and operate a business venture, undertake risks, introduce new innovations, coordinate, administrate and control business and provide effective leadership in all aspects of business. In today's dynamic world, women entrepreneurs are an essential element of the global sustained economic development and social progress. The growth of education among women gave rise to employment among them, therefore, steps were taken to enhance their capabilities to be entrepreneurs. The hidden business potential of women is growing with the increasing sensitivity towards the role and economic status in the society. The knowledge, ability and conformity are the core assets of women to start business. The government of India has described women entrepreneurs as 'an enterprise owned and controlled by women having at least financial interest of 51% of the capital and

giving at least 51% of employment generated in the organization to women'. The independent decision making and career are the motivational factors behind women entrepreneurs to accept challenges to become economically independent. Education, income, family situation, self-perceptions, and political representation act as important factors influencing women entrepreneurship (Ghani, Kerr & O'Connell, 2012).

Entrepreneurship creates economic opportunities for women and contribute towards overall growth and reduces poverty. Entrepreneurship instills potential flexibility in the usage of time which propagates work-life balance in women. The contribution of women entrepreneurs in the national economy is quite visible. The development of a nation in various aspects is achieved through the contribution of women as an entrepreneurs. Increase in the participation of women in workforce indirectly indicates the increase of women in the national development (Fatima & Muneer, 2018; Rajan, Muralidharan, & Ravi, 2019; Nasri & Muhammad, 2018). According to Siba (2019), the participation of female workers is very important for the transformation of nation from developing to developed nation. Women entrepreneurs should be encouraged for the increased use of modern technology, bigger investments, creating employment opportunities for others, and setting of benchmark for other women entrepreneurs. However, women entrepreneurs are relatively scarce in India in comparison to other nations and they tend to work in small units often outside the formal sector. Most of the potential in women remains untapped, which can be a powerful source of economic growth in every economy (Helms, 1997). Woman entrepreneurship is not a new concept but societal and community trends and pressures keep women away from becoming potential entrepreneurs (Hisrich & Ozturk, 1999). Developed nations have provided gender equality platforms to the woman workforce to keep them motivated to be entrepreneurs, however, women still encounter financial insecurity and other human resource challenges besides resistance from the male counterparts to be successful woman entrepreneurs. According to International Labor Organization (1980), "Women constitute the 50% of world's population, do the two third of world's work hours, receive 10% of world's income and own less than 1% of the total property"

## **2. RATIONALE OF THE STUDY**

Women entrepreneurs have exhibited their potential but the fact is that they are capable of doing much more than what they are already contributing. Women entrepreneurship needs to be studied as it remains an important untapped source of economic growth. The research focus on women entrepreneurship which is relatively new and constantly emerging. Women entrepreneurs are risk bearers, organizers and innovators. Women who are viewed as the better half of the society are not equal partners in the society. The low literacy rate, low participation rate of women as compared to the male counterparts prove their detrimental position in the society. Besides, perceptual elements also have a critical influence on the entrepreneurial propensity of women like gender differences in entrepreneurial styles. Women entrepreneurship has been largely neglected both in social sciences and society in general.

## **3. OBJECTIVES OF THE STUDY**

- To identify the factors which impact women to become entrepreneurs.
- To investigate the major obstacles faced by women entrepreneurs.
- To draw conclusions and offer suggestions to encourage women entrepreneurship.

#### 4. METHODOLOGY

This is a conceptual paper and the study is based exclusively on secondary data about entrepreneurship and woman entrepreneurship collected from reviewing of different research articles, journals, text books, reports, case studies, websites, etc. The literature was searched in PsycINFO, Educational Resources Information Centre (ERIC), ABI/INFORM, and EBSCOhost research database using the keywords entrepreneurship, women entrepreneurship and outcomes, factors of women entrepreneurship and obstacles of women entrepreneurship.

#### 5. FINDINGS

##### 5.1 Women as entrepreneurs

Women are a significant human resource of every economy. Women are willing to take up businesses and contribute towards the growth of a nation. The contribution of women is recognized and steps are being taken for the growth and development of women entrepreneurs to accelerate women entrepreneurship. For any developing nation, women entrepreneurs play an important role particularly in terms of their contribution towards economic development. Women entrepreneurship has been acknowledged as a vital source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide solutions to different business problems.

Women entrepreneurship is an area still quite unexplored which needs attention (Wennekers & Thurik, 1999). Fortunately due to technological progression and open communication the global community has created new channels and women have opened up avenues to explore not only their potential abilities but also better business opportunities (Tzokas, Carter & Kyriazopoulos, 2001). The educated women do not limit their lives in their houses but demand equal respect from their partners. They have turned up and realized that the survival of their families and the progress lies only in working alongside with men (Marlow, 2002). Education have given the women immense confidence and encouragement to serve and discover new business opportunities. The increased qualification of women and the varied aspirations for better living, necessitated a change in their lifestyle. A woman has always competed with man successfully and stood up with him in every walk of life and work. The women entrepreneurs are assertive, persuasive and willing to take risks. They manage to survive and accomplish with their hard work, diligence and perseverance. Women entrepreneurs are endowed with strengths of problem solving, motivation, and quick learning.

Entrepreneurship is globally recognized as a developmental & progressive idea for business world (Scott, 1986). Entrepreneurship is considered as an important element for not only globalization but also for creating wide job opportunities for potential performers (Mitra, 2002). Utilization of human resource to the optimum level is one of the greatest challenges faced by different business organizations in the contemporary economic world, where development is quantified and recognized as an entity (Brush, 1992). Women entrepreneurship helps women to optimize and explore opportunities to create jobs and contribute towards economic empowerment. The generations of women across the globe have shown encouraging entrepreneurship spirit. It is the responsibility of the government to create an environment in which this spirit may flourish (Delmar & Davidsson, 2000). The productive activities of women, particularly in different economic sectors, empower them financially and enables them to play an important role in the overall development of the nation (Kamunyu & Theuri, 2017).

##### 5.2 Factors Influencing Women to Become Entrepreneurs

Women are motivated to take up entrepreneurship in the absence of means contributing to family income

(D'Cruz, 2003). Tambunan (2009) revealed that most of the women entrepreneurs enter small and medium enterprises for better family incomes. The family support and encouragement are the highest facilitating factors which help women to become entrepreneurs (Pillai & Anna, 1990). The desire of self-employment, generation of income and utilization of skills aspire women to start business (Day-Hookoomsing & Essoo, 2003; Richardson, 2004). The availability of leisure time encourages women to enter into business. Cohoon, Wadhwa and Mitchell (2010) presented a study based on the data collected from successful women entrepreneurs and identified top five financial and psychological factors encouraging women to become entrepreneurs. These include aspiration of building wealth, desire of exploiting business ideas they have, the appeal of startups, unfulfilled desire of having own business firm and repulsion of working with someone else. The desire of freedom to take decisions gave women a sense of self confidence. Women are not always driven by positive factors towards entrepreneurship but also due to negative situations like low family income, lack of employment opportunities, dissatisfaction with a current job and the need for flexible work (Robinson et al., 2001). Al-Kwafi et al. (2020) explored that the socio-demographic factors exhibit positive relationship with women entrepreneurs' performance.

### **5.3 Obstacles of Women Entrepreneurship**

The representation of women entrepreneurs is relatively low due to lower education level, lack of capital and cultural constraints (Tambunan, 2009). The problem of finance for women entrepreneurs has several failures. They face this problem at the time of setting of business as well as during the operations of their enterprise. Women entrepreneurs cite access to finance as the major hindrance in setting up their business. Women often get fewer opportunities than males to avail access to credit. Das (2000) revealed that more than 50 percent of women use their own funds or borrow from their spouse or family to start up their business. According to the report of United Nations Industrial Development Organisation (1995), "despite evidence that women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit", often due to discriminatory outlook of banks and other lending organizations. The problem of getting loans and subsidy, insistence of collateral security and margin money requirement, time taken to process loans, tight repayment schedule, and maintenance of accounts are some other constraints faced by the women entrepreneurs (Jayammal, 2012). Singh and Belwal (2008) identified gender discrimination, lack of interaction and networking, increased family responsibility as key obstacles of women entrepreneurship. Lall and Shikha (2008) suggested that despite of considerable increase in the number of women opting to work in family-owned businesses yet they still have lower status and face more operational challenges in operating business. Lack of knowledge about marketing of products is often faced by women entrepreneurs. Damwad (2007) identified few obstacles like financing; lack of knowledge and skills in business life, markets and entrepreneurial activity; work-life conflict. To maintain a balance between work and family-life is a major challenge for women entrepreneurs especially for those who have kids and joint family. Lack of education and training, negative attitudes and inadequate resources are recognized as the main factors that obstruct the performance of women entrepreneurs (Doris, 2016; Bakar & Ahmad, 2016; George, 2018).

## **6. CONCLUSION AND RECOMMENDATIONS**

Women entrepreneurs often face gender biasness, constraints in marketing of products, limited access to finance, information and networks, etc. that have to be overcome in order to access the entrepreneurial

opportunities. The formation and strengthening of women entrepreneurs' network must be encouraged as they hold an important position in the society and contributes toward business as well as the entire economy. The development of women entrepreneurship has become an important aspect for achieving the goals of sustainable development in developing countries. Women are coming out of their houses and proving their abilities and competencies in the business world. The glass ceilings are broken and women are taking part in every line of business. Women must be shaped up properly with entrepreneurial skills to face the challenges of entrepreneurship, meet the changing trends, be competent enough to sustain and strive for excellence in the entrepreneurial field. Several policies and plans are being employed for the development of women entrepreneurship. The technological innovations and manufactured exports have brought a significant range of social and economic opportunities for women entrepreneurs. The government and other developmental organizations are actively supporting and promoting women entrepreneurs through various schemes, incentives and sponsoring measures.

Right efforts in all areas are vital for the development of women entrepreneurs and their greater involvement in the entrepreneurial activities. Media has a role to play in entrepreneurship development by spreading awareness and consciousness among women making them realize their strengths, and also the work situations to bring out the creativity and innovation among them to grow entrepreneurship culture in the society. Effective steps are needed to formulate orientation and skill development programs for women. Mentoring is very important for women entrepreneurs for encouragement and support of business partners, experiences as well as well for developing professional network. The knowledge regarding various funding agencies, procedures of certification, awareness on government welfare programs should be provided. Building of transport infrastructure and access to water and electricity for creating potential women entrepreneurs is necessary. Eradication of gender stereotypes which is the biggest barrier of women entrepreneurship must be propagated. Educated, professionally qualified and technically sound women should be encouraged for starting their own business. The unexplored talents of women must be identified, trained and explored for economic well-being of the family and communities, poverty reduction and economic development.

## 7. LIMITATIONS

There are unavoidable limitations to this review of literature. The keywords used to describe women entrepreneurship may have led to certain missing published research work. This research paper was limited to peer-reviewed business, entrepreneurship development and women empowerment journals to identify the state of the women entrepreneurs and to identify factors and obstacles of women entrepreneurship. Supplementary literature that could have met the standard may have been accessible in other entrepreneurship or non-entrepreneurship publications.

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