



# Women Entrepreneurship: Challenges and Solutions - An Exploratory Study

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**Abstract.** The paper is an attempt to understand entrepreneurship and role of women in entrepreneurship. The study understands and investigates the different problems encountered by women in starting and running entrepreneurship and possible solutions to it. Social challenges, lack of proper education and financial assistance are the major challenges and the role of government, family and support groups in helping women setting their own businesses are touched upon. The study is preliminary in nature using literature review and survey. The study finds the main challenges as funding and support from government and other groups using basic questionnaire analysis and can be further validated quantitatively by future research works. This study gives insights into women entrepreneurship which is indicative of women empowerment.

**Keywords:** Women Entrepreneurs · Government help · Financial Support

## 1 Introduction

Government of India – “A woman entrepreneur is defined as an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women.” Global Entrepreneurship and Development Institute report says that India is ranked below 20th percentile in the female entrepreneurship index. Even developing economies like Brazil and Nigeria are above us. Currently India has more than 13 million women-owned enterprises which represents less than 20% of all entrepreneurs and provides jobs for roughly more than 22 million people in the country [16]. As we are going for Atmanirbhar Bharat and more emphasis on women entrepreneurship even in budget, there will be higher number of women entrepreneurs in the coming decade. As we are going for Atmanirbhar Bharat and more emphasis on women entrepreneurship even in budget, there will be higher number of women entrepreneurs in the coming decade.

Creating more awareness among women to start new ventures, scaling up semi urban and rural agripreneurs, helping in disseminating more information about various start up governmental schemes in scaling up ambitious women to start entrepreneurship and creating more technology awareness and training to budding entrepreneurs are the opportunities where women can rise. Compared to before, women have better education but still face visible social and economic challenges. Women are as talented as men

but are largely untapped which is a constraint to country's economic development. The World bank finds out that three quarter of the women who are in the working age category which constitutes a good percentage of the population of the country are not working now. 60% of these women use mobile phones and only 35% use banking. These facts further reduce the opportunities for them. With these challenges at the hindsight let us investigate the current situation.

There has been an increase in the spending by government on women entrepreneurship in the last few budgets. New budget is giving a lot of emphasis on tax incentives and other schemes for women entrepreneurs Another point which we have to consider is that women-owned enterprises are largely solopreneurs. The generation of employment is lower when women run the enterprise single handily. This is also an area of concern for future generations of entrepreneurs. Due to all these observations authors would like to study challenges faced by women entrepreneurs. The study gives insights into the main challenges and solutions for the same. It found the need for funding, government support, the importance of family support and technical knowledge for meeting the challenges are important for these women entrepreneurs. Based on the secondary data we prepared questionnaire to analyse the challenges faced by women entrepreneurs. The survey also studied reasons for starting the business and support for the same. The aim was also to understand the support level given for women entrepreneurship. Another objective was to analyse the satisfaction level of women entrepreneurs with respect to support from family and also gains from the business.

## **2 Literature Review**

### **2.1 Women Entrepreneurship**

Entrepreneurship is the need for the hour especially in the pretext of National Education Policy, 2020. We all must be job creators and not job seekers. This is true for women of the nation also and so there is need to study about challenges that women face in starting their own ventures. This study is an attempt to analyse these challenges.

Women face problems and challenges in being an entrepreneur due to family issues, societal pressure, lack of technical know-how, less self-confidence and mobility constraints [21]. Entrepreneurial processes of the companies run by women and the models developed and used by them can be analysed and innovativeness can be used in research method choices [25]. High cost, lack of education and legal formalities also affect women entrepreneurship [18]. Perception of weakness and the interference of middlemen are obstacles for women entrepreneurs [7, 17]. Importance of women in bringing out sustainability in the entrepreneurship arena where there is need for more policies and programs are required to encourage them to start their own ventures [5]. Though there are challenges faced by women entrepreneurs, social media is helping them to come out of these stumbling blocks successfully [10]. Lack of technical and marketing support and neglect of women as major challenges in entrepreneurship [19]. The need for empowerment of women in Nigeria through free education and skill development was also studied [3]. They stressed the need for microfinance and though this study is based on Nigeria it can have a universal impact. The same factors of lack of education and social factors along with role identity and lack of training was identified as main challenges [15]. The need

for better policies for better sustainable ventures among women is also important [5]. This is also discussed by other researchers. Innovation and exposure to business ventures are essential for women entrepreneurs to be successful in the long run [24].

Indian women must conquer many hurdles with respect to how society thinks of them going out for work and the expectations from men from the women in the house is discussed [14]. Women contribute to innovative businesses and they can be job creators. For this they need to have balanced work life [22]. Nowadays women have become more opportunity-driven and focused on career and employment generation. This was further stated by researchers who studied and highlighted the role of women Entrepreneurship in the nation's economic and social progress [4]. Better education and establishment of women study centres in technical are important to ensure women equality. Work life balance and role conflict are the main issues which affect women entrepreneurship [22]. They help in bringing out new jobs, new methods of innovation in jobs and developing economy through their entrepreneurial activities. Women empowerment and wellbeing and women entrepreneurship with the backdrop of sustainable development goal is also very important [9]. Entrepreneurship is mostly a necessity driven career for women and the long term is replaced by solopreneurs with high levels of informalization.

In a country like Indonesia, about one fourth of women are entrepreneurs [2]. It was found out that roughly two third of the smaller set ups like micro-sized, small-sized, and medium-sized firms are women driven. There has been a jump in women entrepreneurs in the service sector. But still women face differentiation in terms of gender, salary, and social attitude. The differentiation shown in gender was also discussed in article who looked into the Bangladesh women face a lot of difficulties in terms of getting money for starting their business, and also there are a lot of terms and conditions for getting finance [23]. Interest rate is high, and bank does not support them. Business challenges are also extremely high. Challenges faced by women in entrepreneurship are like lack of visibility, lack of proper assistance, discrimination, and factors like lack of network [20]. Solutions suggested by the author were getting help of government policies, promoting support groups, getting flexible financial support, and using networking. Worldwide similar aspects of gender impact on women entrepreneurship was studied and discussed in articles. The relationship between gender equality and the rate of female entrepreneurship if they are related [13]. There was a correlation analysis done between indices developed based on gender (introduced by the United Nations) and women entrepreneurship stages. (developed by Global Entrepreneurship Monitor, GEM) and it is clear that women entrepreneurship is not affected much by the factor called as gender. This was also analysed in an article which found out that women create businesses based on their knowledge, experience, added value, quality of services offered, and their impact on the environment [5].

Another study done by found out the role of incubators who have a role in developing entrepreneurship in the face of challenges like sustainability, legality and other problems [1]. Challenges of entrepreneurship education which included skills and experience of educators, newness of methodologies used for teaching, changing nature of business and how students can adopt these challenges in the classroom itself so that they are well prepared for challenges outside [8]. Gender influence on entrepreneurship was studied by researcher and concluded that financial help, better governance, proper training and ease

of doing business are important for women entrepreneurship. Also the authors pointed out the importance of businesses run by women for better economic growth of countries [11].

Women entrepreneurship was studied by research and concluded that market for the product, better management, finance available, macro environment factors and impact of motherhood are the challenges and opportunities for women entrepreneurship [6]. Women entrepreneurship was further studied and it was understood that rates of female entrepreneurship in developed and innovative economies have larger gaps whereas the gap between male and female owned ventures was less in less developed economies where females were engaged in ventures required for necessary item manufacturing [12]. This is a surprising finding which is relevant as women will thrive in business ventures if they are the right kind of finance, training and social set up which will in turn help the nation's economy to grow. If the right environment is set women will venture into entrepreneurship in future.

### **3 Research Methodology**

#### **3.1 Data Collection**

The study is done using literature survey and analysis of literature. For this research papers, connected to the topic were analysed and challenges and possible solutions are found. Using the literature reviews we prepared questionnaires which analysed reasons for starting the business, support obtained, challenges faced and satisfaction level. The study was done using a convenience sampling of women entrepreneurs in Bengaluru using a sample size of 60 (from more than 100 questionnaires circulated). The data was analysed using SPSS.

### **4 Analysis of the Questionnaire**

#### **4.1 Factors Affecting Women Entrepreneurship**

Secondary Research found out reasons like available market, funding, awareness of governmental schemes support from family, training, technical deficiency as the important factors for women not venturing into business. Based on this, questionnaire was developed for understanding challenges faced by women, role of government and support groups and future of women entrepreneurship in India. 33 respondents out of 60 women started off the business due to passion. Other important reason for starting was to be independent (18 respondents). 55 out of 60 respondents were new comers in entrepreneurship with less than 5 years of tenure in business. 27 out of 60 respondents were postgraduates. 25 women entrepreneurs were in service industry and 21 were in manufacturing. Rest in other industries.

**Table 1.** Main Challenges Faced

Reasons	Count
All factors like lack of technical know-how, funding, lack of information and family support	14
Funding	21
Lack of technical knowledge	9

**Table 2.** Industry Vs Challenges Cross Tabulation

Industry/Challenges	Work Life Balance	Funding	All factors	Lack of technical know-how
Manufacturing	2	8	5	2
Services	2	5	7	1

**Table 3.** Source of Funding

Reasons	Count
Self-Finance	23
Government support	1
Private Parties	8
Loan	19
All of these	9

## 4.2 Challenges Faced

The table shows that funding is the main issue faced by women entrepreneurs. But other factors like family support, recognition etc. are equally important (Table 1).

From the Table 2, we can see that among the major factors women entrepreneurs in manufacturing find funding as a more challenging factor while women in service business find all factors including funding, work life balance, lack of recognition, lack of technical know-how as the main challenges.

From Table 3 shows that self-finance is the main source of funding but all sources are used by women entrepreneurs.

Majority of respondents were not aware of government schemes and they had not taken any support so far (Table 4).

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**Table 4.** Government scheme availed.

Reasons	Count
Yes	15
No	45

## 5 Findings and Discussion

From various literature studies following findings are obtained. Main challenge facing women entrepreneurs is social stigma and lack of recognition of women entrepreneurs. Another challenge is financial constraints. Lack of technical know-how is another hurdle. Innovation and creation of jobs are important factors which drive women entrepreneurship and role of government and support groups is essential. Women empowerment will help in more entrepreneurial ventures. No awareness of the government support for women entrepreneurs in starting and running the ventures.

### 5.1 Findings from the Primary Study

Funding is the main challenge faced by women entrepreneurs. The main reason for women take up entrepreneurship is due to passion. Women find funding as a main challenge but other factors like work life balance, lack of recognition etc. are also very important challenges. The study also gives glimpse of correlation of these challenges with the type of industry. Most women are not aware of government schemes. Those who are aware of schemes know Mudra Loans and Mudra Yogana. So, there is reduced awareness.

Women are not entirely satisfied with support from family as the average is 3.65 out of 5 which shows that improvement is required here. Respondents gave a rating of 2.61 in 5 point scale of satisfaction for government support which means that they are not satisfied with government schemes and awareness towards the schemes. Most respondents (70%) agreed that better education is the only way to attract more women to entrepreneurship.

Respondents were neutral to the question of maintaining work life balance. Respondents gave a rating of 3.55 to the question of gains from business which means they are positive in the long run of attaining profitability. They gave a rating of 3.87 to the question with respect to satisfaction of being a woman entrepreneur which means that they are satisfied. Scalability, work life balance, fund issues, lack of recognition, support from government, family and society, competition, societal pressures are some of the factors and challenges faced by women entrepreneurs in future.

## 6 Suggestions and Conclusion

Government policies to support women entrepreneurship and financial support are especially important for businesswomen. Education and support using entrepreneurship

meets and associations is and support from different groups to make sure that social stigma regarding women entrepreneurship are also pertinent for women to come to business. Should be numbered. Lower level headings remain unnumbered; they are formatted as run-in headings. Better awareness has to be created for government schemes for women entrepreneurship by advertising and new schemes of funding are required to be initiated for women to start their businesses. Technical know-how has to be increased among women and more support groups to assist them in complications that can arise in handling business.

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