



## International Journal of Innovative Research in Computer and Communication Engineering

(An ISO 3297: 2007 Certified Organization)

Vol. 3, Special Issue 7, October 2015

# Women Micro Entrepreneurs – Issues & Challenges

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**ABSTRACT:** The status of women in any society is an index of its progress. But the actual condition of women does not match up to this statement. They are considered as weaker sex in the male dominated society especially in rural India. They lack self-confidence, face gender discrimination and are denied educational opportunities. Today with the growth of MSMEs, many women have plunged into entrepreneurship. Entrepreneurship development and empowerment are complementary to each other. However, women entrepreneurs face a lot of challenges faced because they are women. This affects their morale and some of them even give up. In this context, this paper makes an attempt to learn the specific issues pertaining to the women micro entrepreneurs and analyse what challenges they face in continuing or expanding their business. One of the main issues according to the study is a few women expressed that at the initial stages of setting up business, they found it difficult to get customers and also had to face lot of comments and criticisms as they were women. Competition and changed consumer preferences are the most common and major problems faced by these women according to the study. This study is based on the primary data collected from Micro women entrepreneurs who have dared enough to start their own venture. A total of 60 respondents were selected through simple random sampling from Udupi Taluk. A structured interview schedule was used in order to collect data from the respondents.

**KEYWORDS:** Women Micro Entrepreneurs, Issues, Challenges

### I. INTRODUCTION

The status of women in any society is an index of its progress. But the actual condition of women does not match up to this statement. They are considered as weaker sex in the male dominated society especially in rural India. They lack self-confidence, face gender discrimination and are denied educational opportunities. There is a common assumption that men are the breadwinners and that most of the female work is either done in leisure time or serves to procure supporting income for the family. Today with the growth of MSMEs, many women have plunged into entrepreneurship. Women entrepreneurship in India represents a group of women who are exploring new avenues of economic participation. They play a very important role in the economic progress and industrial development of a country. It is important for the achievement of broader development objectives such as growth with equity. Though the entry of the women in this organized business is a fairly recent phenomenon, women of 21 century have progressed in a remarkable manner by taking up entrepreneurial activities in MSMEs. They proved their capabilities representing 31 to 38 percent of all MSMEs in emerging markets. However, the average growth rate of women's enterprises is significantly lower than the average growth rate for SMEs run by men. Entrepreneurship development and empowerment are complementary to each other. However, women entrepreneurs face a lot of challenges faced because they are women. This affects their morale and some of them even give up. In this context, this paper makes an attempt to learn the specific issues pertaining to the women micro entrepreneurs and analyse what challenges they face in continuing or expanding their business. One of the main issues according to the study is a few women expressed that at the initial stages of setting up business, they found it difficult to get customers and also had to face lot of comments and criticisms as they were women. Competition and changed consumer preferences are the most common and major problems faced by these women according to the study.

A micro enterprise is considered as small business employing 10 people or less. Internationally, most microenterprises are family businesses employing one or two persons. Most microenterprise owners are primarily interested in earning a



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living to support themselves and their families. They only grow the business when something in their lives changes and they need to generate a larger income. Women in India entered business due to pull and push factors. Their task has been full of challenges. In spite of the family opposition, many women have proved themselves independent and successful entrepreneurs. The emergence of women entrepreneurs and women-owned firms and their significant contributions to the economy are visible in India and these businesses are ready for continued growth in the future. Women entrepreneurs face a series of problems right from the beginning till the enterprise functions. Being a woman itself poses various problems to a woman entrepreneur. Though these women dared to plunge into start their own business, they undergo umpteen numbers of problems in the path of their career. Women in rural areas have to suffer still further. They face tough resistance from men. They are considered as helpers. Some of the common problems these women micro entrepreneurs facing are discussed below.

- 1. Access to financial resources:** Women entrepreneurs face a lot of obstacles in raising and meeting the financial needs of the business. Bankers, creditors and financial institutes are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure.
- 2. Inadequate education:** Women in rural India do not have proper education. Most of them (around sixty per cent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, or due to son's higher education and mainly because of poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support which will encourage them to flourish.
- 3. Work-family interference:** Indian women especial rural women are very emotionally attached to their families. They give priority to all the domestic work, to look after the children and other members of the family. They are over burdened with family responsibilities like extra attention to husband, children and in laws which take away a majority of their time and energy. It is difficult for her to balance work and family responsibilities and it will be very difficult to concentrate and run the enterprise successfully.
- 4. Women's safety and gender based violence:** Even though our constitution speaks of equality between sexes, male domination is still the order of the day. Women are not treated equal to men. They are always treated as sex providing properties. They are not safe in the hands of this male dominated society even today as our country completed 68 years of independence. Their entry into business requires the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve. All these become obstacle in the growth of women entrepreneurs.
- 5. Exploitation by middle men:** Rural women cannot run around for marketing, distribution and money collection. They have to depend on middle men for all these activities. In the name of helping, these middle men tend to exploit them. They add their own profit margin which results in less sales and lesser profit.
- 6. Lack of societal support:** In rural areas, women face more social obstacles. They are always seen with suspicious eyes. The traditions, blind beliefs and customs prevailed in Indian societies towards women sometimes stand as an obstacle before these women entrepreneurs to grow and prosper.
- 7. Lack of self confidence:** Though self-confidence is a motivating factor for entrepreneurial success, rural women entrepreneurs usually lack it because of their inherent nature. They have to strive hard to strike a balance between managing a family and managing an enterprise. Sometimes she has to sacrifice her entrepreneurial urge in order to strike a balance between the two.

## II. OBJECTIVES OF THE STUDY

The purpose of the study is to identify the main problems and constraints faced by women micro entrepreneurs in Udupi, one of the taluks located in Udupi District. However the main objectives of the study are discussed below.

The present study primarily aims:

- 1. To examine the specific issues pertaining to the women micro entrepreneurs, and**
- 2. To analyse what challenges they face in continuing or expanding their business.**

## III. RESEARCH METHODOLOGY

This paper is based on an empirical study. For this purpose the primary data is collected from women Micro entrepreneurs who have dared enough to start their own venture. A total of 60 respondents were selected through

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simple random sampling method from Udupi Taluk of Karnataka state. The data used in the paper are both the Primary data as well as secondary data. With regard to the sampling plan, the convenience sampling is used for the purpose of collecting the data. The primary data collection was done with the help of unstructured questionnaire. The secondary data were collected from reports, research journals, and surfing on the Net.

## IV. ANALYSIS OF DATA AND FINDINGS

The study shows that the difficulties in obtaining financial support, lack of credit options, difficult in balancing and home affairs and unfriendly business environment are the main problems and constraints faced by the analysed women micro entrepreneurs. Other important problems include inadequate government support, unpredictable policy changes, and lack of training. These barriers vary according to the field of activity of the enterprises.

Table 1: Type of Activity

Type Of Activity	No. of respondents	%
Tailoring	28	46.6666667
Nursery	1	1.66666667
Phenyl	2	3.33333333
Beauty parlour	14	23.3333333
Baby Sitting	2	3.33333333
Fancy Stores	6	10
Candle Making	1	1.66666667
Chemical Manufacturer	1	1.66666667
Snack Items	2	3.33333333
Finance	1	1.66666667
Jewellery shop	1	1.66666667
Provision Store	1	1.66666667
Total	60	100

Source: Primary data

The data shown in Table 1 above shows the different types of business undertaken by these women micro entrepreneurs. While comparing the data, the nature of business undertaken by them can be classified as Manufacturing Business, Service oriented business and Finance oriented business. Majority among them run Tailoring Business and Beauty parlour which accounts for 46% and 23% respectively. Other kind of business like Nursery, Beauty Parlour, Baby Sitting, Fancy Stores, and Provision Stores which also belong to Service Rendering units totally accounts for 24%. Business like Phenyl Manufacturing, Candle Making, Chemical Manufacturing, Jewellery designing and Snack Items are categorised under Manufacturing which totally account for 7%. Finance related activity account of only 1% according to the data. The table also reveals the fact that these micro entrepreneurs are mainly dependent on this common and easy type of business which does not require huge investment and training. The major deterrent factors in these women are tailoring and beauty parlour where small amount of space and little amount of training is sufficient.

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**Table 2: Issues/problems faced in running an enterprise**

Issues/problems in	No. of Respondents		%
Access to Loan	Yes	17	28.33
	No	43	71.66
repayment of the loan	Yes	16	26.66
	No	44	73.33
obtaining Licence from Government	Yes	9	15
	No	51	85
Problems from family	Yes	48	80
	No	12	20
Interference in family functioning	Yes	48	80
	No	12	20
Supply of electricity/water	Yes	18	30
	No	42	70

**Source: Primary data**

The study shows that 71% of these women did not face any problem on accessing loan facilities. Great majority of these micro entrepreneurs belong to Self Help Group where they are exposed to various kinds of benefits extended by the nationalised banks to these members. If there are no good returns out of the investment, it would be difficult to repay the loan. Same is the case with regard to the women micro entrepreneurs of selected mass. Even though 73% of them said it was not an issue to repay the loan, 26% of the respondents really had to struggle in repaying it because of the low returns. Obtaining licence from the government officials is a must in order to setting up of a business. 15% of them actually found it difficult in managing to get a licence from these officials. As a woman she needs to take care of her family, satisfy their needs, cook for them, and look after the children etc. where she seldom gets time to concentrate on business. 8% of the women felt that much of their time is wasted in cooking where 56% said that home care is the major hurdle for them that take off much of their time. 30% of them opined that it is difficult to concentrate in taking care of children and business hand-in-hand. 5% of the women felt that business activity sometimes end in conflict with their spouse.

**Table 3: Challenges Faced in running a business**

Challenges faced	No. of respondents		%
In relation to Marketing	Yes	56	93.33
	No	4	6.66
stress due to involvement in the enterprise	Yes	24	40
	No	36	60
adapting to technology	Yes	44	73.33
	No	16	26.66
Levels of skills	Yes	41	68.33
	No	19	31.66
Competition	Yes	56	93.33
	No	4	6.66

**Source: Primary data**



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Finding an appropriate market for the end products or service happens to be the major challenge among these micro entrepreneurs. Table 3 above clearly illustrates different challenges these women face while running their business. They include getting the right information related to marketing at right time; transportation of their product, packing the end product, severe competition from the established traders etc. Stress is major contributory factor for all kinds of problems. 60% of the respondents said that they did not undergo any kind of stress while doing household work or business. However, 40% of the mass revealed the fact that they really tasted the bitterness of stress which is a common phenomenon among working women. Nearly three-fourth of the total mass, i.e. 73% said that they still struggle in adjusting to the new technology. They found it difficult to tune themselves to the fast changing technology which is a threat to their business.

## V. SUMMARY

Major findings of the study are:

1. Nearly 40% of the analysed women do not have any training which is a major hurdle.
2. Borrowing from the nationalised banks is the prime source of funding for these women. However access to easy loan from the banks also one of the major problems faced by these women.
3. Problem in repayment of loan due to low returns and lack of knowledge, training and education.
4. Obstacles in obtaining the right information regarding procuring of quality raw materials, finding a suitable market for their end product at a right time and at a competitive rate, competition from the existing market giant, attractive packing of the product at a low cost, problems in transportation etc.
5. It was also observed that there was inadequate government support in terms of obtaining licence for the commencement of their business.
6. One of the major issues in women entrepreneurship is unfriendly atmosphere at home. Problems with regard to Cooking, Home care, Child care, Conflict with spouse results in reducing the productive work of women in business.
7. Balancing home affairs and work life is stressful activity according these respondents.
8. Competition and changed consumer preferences are the most common and major challenges faced by these women.
9. The level of education of the respondents has found as one of the obstacles in adapting to technology.
10. Lack of required skill in the line and absence of training makes a huge impact on the functioning of these units run by these women.

## VI. LIMITATIONS

The instruments used for this study need to be subjected to more statistical tests in order to establish a more robust validity and reliability. Due to the time constraints, the researcher has not made use of statistical tool. In addition, replication of this study using larger samples with more types of business sectors and a broader geographic base is suggested for cross-validation purposes.

## VII. CONCLUSION

Women sector occupies nearly 45% of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. Women entrepreneurs at the micro level must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges, global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. Policy makers such as governments, NGOs, and other stakeholders can strengthen these women micro entrepreneurs by launching promotional schemes that could lead to entrepreneurial success and design targeted policies and related support programmes that will actively stimulate the economic development of women enterprises at micro levels.



ISSN(Online) : 2320-9801  
ISSN (Print) : 2320-9798

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Vol. 3, Special Issue 7, October 2015

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