



WOMEN ENTREPRENEURSHIP

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ABSTRACT

It is clear that entrepreneurs and their firms can vary widely. Nevertheless, most of the research to date on entrepreneurship has examined central tendencies, with relatively little attention devoted to entrepreneurial diversity. This study examines one of the most distinguishing characteristics of young firms—initial size. The focus is whether smaller start-ups differ from larger ones in the backgrounds of the entrepreneurs, their processes of starting, or the subsequent patterns of development. In this longitudinal study, an initial sample of 1903 young firms was examined to determine differences in characteristics of the entrepreneurs and in their processes of starting. One year later, data were obtained from 742 of these firms, permitting analysis of how initial firm size was related to subsequent difficulties encountered and changes made, as well as to performance.

As expected, along almost every dimension, these starting larger firms had the backgrounds that would seem to be necessary for the assembly of substantial resources. They tended to have more education, more management experience, and goals that were more managerial in nature. They also were more likely to have partners. Women were associated more often with smaller ventures, but, for this sample, there were no differences in the representation of minorities between the smaller and larger start-ups. Those starting larger ventures tended to rely more upon external investors and to start ventures more closely linked to their previous jobs. Both groups of entrepreneurs sought information from a number of sources, but those founding larger ventures utilized professional advisors more, whereas those starting smaller ventures utilized informal sources.

INTRODUCTION:

Women entrepreneurship has been recognized as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organization and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc.

Women's entrepreneurship can make a particularly strong contribution to economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals (MDGs). Thus, governments across the world as well as various developmental organizations are actively undertaking promotion of women entrepreneurs through various schemes, incentives and promotional measures.

DEFINITION:

Entrepreneurship has traditionally been defined as the process of designing, launching and running a new business, which typically begins as a small business, such as a startup company, offering a product, process or service for sale or hire.

It has been defined as the "...capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit." While definitions of entrepreneurship typically focus on the launching and running of businesses, due to the high risks involved in launching a start-up, a significant proportion of businesses have to close, due to a "...lack of funding, bad business decisions, an economic crisis -- or a combination of all of these" or due to lack of market demand.

In the 2000s, the definition of "entrepreneurship" has been expanded to explain how and why some individuals (or teams) identify opportunities, evaluate them as viable, and then decide to exploit them, whereas others do not, and, in turn, how entrepreneurs use these



opportunities to develop new products or services, launch new firms or even new industries and create wealth.

HISTORY

Before the 20th century, women operated small businesses as a way of supplementing their income. In many cases, they were trying to avoid poverty or were replacing the income from the loss of a spouse. At that time, the ventures that these women undertook were not thought of as entrepreneurial. Many of them had to focus on their domestic responsibilities. The term entrepreneur is used to describe individuals who have ideas for products and/or services that they turn into a working business. In earlier times, this term was reserved for men.

The Federation of Business and Professional Women's Clubs were sources of encouragement to women entrepreneurs. They often would hold workshops with already established entrepreneurs, such as Elizabeth Arden, who would give advice. During the 1950s, women found themselves surrounded by messages everywhere, stating what their role should be. Domesticity was the overall public concern and a theme that was highly stressed during this time, and women had to juggle combined home responsibilities and their career.

Home-based businesses helped to solve a good part of the problem for those women who worried about being mothers. Lillian Vernon, while pregnant with her first child, started her own business dealing with catalogs by investing money from wedding gifts and started filling orders right at her kitchen table. Mary Crowley founded Home Decorating and Interiors as a way of helping women to work from home by throwing parties to sell the products right in the comfort of their own home. In an effort to avoid criticism and lost business from those who did not support women in business, Bette Nesmith, who developed the product "Mistake Out," a liquid that painted over mistakes in typing, would sign her orders B. Smith so no one would know she was a female.

As the 1990s came in, the availability of computers and the increasing popularity of the internet gave a much needed boost to women in business. This technology allowed them to be more prevalent in the business world and showcase their skills to their competitors. Even with the increased popularity of women in business, the availability of technology and the support from different organizations, female entrepreneurs today are still struggling. The economic downturn of 2008 did not serve to help them in their quest. However, with the continual attention given to female entrepreneurs and the educational programs afforded to women who seek to start out with their own business ventures, there is much information and help available. Since 2000, there has been an increase in small and big ventures by women, including one of their biggest obstacles—financing.

WOMEN ENTREPRENEURS:

Kiran Mazumdar Shaw

Born in Bangalore, she did her Bachelors in Zoology from Mount Carmel and PG from Ballarat College, Melbourne in Malting and Brewing. **She is the Chairman and Managing Director (CMD) of Biocon Limited.** Under her leadership, the company has evolved as a leading player in biomedicine research with a focus on diabetes and oncology. She is also a member of the board of governors of the prestigious Indian School of Business and IIT, Hyderabad. She was awarded Padma Shri (1989) and Padma Bhushan (2005) by the Indian government.

Shahnaz Husain



She is known as the “Queen of Herbal Beauty Care”. She was married off at the age of 16. But her interest in beauty and cosmetic made her discover **Shahnaz Herbals Inc.** The company is best known for its herbal cosmetics particularly skin care products ‘without animal testing’. The company has over 400 Franchise clinics across the world covering 138 countries. She has been bestowed with the ‘Padma Shri’ award by the Government of India in 2006 and ‘World’s Greatest Woman Entrepreneur’ award by 1996 Success Magazine.

Rashmi Sinha

Born in Lucknow, India Rashmi owns a PhD in neuropsychology from the Brown University. Prior to that, she completed her B.A. and M.A. from Allahabad University. In 2006, she co-founded **SlideShare** along with her husband, a site to share presentations online. The site received tremendous response and was **acquired by LinkedIn for \$100 million in 2012**. She was ranked No.8 in the Fortune’s Most Powerful Women Entrepreneurs list and named one of the World’s Top 10 Women Influencers in Web 2.0 by Fast Company.

Present challenges

Even though female entrepreneurship and the formation of women business networks is steadily rising, there are a number of challenges and obstacles that female entrepreneurs face. One major challenge that many women entrepreneurs face is the effect that the traditional gender-roles society may still have on women. Entrepreneurship is still considered as a male-dominated field, and it may be difficult to surpass these conventional views. Other than dealing with the dominant stereotype, women entrepreneurs are facing several obstacles related to their businesses.

Reasons for launching firms

Many studies show that women start their own businesses for a variety of reasons. These reasons include the following: having an idea for a business plan, having passion for solving a specifically related career problem, wanting to be more in control of their careers, maintaining a more balanced life, having a flexible work schedule, and taking a personal vision and turning it into a lucrative business. Along with the intense desire to see their vision carried out, these women also have a great ability to multi-task and are not fearful of the risks involved in being self-employed. Women are still facing many issues in the workforce, and being their own boss certainly is more appealing to some of the everyday issues they face outside of entrepreneurship. Gender roles are still very much a part of their lives, but for some female entrepreneurs, they feel more in control when working for themselves.

Obstacles specific to starting new firms

External finance and sex discrimination

In general, women have lower personal financial assets than men. This means that for a given opportunity and equally capable individual, women must secure additional resources compared to men in order to exploit the opportunity; because, they control less capital. The question of whether women have a harder time getting finance than men for the same business opportunity has developed into its own sub-field. One possible issue in raising outside capital is that 96% of senior venture capitalists are men and may not be as understanding of female-centric businesses. However, the situation seems to be improving. A study by Babson College showed that in 1999, fewer than 5% of venture capital investments

went to companies with a woman on the executive team. In 2011, it was 9% and in 2013 it had jumped to 18%.

Obstacles to managing a small firm

Studies on women entrepreneurs show that women have to cope with stereotypical attitudes towards them on a daily basis. Business relations—from customers to suppliers and banks—constantly remind the entrepreneur that she is different, sometimes in a positive way such as by praising her for being a successful entrepreneur even though she is a woman. Employees tend to mix the perceptions of the manager with their images of female role models, leading to mixed expectations on the woman manager to be a manager as well as a "mother". The workload associated with being a small business manager is also not easily combined with taking care of children and a family. However, even if the revenues are somewhat smaller, women entrepreneurs feel more in control and happier with their situation than if they worked as an employee. Female entrepreneurship has been recognized as an important source of economic growth. Women entrepreneurs create new jobs for themselves and others and also provide society with different solutions to management, organisation, and business problems. However, they still represent a minority of all entrepreneurs. Women entrepreneurs often face gender-based barriers to starting and growing their businesses, like discriminatory property; matrimonial and inheritance laws, and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, etc.

Women's entrepreneurship can make a particularly strong contribution to the economic well-being of the family and communities, poverty reduction and women's empowerment, thus contributing to the Millennium Development Goals(MDGs). Thus, governments across the world, as well as various developmental organizations, are actively undertaking the promotion of women entrepreneurs through various schemes, incentives and promotional measures. Women entrepreneurs in the four southern states and Maharashtra account for over 50% of all women-led small-scale industrial units in India[citation needed].

Obstacles to growing firms

A specific problem of women entrepreneurs seems to be their inability to achieve growth, especially sales growth. Another issue is finance and, as stated previously, the entrepreneurial process is somewhat dependent on initial conditions. In other words, as women often have a difficult time assembling external resources, they start as less ambitious firms that can be financed to a greater degree by their own available resources. This also has consequences for the future growth of the firm. Basically, firms with more resources at start-up have a higher probability to grow than firms with fewer resources. Resources include the following: societal position, human resources, and financial resources. This initial endowment in the firm is of great importance for firm survival and especially for firm growth.

A study by the Kauffman Foundation of 570 high-tech firms started in 2004 showed that women-owned firms were more likely to be organized as sole proprietorships, both during their startup year and in the years to follow. Women entrepreneurs were also much more likely to start their firms out of their homes and were less likely to have employees. This fact may serve as an indication that women either anticipated having smaller firms or were operating under resource constraints that did not allow them to launch firms requiring more assets, employees, or financial resources. This study also found that women only raised 70% of the amount that men raised to start their firms, which ultimately impacted their ability to

introduce new products and services or expand their business in terms of employees or geographic locations.

Other problems that are facing women entrepreneurs is how they are handling their decision-making models and stressful situations. Women compared with men are more susceptible to be influenced by their feelings than men when they have to make decisions. Also women have more likelihood of stress than men in difficult situations, without this mean that women are "weak sex".

Despite the fact that many women entrepreneurs face growth barriers, they are still able to achieve substantial firm growth. There are examples of these both in a number of developing economies (Ethiopia, Tanzania, and Zambia) surveyed by the ILO, as well as in more developed economies such as the United States.

Encouragement

In 1993, "Take Our Daughters To Work Day" was popularized to support career exploration for girls, and later expanded to Take Our Daughters and Sons to Work Day. Hillary Clinton stated that "Investing in women is not only the right thing to do, but also the smart thing to do." Research shows that there are many support groups for women in business, for female entrepreneurs, and for women looking for business advice. Women in different areas are willing to show the support that in some cases, they never had. They offer encouragement, advice, and support to moms who seek to provide for their families through their own visions for business. HerCorner, <http://www.hercorner.org> is a group located in Washington, D.C. This groups seeks to bring women business owners together to collaborate with each other for the betterment of their businesses. There are government backed programs available to female entrepreneurs and information can be found on their website at <http://www.sba.gov/about-offices-content/1/2895> and their Facebook group https://www.facebook.com/SBAgov?ref=br_tf. Female-only taxi companies in India, the UAE, and Brazil support working women.[40] One example of successful women entrepreneurs in rural villages of Bangladesh is the Infolady Social Entrepreneurship Programme (ISEP).

Policies and Schemes for Women Entrepreneurs in India

In India, the Micro, Small & Medium Enterprises development organisations, various State Small Industries Development Corporations, the Nationalised banks and even NGOs are conducting various programmes including Entrepreneurship Development Programmes (EDPs) to cater to the needs of potential women entrepreneurs, who may not have adequate educational background and skills. The Office of DC (MSME) has also opened a Women Cell to provide coordination and assistance to women entrepreneurs facing specific problems.

There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent. Small Industries Development Bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs.

In addition to the special schemes for women entrepreneurs, various government schemes for MSMEs also provide certain special incentives and concessions for women entrepreneurs. For instance, under Prime Minister's Rozgar Yojana (PMRY), preference is given to women beneficiaries. The government has also made several relaxations for women to facilitate the

participation of women beneficiaries in this scheme. Similarly, under the MSE Cluster Development Programme by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be upto 90% of the project cost. Similarly, under the Credit Guarantee Fund Scheme for Micro and Small Enterprises, the guarantee cover is generally available upto 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/or owned by women.

International implications

A recent international study found that women from low to middle income countries (such as Russia and the Philippines) are more likely to enter early stage entrepreneurship when compared to those of higher income countries (such as Belgium, Sweden, and Australia). A significant factor that may play a role in this disparity can be attributed to the fact that women from low income countries often seek an additional means of income to support themselves and their families. Overall, 40 to 50 percent of all small businesses are owned by women in developing countries. Alternatively, this may also be due to the fact that, in western business practices, it is not seen as beneficial to exhibit perceived feminine traits. While eastern businesses tend to follow methods based around mutual respect and understanding, western business' expectations are for business leaders to be more ruthless, headstrong, and less sensitive or respectful.

"In the grab for power, women use whatever means available to them, whereas a man would take a club to his opponents head, a woman is more likely use other less forceful and more subversive measures. Let's just own it, we have different weapons in our arsenal." Female entrepreneurs make up for approximately 1/3 of all entrepreneurs globally. According to one study, in 2012 there was an approximate 126 million women that were either starting or already running new businesses in various economies all over the world. As far as those who were already established, there was an approximate 98 million. Not only are these women running or starting their own businesses but they are also employing others, so that they are participating in the growth of their respective economies.

A study in India entitled "Barriers of Women Entrepreneurs: A Study in Bangalore Urban District", has concluded that despite all these constraints, successful women entrepreneurs do exist. Women entrepreneurs have evidently more to 'acquire' than their male counterparts. But, the socio-cultural environment in which women are born and raised hinders them. Social customs, caste restrictions, culture restraints, and norms leave women lagging behind men.

CONCLUSIONS:

A feminist entrepreneur is an individual who applies feminist values and approaches through entrepreneurship, with the goal of improving the quality of life and wellbeing of girls and women.[41] Many are doing so by creating 'for women, by women' enterprises.' Feminist entrepreneurs are motivated to enter commercial markets by desire to create wealth and social change, based on the ethics of cooperation, equality, and mutual respect.

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