

## Women Entrepreneurs from India: Problems, Motivations and Success Factors

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**Abstract:** This study profiles women entrepreneurs who own and manage small to medium sized enterprises in two states in southern India- Tamil Nadu and Kerala. It examined the problems these women faced during the setting up and continued operation of their businesses, and the work-family conflicts that these women faced. It also looked at their reasons for starting a business and the self-reported reasons for their success. The initial problems faced by these women seem similar to those faced by women in western countries. However, Indian woman entrepreneurs faced lower levels of work-family conflicts and seem to differ in their reasons for starting and succeeding in business. This exploratory study indicates that there may be both similarities and differences between the experiences of women from the developing world and the developed world. Specifically, this study found that the start-up problems faced by women in both cases may be similar but there are important differences in other areas. There were some differences in all three factors that identified as having an influence on entrepreneurial activities.

**Keywords:** Entrepreneurship, perseverance, technical skills, socio-cultural differences.

### Introduction

The past few decades have seen an increase in the number of women starting their own companies in many countries. For example, in Canada nearly 65% of the new businesses were started by women. Women are increasingly turning to entrepreneurship as a way of coping with the "glass ceiling" that seems to prevent them from reaching top managerial levels in organizations. Others find that entrepreneurship provides them with greater satisfaction and flexibility. The trend also has been seen in several Asian countries such as Indonesia and Singapore. However, the entry of women into business is a "recent development in the orthodox, traditional socio-cultural environment" of Indian society. While exact statistics are hard to come by, a decade ago, the proportion of businesses set up and operated by women was only around 1 per cent. This is much lower than the figures found in western nations.

### Literature Review

The writer proposed that three factors influence entrepreneurship antecedent influences (i.e., background factors such as family influences and genetic factors that affect motivation, skills and knowledge), the "incubator organization" (i.e., the nature of the organization that the entrepreneur was employed in just prior to starting a business, the skills learned there), and environmental factors (e.g., economic conditions, access to venture capital and support services; role models).

Research from western nations indicates that women and men differ on some of the above factors. For example, women have greater difficulties in acquiring venture capital, lack financial resources and; have fewer informal support systems and networks, and have less direct, relevant experience than men. Other obstacles faced by women entrepreneurs include being accepted as a woman in business, lack of a role

model, lack of professional interaction, difficulties in gaining the confidence of their clients and suppliers, lack of adequate training, and lack of related experience.

While these are important issues, many researchers feel that tension between personal lives and career pursuits is the most significant problem that women entrepreneurs face. For example, in a study on female entrepreneurs in Florida that tension between personal life and career was a major problem for these women. Husbands are generally not very involved in their wives' businesses, are not supportive of them and expect them to continue with their household duties despite the demands of their business. This, perhaps, is not surprising for until recently, women were confined to private, domestic roles. The role of the entrepreneur did not conform to the traditional roles that women were expected to play in society. These factors, and others, may result in female owners facing more workfamily conflicts than their male counterparts.

While the major reasons for starting a business are similar for men and women, some differences have also been found. For example, potential for financial gain was not the primary motivating factor for women; women were more likely to start a business for the challenge and opportunity for self-fulfillment. Other researchers have suggested that women are more likely to start a business for control over the quantity and quality of work and as an option to limitations in career advancement

### **Research Objectives and Methodology**

Due to the language and sub cultural differences found in India, the study was limited to two states in southern India (Tamil Nadu and Kerala). These states were chosen due to the researcher's

familiarity with their culture and languages. Specifically, the study aims to:

1. provide a profile of the woman entrepreneur in two states- Tamil Nadu and Kerala;
2. examine the problems faced by Indian women entrepreneurs in the start-up stage of their businesses;
3. examine the nature of work-family conflicts by these women; and
4. Examine the self-reported reasons for their success.

The differences between the findings from this study and those from other nations will also be examined. In both states, the researcher contacted the local government agency in charge of developing and assisting women entrepreneurs, and local women entrepreneurs' associations. Using the lists provided by these organizations and after discussions with the people in charge of these organizations, a possible list of women entrepreneurs was developed. Only firms that had been in operation for at least five years and employed at least two other workers were included in the study. The data was collected through in depth personal interviews with the respondents. The interviews were two to three hours in length, and were followed by visits to the stores/production facilities in order to gain a better understanding of their operations. A questionnaire was used to guide the researcher during data collection but the focus was also on collecting qualitative data through open-ended questions. The study is part of an effort to develop case studies on successful women entrepreneurs in India; hence, the focus was on in-depth research as opposed to having a large sample size. In both states, data was collected from two

large cities. The cities were chosen based on discussions with the agencies and were based on the number of women entrepreneurs in the area. The final sample consisted of 35 women. Three areas of work-family conflict (in their roles as spouses, parents and homemakers) were measured using a Likert scale. Each type of conflict was measured using five different statements. The items measured time-based and strain-based work-family conflicts for measuring the problems faced at start-up and at the time of the interview, a list of 15 problems were provided and the respondents were asked to check as many as were applicable. Information on reasons for starting a business and success factors were measured using open-ended questions. In each case, the interviewees were asked to provide their top two answers.

Almost all of the research mentioned above was based on samples drawn exclusively from the developed world. Given the differences in cultural, economic and technological environment between a developing nation such as India and the developed world, it is likely that some of the findings mentioned above may not be applicable to the Indian woman entrepreneur. For example, the research in developed nations indicates that most work-family conflict centres on the support (or lack of it!) received from one's spouse in child care and household activities. However, in several developing nations (including India), women have access to paid household help and higher levels of family support. Also, besides their parental and spousal roles, women in these nations have several other roles to play (e.g., daughter, sister, and inlaw) and these may also take up considerable amounts of their time and effort.

## Results and Discussion

As can be seen from Table 1, the majority of the women entrepreneurs studied were operating their

businesses as private limited companies that were 100% owned by themselves. Only a third were partnerships- with the spouse (31%) or a family member (44%) being the most common partners. The women were mostly young with nearly 70% being under 44 years of age. Over 90% were married with most being married over 10 years. They were fairly well educated with over 50% holding a university degree. Very few (34%) had previous experience of any type before they started their own business.

Most of the women were in manufacturing sector with most being involved in the manufacturing of garments, leather goods or food items. It is noteworthy that over 50% of the respondents had a parent and/or spouse who were a business owner. Most (66%) operated their business as a sole proprietorship; of the rest only three were in partnerships with their spouses. Some of these findings are similar to those found in other nations but there are some interesting differences.

The respondents in this study had extremely low previous work experience level; however, several had families with business connections. The proportion of married women in this sample is also considerably higher than those found in other countries. For example, several studies in other countries indicate that women entrepreneurs are less likely to be married than their male counterparts. Also, the number of women operating manufacturing firms is higher than found in most western studies

**TABLE 1**  
**Sample Characteristics**

		N	%
<b>Type of Business</b>	Manufacturing	19	54%
	Retailer	2	6%
	Wholesaler	5	14%
	Service	3	9%
	Other	6	17%
<b>Number of Full-time Employees</b>	5 or under	17	47%
	6-10	2	6%
	11-20	9	27%
	21+	7	20%
<b>Ownership</b>	100% Self	23	66%
	Partnership	11	33%
<b>Source of Funds</b>	Self	15	43%
	Spouse/family	3	9%
	Banks	15	43%
	Other	2	6%
<b>Age</b>	25-34	7	20%
	35-44	17	49%
	45-54	6	17%
	55+	5	14%
<b>Business Connections</b>	Parent in business	6	17%
	Spouse in business	8	23%
	Parent & spouse	5	14%
	Other family	4	11%
	None	12	34%

### Reasons for starting a business

The women were asked why they started a business in the first place. The most common reasons were financial in nature. Ten women said that they were motivated by financial rewards; six of these reported that they started their business to help the family financially or because their husbands were unemployed. Thus financial benefit seems to be a key motivating factor. This is contrary to findings from developed nations like Canada (Lavoie, 1992). An almost equal number said that they were motivated by "pull" factors- e.g., needing a challenge, wanting to try something on their own, to be independent or show others that they are capable of doing well in business. Several others were motivated by their interest in a particular craft and having time on their hands to pursue their interests. For these women, the business often started as a hobby; then, as their friends and relatives started purchasing some of their products, the hobby slowly grew into a full-fledged business operation. A final motivator seems to be the urge to do something for other people example, providing

employment to others, to be good role models to their children or just the need to do "something worthwhile"

### Reasons for Success

The study also looked at the self reported reasons for success of these women entrepreneurs. When asked what led to their success, the most common reason given seems to be personal qualities such as "hard work and perseverance". Product related factors such as "providing a quality product", "uniqueness of offerings" and "variety of products offered" were the most frequently stated reasons for success. People skills and marketing skills were mentioned by some women. A significant number of women also credited their success to the support provided by their spouses. While research in other developing countries does indicate that personal qualities are critical success factors for entrepreneurs, they usually are rated as lower in importance to other factors such as good management skills or having access to financial resources The high importance placed on personal qualities by the respondents in this study may be due to the differing socio-cultural environment that these women operate in. The entry of women into the entrepreneurial world is only a recent development in India due to the orthodox, traditional nature of Indian society. Hence, these women, who are the first to break out of socio-cultural constraints, must have felt that personal qualities are more important than managerial or technical skills.

### Conclusion

This study examined the problems faced by women in two states in southern India in the starting and operation of their business, their reasons for starting in business, their reasons for succeeding, and the work-family conflicts faced by these

women. While many studies in western nations had examined the above issues in the context of women entrepreneurs, very few studies had focused on women from the developing world. This exploratory study indicates that there may be both similarities and differences between the experiences of women from the developing world and the developed world. Specifically, this study found that the start-up problems faced by women in both cases may be similar but there are important differences in other areas. There were some differences in all three factors that identified as having an influence on entrepreneurial activities. These women were different from women entrepreneurs from western nations on some antecedent conditions (e.g., support services). Differences in reasons for starting a business and succeeding in it were also found.

Some of these differences may be due to socio-cultural differences between India and other nations. For example, the lower levels of work-family conflicts found in this study may reflect the stronger family support systems that these women had and the availability of low-cost household help. Others might reflect differences in economic factors. For example, the Government of India has set up several funding programs specifically for women entrepreneurs and this may account for the fairly large number of women who had used outside funding agencies to start their businesses. As this study was primarily exploratory in nature, further research with larger samples from other parts of India and other developing nations is required to gather more generalizable results.

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