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Outlook of women entrepreneurs running small business: How skills as a major factor affecting performance and growth of women entrepreneurs in India?

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Abstract: *Women are playing important part in Indian economy and are being acknowledged by economist, government and also by the male dominant society. Men and women are interacting both within and outside markets and firms, as producers and consumers and as business partners and competitors. Despite all hurdles, women came out with achievement and growth in their respective fields. The status and stature she gained with handwork, diligence and patience is highly applaudable by rest of the society. With improved education system and knowledge of varied skills transformed women from four walls to an outgoing and extrovert person. These women leaders are persuasive, passionate and ready to any challenge benefitting their family and society at large. The statistical fact, indicate that the rural female work participation is more in comparison to urban in several cities in India except our national capital Delhi which do not have rural population. The present paper endeavors to study the outlook of women entrepreneurs' mainly running small businesses in India by taking into account India's Female work participation in BRICK nations. Elucidating 10 steps for women entrepreneurship along with various Skills required for developing female entrepreneurship. This study includes the success stories of Indian women entrepreneurs and on the basis of this analysis some suggestions are given to promote spirit of women entrepreneurship.*

Keywords: *Women entrepreneurship, outlook, work participation, Steps, skills, success story.*

I. INTRODUCTION

Women entrepreneurship has been recognized as an important source of economic development. With visible scarcity of jobs in service sector, more women are entering to small scale businesses in almost every part of the country and helps create new jobs for themselves and for others too. For women to grow as entrepreneurs had to face various gender related challenges, difficulty in obtaining initial finance mechanism, communication channels, restricted mobility in marketing products along with technical & non-technical skills like Knowledge of latest technology, low level of education provides low level of confidence and self-reliance to women mainly engage in business related activities, which is continuous risk taking in profession requiring strategic decisions making. Though the risk tolerance ability of women folk is high today as compared to their male counterparts but still females do lack when it comes to professionalism.

Kumar and Kamalanabhan (2005) found that, the personality factors- perceived control, optimism and change self-efficacy indicated a significant relationship with businesses' survival. Entrepreneurs with high internal locus of control, relative to those low on this trait, will be more likely to try new approaches, pursue new opportunities, initiate change instead of reacting to events, and take risks (Poon et al., 2006).

According to a report publishes by World Bank 2011, female work participation in India is lowest in accordance with other nations, with only 29% over the age of 15. Our society is still dominated by males which create a challenge by female entrepreneur in starting and growing their business enterprise, also problems related to matrimonial and cultural practice,

discrimination in property, limited access to initial finance and networks with restricted mobility for marketing their product and services.

According to a report published in Washington post (Jun 8, 2012), the climate of India is supportably inviting for women entrepreneurs that even the Afghan women entrepreneurs are looking to India as opportunities. For many women scheduling work becomes easy when starting businesses aligns with personal values and offers freedom and flexibility of all kind. With rapid technology development and advancement the small scale industries plan to increase its capital expenditure which will lead to more job opportunities by hiring more staff in coming years.

According to Moira Forbes, publisher of ForbesWoman (Aug 29, 2013), a division of Forbes Media LLC dedicated to women in business and leadership quoted saying, “Indian Women are playing increasingly important roles in various business and taking leadership challenges as an opportunity, which can be witnessed by some of the most exciting global growth in recent years from female led companies”. This highlighted positive growth trend from India for female entrepreneurship. With 71% of women entrepreneur said their business is very successful and 8 in female entrepreneur are hiring opportunities for technology. Leadership spirit and entrepreneurial skills are changing the face of business in India Dell women Global Entrepreneurship study on Asian economy

Definitions of an Entrepreneur

In the nineteenth century Max weber famously argued that the Hindu social system failed to reward entrepreneurship and it was this misaligned payoff structure that stifled capitalist growth (weber 1958). In 1955 Helen B. Lamb observed that the vast majority of Indian entrepreneurs were drawn from just three communities: the Marwaris of Rajasthan, the Vantias of Gujarat, and the Parsis. This pattern continues even today, with every study showing that these same three communities control the lion’s share of Indian industries. The only change is that three other communities, Punjabi Khatri, Chettiars, and Maharashtrians have been added to the list as lesser, but still important groups (**Khanna and Palepu 2004, 14**).

Richard Cantillon (1725) An entrepreneur is an economic agent who unites all means of production (a) Land of one, the labor of another and the capital of yet another and thus produces a product. (b) By selling the product in the market he pays– rent of land, – wages to labor, – interest on capital and– what remains is his profit. (c) He shifts economic resources out of an area of lower productivity into an area of higher productivity and greater yield.

J. B. Say (1803) entrepreneurs are innovators who use a process of shattering the status quo of the existing products and services, to set up new products, new services (1961)

Joseph Schumpeter (1934) an entrepreneur is a person with a high need for achievement. His qualities includes energetic personality and as moderate risk taking person.

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Peter Drucker (1964) an entrepreneur maximizes opportunities through systematic innovations and an effective entrepreneur converts a source into a resource.

Peter Kilby (1971) Emphasizes the role of an imitator entrepreneur who does not innovate but imitates technologies innovated by others mainly by developing economies.

Howard H. Stevenson (1975) the pursuit of opportunity without regard to resources currently controlled.

Albert Shapero (1975) Entrepreneurs take initiative, accept risk of failure and have an internal locus of control.

G. Pinchot (1983) Intrapreneur is an entrepreneur within an already established organization.

W.B. Gartner (1988) defined as, "Entrepreneurship is the creation of new organizations".

Ronald May (2013) someone who commercializes his or her innovation.

Defining Women Entrepreneurship

In 1993, a very famous slogan was popularized in the west, "Take Our Daughters to Work Day" to promote career exploration for girls later rephrased to, "Take Our Daughters and Sons to Work Day". Hilary Clinton quoted saying, "Investing in women is not only the right thing to do but also the smart thing to do." (unfoundation.org¹).

According to Minniti and Naudé (2010), "A variety of stakeholders has pointed women entrepreneurs as an important 'untapped source' of economic growth and development in future course of time".

In 2012 the World Economic Forum at their annual meeting identified women entrepreneurs as "the way forward".

Schumpeterian concept of innovative entrepreneurs defines, "women who innovate, initiate or adopt a business activity are called business entrepreneur".

Women entrepreneurs may be defined as, "woman or a group of women who initiate (start), organize and run a business enterprise".

Government of India has defined, "An enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women".

Women entrepreneurs are categorized under two headings as pull and push factors. **First the pull factors,** under this category the women entrepreneurs choose a profession as a challenge and adventure with an urge to do something new, to have independent occupation or to have equal status in the society. **Second are the push factors,** under it women takes up business enterprises to overcome financial difficulties and divide the burden of responsibility just to support family under various circumstances.

II. OBJECTIVE AND RESEARCH METHODOLOGY OF THE STUDY

The basis of this paper is mainly based on secondary data collected from the various published reports like World Population Statistics (2013), World Bank (2011), Population Census Surveys (2011), Trading Economies Reports, Article published in Washington post and ForbesWoman (2014), newspapers, journals, websites, etc.

This paper mainly focuses on the following objectives:

- To focus on the outlook of women entrepreneurs' mainly running small businesses in India.
- To encourage female work participation in various parts of the country.
- To initiate primary Steps for starting a business enterprise by women entrepreneurs.
- To evaluate Skills especially benefitting women in every part of country.
- To evaluate the performance of some successful women entrepreneurs in India.

III. LITERATURE REVIEW

Various studies have been conducted on women entrepreneurs worldwide, and every time researcher comes up with a different solution. For a better tomorrow, we cannot ignore the half of female populations thriving to do something challenging and productive. Various support groups are actively providing business related advice to women in business, female

¹ The United Nations Foundation links the UN's work with others around the world, mobilizing the energy and expertise of business and non-governmental organizations to help the UN tackle issues including climate change, global health, peace and security, women's empowerment, poverty eradication, energy access, and U.S.-UN relations.

entrepreneurs and women. Besides above women in different areas wanting to show the support that in some cases, they never had.

Mallika Das (2001) conducted a thorough study on Women Entrepreneurs of small scale enterprises in India and concluded in her research that the initial problems faced by the women's in initiating a business enterprise seems to be similar to those faced by women in western countries. However, the challenges faced by Indian woman entrepreneurs seem to differ entirely from those of their counterparts and face lower levels of work family conflicts than western countries in starting and succeeding in business.

Das, 2000 performed a study in two states of India, viz, Tamil Nadu and Kerala and found out that initial problems/challenges faced by women in India are almost similar to western countries in setting up venture but work-family conflict seems lower in case of India. Women entrepreneurs face different sets of constraints from their male counterparts as compared to western countries. Hence similar trends are found in other Asian countries such as Indonesia and Singapore. Statistical data shows the percentage of women entrepreneurs is much lower than western countries.

Neelam Arora, 2014 conducted research on "A social Perception towards Women Entrepreneurs in India –From Perception to Reality" restricted mainly to city of Mumbai with a sample size of 50 males and 50 females through random sampling, the findings were far more different from the reality about the perceptions of males and females on grounds of (a) Equal treatment in families (b) Equal educations (c) Opportunities for higher studies of females in the families (d) Financial plans for females in families (e) Encouragement to women for business. In only 19% of respondent's families, there are women who are professional or business persons. Again from the statistical analysis it's clear that women in professional occupations are more in comparison to business undertakings like beauty salon, cosmetic and jewelry making or either of small scale business in India.

Measuring the success of entrepreneurship is likely reflected by combinations of personal characteristics and the attribute of the entrepreneurs together as a package for his willingness to survive in the business world.

Robert B. Jet al (2004) conducted six years of long study on "The relationship of entrepreneurial traits, skills and motivation to subsequent venture growth" the important finding in their research is that specific component variables of entrepreneurs' traits, skill, and motivation categories are significant direct or indirect predictors of venture growth. They have taken seven theoretical and applied contributions of their study. In the present study, they found that a variegated but interrelated set of motivational traits and concepts (along with skill) work in concert to affect performance. The situational specific motivation concepts studied here have strong direct effects on venture growth are fully consistent with previous applied psychology and social psychology research (Bandura, 1997; Baum et al., 1998; Locke & Latham, 1990). The positive effects for goals and self-efficacy are consistent with the results of hundreds of performance studies. Similarly, self-efficacy is usually beneficial to performance (Bandura, 1997), but overconfidence can be harmful when it is based on conditions and assumptions that no longer hold true (Audia, Locke, & Smith, 2000).

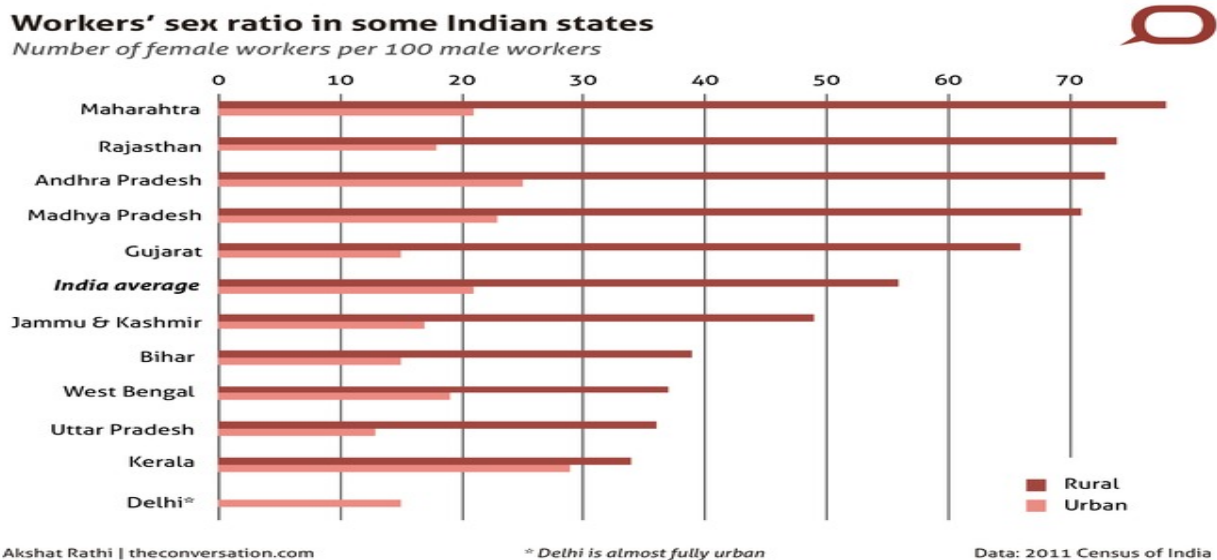
In the second findings, communicated visions are of particular interest. In this study communicated vision was shown to be independently and quantitatively related to performance in a field setting over a multiyear period. In third finding, that passion and tenacity had no direct effect on venture performance. The fourth contributions of their study are conducted at the macro level. The dependent variables are not individual performance but the performance of the venture as a whole. Here, what the entrepreneur-CEO thinks his traits and skills directly affect the organizational performance at large. New resource skills worked through motivational mechanism, but such skills may also operate through situational skills.

The fifth finding have practical implications for facilitating venture growth., the trait findings are relevant to selection to venture capitalists who have to decide which applicants to fund. Self-efficacy is best developed through enactive mastery (Bandura, 1997) that comes from training and experience. Visioning and goal-setting skills can be trained. Sixth finding was added to

knowledge about entrepreneurship with this first empirical study of new resource skill. Our finding that new resource skill inspires more challenging visions of new venture growth, higher growth goals, and self-efficacy points to the importance of new resource skill for entrepreneur's motivation, and which is direct predictor of venture growth. Seventh, there is a correlation between tenacity and organizational skills which deserves further studies. Indeed, Boyatzis (1982) proposed that managers' traits are manifested in their competencies because traits affect behavior and repeated behaviors build skill. Though this study is confined to Maryland, United States. The results and finding draw an attention on different traits and skills required for entrepreneurs for new venture growth. The data's can be helpful for further studies in favor to gain more exact on the topic. But for Indian context the scenario could be different as the above research on the subject could be beneficial for a population of 1.27 billion people thriving for growth.

Female Work Participation in Major States of India

According to world population statistics² 2013, with an increase of nearly 2.3% from last record, the current population of the Republic of India is estimated to be about 1.27 billion people. In 2011 total percentage of female in India was last measured at 48.27% Bank report³. Female work participation in India tends to be lowest, with only 29% over the age of 15 in comparison to BRICS nations (Brazil, Russia, India, China and South Africa) according to the World Bank 2011 data, which are said to be comparable emerging economies today.



Source: <http://qz.com/176658/india-has-the-lowest-workforce-participation-rate-of-women-among-the->

The need for better governance and improved policy, but urban gender imbalance is a deeper cause for worry. The major concern is the safety of women in Indian cities, with percentage increase in number of crimes highlighting the major Delhi gang rape case in 2011. The imbalance is still greater in India's national capital, Delhi at 867 females per 1,000 males and Mumbai a little less at 861. According to India's population census 2011⁴, the national average work participation is 940 females per 1,000 males, but that falls to 912 for cities with a population more than 1 million. Major reasons for the above discrepancy in figures may be partially explained. Mass migrations from rural to urban areas, mainly men for search of work could be one reason says Varsha Joshi⁵ director of census operations, India.

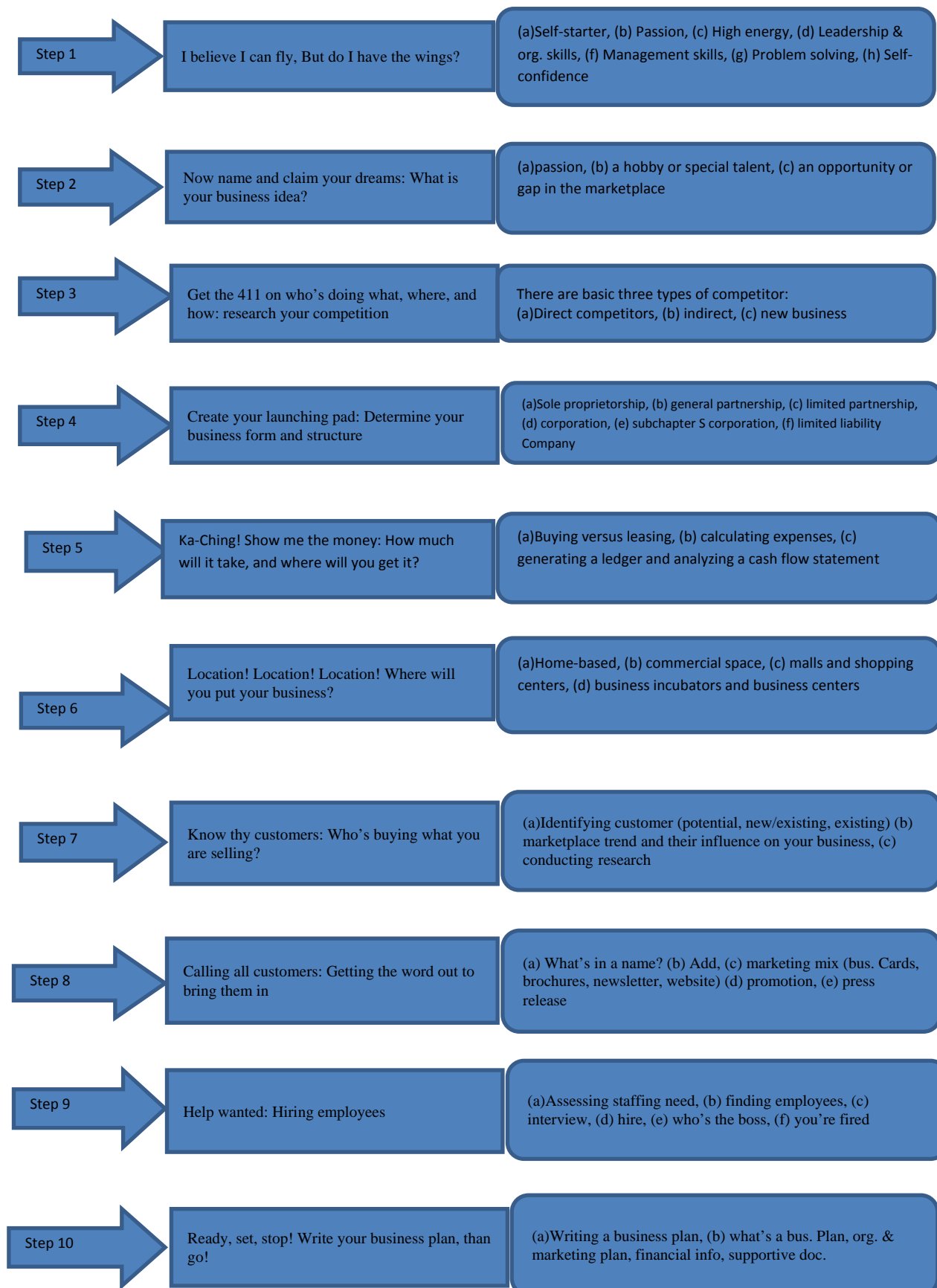
² www.worldpopulationstatistics.com/india-population-2013

³ <http://www.tradingeconomics.com/india/population-female-percent-of-total-wb-data.html>

⁴ www.census.gov.in

⁵ Varsha Joshi, IAS, Director, office of the registrar general & census commission of India

First 10 Steps to Entrepreneurship for Women



The author in her book⁶, “Down to business: First 10 steps to women entrepreneurship” has done a tremendously excellent work she has shared her years’ experience in figuring out the steps. Clara Villarosa⁷ with Alicia Villarosa quoted

⁶ Down to business: First 10 steps to women entrepreneurship

⁷ www.claravillarosa.com

by saying, “you should never stop dreaming and working towards your dream a reality” (p.10). This book wills guideline women to nurture her dream of starting a business and maintaining a successful business entrepreneurship.

Source: (Clara Villarosa with Alicia Villarosa, 2009).

Skills Affecting Performance and Growth

With introduction of various skills development programme by government and NGO’s covering the remotest part of the country did not do the expected wonders, it benefitted only the urban middle section of women, and hence occupying nearly 45% of the Indian population.

Gurendra Nath Bhardwaj et al, (2007), what we perform today, will reward you in form of success and growth in future. With increasing dependency on service sector has helped to create many entrepreneurial opportunities especially for women where they can excel their skills with maintaining balance in their life.

Singh, (2008), mainly targets on the reasons and the influencing factors behind woman entering into entrepreneurship. He also explains the characteristics of their businesses along with obstacles and challenges faced in Indian context. He comes up with the reasons for obstacles in the growth of women entrepreneurship as: (a) are mainly lack of interaction with successful entrepreneurs, (b) social un-acceptance as women entrepreneurs, (c) family responsibility, (d) gender discrimination, (e) missing network, (f) low priority given by bankers to provide loan to women entrepreneurs.

Damwad, (2007), It broadly identifies few obstacles faced by five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship as: (a) financing, (b) lack of knowledge & skills in business life, (c) markets & entrepreneurial activity, (d) work life balance including (e) lack of growth and wishes to grow and (f) most importantly women as other groups are heterogeneous. He compares early stage male & female entrepreneurial activity among Nordic countries with the same of USA, along with development programs and schemes by Nordic countries & agencies that provide support.

Sabrina, R, (2007), As women become confident about interacting in society, that the decision-making power and control over their own income has given them, they gain freedom on deciding what matters to them. With this, the women are able to mobilize themselves towards economic empowerment.

As soon as women gains independence and power of making decisions she does wonders, this can’t be ignored that more than half of population consist of women and empowering them for betterment of society is not just a necessity but a responsibility. Though various governments and NGO’s are running for this purpose but still the results are not that satisfactory as expected. There is a need for grass root level work initiated by selecting a small group say a chunk and provided them specified skills development training for a special task and see the results. This would rather give a better assessment how affective the programme was and did it really benefitted each and every individual in this group, are they ready to implement what they learnt in starting their business, or there is need for more workshops? Below various such skills are identified which are needed by women entrepreneurs in today’s economy.

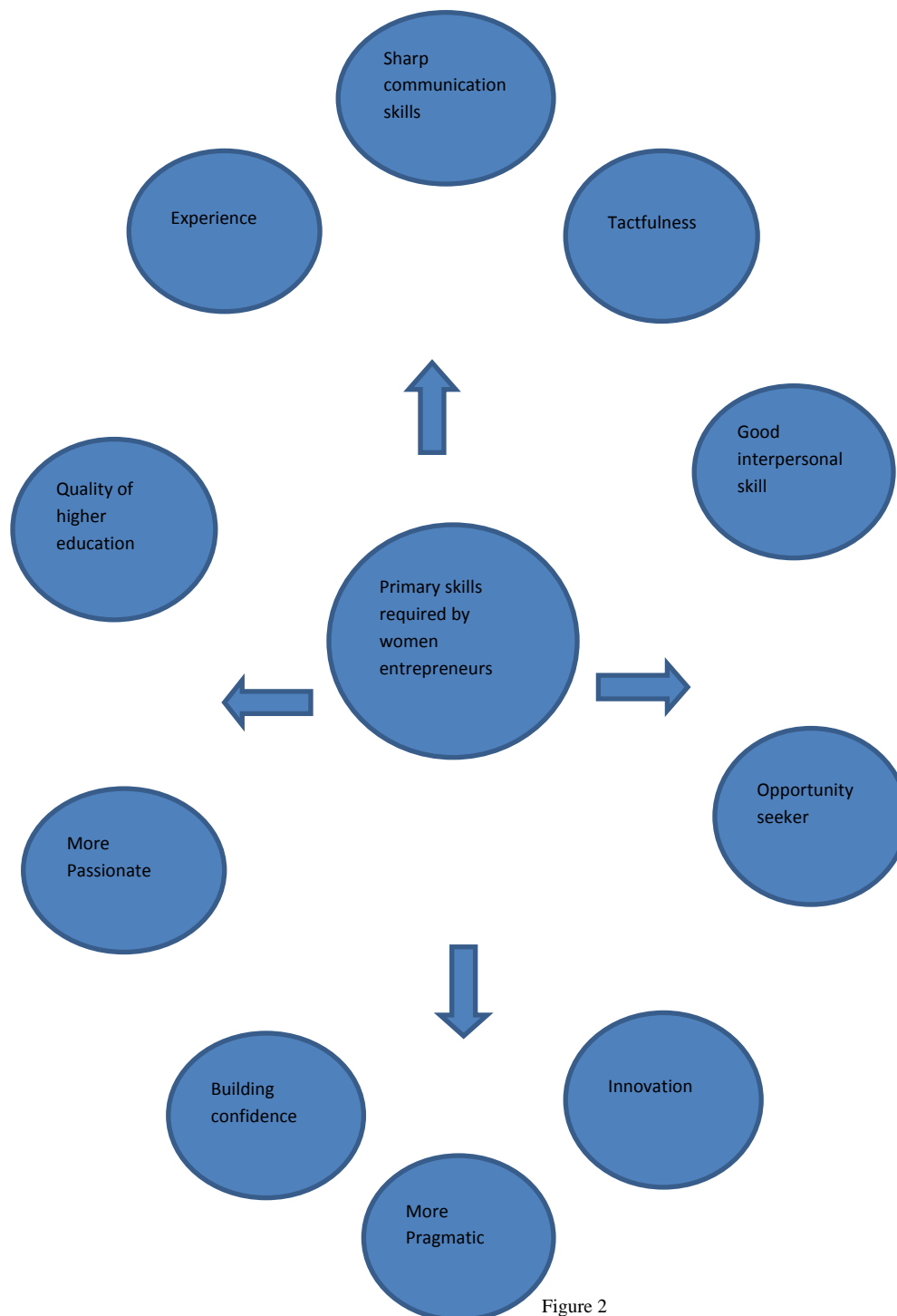


Figure 2

From the above figure we can rightly say how primarily skills like Sharp communication, Tactfulness, interpersonal skill, Opportunity seeker, Innovation, Pragmatism, Building confidence, Passion, Quality of higher education, Experience are required by women entrepreneurs for growing their business. Though various entrepreneurial development programmes has been initiated with collaboration by the government at state and at national level. These EDP's are providing vocational as well as online distant programme for teachers in university level for better understanding and for easy and convenient learning at work place or at home.

Here under are some Indian women entrepreneurs who just not only started a company but do have marked their footprints as an example for other women's. These women entrepreneurs are head strong, confident and determined for doing something which was prior said as males business.

Success Stories of Eight Women Entrepreneurs 2014: An Overview

1. **Zaakpay** is an online payment gateway provider established by Upasana Taku. An e-payment option in India is a complex and non-reliable process. But with technical acumen and entrepreneurial skills Upasana managed to build a strong, seamless and trustworthy method for easing payment solutions. Zaakpay has recently launched mobile payment processing solution option i.e. Mpay, which enables retailers to collect payments via mobile.
2. **Turnaround Innovision** Founded by Sreepriya Koppula an IIT Kanpur graduate. With the use of 3D modeling and a 360 Degree view of product helps online retailer and merchants to view the product thoroughly. Currently they are working for e-commerce vertical; hence with this rapid technological development in future they can provide solutions in various other verticals, with creating aids for doctors and other educational purposes.
3. **Radhee Disaster and Education Foundation** is a non-profit organization run by Dr. Rita based in Mumbai. They organize various training programs that would give clear insights to the participants and translate their knowledge into skill and assist casualties at times of emergencies in the country. In the past, Dr. Savla and Radhee came in lime light with their dedications toward their profession and social work done to help out victims during 26/11, Tsunami and Mumbai train attack situations.
4. **BarrierBreak** was founded by Shilpi in 1995, when her team found out the impact of growing technology in lives of people with disability. They have a series of innovative products that address visual, hearing impairment, learning, speech and mobility. Techshare India 2014 will focus on Innovate – Adapt – Evolve theme under four verticals: (a) Education (b) employ ability (c) Accessible technology (d) Laws, Policies & Standards.
5. **Wink n Pout** founded by Preethi Bayya is a virtual personal stylist which helps to figure out what should you wear that suits your body most. It's mainly a Mobile Apps for women only on your iPhone. They try to help us by utilizing our wardrobe by mix and match of dresses and try sort out your problem in an instant without even affecting your lifestyle.
6. **Greenway Grameen Infra**, co-founder Neha Juneja of Mumbai, was one of the Sankalp finalists with her partner Ankit Mathur in the Agricultural, Food & Rural Business category and also won the Business world Young Entrepreneur award in 2011 with Greenway Smart Stove. A single-burner highly efficient cooking stove which saves up to 65% in fuel cost as compared to the mud stove (Chula). In 2014 with their unique technique and trade mark announces its partnership with Mexican based entity by delivering cook stoves to the 4 million consumers across Mexico that still cook with open fires.
7. **Bornrich.org** founded in 2005 and CEO Nandini Rathi is the biggest online site featuring most expensive things in the world including gadgets, wheels, wings, estates, and apparel. She is also the CMO and founder at Betaout and co-founder of Instamedia network. Nandini started this venture all alone and today she is one of the renowned serial entrepreneur and celebrated speaker.
8. **Susmita Mohanty** is CEO and co-founder of Earth2Orbit, is India's first private space startup. In space industry, compared to Europe or any other nations India and US have more women working in space programs. She started as an entrepreneur with a clear purpose, to modify access to outer space for space crafts, humans and cargo with extensive international work experience in the aerospace industry.

IV. SUGGESTION AND RECOMMENDATIONS

- Training to enhance the professional competency and leadership skill in women entrepreneurs in India.
- For existing women entrepreneurs' psychological factors hindering the growth and success should be eradicated through training and counselling on a large scale.

- Workshops on skills development to be done in various industrial training institutes and women's in polytechnics, so that skills could be put in work through training-cum-production workshop.
- More focus to be laid on organizational skills, as Indian females are lacking in comparison to male counterparts.
- Low level of freedom of expression and mobility tends to create hurdles for women entrepreneurs and need to be worked out for effective growth in future course of action.
- More government schemes to motivate women working in SME's and involvement by non-government organizations in entrepreneurial training & development programme.
- To encourage more passive women entrepreneurs, women training programme should be organized that teach them to recognize her own psychological needs and help to express them.

V. CONCLUSION

The Indian society is passing through a phase of transition, as people's perceptions about women's will be reflected in their actions in future course of time. According to the statistical data published in 2011, the female work participation by India is lowest at 29% over age 15 in BRICKS nations and Workers sex ratio in several cities of India reveals a different picture, the rural work participation is higher in comparison to urban and our National capital Delhi stands at lowest. Thus to meet the global changes, women entrepreneurs must be molded with entrepreneurial traits and skills at every level of organization. There is need for extensive policies covering the untouched areas, introducing skills enhancement programme basically educating, motivating and developing the spirit of enthusiasm among Indian women. Introduction of technical and non-technical training & development programme by government and NGO's benefitting especially women to develop skills for taking and handling challenges could be an effective solution to overcome above areas of concern.

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