

Women entrepreneurs: challenges and opportunities



Introduction

Increasingly forward thinking organizations, such as ALEAP are recognizing the value and impact that women leaders contribute to families, business and communities. Most of the organizations are formalizing programs and strategies to address the unique challenges that women face in the work place as core components of both retention and acquisition strategies. Several studies have shown that women bring a special brand of leadership for organizations that translate into superior long term sustainability and financial performance (www. siliconindia. com).

The current study is about the entrepreneur competencies in Indian women and its purpose to analyze the status of women entrepreneurs in business with reference to India. The study first draws identities, profiles and addresses operational problems faced by women entrepreneurs in business, draws their inclination for future plans for expansion and growth and for the furtherance of research on women entrepreneurs in India.

Women owners of small business are known to be better informed about issues relating to starting their own business compared to their male counterparts. Women spend more time conducting market research and have historically spent more time accessing finance because of gender bias within the lending industry. Due to their previous employment history many women have better administrative skills over men which should translate to women having better basic business management knowledge and a higher level of basic business competencies. So This Research would like to conduct a survey on sample of 40 business owners from (ALEAP) Association of Lady

Entrepreneurs of Andhra Pradesh, Hyderabad and Vijayawada. The present study “ A Research on competencies of Women Entrepreneurs” main Objective is to reveal the exploratory information of women Entrepreneurs their competencies which impacted to become a Entrepreneur, number of issues, when first started their business, while facing competition, in decision-making and their business active operations etc and comparing these competencies between women entrepreneurs of two areas (Hyderabad and Vijayawada).

Entrepreneurs have become the key figure of the economies around the globe as they are essential for the development and foundation of companies and process of job creation as the result. Entrepreneur is the innovator who brings and implements changes within markets through carrying out new combinations of several forms. This can be an introduction to a new product or quality, an introduction to new production technique, opening of a new market, and new source of supply of new parts or material or carrying out a new organization of an industry (Schumpeter, 1935 cited in Anderson, 2008). The entrepreneur model of Schumpeter (1935) has been increasingly investigated as being the instigator of innovation. In fact, other types of entrepreneur can be mentioned, which are influenced by cultural peculiarities. Many researchers, such as Atamer and Torres wondered whether the mentioned model of Schumpeter should be applied to all the countries of the world. Although, entrepreneurship is a world phenomenon, it is not possible to describe as homogeneous (Atamer and Torres, 2007 cited in Anderson, 2008).

According to Casson, M. (1982), most of the studies on entrepreneur are relying on a stereotype, which is the swashbuckling adventure of business. The analysis of Casson (1982) tended to explain that the self made entrepreneurs were the figures from the past and now it is possible to define an entrepreneur as a person, specialized in decisions about the scarce resource coordination.

Entrepreneur Development

Entrepreneurship has been considered to be specific for the great individuals, both in academic view and conventional wisdom. Several articles and books have been written to highlight the virtues of entrepreneurship. However, the story of entrepreneur as a great person missed the fundamental mechanism of economic growth and entrepreneurship. In fact, entrepreneurship is not just an economic process; rather it extends beyond the new business formation process. Entrepreneurship, therefore, is a social process which arises from a vast set of cultural and social conditions (Florida, 2002). In United States, the impulse of entrepreneurship has become part of the social ethos. Its creating forces have been building at least for five decades and longer perhaps. However, its rise at social level or at way of life has recently become apparent. Entrepreneurship is the part of a vast social movement, a change that residents of the country want out of social life. There is increase in interest for becoming entrepreneur. For instance, 60% of the young adults and teenagers want to become entrepreneurs, according to a survey (Florida, 2002).

The development of entrepreneurship is not obvious in US only; the need for employment development around the globe has given rise to <https://assignbuster.com/women-entrepreneurs-challenges-and-opportunities/>

entrepreneurship in other countries as well. Reduction in youth unemployment is the big challenge that most of the governments have to face in coming decades. According to a recent study by International Labour Office (ILO), youth is more likely to be unemployed than adults. This likelihood is three and half time more than that of adults. Approximately 660 million young people, in 2015, will be looking for work or working. This challenge has various dimensions and therefore requires a specific response. It is needed to look the entrepreneurship with the perspective of youth. Within the framework of basic efforts and strategies of boosting employment for young people, a valuable addition to job creation is the entrepreneurship. Entrepreneurship is an innovative approach for improvement of livelihood and job creation among young people. Although, entrepreneurship has derived job creation and economic development, there has been a very little effort to look at it with the perspective of young people.

Current theory of entrepreneurship that explains venture creation is organized generally around three core constructs: (a) market, (b) money and (c) management. These constructs are refereed as “ 3Ms”. An entrepreneur is required to have market access, money and management if he plans to launch a venture. These constructs are having been described as fundamental building blocks for business viability and they derive from the mainstream economy and management driven entrepreneurship view (Bates et al. cited in Brush, Bruinn, & Welter, 2009). These building blocks are basic for the development of any business.

Women Entrepreneur Development

Businesses owned by women are one of the fastest developing entrepreneurial populations of the world. They are making a significant contribution to employment, innovation and wealth creation in almost all economies (Brush et al., 2006). However, the growth in the importance of women entrepreneurship has not increased the number of studies on the subject. There is a gender gap in academic research, compared to a significant business ownership proportion (Brush, Bruinn, & Welter, 2009).

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Small and Medium Enterprises in India

India has a vibrant small and micro enterprise sector which is playing a very important role to sustain the economic growth, with contribution of at least 39% to the manufacturing output and 39% to the exports in 2004-5. After agriculture, it is the largest employer of human jobs that provides employment to more than 29.5 million people, in the rural and urban areas of India. Their importance in terms of developing new entrepreneurship is recognized well. It is because most of the entrepreneurs are starting their business from a small unit that provides them an opportunity of harnessing their talents and skills, in order to innovate, experiment and transform their ideas into goods and services and nurture it into a greater unit (www.business.gov.in).

Over the years, Indian small scale sector has progressed from producing only simple consumer goods to the production of many precise and sophisticated products such as microwave components; electronics control systems and electro medical equipments etc. The economic liberalization and process along with market reforms have exposed further the enterprise for increasing global and domestic level of competition. The challenges generated for them have led towards a novel approach of cluster development of the sector. Private and public sector institutions, as the result have increasingly undertaken initiatives for cluster development (www.business.gov.in).

Clusters are defined as the geographical and sectoral concerns of enterprises, particularly small and medium which face common opportunities and threats that give rise to external economies favor the specialized

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administrative, technical and financial services, create a conducive development ground of inter-firm cooperation for the promotion of local production, collective learning and innovation. Networking and clustering has helped the small and medium entrepreneurs in boosting the competitiveness of their business. There are over 400 SME clusters and about 2000 artisan clusters in India. According to some estimates, these clusters are contributing 60% of the manufactured exports from India. Almost all the gems and jewelry exports are from Surat and Mumbai clusters. Some of Indian small scale enterprises clusters are so big that they export 90% of India's total production output of selected products. For instance, the clusters of Agra, Chennai and Kolkata are very famous for leather and products of leather (www. business. gov. in).

Background to the study

This research intended to provide analysis of the status of women entrepreneurs in Business with reference to India. It first draws the profiles, identifies and addresses operational problems faced by women entrepreneurs in business, draws their inclination for future plans for growth and Expansion and also for the furtherance of research on women entrepreneurs in India.

Purpose of the study

The Scope of this research will focus on the “competencies” of these women. The listed competencies were researched by the professors of the IGNOU University, India and were stated as the key competencies to be considered. These competencies are as listed below. And the questionnaire

is a standard questionnaire collected from the IGNOU material for MBA
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students “ MS-93 Management of New and small Entrepreneurs – Entrepreneur and Entrepreneurship block”

Entrepreneurs in the following areas:

- Initiative
- Acts on opportunities
- persistence
- information seeking
- concern for High Quality of work
- commitment to work contract
- Efficiency Orientation
- Systematic planning
- Problem solving
- Self-confident
- Assertiveness
- Persuasion
- Use of influence strategies

Overview of the Dissertation

Aims and Objectives of the Study

- a) To draw the ‘ Entrepreneurial Competencies’ profile of women entrepreneurs at ALEAP located in Hyderabad and Vijayawada.
- b) To know the level of competencies existing with women entrepreneurs in business.
- c) To analyze the key challenges faced by women entrepreneurs in business.

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d) To analyze the future plans for expansion and growth of women entrepreneurs in business.

e) To compare the level of competencies of women entrepreneurs in ALEAP located at Hyderabad (Urban /Developed Area) and Vijayawada (Rural / Undeveloped Area).

Significance of the Study

This research is intended to assess multi-dimensional issues and challenges related to women entrepreneurs. Analysis of various variables like age, marital status, education of self, parents and spouse, number of children, self-esteem of women entrepreneurs have been assessed to understand the self concept of women entrepreneurs, the degree of commitment of women entrepreneurs towards their business (entrepreneurial intensity), entrepreneurial challenges in running the business and future plans of women entrepreneurs.

Affinity to Research Area

The study is chosen majorly because; I would like to start up my own small scale enterprise in India under ALEAP, utilizing my proven abilities developed through my education and experience. And to start a better enterprise with a professional atmosphere, where I can contribute to my maximum ability to uphold the goals as a Lady Entrepreneur and improve my entrepreneurial skills so as to become a successful Small Scale Women Entrepreneur.

Literature Review

Entrepreneurship

Although the “ entrepreneurship” term has been used over 2 hundred years in a business context, there has been a considerable disagreement on its meanings. There have been hundreds of perspectives; the themes which are most prevalent are discussed by Morris, Lewis, & Sexton, (1994).

The earlier definitions of entrepreneurship that were principally formulated by economists, have been observed for tending to emphasize assumptions of arbitrage, assumption of risk, coordination of factors of production and supply of financial capital. As the entrepreneur was involved clearly in business initiation, the earlier perspectives saw entrepreneurship as companies’ ongoing function and profit to be a return as the result of facing uncertainty and coordinating resources. Researchers have failed to differentiate the entrepreneurship and management, historically. Rhey failed to distinguish between large and small firms. Such difference had not been established until the 1930s. Even than the there had been tendency to associate it with management and small business start up. As such, an entrepreneur is considered to be a person who assumes psychological, social and financial risks which are crucial for starting and running a small scale business (Hisrich and Peters, 19992 cited in Morris, Lewis, & Sexton, 1994).

Entrepreneurial competencies are related to managerial competencies, articulated in the works of Boyatzis (1982). The competency approach has become an increasingly popular means of studying entrepreneurial characteristics (For example, Baum, 1994; Bird, 1995; Baron and Markman,

2003; Chandler and Jansen, 1992; Lau, Chan and Man, 1999; Martin and Staines, 1994; McGregor et al, 2000; Schmitt-Rodermund, 2004). According to Bird (1995), competencies are seen as behavioral and observable, and therefore are more closely linked to performance than any other entrepreneurial characteristics such as personality traits, intentions or motivations (Herron and Robinson, 1993; Gartner and Starr, 1993). Moreover, as with attitudes (Robinson et al., 1991), competencies are changeable and so the development of entrepreneurial becomes more feasible. Man, Lau and Chan (2002), identified six major areas of entrepreneurial competencies, are categorized as relating to an SME context, including opportunity, relationship, conceptual, organizing, strategic, and commitment competencies.

By making appropriate use of his or her competencies, an entrepreneur can perceive a widened competitive scope such as more opportunities for innovation, business growth, and the provision of new services or products. From available resources, he or she can also develop better organizational capabilities such as the firm's innovative capability, cost-saving ability, quality and flexibility. Finally, he or she can plan and work towards a firm's long-term performance, along with the available competitive scope and organizational capabilities.

Chandler and Jansen (1992) included three distinctive categories of entrepreneurial, managerial, and technical competencies. Baum's (1994) measurement of competencies covered a range of instruments measuring traits, skills, experience and knowledge.

Man, Lau and Chan (2002) is founded upon a multi-dimensional conceptualization of the competitiveness of SMEs, including the performance dimension, potential dimension and process dimension, developed from earlier studies of competitiveness (Oral, 1986; Feurer and Chaharbaghi, 1994; Buckley, Pass and Prescott, 1998; World Competitiveness Report, 1993). In particular, the influence of the entrepreneur is considered as critical and this is addressed through the competency approach. A detailed coding of 192 competencies in 44 clusters in the six areas of opportunity, relationship, conceptual, organizing, strategic, and commitment competencies as in the original framework, as well as in two new competencies that do not fit into these six prescribed competency areas but seem to play supporting roles to other competencies. They are named as learning competencies and personal strength competencies. Altogether the entrepreneurial competencies are identified by Man, Lau and Chan as 15 they are as follows Competitive Scope, Organizational Capability, Opportunity Competencies, Relationship Competencies, Analytical Competencies, Innovative Competencies, Operational Competencies, Human Competencies, Strategic Competencies, Commitment Competencies, Learning Competencies, Personal Strength Competencies, Investment Efficiency, Business Growth and Relative performance.

Holmquist (1997) points out that empirical studies of women entrepreneurs and the development of theories about women entrepreneurs is a neglected subject in descriptive & perspective research work. Baker et al. (1997) stated that surveys with focus on women entrepreneur still account for only 6-8 percent of international research into entrepreneurship.

Brush (1992) concluded from the review of existing research that women's business leadership cannot be understood using traditional (male oriented) framework of business analysis. She writes " significant difference have been found in skills, business goals, management styles, business characteristics and growth rates. These variations suggest that women perceive and approach business differently than men". A major expansion of academic interest in women entrepreneurs has occurred since the late 70's, prompted by the perception that businesses owned by women are having an increasing impact on society and the economy. A number of authors in the area of entrepreneurship theory have argued that there is a need to ' feminize" the research on entrepreneurship. (Moore, 1990; Hurley, 1991; Stevenson, 1990; Fischer et al., 1993), since much is still not understood about the ways women contribute to entrepreneurship and the problems they face. The issue is of more than academic interest. As a result of lack of knowledge of women's contribution to entrepreneurship, public policies and programs to assist women to own and run their own businesses are likely to be misdirected (Barret M. A. Mary, 2005). The present research is an attempt to address the dearth in gender studies on entrepreneurship and identify whether there is a difference between men and women entrepreneurs multi-dimensional variables. On one hand it compares the perceptual variable (self-esteem) and intensity of efforts to run business (entrepreneurial intensity) of women and men entrepreneurs and on the other hand it compares the operational problems and future plans of expansion and growth of women and men entrepreneurs in family business. To date there is paucity of research on comparative analysis of women and men entrepreneurs in family business in India.

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Sources of Small & Medium Entrepreneurship

Small, micro or medium sized entrepreneurships play a basic role in countries, particularly, European countries. They are the main source of innovation, entrepreneur skill and employment. For example, in enlarged European Union of 25 countries, about 23 million SMEs are providing around 75 million jobs and are representing 99% of all enterprises. However, they have to confront with market imperfection, most of times. SMEs have frequent difficulties to obtain capital and credit, particularly in the earlier phase of their development. Their restricted resources may also access to new innovation and technologies. Therefore, European Commission has priority for job creation, economic growth and social and economic cohesion.

Small and medium entrepreneurs (SME) sector has been recognized as the engine of growth all over the world. SME sector has characteristics of low investment requirements, location wise mobility, operational flexibility and import substitution. The Micro, Small and Medium Enterprises development (MSMED) Act, 2006 is the first single comprehensive legislation that covers the all three segments. In accordance with the Act, these enterprises can be classified into two categories:- (i) manufacturing enterprises which are engaged in the production and manufacture of the goods pertaining to an industry which is specified in the first schedule to the Industries (Development and Regulation) Act 1951, they are defined as the investment in machinery and plant; (ii) service enterprise engaged to provide or render the services and are defined in terms of equipment investment (www.business.org.in).

Need for Small and Medium Enterprises to access new technology

Small and medium enterprises in India with their flexibility, dynamism and innovative drive are focusing increasingly on improved methods of production, strategies of penetrative marketing and capabilities of modern scientific management for sustaining and strengthening their operations. They have been poised for global partnership and have absorbing potential for the latest technologies in the field of diverse industry. Small and medium enterprises in India are more beautiful and efficient and add value to social and economic sphere. As the countries are integrating into the global village, the small and medium sectors will have to respond accordingly. The small and medium enterprise needs special attention as they are playing a crucial role in the socio economic development of the country.

The problems being faced by the small and medium enterprises, particularly access to modern technology and maintenance of competitiveness, have been formidable. In order to meet the challenges of modern times, there is need to enable SMEs to access to new technologies to increase their competitiveness in international market. There is need to provide them a conducive environment that includes formulation of appropriate programs and policies, build up technological capacity, R&D and inter firm linkages and technology database and knowledge flow (Kharbanda, 2001).

Proposed Research Methodology

The Research design chosen for this research is exploratory and descriptive research designs. After thoroughly considering the problem and the research objectives in this research I would like to select a two stage research design, <https://assignbuster.com/women-entrepreneurs-challenges-and-opportunities/>

in stage one exploratory research design, followed by stage two is descriptive research design.

There are two types of research, basic and applied. The purpose of basic research is the knowledge for the sake of knowledge. On the other hand, the scholar of knowledge is more concerned about the acquisition of knowledge that satisfy in its respective of the fact that weather is of any practical use or not. The basic purpose of research, in applied research is to put knowledge into practice. A researcher would be interested more, in applied knowledge, in trying to explore some utility from it and to bring improvement is practical human life. Different methods of research are used in research of social sciences as research and problems that are conducted in social sciences are having various natures (isbs. webs. com).

The mixed approach of research methodology is used in the current study. Most of researchers use this approach in the field of social sciences. The mixed approach is the combination of qualitative and quantitative research. Here is detailed introduction of both of the research methodologies:

Qualitative Research Design

Qualitative research is the type of scientific research which seeks answer for a question and uses systematically the predefined set of procedures to answer that question. The evidence is collected in this method and findings are produced that had not been determined in advance. Finally, qualitative research produces findings which are applicable not only for the research in hand, but also beyond its immediate boundaries. In addition to these characteristics, qualitative research seeks to understand the given topic or

research problem from the local population perspective that it involves.

Qualitative research is particularly effective to obtain specific cultural information about the opinions, values, social context and behaviors of a particular population. The main strength of the qualitative research is the ability of providing complex contextual description about experience of people about that particular research issue. Qualitative research provides information of human side in particular research issues, which are the contradictory beliefs, behaviors, emotions, opinions and relationships among people. Qualitative method of research is also effective to identify the intangible factors, such as socioeconomic status, social norms, and ethnicity, religion and gender roles. The role of these intangible factors may not readily define in the research. Although the findings of qualitative research data can be extended often to people with have similar characteristics as that of study population, to gain a complex and rich complex understanding of a particular phenomenon or context takes precedence on eliciting data which can be generalized to other population or geographical areas. Qualitative research, in this sense is slightly different from general scientific research. There are three common methods of qualitative approach to collect data: in depth interviews, participant observation and focus groups.

In-depth interviews are the optimal approach of collecting data on personal histories of individuals, their experiences and perspectives, particularly if sensitive topics needed to be explored.

Participant observation approach is appropriate for data collection on behaviors that occur naturally, in their usual context.

Focus groups are very effective to elicit data on the groups' cultural norms and in generating broad interviews of issues of concern of the cultural groups or represented subgroups.

The mentioned above approaches of qualitative data collection collect the data in the form of audio recordings, field notes and transcripts.

Quantitative Research Design

These experiments sometimes are referred to be a true science as they use traditional statistical and mathematical means for measuring results collectively. Quantitative research design is most commonly used in physical sciences; however education, social science and economics also have been known to use qualitative research design. This approach is opposite to qualitative research design. All quantitative experiments use a standard format, however with some minor interdisciplinary differences of hypothesis generation to be approved or to be disapproved. The hypothesis must be approvable by statistical and mathematical means and must be based around the whole design of experiment. It is essential in quantitative research design to have a randomized study group and a control group, whenever possible. In addition, a quantitative research design should manipulate one variable at a point of time; otherwise statistical analysis may become open for questioning and cumbersome. The quantitative research should be conducted in a manner that may allow others to use and repeat the experiment to obtain similar findings.

Quantitative research is the excellent way you finalize results and prove or disprove a hypothesis. Quantitative research structure has not faced

changes for centuries; therefore it is a standard across various scientific disciplines and fields.

A comprehensive answer to the questions is reached after statistical analysis of results. The results can be published and discussed legitimately. It is possible to filter out the external factors in the quantitative research, if properly designed. The results, therefore, can be seen as unbiased and real.

There are disadvantages too of using quantitative research design.

Quantitative experiments are expensive and difficult sometimes and require a lot of effort and time to perform. There is need to plan quantitative research designs carefully, in order to ensure that there is a correct designing and compete randomization of control group. There is need for an extensive statistical analysis in quantitative studies that is a difficult task as most of the scientists are not statisticians. The statistical study field is a complete scientific discipline that can be very difficult for researchers who are non-mathematicians. In addition t this, the requirements of the successful statistical confirmation of results has been very stringent and very few experiments prove hypothesis comprehensively. There is always some ambiguity that requires refinement and retesting of the design. It means another investment of resources and time should be committed for fine tuning of the results. There is a very little place for uncertainty and grey areas in quantitative research design as it tends to generate results which are proved or unproved. In social sciences, psychology, education and anthropology, human nature is more complex than the simple responses of yes and no (Shuttleworth, 2008).

Mixed method Research Design

A mixed design for research is a general type research that is including qualitative and quantitative research techniques, data and methods. All of these characteristics are mixed whenever needed in a particular research study. The mixed method design uses the mixed data and additional means, such as text analysis and statistics. Inductive and deductive scientific research methods are used in a mixed approach. It has various forms for data collection and produce pragmatic and eclectic reports.

The basic types of mixed approach are mixed method and the mixed model research. In mixed research method, quantitative data is used for one stage of the research study and for the second stage the qualitative data is used. Both, quantitative and qualitative data I used in a mixed model design. This mixing of the two approaches happens at all the stages of research.

It is important, in a research, to use the mixed research method to conduct the detailed research. Mixed research has various advantages, such as the research method is very strong, using multiple methods in the research helps in researching a problem or process from its all sides and using the different approaches helps to focus on a single process and helps to confirm the accuracy of data. The mixed research complements the results of one type of research with another type. The mixed approach does not miss any available data.