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***Challenges and Opportunities in Practicing Sustainable Marketing***

**WOMEN ENTREPRENEURSHIP: GENDER GAP AND CONSTRAINTS**

**Trishala M. and Roopa J.**

Women were confined to the secondary role from past which is changing and concept of equality is prevalent in present times. The rate of working women is increasing day by day, but the concept of equality in terms of pay, work load, identity, respect, individuality is not yet found and discrepancy prevails. The society's when a women want to become an entrepreneur is extremely different compared to male entrepreneurs. This paper is an attempt to understand the gender gap in entrepreneurship and the different aspects in which women entrepreneurs are stepping into. There are many challenges and constraints which women face while starting a venture like financial crisis, support from family, balance in work and family, lack of skill or low networking, lesser access to information and others which are discussed in detail in the paper.

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**Keywords:** *Entrepreneurship, Gender gap, Women entrepreneur, Constraints.*

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**Abstract**

Women were confined to the secondary role from past which is changing and concept of equality is prevalent in present times. The rate of working women is increasing day by day, but the concept of equality in terms of pay, work load, identity, respect, individuality is not yet found and discrepancy prevails. The society's when a women want to become an entrepreneur is extremely different compared to male entrepreneurs. This paper is an attempt to understand the gender gap in entrepreneurship and the different aspects in which women entrepreneurs are stepping into. There are many challenges and constraints which women face while starting a venture like financial crisis, support form family, balance in work and family, lack of skill or low networking, lesser access to information and others which are discussed in detail in the paper.

***Keywords:*** Constraints, Entrepreneurship, Gender gap, Women entrepreneur,

Principally, entrepreneurship is of method of building, structuring, and running a fresh business in order to produce profits while taking the monetary risk associated with it. It is the capability and willingness to advance, systematize and run a business by considering all the uncertainties for making a profit from it. One of the prominent examples for entrepreneurship is start-ups. Entrepreneurship can be defined as “a procedure for innovation and utilizing opportunities accompanied by immense efforts and persistence along with accepting the monetary, psychological and social risks or loss (Hisrich, 2007).” Entrepreneurship is a distinct discipline by its own right (Crocì, 2016). Crocì (2016) defined entrepreneurship as an independent discipline, capable to operating autonomously as well as interdisciplinarity. Entrepreneurship is a preparation which begins with action and leads to creating new organization or establishments” (Barot, 2015). Major factors contributing for motivation in entrepreneurship is earning profits, making advancements, self-satisfaction, and autonomy (Hisrich, 2007).

An entrepreneur is a person who has the competency and yearning to develop and succeed in a new business venture by bearing in mind the risk entitled with it, for making profits. The entry of female in business or industry sector is something new for India and constantly proving that they are equally competent to men in skill, efficiency, and intelligence required for the field. However, in the present day, women entrepreneurs play a crucial role in building new ventures, trading and in the industry sector. Women have proved their crucial role in other important fields like politics, medical field, information technology, educational field, scientific, research, engineering, and administration; in a way stating a point that they not only excel in hospitality field or in kitchen or home activities but also in other major areas contributing for the development of country. Women entrepreneur refers to a person who builds a new venture or an enterprise for merchandizing, producing goods & services, acknowledging challenging roles to meet the needs and to become financially independent. The Government of India (2012), defines women entrepreneurs as “*a business possessed and maintained by a woman who is having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women.*” When either a woman or a group of women begin with instigating, promoting, commencing, structuring, and managing the business venture they are by default termed as women entrepreneurs (Suganthi, 2009). The activity of initiating, managing, and organizing an enterprise which leads to economic growth, empowerment and develops women in social sector is termed as female entrepreneurship. This definition emphasizes on the social and

economic impact the women entrepreneurship can make on the society (Munshi, S et al, 2011). According to J.Schumpeter , *“Women who innovate initiate or adopt business actively are called women entrepreneurs.”* As defined by Ruhani J. Alice *“Women entrepreneurship is based on women participation in equity and employment of a business enterprise.”*

Female entrepreneurship has gained encouragement in the last three decades and women led business ventures are rising, therefore contributing towards the economic growth and social progress. Due to lower status of women in society their entrepreneurial ability is unused. Nevertheless, there is a need for bringing a change in this mindset and to cater equal rights as provided in the Constitution. Women entrepreneurship is found more commonly among the younger age groups than the older ones (Dhameja et al 2000). It is found by a study conducted by Patole & Ruthven (2002) that women entrepreneurs have an intense educational background which can contribute to success in business venture, nevertheless majority of these women entrepreneurs come from a lower- and middle-income families (Vinze, M. D., 1987). Progression in women entrepreneurship can be seen as they are moving from manufacturing pickles, papads and different powders to making themselves in engineering fields and emerging as “techpreneurs” (Charantimath, 2005). Women were earlier focussed in traditional and unofficial sectors of the Indian economy. However, they are growing and diversifying themselves in emerging and modern sectors of the present day. Female entrepreneurs are the fastest developing class of entrepreneurship across the world and is significantly contributing to economic development (Kelley et al., 2017; Hechevarría et al., 2019) by creating new employments and rising GDP (Gross domestic product) (Ayogu and Agu, 2015). This is having a positive influence in lowering poverty and social barring (Rae, 2015). But the percentage of females determined to take up a career as an entrepreneur is relatively lesser than men.

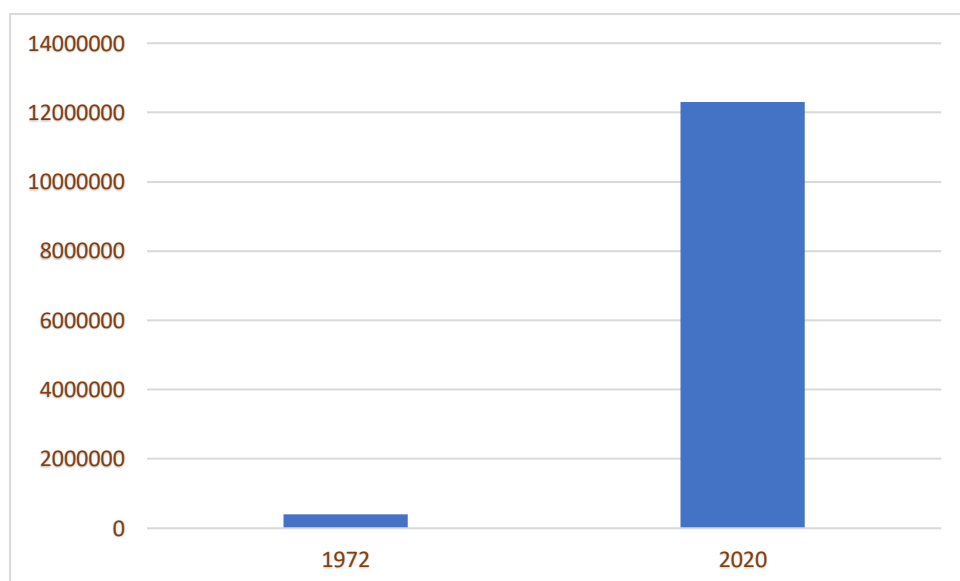
### **Gender Gap In Women Entrepreneurship**

In today’s economy, entrepreneurship is an important feature of the economy (Carnahan et al., 2012). However, launching a new business seems to be unfavourable and disadvantageous especially for women, as they are suggestively less likely to find success in entrepreneurship (Canning et al., 2012). This gender discrepancy between entrepreneurs is glaring in the high-growth ventures, where women stand for a lesser/smaller share of founders while men can achieve high-growth equity outcomes (Robb et al., 2014). Briefly, women are underrepresented in high growth entrepreneurship. Even in the entrepreneurial

interests and activities, research has found a continuing gender gap where men showed a higher likelihood in developing entrepreneurial interests, and activity while women displayed lower interest levels (Abbasianchavari & Block, 2022), (Kickul et al., 2008). A huge growth in women entrepreneurship can be seen from the year 1972, where only 402,000 women-run businesses were there but today in 2022 almost 12,300,000 women are there who run businesses, as shown in the graph below.

Figure 1

Women entrepreneurs (*Source: Legal jobs*)

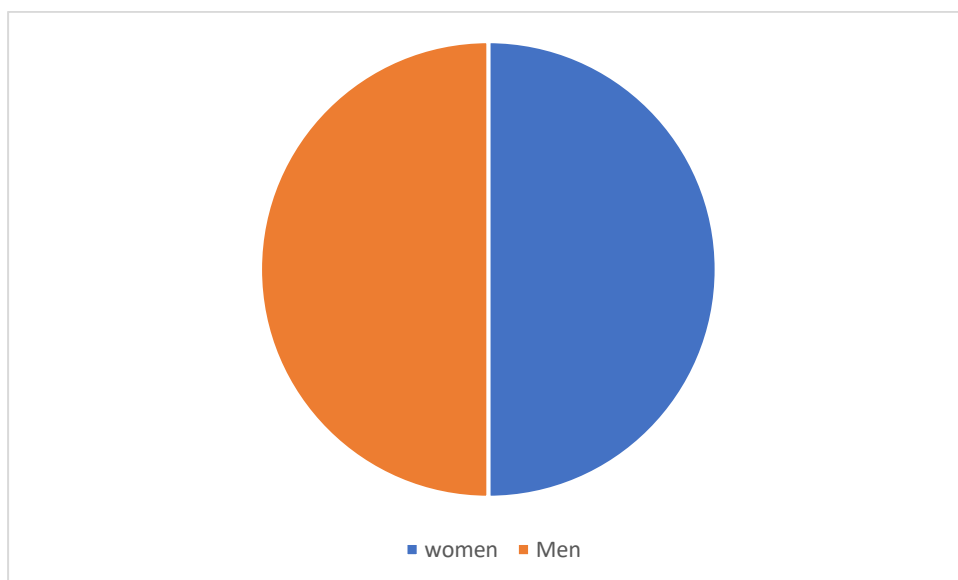


***Entrepreneurial spirit.*** Certain characteristics in life are above being taught and they should be coming from within and they gradually blend into one's self. It develops from a person's passion for developing something new and innovative from limited resources, along with a will to push their limits. This can be termed as "entrepreneurial spirit." This has an optimistic effect on the internal or external side of the company, contributing to its welfare and make it effective to compete with other companies. It refers to approaching any situation which makes a person motivated, encouraged, optimistic and capable for taking up things into their hands regardless of consequence. This spirit is something which a person needs to display in everyday work, life, and career. In order to compete with others, the company along with being innovative should possess entrepreneurial spirit (Drucker, 1985). A person with this entrepreneurial spirit is someone who persistently questions on how better a task can be done, is consistently optimistic about situations, take calculated risks and are in tune with

their passion. Study by Earthweb (2022) revealed that men and women display an equal entrepreneurial spirit of 32% as displayed in the graph below.

Figure 2

Entrepreneurial Spirit (*Source: Earth web, 2022*)

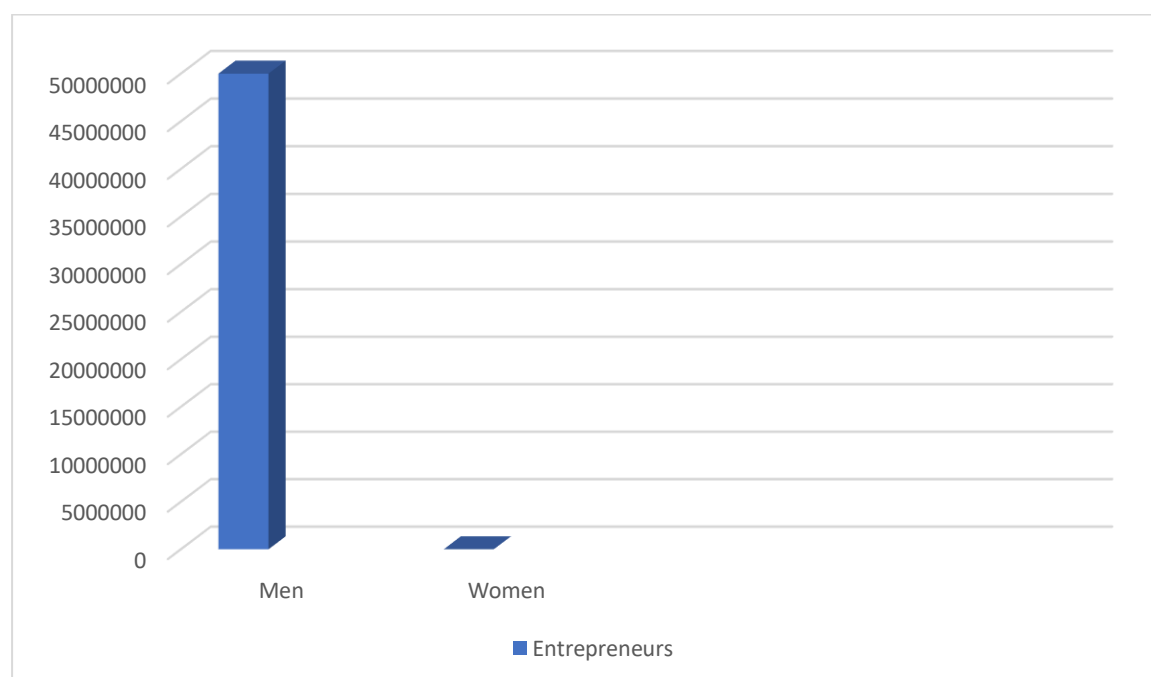


Many factors are responsible for making women set up their own ventures. Some of the factors which can compel females to start their own venture would be broadly classified into two groups. They are Motivational factors or needs and Facilitating factors or needs. Motivational factors would basically include financial necessity, an innate desire to achieve more, to be independent, education, family occupation or history, need to develop a self-identity, increased awareness, encouragement from government through policies and others. While the facilitating factors include innovative thinking, adequate finances, support from family, availability of skilled workers, development programmes etc. Along with this many push and pull factors are also present like death of bread winner, unexpected fall in house income or pull factors like equity, recognition, economic independence, desire to evaluate their talent and others. The Global Entrepreneurship Monitor (GEM) in 2011, mentioned that entrepreneurship is budding rapidly but women entrepreneurship is an area of concern which needs to be attended immediately by all countries (Syeda et al., 2017; Arasti & Tarzamny, 2013). Though women are involved in building businesses, they seem to possess a lesser level of entrepreneurial skills or activities than men (Langowitz & Minniti, 2007). In the

population of working-age, women form a half of it but they are still underrepresented in many fields of work including entrepreneurship. A study by McKinsey contemplates that this low participation from women can may cost around \$28 trillion to the economy and limiting the global gross domestic product (GDP) to \$108 trillion in 2025. These approximations propose that an equal representation for women in every field of work would increase GDP to about \$136 trillion by 2025 (Desjardins, 2018). According to a study by Jenifer Kuadli (2022), 47% of women and 44% of men started a new business in the year 2021. But according to the data from Sixth Economic Census of India conducted between the months of January 2013 and April 2014, reveal that out of 58.5 million business 8.05 million were owned by women, that is 13.76 percent were women entrepreneurs out of the total number of entrepreneurs in India.

Figure 3

Difference in rate of men and women entrepreneurs (Source: Sixth Economic census)

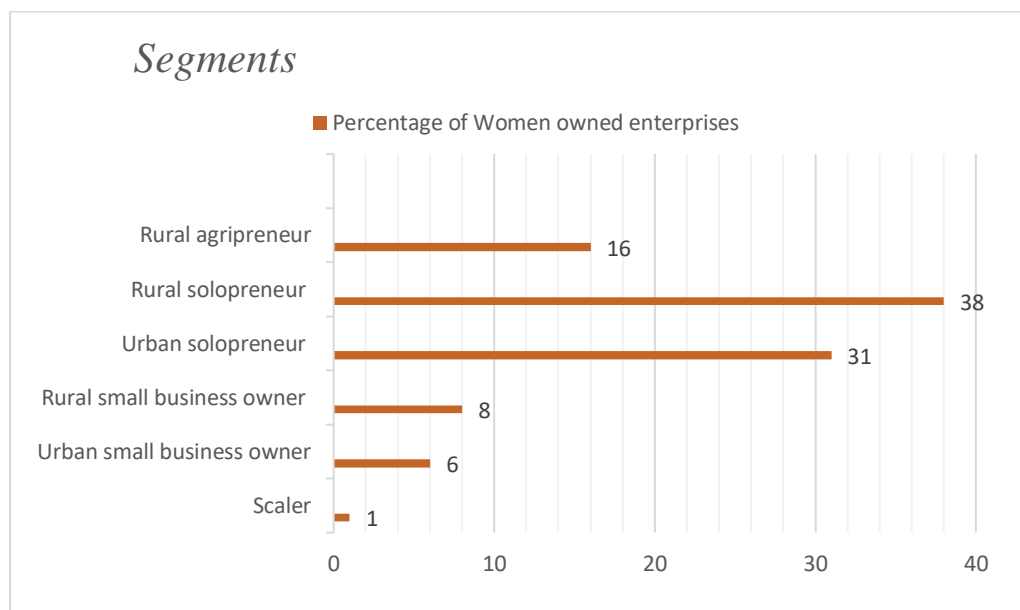


**Segments of women entrepreneurs.** There are various sectors in which women have entered and started a business. Women are changing and are emerging as potential entrepreneurs. There are replacing the traditional business ventures and stepping into non-traditional business sectors by breaking the traditional norms or views. Aptitudes, Skills, flexibility, knowledge, and adaptability in the economy has become a predominant reason for the increase of women in business. According to Bain and company (2022) there are six

dominant segments which are Scaler, Urban small business owner, Rural small business owner, Urban solopreneur, Rural solopreneur and Rural agripreneur. In the graph 2, the percentage of women owing a business in the above-mentioned sectors are given respectively.

Figure 4

**Segments of women entrepreneurs** (Source: Bain and Company, 2022)

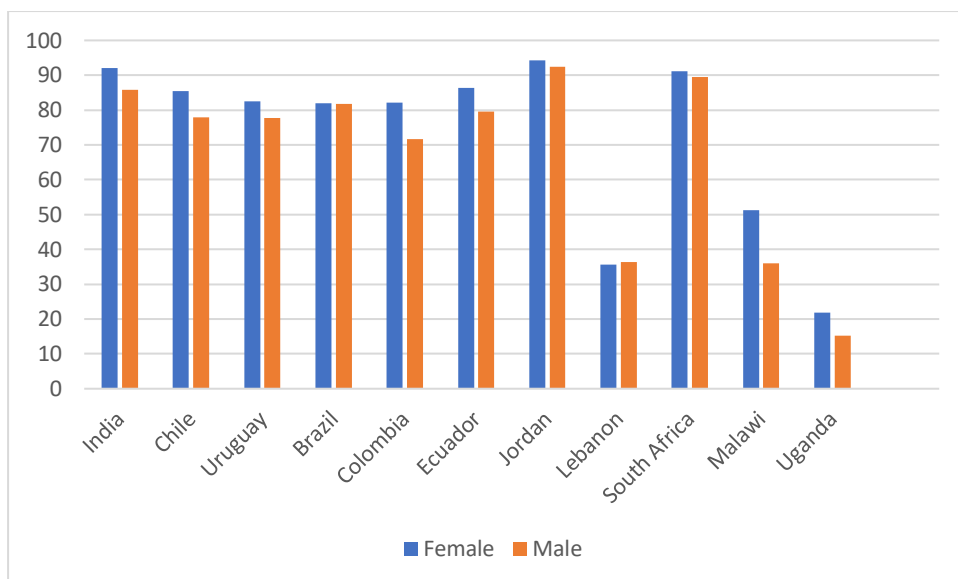


According to The Mastercard Index of Women Entrepreneurs (MIWE, 2021) the major factors that drive a hike in the women entrepreneurial activity rate are various sociocultural, economic, and entrepreneurial conditions. The COVID-19 pandemic, its accompanied lockdown, restrictions, reduction in the economic growth and loss of jobs have caused an increase in necessity driven entrepreneurship. The gender differences in the necessity-driven entrepreneurship for the year 2021, is depicted in the figure 5.

Figure 5

**Necessity-driven entrepreneurship** (Source: The Mastercard Index of Women Entrepreneurs, 2021)





Irrespective of gender building a business is an extremely difficult task and there exists key challenges for start-ups. One of the major challenges is generating funds for the business. Along with it there is a narrow understanding of the customers, getting into the market, employing skilled workers are difficult tasks. For women these become even more difficult as there are added difficulties of gender gap, male domination and societal norms which they will have to face while setting up a business.

### **Constraints faced by Women Entrepreneurs**

Based on the literature cited, some of the constraints commonly faced by women as they venture into building business.

***Cultural constraints.*** Cultural constraints reduce the efficiency of women to conduct to business. In most countries, the cultural value or norm is that men or husband are the bread winners and if women display her entrepreneurial skills, it is usually assumed that she intends to conquest the leadership role of family. Barwa (2003), conducted a study on women entrepreneurs in Vietnam which revealed that the impediments faced by women is more due to the existing gender based social and cultural inequalities. Though equality in education sector and workplace is brought with immense effort, the position of women in family sector as the primary care taker and homemaker remains unchanged (McGowan et al., 2012).

***Lack of capital.*** Some of the major obstacle's women entrepreneurs face in their attempt to gain capital from institutions or banks in form of loans are insufficient access to

formal educations, property ownership, lack of experience in negotiating with banks, low financial knowledge, and confidence to argue and social mobility (Ayadurai, 1987). Monetary issues and insufficient financing are the major difficulty encountered by women entrepreneurs in Bangladesh (Karim, 2001). Studies by Boden and Nucci (2000), Du Rietz and Henrekson (2000), Watson (2003) revealed that women are likely to terminate their business mainly due to these financial concerns and not because of business failure. Along with this, the prevailing social stigma that doubts the entrepreneurial ability of women and society's belief that its riskier to finance enterprises run by women make the banks to place unreasonable securities to sanction loans for women. According to the United Nations Industrial Development Organisation (UNIDO, 2003), women's loan repayment rate is higher than men's repayment rate but still women are the ones to face difficulties to obtain financial credit from banks or other money lending agency due to gender disparity. Many studies like Indarti and Langenberg (2005), Marsden (1992) and Steel (1994) conclude that for potential entrepreneurs the major hindrance to build an innovative business in the developing economy is the lack of access to finance, limitation in credit schemes and the restricted financial system. Banks also tend to overstate the probability of non-payment by female entrepreneurs; therefore, they demand higher collateral requirements from women, resulting in credit rationing (Garland, 2006). Based on the study conducted by Legal jobs (2022), women received an average loan of \$39,000, while men on the other hand receive a loan size of \$44,000 which is shown in the figure 6.

Figure 6

Loan size (Source: Legal jobs, 2022)



***Lack of access to information.*** To initiate a new venture, the availability of information related to the business is indispensable. Along with this, an entrepreneur should possess this quality and trait of eagerness to seek new information (Singh and Krishnam, 1994). Seeking information refers to how frequently an individual is initiating contact different sources of information regarding the business venture. Accessing this information is necessary for starting, surviving and growth of the new venture (Kristiansen, 2002; Indarti and Langenberg, 2005). Women may have lesser-known contacts readily available for their new venture compared to men.

***Networking.*** Social networks are the new trend and has an immense impact on the success of business enterprises. The business network of women is poorly developed, but there is space for effectively developing this network which can contribute significantly in providing advantages for the welfare of the venture (Linehan and Scullion, 2008) and to build a competitive edge for other entrepreneurs (Miller et al, 2007). Networking provides an opportunity for entrepreneurs to lower the risks, cost of transactions and to enhance their access to emerging knowledge, trends, ideas, and ways to rise capital (Indarti and Langenberg, 2005), form strategic alliances (McGowan et al., 2012) and assimilate tacit knowledge (Linehan and Scullion, 2008). Societal perspective on women who involve in business is very unsophisticated and crude (Ayadurai, 1987). The term marketing refers to agility and self-assurance in dealing with the external world; women in both are discouraged by the society and its conditions (Starcher, 1996). Networking requires travelling to different regions, irrespective of day and night which is inhibiting women and are they are found travelling less compared to men. This indicates the discrepancy in freedom of mobility and expression. A study conducted by Tonge (2008) suggested that women made a choice to not step in the male business network due to low confidence levels, while other study by (McGowan and Hampton, 2006) revealed that as women are stepping into the business ventures and are only building their social networks.

***Work – family responsibilities.*** The support family members provide a woman in management and processing the business amplifies her success. Research studies has revealed that families impose a remarkable effect on the progression of female entrepreneurs and other female executive (McGowan et al., 2012). Families usually have numerous demands from woman which drastically reduce their time in devoting to business (Fasci and Valdez ,1998; Birley, 1989). The foremost responsibilities of women are children, home, dependent members in family, hence this work-home difficulty is a major hindrance in for many female

business owners. Karim (2001) in his study found the major start up problem for female entrepreneurs is balancing between home and business. Due to this family responsibility women could not travel and their access to the necessary skills, abilities, and experiences were adversely limited and affected.

***Low level risk taking.*** Women are likely to have a low risk-taking attitude which can be a contributory factor affecting their decision on starting a business. Risk taking is a major factor affecting the entrepreneur's eagerness to extract the tangible, intangible, material, and monetary resources for the growth of new venture (Yordanova, 2011). Investing finances, running, and maintaining operations and reinvesting the money for excess generation demands a higher risk-taking attitude, nerve, and confidence. Women on an average can be hostile towards taking risk (Anna et al., 1999) and are comparatively possess low concern for financial returns (Rosa t al., 1994). Hence, it is usually assumed that ventures by women do not grow much as they are not risk takers, an essential feature for profitable entrepreneurship.

These are some of the factors which can constraint a woman from entering business venture. Along with this lack of market information, responsibilities for family and children, insufficient capital, low knowledge, lack of advisory support, limited government support, social conditioning, and low skills can contribute towards causing impediments in building a venture. Especially in India, the society has shaped the personality of women in nurturing and a care taker role, which can cause obstructions for her entrepreneurial personality. But yet today, many women are overcoming these obstacles and building a new venture for themselves and creating an identity for themselves.

## **Conclusion**

Women are confined to secondary role of homemaker and recently they are coming out to become self-reliant, independent, and self-respecting people. In this contemporary era, a revolutionary change has occurred of giving importance and bring in equality irrespective of gender. There are several factors which are contributing towards making women as entrepreneurs, but however it requires support from all the other dimensions to make way for women to indulge in successful entrepreneur. Along with this as the cost of living is increasing the need for women to build a career and contribute to the finance of home, supporting the family. Even though need for working women is increasing, the constraints put on women for building an enterprise in not decreasing. However, women are breaking these constraints and starting new business as true entrepreneurs, taking calculated risks,

improving the skill set and establishing networks to gain the independence. Though many are facing difficulty in finding finances for starting a venture, to build connections to grow as a business, difficulty in balancing work and family, women are taking a stand to create their identity and an increase in women entrepreneurship is seen. Along with this a gender gap can be visibly noticed in entrepreneurship, even though the entrepreneurial spirit is equal for both the genders, according to the Earthweb (2022). A little more support from the government and other agencies to provide financial assistance, support from family and a change in society's view is needed for women to excel in business. It is evident that the growth of women in business sector and other fields is seeing an increasing in present times. Laterally, woman is contributing to the development of economy and social development.

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