



A Study on Challenges Faced by Women Entrepreneurs of Small Businesses in Kolkata

**Gargi Lahiri^{*}
Soumen Nath[†]**

Abstract

The effects of globalization are being pursued and Indian women entrepreneurs are being acknowledged and admired not just at home, but around the world. These days, women are the backbone of not only their own households, but also the country's economy. It's frequently more of a responsibility, because they have a greater obligation to strike the correct balance between their family and their profession. They still have to play various roles at home and at work, and she is continually confronted with some common challenges with which she has no choice but to deal. In recent times a number of women in India are trying to convert their dream to reality by engaging in certain businesses. They are using their creativity, imagination to run independent businesses and shape their lives and other's lives and careers. Women who have long been immersed in unpaid and often unacknowledged household tasks and responsibilities are yearning to give wings to their dreams for independence. Women entrepreneurs are beginning to pervade into the male dominated world of entrepreneurship with a bang. The fact that women entrepreneurs are women is the greatest impediment. Male members believe that investing in women's businesses is a major risk. Women's entrepreneurial potential is viewed with suspicion by financial organizations.

Keywords: *Women Entrepreneurs, Startups.*

Introduction

“Women entrepreneurs” are defined by Schumpeter (1942) as “women who innovate, imitate, or adopt a business activity.” The term “women entrepreneur” refers to a woman or a group of women who start, organize, and run a business. The Indian government defines a

^{*}Assistant Professor, Department of Management, Sister Nivedita University, Kolkata. Email: lahiri.gargi30@gmail.com

[†]Assistant Professor, Department of Management, George College, Kolkata (Affiliated to Maulana Abul Kalam Azad University of Technology, West Bengal). Email: soumenatcollege@gmail.com

woman entrepreneur as a company owned and controlled by a woman, with a minimum financial interest of 51 percent in the capital and at least 51 percent of the jobs created in the company going to women. Women's entrepreneurial activities, especially in small businesses, provide them with economic empowerment and allow them to contribute more to overall development. Unfortunately women do not have the same opportunities as males in many societies particularly in under developed countries. Though in the recent past the number of women entrepreneurs has increased dramatically in the developing countries, and their entrepreneurial abilities have revolutionized the economies of their countries. However, this does not imply that the issues have been completely eradicated.

Affecting Factors

Being a woman entrepreneur the balancing role has to play at home and at work, and she is continually confronted with some common problems with which she has no choice but to deal. The social stigma begins at home, where a woman is unable to delegate work to anybody. They often transfer this attitude into the business, taking on too much work rather than finding the right person for the position. As a result, they devote more time to working on their business and start losing work life balance.

In India, gender comparisons are unavoidable, and when a woman begins a firm, even family and friends may regard it as a pastime or a side activity to earn extra money. Sometimes family members treat her initiative as show-off. Many industries, such as manufacturing, are still considered a man's domain. Women lack access to the industry relationships, processes, required to run a successful business. One of the major obstacles that aspiring female entrepreneurs confront is a lack of positive role models. Because they don't have any role models, it's tough for them to imagine what success looks like. They also have a hard time finding female role model who can help them grow and provide constructive feedback. They also have hard time finding information that can help them understand their career and personal struggles.

Issues & Challenges

The existence of predominant patriarchal system in India forced women entrepreneurs to deal with masculine egos and mental hurdles on a regular basis. On one hand women do not access to property directly and even not have a bank account in rural areas. Male family members, on the other hand, do not always want to put their money into business ideas led by women because they lack trust in their potential to succeed. In patriarchy women were brought up to think they are helpless, must bank upon men for assistance. Even post marriage husbands strive to make them feel the same way, particularly if they detect competition. Women need to change this attitude and use their basic qualities, patience, and tenacity against any biases, in this situation.

The primary cause which pulls down women is illiteracy. Women, particularly engaged in small businesses in rural and urban areas are not aware of the business processes, technologies, the market conditions in which the business operates due to lack of education, particularly education involving the above factors. The lack of knowledge also curtails their

motivation to achieve something. Lack of education or low education places a number of impediments in the women's way to start and operate entrepreneurship ventures. Women entrepreneurs in India have a number of challenges, one of which is limited mobility. They can't move and stay alone in hotels for business tour without being concerned about their safety. Furthermore, many Indian hotels still refuse to let women check in unless they are accompanied by a male partner.

Startup

Only 7 out of 100 entrepreneurs in India are female, according to the "Mastercard Index of Women Entrepreneurs". According to the Google-Bain analysis, women control only 20% of enterprises in India, while the World Economic Forum's 2021 report also shows a large gender imbalance of 72 percent in the labor market. Maintaining a good reputation through consistent good services is a major problem for women e-entrepreneurs. There are times when the things given to the client do not meet the customer's expectations. Women businesses lack the organizational infrastructure to invest large sums of money in canvassing and advertising. So, when it comes to compete with organized sectors, women run businesses fall short and sometimes may even be dissolved as a result of competition.

Entrepreneurship is a process that requires a great deal of learning, unlearning, and up skilling. For a person to succeed as a business owner, they must be surrounded by others who have a strong entrepreneurial spirit. Many women, on the other hand, are frequently harmed by absence of such a creative setting. Many women entrepreneurs are compelled to run their enterprises from their homes due to family obligations. As a result, they miss out opportunities to network with other businesses and expand their market reach. It also limits their learning chances, as well as their access to market and networks. India's funding scene is dealing unfairly with gender inequalities. Due to investor preconceptions and other obstacles, women-led enterprises in the country have limited access to funding.

Literature Review

Entrepreneurship is difficult, and it is significantly more difficult if being a woman. It has been established that female entrepreneurs frequently have a far harder time breaking through and getting noticed in the entrepreneurial world than their male counterparts. In developing nations with a large gender gap, culture is thought to be a potential barrier to women starting businesses. It is no denying fact that India has a shortage of female entrepreneurs. Whether it's due to a lack of resources, ecosystem prejudice, women's own thinking, or lifestyle concerns, women have always been outnumbered by males in the startup and tech industry.

Sheatwork's survey (2022), 'State of Women Tech Entrepreneurship in India,' based on responses from 2,000 women across India, including professionals, students, startup founders, and business executives, finds that women in metros favor corporate positions as a convenient career choice. According to Bharthvajan (2014) there are many social standards in India that apply more to women than to men. Lack of working capital and finance, administrative and regulatory requirements, lack of management skills or training, marketing,

technology, and limited mobility, lack of confidence and low risk-bearing ability, and socio-cultural barriers are some of the specific barriers that women entrepreneurs face when scaling up their businesses as a result of these norms.

In India, gender conventions prevent women from participating in work-related networking activities, and rejection of women working outside the home is frequent (Jensen, 2012). Panda (2018) argues that in order to eliminate the cultural hurdles that impede women from starting new businesses, unstable commercial, economic, and political environments must be prioritized. In developing countries, women's family commitments prevent them from becoming successful businesses. With major responsibilities for children, the home, and ageing dependent family members, few women are able to dedicate all of their time and energy to their business (Starcher, 1996).

According to The Economist, women are trapped in a poverty cycle due to a lack of information and their continued position as second-class citizens ("The Female Poverty Trap," 2001). According to the study, illiterate women lack measurement and fundamental accounting understanding. Women are held back by unequal education, and it is no denying fact that states with greater literacy also have more female entrepreneurs.

Research Gap

There are not many studies which deal with the challenges and difficulties women entrepreneurs of small businesses face during their entry into the profession in Kolkata. There are lack of studies which focus on the relationship between the demographic factors of women entrepreneurs (age, educational level and marital status) and challenges they face in the business endeavors in the male dominated entrepreneurial world.

Research Objectives

The following goals were set for the research:

- a) Examine the challenges that women entrepreneurs face during their entry into the business as well as when they are in the business.
- b) To see how age, educational level and marital status is related to the various challenges faced by women entrepreneurs during their entry into the business.

Research Methodology

Nature of Study: Descriptive in nature.

Study Population: In this study, 68 female entrepreneurs (engaged in cloth selling, artificial jewelry & craft making and selling, food catering and home delivery, and selling bakery products) are identified from Kolkata and surrounding areas. Before conducting the survey they are requested for consent. Out of 68 female entrepreneurs two of them refused to give consent. Hence the population becomes 66 (N=66).

Sample Size: To find the required sample size researchers used Cochran (1977) Formula to calculate a representative sample for proportions:

$$n_0 = (z^2 p q) / e^2$$

Where,

n_0 : is the sample size,

z : is the selected critical value of desired confidence level,

p : is the estimated proportion of an attribute that is present in the population,

$q = (1 - p)$,

e : is the desired level of precision.

Assuming the maximum variability, which is equal to 50% ($p=0.5$) and taking 95% confidence level with $\pm 5\%$ precision, the calculation for required sample size will be:

$p = 0.5, q = 1 - 0.5 = 0.5, e = 0.05, z = 1.96$

So, $n_0 = [(1.96)^2 (0.5) (0.5)] / (0.05)^2 = 384.16 = 384$

Now,

$n = n_0 / 1 + [(n_0 - 1) / N]$ is a modification of the Cochran formula for sample size in smaller populations. Here the population size (N) = 66

$n_0 = 384$

Confidence = 95%

Margin of error = 0.05

Required sample size (n) = 56

Sampling Type: Since population size is small purposive sampling technique has been used to cover the entire population.

Primary Data Source: A self-completion structured questionnaire was given to 66 respondents out of which 56 respondents completed in all aspect. 10 respondents submitted the questionnaire in incomplete manner as a result was not considered for tabulation and calculation. So the sample size becomes 56 ($n=56$).

Response Rate: 56 of such respondents completed the questionnaire. The overall response rate was 84.8%. Mangione's (1995) model (Bryman, 2008, p. 219) rates this as a very good response rate.

Table 1: Calculation of Response Rate

Number of questionnaires given	Number of responses received	Response rate (%)
66	56	84.8
Mangione's Classification of Bands of response rate		
Over 85%		Excellent
70-85%		Very good
60-69%		Acceptable
50-59%		Barely acceptable
Below 50%		Not acceptable

Source: Bryman, A. (2008). Social Research Methods (3rd edition) Oxford University Press.

Secondary Data Source: External secondary data was gathered from public sources such as articles, journals, books, internet etc.

Analytical Tool Used: Number, frequency, percentage and Chi square test.

Time Period of the Study: November 2021 to December 2021.

Demographic Profile of Respondents

Table 1.1: (n=56)

Age in years	No of Respondents
20-29	36 (64.3%)
30-39	20 (35.7%)
Educational level	No of Respondents
Up to 12 th Standard	29 (51.8%)
Graduation / Post Graduation	27 (48.2%)
Marital Status	No of Respondents
Unmarried / Widowed / Divorced	39 (69.6%)
Married	17 (30.4%)
Engagement in Type of Business	No of Respondents
Clothing	23 (41.1%)
Jewelry & Craft making	12 (21.4%)
Food catering & Home Delivery	15 (26.8%)
Bakery	6 (10.7%)

Source: Primary survey data

Findings

Challenges faced at the time of entry in the business [Table No: 2 (n=56)]

Table No: 2 (n=56)

Statements of women entrepreneurs regarding challenges faced at the time of entry in the business	No of Respondents (n=56)	
	Yes	No
Knowledge of the Industry is Limited (Q1)	42 (75.0%)	14 (25.0%)
There's a lot of pressure to stick to gender roles that have been there for a long time (Q2)	45 (80.3%)	11 (19.7%)
A lack of a conducive environment for entrepreneurship (Q3)	38 (67.8%)	18 (32.2%)
Poor Possibilities for Funding (Q4)	40 (71.4%)	16 (28.6%)
A Difficult Competition (Q5)	44 (78.6%)	12 (21.4%)

Source: Primary survey data

From Table number 2, it can be interpreted that:

- (i.) Out of 56 respondents 42 respondents agree that their knowledge of the industry was limited. They agree that they were not conversant with the industry at the time they started the business. It took them years to learn about the environment in which their business operated.
- (ii.) Out of 56 respondents 45 respondents agree that there's a lot of pressure to stick to gender roles that have been there for a long time. Even after years into the business many women face serious challenges for not adhering to the gender norms specified by the society.

- (iii.) Out of 56 respondents 38 respondents agree that a lack of supporting environment for entrepreneurship persists. For women starting a business is viewed mostly as a pastime activity by the society. Studies have shown that women entrepreneurs face the first hurdle at the family level and her entrepreneurial endeavor is often criticized by the family members. She faces the same situation outside home too. Her business ideas are often looked down upon in the male dominated business world.
- (iv.) Out of 56 respondents 38 respondents agree that Poor Possibilities for Funding was available at the time of entry. Possibilities of funding are poor in women headed businesses mostly due to the lack of trust on women's business abilities. Lack of property in the name of women to keep as security deposits, lack of guarantors for loans also restricts the possibilities of funding their business. A number of respondents showed lack of awareness of various Government schemes to aid their businesses.
- (v.) Out of 56 respondents, 38 respondents agree that they face a difficult competition. The competition at times is unequal since the businesses are traditionally run by males. In the male dominated world there is little support for the women. Women also lag behind due to lack of networking, lack of skills and lack of knowledge required for running the business.

Challenges faced by Women Entrepreneurs during business operation [Table No: 3 (n=56)]

Table No: 3 (n=56)

Statements of women entrepreneurs regarding challenges faced while running the business	Response (n=56)	
	Yes	No
Managing work and family life	51	5
Obtaining customers	45	11
Getting access to raw materials	25	31
Motivating employees to work	42	14
Acquiring the necessary technical skills	49	7
Convincing Family for carrying out business/expanding business	50	6

Source: Primary survey data

Table No: 3 shows that the challenges women entrepreneurs are still facing in the business.

- (i.) Out of 56 respondents, 51 respondents are still struggling to strike a balance between managing work and family life. Striking a balance between work and family has been a perennial problem for women, and the respondents in the study were no exceptions.
- (ii.) Out of 56 respondents, 45 respondents are finding it difficult to obtain customers for the business. Obtaining customers for business necessitates promotional activities which claims a major time and cost from the entrepreneurs. A significant portion of the women entrepreneurs of the study have shown concerns for obtaining customers.
- (iii.) Out of 56 respondents, 25 respondents are looking for vendors who can supply raw materials for smooth running of the enterprise. This shows that women are unable to

- move themselves for procuring raw materials needed for their business and thus are looking for suitable vendors to supply them with the same.
- (iv.) Out of 56 respondents, 42 respondents are finding ways to motivate existing employees. To keep employees motivated to contribute towards business has been a major challenge to many women entrepreneurs, especially in the pandemic stricken world.
 - (v.) Out of 56 respondents, 49 respondents looking for programs to acquire necessary technical skills for serving their clients in the best possible manner. Women in the study realize that they need to upgrade their technical skills and skills for running a business. They look forward to various workshops which will allow them to sharpen existing skills and develop new ones.
 - (vi.) Out of 56 respondents, 50 respondents find it difficult to convince family members for business expansion. This clearly indicates that women entrepreneurs despite their efforts has mostly failed to convince their family members about the need to expand their business.

Cross tabulation between Age, Educational Level and Marital Status and Challenges faced (Q1, Q2, and Q3) during entry into the business (Tables 4.1, 4.2 and 4.3)

Table No: 4.1 (n=56)

Parameters	Statements with responses		Chi-square statistic	P-value <0.05
Age in years	(Q1)			
	Yes	No		
20-29	28	8	0.10	0.7518
30-39	14	6		
Educational level	(Q1)			
Up to 12 th Standard	30	6	0.16	0.6892
Graduation / Post Graduation	15	5		
Marital Status	(Q1)			
Unmarried/Widowed/ Divorced	26	10	0.41	0.522
Married	12	8		

Table No: 4.2 (n=56)

Parameters	Statements with responses		Chi-square statistic	P-value <0.05
Age in years	(Q2)			
	Yes	No		
20-29	20	9		

30-39	22	5	0.6	0.4386
Educational level	(Q2)			
Up to 12 th Standard	24	5	0.02	0.8875
Graduation / Post Graduation	21	6		
Marital Status	(Q2)			
Unmarried / Widowed / Divorced	19	10	0.01	0.9203
Married	19	8		

Table No: 4.3 (n=56)

Parameters	Statements with responses		Chi-square statistic	P-value <0.05
	(Q3)			
	Yes	No		
Age in years	(Q3)			
20-29	32	7	9.82	0.0017
30-39	6	11		
Educational level	(Q3)			
Up to 12 th Standard	31	8	0.7	0.4028
Graduation / Post Graduation	11	6		
Marital Status	(Q3)			
Unmarried / Widowed / Divorced	30	9	3.57	0.0588
Married	8	9		

[Since the tabulated value of chi-square for 1 degree of freedom at 5% level of significance=3.84]:

Age, educational level and marital status of the entrepreneurs are taken and a chi square test is attempted to show the relation between the above mentioned variables and the first three statements representing the challenges women entrepreneurs face at the time of starting the business. Tables 4.1, 4.2 and 4.3 show the results of chi square test.

- Table 4.1 shows that age, educational level and marital status of women entrepreneurs have no relationship with their knowledge about the industry in which their business operates.
- Table 4.2 shows that age, educational level and marital status of women entrepreneurs have no relationship with the pressure to stick to traditional gender roles.
- Table 4.3 shows that educational level and marital status of women entrepreneurs have no relationship with getting conducive environment for entrepreneurship. As for age, the

value of chi square obtained exceeds the tabulated value. Therefore, it can be said that age is related to getting a ‘conducive’ environment for entrepreneurship and that the two are dependent variables.

Limitations of the Study

- a) The population was limited to Kolkata and the surrounding areas.
- b) Respondents' responses to the questions may be biased.
- c) Researchers used a purposive sampling technique; generalization should be done with caution.

Conclusion

The paper has studied the challenges faced by women entrepreneurs in Kolkata. It has also been found that age, educational level and marital status of women entrepreneurs are unrelated to most of the challenges they face during their entry into business. The only exception: lying in the case of age and the obtaining of a “conducive” environment for entrepreneurship. The study found that the above mentioned variables are dependent. However, in recent times, a lot of women are breaking the social and cultural stereotypes, overcoming other challenges and running their independent business successfully. They are shunning the idea that a woman can only attempt business ventures when she has the responsibility of feeding her family through earning. The Government of India and respective state governments are providing willing women with schemes which will help them set up and run independent business. Women entrepreneurs are visible now in male dominated professions also. They are gradually establishing themselves as businesswomen and giving their male counterparts a strong competition. Creation of a conducive environment by offering better loans and financial grants, tax benefits, trainings and workshops for technical skill up gradation could not only encourage more women to start their own businesses, but also help them succeed.

Future Scope of Study

The study dealt with women entrepreneurs engaged in clothing, jewelry and craft making, bakery and food catering and home delivery business. Further study can embrace women entrepreneurs from other non-conventional business and explore the challenges faced by them. This study has shown the relationship of age, education and marital status and the challenges faced by women entrepreneurs. Further research can be undertaken to see how other factors like engagement in different types of business, number of years spent in the business relate to the challenges faced by women entrepreneurs.

References

- Bharthvajan, R. (2014). *'Women entrepreneurs & problems of women entrepreneurs'*, International Journal of Innovative Research in Science, Engineering and Technology, vol. 3, no. 9

- Bryman, A. (2008). *Social Research Methods (3rd edition)*. Oxford University Press.
- Cochran, W. G. (1977). *Sampling techniques (3rd ed.)*. New York: John Wiley & Sons.
- Gordon, E; Natarajan, K. (2007). *Entrepreneurship Development*. Himalaya Publication House, Second Revised edition
- Global Gender Gap Report. (2021). *World Economic Forum*, ISBN-13: 978-2-940631-07-0. Retrieved from <http://reports.weforum.org/globalgender-gap-report-2021/dataexplorer>. Accessed on 8th March 2022
- Jensen, R. (2012). DO LABOR MARKET OPPORTUNITIES AFFECT YOUNG WOMEN'S WORK AND FAMILY DECISIONS? EXPERIMENTAL EVIDENCE FROM INDIA. *The Quarterly Journal of Economics*, 127(2), 753–792.
- Mastercard Index of Women Entrepreneurs. (2020). Retrieved from https://www.mastercard.com/news/media/1ulpy5at/ma_miwe-report-2020.pdf. Accessed on 10th March 2022
- Panda, S.(2018). 'Constraints faced by women entrepreneurs in developing countries: review and ranking', *Gender in Management: An International Journal*, vol. 33, no. 4, pp. 315-31.
- Schumpeter, J.A. (1942). *Capitalism, socialism and democracy*. New York: Harper & Row.
- Sheatwork's survey (2022). 'State of Women Tech Entrepreneurship in India,' Retrieved from <https://sheatwork.com/> Accessed on 3rd March 2022
- Starcher, D. C. (1996). *Women entrepreneurs: Catalysts for transformation*, Retrieved from [http:// www.ebbf.org/woman.htm](http://www.ebbf.org/woman.htm). Accessed on 5th February 2022
- The Female Poverty Trap (2001). *The Economist*, Retrieved from <https://www.economist.com/unknown/2001/03/08/the-female-poverty-trap>. Accessed on 4th March 2022
- Women Entrepreneurship in India (2019). *Published by: Bain & Company and Google*. Retrieved from https://www.bain.com/contentassets/dd3604b612d84aa48a0b120f0b589532/report_powering_the_economy_with_her_-_women_entrepreneurship_in-india.pdf. Accessed on 12th March 2022