



## **Women entrepreneurship in India**

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### **Abstract**

This conceptual paper indicates the status of the women entrepreneurs in India in the 21<sup>st</sup> century. The main objective of this paper to find out the features of women entrepreneur with the successful story of Vandana Luthra the most successful Indian women entrepreneur in beauty products, who is founder of world renowned company VLCC. Women of 21<sup>st</sup> century are not bound to behind the four walls of the house even they come forward to the society and accept each and every challenge given to them. This paper also highlights the India's rank compare with other countries in women entrepreneurship and also shows some recommendations and steps taken by government to promote a spirit of women entrepreneurship.

**Keywords:** entrepreneurship, women, business, creativity

### **Introduction**

Women Entrepreneur is known as a person who accept a social and family life and make a balance between them by accepting different challenges for fulfill their personality needs. Women Entrepreneur is the foundation of modern society. They are the life blood of developed economy and the backbone of the Industry, Commerce and Enterprise. Each and every sector like Educational, Banking, Industrial, Social, Political etc. women are there. After 1991, the process of liberalization and globalization, our society open the door for women and give them an opportunity to prove themselves. Entrepreneur is that person who bring creativity and innovation in the society. Women's mind is a great source of innovation and creativity. In old era, they were used their mind for their children, spouse and family but now, they used same thing in the entrepreneurial world. In traditional time, women did small business activities to earn some amount of money and reduced poverty, but in modern time they want equal status with their better half. They want to satisfy their self- actualization needs, psychological needs, needs to influence others, establish a kingdom in the world, power to control others etc. Today, women change with the change in the definition of entrepreneur. Most of people use the terms businessman and entrepreneur interchangeably, but both are different. A businessman is a person who runs the business with an existing idea offering products and services to customer at profit. The main purpose of businessman to earn higher profit irrespective of innovation and creativity, but an entrepreneur is a person who bring new ideas, creativities and innovation in market and convert their ideas into reality. Entrepreneur gives more importance to their customers, employees, and public and earn higher profit by satisfying their stakeholders. Entrepreneur does not give emphasis on competition rather than they focus on coordination and corporation of all resources.

“Women Entrepreneurship is based on women participation in

equity and employment of a business enterprise.”

Ruhani J. Alice

Women Entrepreneur are not only contributes to GDP but they also plays crucial role in the society. There are many challenges are faced by women entrepreneur which are the barriers for their achievement. According to a survey only 14% of entrepreneur are Indian women. According to Harvard Business Review, 60% of women worked well past the birth of their second child and 90% left because of work place problems. In total 3, 25,000 women had Entry level positions, 1,50,000 had made it to Middle Management and only 7,000 had made it to Vice President, Senior Vice President or CEO.

### **Status of Indian women entrepreneurs**

Entrepreneurship is most important factor for the development of economy. According to Economic Times India ranks 16th out of 17 countries in a recent survey on high potential women entrepreneurship. According to survey conducted by ‘women business ownership’ index to the success of women entrepreneur India's rank has lowest among countries. As per this, countries female labour force is as under:

Europe 78.4%  
New Zealand 74.4%  
Canada 72.4%  
U.S.A 69.9%  
India 41.7%  
Uganda 34.8%  
Bangladesh 31.6%  
Vietnam 31.4%

This data shows that India ranks just above the Uganda and almost half than Europe. According to survey conducted by Global Entrepreneurship and Development Institute (GEDI) in the area of women entrepreneurship among 30 countries India gained worst position. The top and bottom ranks of women

entrepreneurship survey are as follows:

Top – 5		Bottom – 5	
Country	Rank	Country	Rank
U.S.A	1	India	26
Australia	2	Uganda	27
Sweden	3	Egypt	28
France	4	Bangladesh	29
Germany	5	Pakistan	30

As we see in that data India got 26<sup>th</sup> rank in how they foster women entrepreneurship. This is due to huge obstacles face by Indian women entrepreneur such as lack of finance, social constraint, gender gaps in education, lack of confidence and faith etc.

**Challenges before women entrepreneur**

There are some challenges which are faced by women are as follows:-

1. Family Problem: The biggest challenge before the women entrepreneur is family problems. The family member wants that women spend their whole time with family and her children and solve their family issues. They don't encourage women to exploit the business opportunity and bear risk.
2. Gender Gaps in Education: Our society is male dominated society. In our society great emphasis are given to men as compare to women. Women are not allowed to enhance their and skills. They are denied for getting education. More about 60% of women are still uneducated in India.
3. Low risk taking ability: Women have low risk taking ability as compare to men because women don't have sufficient funds to bear any higher loss, lack of infrastructure, lack of quick decision making and some extent of social boundations. According to business rule "more risk more profit" women have no capability and guts to follow this rule.
4. Tough competition: In our society there is severe competition between men and women. Women face stiff competition for organize their business sector, coordination with male members, procurement of inputs for production and advertisement.
5. Lack of self -confidence: Most of Indian women are shy. They have lack of confidence and they hesitate to take high level decisions. They have close mind and can't express their ideas, opinions, views openly before another person's. All these factors are barriers before the women entrepreneur.
6. Unbalance Life: Make a balance between personal life and corporate life is difficult task to women entrepreneur. In our society marriage and family issues are more important than the career life and development.
7. Finance Problem: Finance is the life blood for every business organization. No one enterprise can survive without finance. In our society women suffer lot of problems regarding finance. Our society harass the women for borrow finance. Women are only based on their own savings, friends and relatives. According to a survey for every 9 men who get equity financing, only 1 woman does.

8. Lack of Business Information: In our society women have not sufficient means to gain knowledge about availability of raw material, skilled labour, finance, subsidies given by government etc. Due to this she has limited interaction with the outside world.
9. Travelling Problems: Today, an increasingly global market place, crossing border for business has become routine. Navigating an unfamiliar countries and culture is difficult task for women. Women also have problem for staying out in the nights or for long time at distant places.
10. Legal Formalities: To start a business women entrepreneur faces too much legal formalities regarding obtaining licenses, electricity, water allotments, registrations, bank accounts etc. Prevalence of corrupt practices in government offices, bribe system and time consuming procedures make hurdle before women entrepreneur.
11. Lack of Managerial Attitudes: The general rule 'Think Manager-Think Male', which describes the relations between male characteristics and managerial positions, is a global one, especially among men. This perception among society shows that men are better than women and only men have the characteristics, skills, knowledge, attitude which make them successful entrepreneur. All above reasons shows that why India ranks low among different countries in women entrepreneurship. USA is that country where the two genders are treated as being equal and as having equal managerial characteristics.

**Journey of an entrepreneur- Vandana Luthra**

VLCC is renowned name in beauty and wellness industry. It has centers in 11 countries of Asia and Africa and GCC (Gulf cooperation council). The owner of VLCC is Vandana Luthra. Initially, she was a homemaker but in 1989 when first of her two daughters was only 3 years old, she started her business life. She faced tough time and criticism from the society. She start-ups her business when it was just an imaginations in the minds of women and there was no any support from family and society. But Vandana have done that thing with the help of their cooperative and supportive husband and family. Her husband wanted to help her financially to start her enterprise but she denied to take money from anyone and went on to start VLCC on a small bank loan. In 2005, she built her first overseas VLCC Centre in Dubai and since then, it has seen that there are number of courses and centers all around the world.



Fig 1

VLCC is the result of great dedication, diligence and patience of Vandana Luthra. She started getting clients, started getting return on her investments which boosted her confidence. In order to get better returns and in order to offer 'A' grade services to her clients, she started working with doctors on a regular basis which worked well in her favor. The brand still maintains its legacy where 60% of her clients come from doctors. She listed in Fortune magazines of 50 most powerful women in Business in India for five years in a row – from 2011 to 2015. In 2016, she has been ranked 26<sup>th</sup> in the distinguished annual Forbes Asia 2016 list of 50 Power business women in the APAC region. Vandana Luthra gets many awards and recognitions for her business which are as given below:-

1. Haryana Gaurav Samman by the Government of Haryana in 2017.
2. Padma Shri Award in 2013 for her contribution to trade and industry.
3. The Asian Business leaders Forum Trailblazer Award in 2012.
4. The Enterprise Asia Women Entrepreneur of the year Award in 2010.
5. FICCI Successful Business Woman Award.
6. Amity Woman Achievers Award.
7. Outstanding Business Woman Award.
8. Rajeev Gandhi Women Achiever Award.

The challenges she faced and the hardship she went through while making VLCC made her a much more deterministic person. Major challenges that she faced were finance and people who tried to constantly pull her down. It was not easy to get investment at initial stages of building the startup, but Vandana's confidence, dedication, hard work ship, and assertiveness made it possible.



Source: www.slideshare.net

Fig 2

This is a wondering that some of the Indian Women have become successful entrepreneurs. Women Entrepreneurs play a major role in the economic development of the nation. The home maker ladies now become a productivity ladies for the entire society.

### Top 10 successful women entrepreneur in India

1. Indu Jain (Chairperson of Bennett, Coleman & Co. Ltd.)
2. Kiran Mazumdar Shah (CMD of Biocon Ltd.)
3. Indra Nooyi (CFO and President of PepsiCo.)
4. Vandana Luthra (Founder of VLCC)
5. Naina Lal Kidwai (Country Head and Group GM of HSBC Group India)
6. Chanda Kochar (MD and CEO of ICICI Bank)
7. Ekta Kapoor (Founder of Balaji Telefilms)
8. Suchi Mukherjee (Founder of Limeroad)
9. Richa Kar (Founder of Online Lingerie Store Zivame)
10. Aditi Gupta (Co-Founder of Menstrupedia)

### Steps taken by government to promote women entrepreneur

Today women in India are increasingly participating in all spheres of activities. The growth of women entrepreneur required to be increased because growth of an economy is not possible without the presence of women. For the development and the empowerment of women entrepreneurs, Government as well as Non-Government organizations plays an important role in the country. The Indian Government has taken steps for women education, information and guidance about entrepreneurship and offer them lot of opportunities. Government also helps the women to startup their own ventures. These steps are as follows:-

1. **Trade related entrepreneurship assistance and development scheme for women:** Under this scheme women gets knowledge, training about trade, products and services etc. in rural, semi-urban areas and urban areas. In this scheme govt. grants up to 30% of loan/credit maximum up to Rs.30 lakhs as appraised by banks.
2. **Mahila Vikas Nidhi:** This fund has been setup by SIDBI for the development of women entrepreneur in rural areas. It provides loan to women are given to start their business in the fields like spinning, weaving, block printing, handicrafts, handlooms etc.
3. **Cooperative schemes:** Under this scheme government helps women in agro related industries like poultry, horticulture and poultry etc. with full financial support.
4. **Government Yojanas:** Swarna Jayanti Gram Swarozgar Yojana and Swarna Jayanti Sekhari Rozgar Yojana were two important schemes launched by the govt. to provide reservation for women and motivating them to start their business.
5. **Rashtriya Mahila Kosh:** It was started in 1993 to grant small credit to poor women at cheap rate of interest with low cost of transaction and simple procedures.
6. **Training Programs:** The various training schemes for self employed women are introduced by government as follows:
  - a. Sport for Training and Employment program for women (Step)
  - b. Development of Women and Children in Rural Areas (DWCRA)
  - c. Small Industry Service Institutes (SISIs)
  - d. State Financial Corporations
  - e. National Small Industries Corporations
  - f. District Industrial Centers (DICs)

### **Important associations of women entrepreneurs**

There are many associations for women entrepreneurs who organize special seminars and conferences for women. They create unity among female entrepreneurs and motivate them to participate in industrialization. They provide services for promotion of women entrepreneur. Main objective of these associations to promote women entrepreneurship in agriculture and rural areas. They also organize international conferences on women entrepreneurship. They also help the women entrepreneur to get raw material, credits and other inputs. These associations are as follows:

1. National Alliance of Young Entrepreneur (NAYE)
2. Indian Council of Women Entrepreneurs
3. FICCI Ladies Organization (FLO)
4. World Association of Women Entrepreneurs (WAVE)
5. Associated Country Women of World (ACWW)
6. Self Employed Women's Association (SEWA)
7. Federation of India Women Entrepreneurs (FIWE)
8. Women India Trust (WIT)s
9. Consortium of Women Entrepreneurs of India (CWEL)
10. Self Help Groups (SHG)

### **Conclusion**

The above paper shows that wherever u look, there is an Indian Women Entrepreneurs. Women have always been involved in small as well as large business enterprises. But, as per 6th economic census, women constitute only 13.76% of total entrepreneurs. Average employment per establishment for women owned establishment is 1.6%. These data shows that over the years in our Indian society the misconception is that women have less managerial skills and characteristics than men. Whether employed or not, both men and women have negative attitude towards women as an entrepreneur. It can be said that, although some programs have been evolved, but there are still some requirements for developing women entrepreneur in India.

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