

ABS International Journal of Management

ISSN 2319-684X (PRINT)

VOL 2 ISSUE 2
DEC 2014



ASIAN BUSINESS SCHOOL

Approved by AICTE,

Ministry of Education, Govt. of India
Plot A2, Sector 125, Noida - 201303

Post Graduate Diploma in Management

MARKETING CHALLENGES FACED BY ENTREPRENEURS – A SPECIAL CASE OF SMALL AND MEDIUM ENTERPRISES
Rinki Maheshwari, Komal Kapoor

CONSTRAINTS AND OPPORTUNITIES FACING WOMEN ENTREPRENEURS IN DEVELOPING COUNTRIES: A CASE OF INDIAN ECONOMY
Dr. Salabh Mehrotra

WOMEN ENTREPRENEURSHIP IN RURAL INDIA: SOME ISSUES
Siddharth Mathur

WOMEN ENTREPRENEURSHIP IN INDIA: ISSUES AND CHALLENGES
Er. Supratim Pratihar, Ananya Roy

WOMEN ENTREPRENEURSHIP IN INDIA: ISSUES AND CHALLENGES
Er. Supratim Pratihar, Ananya Roy

EMPOWERING THE WOMAN OF TODAY TO PROMOTE WOMEN ENTREPRENEURSHIP IN INDIA
Swati Seth, Komal Kapoor

REINVENTING THE ROLE OF GENERATION Y IN BUILDING FUTURE TALENT POOLS – AN ENTREPRENEURIAL PERSPECTIVE FOR SUSTAINABLE ORGANIZATION LEADERSHIP
Dr..Vijit Chaturvedi, Dr. Pritisuman Mishra

CAPITAL STRUCTURE DECISIONS AND ITS IMPACT ON PROFITABILITY- A CASE OF IFCI LTD.
Aniruddha Ghosh

SYNERGIZING EFFORTS- “A LONG RUN STRATEGY FOR SUCCESS AND SURVIVAL FOR ENTREPRENEURS
Awantika Tewari, Ashwani Kumar Singh, Rupesh Kumar

ENTREPRENEURSHIP IN WASTE MANAGEMENT
Saloni Singh, Rashmi Verma, Adviteeya Pandey



Sh. Suman Jyoti Khaitan
President of PHDCCI
A Member of the Managing Committee of ASSOCHAM

FOREWORD

Understanding the process of new value creation is central to the helm of entrepreneurship. Extending this value creation logic to the realm of entrepreneurship has led to an emerging research stream of interest to researchers and scholars in management, strategic management, and entrepreneurship.

I appreciate the contribution of Asian Business School Research and Development Cell in the form of its 2nd issue of “ABS-Management Research-Article and Application” – a blend of constructive research-based papers that aims at nurturing a novel attitude towards traditional business models- a sincere effort by various academicians and corporate from all across the globe putting together their ideology to creep in sustainable growth thorough the concept of entrepreneurship.

“ABS -Management Research-Article and Application” outlines constructive and immaculate efforts of associated connoisseur as a momentous collaborative approach to contour present situation and evade future business mayhem.

Sh. Suman Jyoti Khaitan



Sunita Verma
Editor, ABS Management
Research- Articles & Application.



Komal Kapoor
Editor, ABS Management
Research- Articles & Application.

PREFACE

The classic Darwin's Theory of "Survival of the Fittest" still remains the truest of all theories propounded till date. Whether it was the ancient civilization or whether be it the modern day's warfare like situation of the global economy.

The changing face of Indian continent has made the world take an edge seat & look up as to what is in the making. The Indian economy has proved everyone wrong with its capability to stand strong even in the worst of times. When the global economies are struggling to sustain, India is moving at a rapid pace now backed with a new & transformed political framework. There is a ray of hope in every nook & corner of the country. Each sector, whether it is Education, Retail, Energy, Infrastructure, Information Technology, Banking, Insurance is writing its own story of success, again strengthening the fact that India was once the "Golden Bird" of the world & will very soon again prove it for generations to come.

These conditions necessitate the need for research & development in every possible field & sector in India. The future of Indian economy will be influenced by how the country utilizes its human resource, pursue entrepreneurship, build resources & capitalize of the current strengths. It is not just a desire but the compelling need of the hour in the world where "Survival of the Fittest" still holds true.

"ABS Management Research-Articles & Applications" with an ISBN no 978-81-927282-0-9 Volume 1, Issue 2 is an outcome of initiative taken by Asian Business School Research & Development Cell as part of collaborative research efforts to propagate innovative and creative approach to traditional management practices. Research & Development cell at Asian Business School aims to provide an intellectual platform for high quality of research work encompassing various domains of management. The initiatives have culminated into a National Seminar on Business Strategies for Economic Evolution and Development- SEED 2012 on 12th October 2012 which provided innovative conceptualization of

further published in journal of the institute entitled ABS International Journal of Management with ISSN No. 2319-684X for circulation and further deliberation on emerging issues. The Research & Development Cell also organized an international conference on Innovation, Creativity and Ethics in Current Business Scenario on 15th March, 2013- ICE 2013 to spread further awareness about the need for business transformation in today's fast paced, dynamic and challenging business environment. The most recent initiative of the cell was IDEAL 2013 organized on 13th September on the theme of Integrating Development for Entrepreneurial Advancement & Leadership which culminated in divulging unique and unknown facets of entrepreneurship in India like Women Entrepreneurship, Social Entrepreneurship, Techno Entrepreneurship, Service Entrepreneurship, SME & Entrepreneurship, etc.

The second issue of "ABS Management Research- Articles and Application" is a compilation of qualitative research work contributed by various academicians and industry experts focusing upon transformation of current business scenario with their valuable contribution and development of pedagogy for fresh managers to cater to developing corporate world. This book is compiled of 18 papers poised on management domains and the importance of paradigm shift and change management.

ABS Research & Development cell seeks to endow all its readers through ABS Management Research- Articles & Applications- a perfect blend of knowledge, innovative & creative thought process that directly or indirectly can contribute toward the sustenance and development of current business scenario.

Contents

Preface

Messages

From the President's Desk

From the CEO's Desk

From the Director's Desk

From the Desk of Director (Branding)

From the Desk of Director (Admission)

Research Papers

Rinki Maheshwari, Komal Kapoor

Constraints And Opportunities Facing Women Entrepreneurs In Developing Countries: A Case Of Indian Economy

Dr. Salabh Mehrotra

Women Entrepreneurship In Rural India: Some Issues

Siddharth Mathur

Women Entrepreneurship In India: Issues And Challenges

Er. Supratim Pratihar, Ananya Roy

Empowering The Woman Of Today To Promote Women Entrepreneurship In India

Swati Seth, Komal Kapoor

Reinventing The Role Of Generation Y In Building Future Talent Pools – An Entrepreneurial Perspective For Sustainable Organization Leadership

Dr. Vijit Chaturvedi, Dr. Pritisuman Mishra

Capital Structure Decisions And Its Impact On Profitability- A Case Of Ifci Ltd.

Aniruddha Ghosh

Synergizing Efforts- "A Long Run Strategy For Success And Survival For Entrepreneurs

Awantika Tewari, Ashwani Kumar Singh, Rupesh Kumar

Entrepreneurship In Waste Management

Saloni Singh, Rashmi Verma, Adviteeya Pandey

FROM THE PRESIDENT'S DESK



**Prof. Sandeep Marwah
President
Asian Education Group**

We are living in an age where cut throat competition exists in every sphere of life. The business environment has become very dynamic and throws a stiff challenge to the modern day managers. The modern day corporate leaders must be capable of adapting to the fast changing business scenario.

We at Asian Business School strive to attain the modern management concepts and approaches keeping in mind the challenges that the management confronts today. A lot of stress is being placed on the quality of research and consultancy so as to equip the young and budding managers with the necessary skill set which in the longer run ensures their success and sustainability.

The newly elected government is also placing a lot of emphasis on good governance and sustainable development which is clearly in line with our vision at ABS for future. The future managers are being nurtured in a manner to be able to think out of box

I take this opportunity to extend my wishes to ABS Research Management for bringing out the second issue of the ISBN no. book and enlightening the management fraternity with a new vision.

FROM THE CEO'S DESK



Akshay Marwah
CEO
Marwah Studios-Creative
Enterprise

The world is a changed place today. The continuous tug of war between the push & the pull factors of this dynamic business environment are forcing the corporations to perform to their maximum. In such a situation, the key drivers are competitiveness & sustainability which will help the companies to survive.

To build competitiveness is to make the competition redundant. This is possible through a combination of developing core competencies, leadership & strategic envisioning. In the current scenario, fostering strategic thinking to achieve long term sustainability has become the most crucial aspect for companies.

Hence, ABS Management Research- is an effort for foresee & evaluate the current & future business practices to draw out a performance chart for organizations to follow. This book will open many avenues to understand & unearth changing fundamentals to build an organization from competitiveness to sustainability by acquiring new knowledge, strategies & long term thinking.

I whole heartedly applaud the initiatives of ABS Research & Development Cell in bringing out the second issue of ABS Management Research- Articles & Applications. I am sure this will be a bigger success than the first issue. I congratulate the whole ABS team & wish them all the success for the book.

FROM THE DIRECTOR'S DESK



Dr. Lalitya Vir Srivastava
Director
Asian Business School

The world is changing at a faster pace and the vision of the country like India is also changing. The new political system also promising a new vision for India. With all the initiatives taken up and planned by government of India, India is heading towards a newer and more developed country. I am very proud of the dynamic research team at ABS who are the main force behind the journal & book publication; who have bought together selected and high quality papers together to enlighten the various strategic thought process to develop the various industries in India. Till date the various views given by researchers, academicians and industry experts gives us a glimpse of the various challenges and managerial interventions to study issues like consumer perceptions, stock market imperfections and issues and challenges in other arenas.

In the conferences held at ABS various thought processes and key strategic extracts have come to be highlighted to enlighten & strengthen the academy-industry interface and broaden our vision to achieve our goal of Growth with Education

I wish that this second issue of ABS Management Research- Article & Applications will showcase the strategic innovations to move towards an improved and growing Indian economy.

FROM THE DESK OF DIRECTOR - BRANDING



Saurabh Sharma
Director - Branding
Asian Business School

In the wake of cut-throat competition due to the massive upsurge in the global business environment, organizations, need to combat with innovative business strategies; proactively and sustainably. Every business caters to its own set of target market with varied expectations and diverse product requirements to strive competitive edge. Innovation turns out to be a necessary tool for the business houses that not only will delight the target market but will also cover untapped market.

The Master Card for the same is through a constructive research and development of old generic concept into innovative and creative outlook that can serve current scenario to the best possible way.

I feel that ABS Research & Development Cell has made an appropriate initiative in publishing ABS Management Research – Articles and Applications. This rich repository with perspectives, views, articles, and research from corporate and academia will help its reader to develop useful insights about the business requirements in the current dynamic environment.

I wish ABS Management Research – Articles and Applications a great success.

FROM THE DESK OF DIRECTOR - ADMISSION



Gurdeep Singh Raina
Director - Admissions
Asian Business School

With the ever-changing business environment, finding the strategic fit for the various business situations had always been a challenge for the strategists. Over a period of time there had been major changes in Indian and global business scenario and world economies. The conventional business practices are no more applicable in this dynamic business scenario and thus requires a paradigm shift in the approach of handling the challenges of business for a sustainable growth.

Management Students should possess in them the ability to respond to this ever-changing business environment with dynamism and reciprocate proactively. ABS Management Research is such compilation of business events, researches and articles which deal with approaches, strategies and practices prevalent in this ever-changing business environment. The reader will benefit from these contemporary papers by getting a bird's eye view of the current business environment.

I would like to congratulate ABS Research & Development Cell to compiling ABS Management Research - Articles and Applications.

**ABS MANAGEMENT
RESEARCH
ARTICLES &
APPLICATION**

Rupali Misra

Asst. Professor, Asian Business School

Deepak Arora

Student, Asian Business School

Keywords

Financial sector distortions, Entrepreneurial Advancement, Economic Growth.

India's "demographic dividend" — the window of opportunity that a large workforce creates to strengthen an economy — could add 2 percentage points to the country's annual growth rate over the next two decades, the International Monetary Fund said in 2011. Census 2001 data reveal 47.9 % Indian are less than 21 years of age; and 30.5% are between 10 to 24; giving India its secret weapon - young workforce.

This workforce has two options – either to work for others (provided there are ample employment opportunities) or work for themselves. Various researches reveal empirically a strong positive correlation between availability of financial capital and economic growth (Degregorio and Giudotti, 1992; Gelb, 1989; Gertler and Rose, 1991). Economists like Goldsmith (1969), McKinnon (1973), and Shaw (1973) saw financial markets as playing a key role in economic activity. In their view, differences in the quantity and quality of services provided by financial institutions could partly explain why countries grew at different rates.

Financial capital is one of the most visible resources; it can create a buffer against random shocks and allow the pursuit of more capital-intensive strategies (Cooper et al, 1994). Cooper (1994) has indicated that financial capital along with human capital is considered as major determinants of probability of three possible performance outcomes – failure, marginal survival or high growth. However, financial sector distortions reduce the rate of economic growth by reducing the rate of innovation (King and Levine, 1993).

This paper attempts to propose a model between finance, entrepreneurship and economic growth with specific reference to

Indian financial structure. The paper adopts a survey technique of 30 entrepreneurs and 10 credit appraisal officers to explore their interpretations of financial constraints as an impediment for entrepreneurial advancement.

Introduction

There is a large literature that suggests that finance is important for entrepreneurs. For both developing and developed countries, small and medium scale firms play important roles in the process of industrialization and economic growth. Apart from increasing per capita income and output, SMEs create employment opportunities, enhance regional economic balance through industrial dispersal and generally promote effective resource utilization considered critical to engineering economic development and growth. However, the seminal role played by SMEs notwithstanding its development is everywhere constrained by inadequate funding and poor management.

Liquidity constraints place important roadblocks before potential entrepreneurs; individuals with more assets are more likely to become self-employed and to succeed in small businesses. Evans and Jovanovic (1989), for example, find that individuals with more assets are more likely to become self-employed. Holtz-Eakin, Joulfaian, and Rosen (1994a, 1994b) find that individuals who have received large inheritances are more likely to succeed in running small businesses, and in Holtz-Eakin and Rosen (1999), they find that entrepreneurial activity in Germany is retarded relative to the United States by limited access to capital. Additionally, Hubbard and Gentry (1999a) report that entrepreneurial households hold a substantial share of overall household wealth, and that non-business assets helps predict the likelihood and success of entrepreneurial activity. Huck et al. (1999) find that new businesses rely heavily on credit from informal sources such as business contacts and family, and Avery et al. (1998) find that bank loans to

small businesses tend to be personally guaranteed. Fairlie (1999) finds a lower level of minority-owned businesses, in part because of their lower levels of wealth.

While numerous studies have shown that new business creation is bounded by liquidity constraints, there has been little work focusing on how the structure of the financial sector affects entrepreneurship. The financial sector's role for driving economic growth and development has received increasing attention in recent years, with several authors articulating a positive relationship between financial development and economic growth at the cross-country level (e.g., Beck et al. 2000; Levine 1997; Levine et al. 2000). This research argues that better financing environments are associated with higher economic growth, at least in part, because they facilitate better allocation of capital across investment opportunities, thereby promoting entrepreneurship and the Schumpeterian process of creative destruction (e.g., King and Levine 1993a,b; Rajan and Zingales 2003; Bertrand et al. 2007).

Review of Literature

This section has been divided into three sub-sections. They are

- 1) Availability of financial capital
- 2) Affect on Entrepreneurs and
- 3) Entrepreneurship in India.

Availability of Financial Capital

Financial capital is one of the most visible resources; it can create a buffer against random shocks and allow the pursuit of more capital-intensive strategies (Cooper et al. 1994). Cooper (1994) has indicated that financial capital along with human capital is considered as major determinants of probability of three possible performance outcomes – failure, marginal survival or high growth.

Comin and Nanda (2009) show how the difficulties faced by startups in raising capital might adversely impact the

commercialization of new technologies. Using historical data on banking-sector development and technology diffusion, they find that capital-intensive technologies are adopted much faster relative to less capital-intensive technologies in countries that are over a certain threshold in banking-sector development.

Similar research done by Stiglitz and Weis (1981) reveal that SMEs are unable to invest in profitable ventures owing to adverse selection and moral hazard problems. Adverse selection problems arise when potential providers of external finance cannot readily verify whether the firms have access to quality projects. Nonetheless, the liquidity ratio of the financiers plays a major role. Moral hazard problems are associated with the possibility of SMEs diverting funds made available to them to fund alternative projects or develop the propensity to take excessive risks due to some pervasive incentive structure in the system (Ogujiuba et al. 2004). The study further deliberates that SMEs do not have access to public capital markets; they naturally depend on banks for funding. Dependence on banks makes them even more vulnerable for the simple reason that shocks in the banking system can have significant impact on the supply of credit to SMEs. Thus, SMEs are subject to funding problems in equilibrium and these problems are exacerbated during periods of financial instability.

Shocks in the economic environment have a significant role in availability of financial capital for a start-up company. Berger and Udell (2001) further note that the willingness and capability of banks to lend to small and medium scale firms is influenced greatly due to economic turmoil. The financial sector responds to the shocks by developing stringent lending rules, risk-averse approach to handle the case etc.

The amount an individual can borrow to fund a new venture is a function of the collateral that he or she can post, which in

turn is a function of personal wealth (Evans and Jovanovic 1989). If the amount the entrepreneur needs to borrow is sufficient to cover the capital required to start the business, then the entrepreneur is said to be unconstrained. On the other hand, if the entrepreneur needs to invest more than he or she can borrow, then a financing constraint leads to sub-optimal investment for the project at hand. Since returns to projects are a positive function of the capital invested, some projects that would have been profitable for an unconstrained entrepreneur become unprofitable for a constrained entrepreneur.

Affect on Entrepreneurs and Economy

Entrepreneurship plays a role in financial market development and economic growth (King and Levine 1993; Degregorio and Giudotti 1992; Gelb 1989; Gertler and Rose 1991). Financial sector distortions reduce the rate of economic growth by reducing the rate of innovation (King and Levine, 1993). This is based on the concept that a large fraction of the productivity growth in the economy may take place at the extensive margin (e.g., the birth of new firms, the closure of unproductive firms) rather than on the intensive margin (e.g., firms becoming more productive internally). Since most startups need to raise capital in order to implement their new ideas, cross-sectional differences in the ability of capital markets to select and finance the most promising entrepreneurs may lead to important differences in entrepreneurship and productivity growth across economies (Greenwood and Jovanovic 1990; Jayaratne and Strahan 1996; Levine 1997; Beck et al. 2000; Guiso et al. 2004).

Various researches reveal empirically a strong positive correlation between availability of financial capital and economic growth (Degregorio and Giudotti, 1992; Gelb, 1989; Gertler and Rose, 1991). Economists like Goldsmith (1969), McKinnon (1973), and Shaw (1973) saw financial markets as playing a

Marketing Challenges faced by Entrepreneurs – A special case of Small and Medium Enterprises

Rinki Maheshwari

Social Activist and Business Woman
Ex-Lecturer, RDIAS, New Delhi

Komal Kapoor

Assistant Professor
Asian Business School

Keywords

SME's, Marketing orientation,
Entrepreneurial orientation, Marketing
challenges, Innovative marketing strategies

SME sector of India is considered as the backbone of economy contributing to 45% of the industrial output, 40% of India's exports, employing 60 million people, create 1.3 million jobs every year and produce more than 8000 quality products for the Indian and international markets. With approximately 30 million SMEs in India, 12 million people expected to join the workforce in next 3 years and the sector growing at a rate of 8% per year but there is still a lot of potential which needs to be tapped. The owners or Entrepreneurs face lot of problems like the limitation of resources, the marketing know-hows, and the knowledge about the industry, the lack of infrastructure and logistics and marketing support in building up the value of their SME's.

This paper talks about Why Marketing orientation and Entrepreneurial orientation should go hand in hand for the longevity and sustainability of any small and medium enterprise and how alternative marketing strategies can be used to overcome these hurdles. All the past research work and articles have just airbrushed this most important issue tackled by Entrepreneurs. The paper will focus on these issues and will give background to the subject that will define SME's and entrepreneurs, the current marketing strategies used by the owners and the main body of the paper will focus on the main marketing challenges faced by the entrepreneurs, their ways of adapting to the environmental pressures, the aids given to them by the different government bodies and how they can develop their marketing competencies to develop innovative marketing so as to sustain the plethora of pressure which mounts upon them.

Introduction

"If we acquire even 10% of the SMEs customer base we can build a billion-dollar venture. By targeting large enterprises we will not be able to scale up so rapidly". Mr. Ambarish Gupta of Knowlarity communications easily sums up the role of Small Medium Enterprises in Indian Economy. (Management Canvas team, March 2013).

Small Medium Enterprises are the building blocks of any economy and this statement can easily be justified by looking at their humungous growth. SMEs contribute to 17% to GDP of India. SMEs help in the sustainable development of the economy and acts as the second largest employment generator in the country after Agriculture sector.

Despite the fact that various government aids and measures have been taken to help SMEs, still they face lot of challenges in creating a strong foothold for themselves in our economy. The need of the hour is to empower this sector so that it can propel our country's growth in the right direction. How this can be done, what are the major bottlenecks and what could be the alternate forms of viable marketing strategies which the Entrepreneurs can use so that they can focus on the plinths while constructing the lofty buildings in thin air. As we move ahead we will be evaluating all these points.

Objectives of the Study

The main objectives of this study are:

1. To understand the bottlenecks faced by Entrepreneurs with a special focus on the marketing issues.
2. The role played by Government and other institutions in empowering Entrepreneurs.
3. To study the viable alternative marketing strategies which, can be used by SMEs.

Literature Review

Before setting up the premise of this paper lets first fathom the two basic words which are the basis of this article: SMEs i.e. Small Medium Enterprises and Entrepreneurs.

Small Medium Enterprises

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is as under:

(a) Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

(i) A **micro enterprise** is an enterprise where investment in plant and machinery **does not exceed Rs. 25 lakh;**

(ii) A **small enterprise** is an enterprise where the investment in plant and machinery is **more than Rs. 25 lakh but does not exceed Rs. 5 crore;** and

(iii) A **medium enterprise** is an enterprise where the investment in plant and machinery is **more than Rs.5 crore but does not exceed Rs.10 crore.**

In case of the above enterprises, investment in plant and machinery is the original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide.

(b) Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below.

- i. A **micro enterprise** is an enterprise where the investment in

equipment **does not exceed Rs. 10 lakh;**

- ii. A **small enterprise** is an enterprise where the investment in equipment is **more than Rs.10 lakh but does not exceed Rs. 2 crore;** and
- iii. A **medium enterprise** is an enterprise where the investment in equipment is **more than Rs. 2 crore but does not exceed Rs. 5 crore.**

**Table 1
Definition of SME**

Manufacturing Enterprises – Investment in Plant & Machinery		
Description	INR	USD(\$)
Micro Enterprises	upto Rs. 25Lakhs	upto \$ 62,500
Small Enterprises	above Rs. 25 Lakhs & upto Rs. 5 Crores	above \$ 62,500 & upto \$ 1.25 million
Medium Enterprises	above Rs. 5 Crores & upto Rs. 10 Crores	above \$ 1.25 million & upto \$ 2.5 million

Service Enterprises – Investment in Equipments		
Description	INR	USD(\$)
Micro Enterprises	Upto Rs. 10Lakhs	upto \$ 25,000
Small Enterprises	above Rs. 10 Lakhs & upto Rs. 2 Crores	above \$ 25,000 & upto \$ 0.5 million
Medium Enterprises	above Rs. 2 Crores & upto Rs. 5 Crores	above \$ 0.5 million & upto \$ 1.5 million

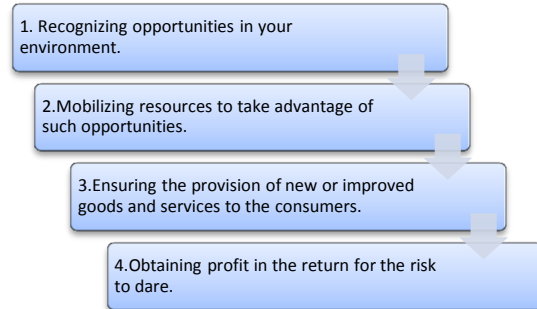
Source: Europe India SME Business Council

Entrepreneurs: As stated correctly in the Forbes Magazine, Entrepreneurs **are the ones who organize and manage any enterprise, especially a business,**

usually with considerable initiative and risk. (Dictionary.com)

Awodun(2008)described Entrepreneurship as a combination of the following activities:

**Figure 1
Awodun’ explanation of Entrepreneurship**



According to the developmental stage of Economy, the World Economic Forum classified Entrepreneurs in three different ways:

- a) **Factor Driven:** These types of Entrepreneur hails from the developing country like India and are generally driven by the lack of employment and funds. They foray in any business so as to generate employment for themselves and for others.
- b) **Efficiency driven:** Due to high level of Industrialization the Entrepreneurs are driven by results. Already big players are there which gives little room for Small firms to operate. The highlight of efficiency driven entrepreneurs is scale.
- c) **Innovation driven:** Only USP’s work in this type of economy and that’s what drives the Entrepreneurs. Every company big or small has to focus on the development of new and improved products.

According to economist Joseph Alois Schumpeter (1883-1950), entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success. The key success factors of entrepreneurs are their personal characters, skills, management plan, workable idea, knowledge, networking and experience and for this he/she requires the adequate amount of resources and a strong business plan.

How Entrepreneurship And SMEs Are Intertwined

Although Entrepreneurship takes place in both Small and Large firms, SMEs represents an excellent vehicle for the entrepreneurship activities. They give a brilliant platform for entrepreneurs to perform and generate new ideas and act as a key element for regional development and social cohesion. In any SME an entrepreneur plays a pivotal role right from the conception of idea to its execution and then in the end taking the onus of its success or failure.

The personality, skills, capability, attitude and motivation of any entrepreneur can make or mar any SMEs growth. India has immense scope in this field and an environment conducive to it has to be created for new business to operate and prosper. When any Government body or institution plans any policy or program they should keep SMEs and their entrepreneurs in their mind.

Contribution Of SME To The Economy

A glimpse at the thriving economies around the world and we will be able to understand that they are riding high on the growth and success of their SMEs. In India also SMEs play a substantial role in the sustenance of the economy. The government talks about the shining economy and owes its success to the large companies while in reality it's the SMEs that are creating bulk employment opportunities for the masses, thrusting

noticeable purchases, supplying raw materials and goods at a reasonable price to the companies and helping them in maintaining their EOQ and in the entire process still acting as revenue generators and pay time to time taxes.

**Table 2
Distribution of Employment by Sector**

Sector	Employment (lakh)	Percentage
Micro	65.34	70.19
Small	23.43	25.17
Medium	4.32	4.64
All	93.09	100

Source: Census, 2008, Ministry of Micro, Small and Medium Enterprises

The SME sector produces a wide range of industrial products such as food products, beverage, tobacco and tobacco products, cotton textiles, wool, silk, synthetic products, jute, hemp & jute products, wood & wood products, furniture and fixtures, paper & paper products, printing publishing and allied industries, machinery, machines, apparatus, appliances and electrical machinery. SME sector also has a large number of service industries.

SMEs sector plays a major role in India's export performance. Approx. 40-45% of the Indian export is contributed by this sector. Direct exports from the sector account for 27.47% and indirect exports account for 13.61%. Indirect exports takes place through Trade houses, export merchants and other trading sources.

SMEs export lot of products like woolen garments, sports goods, leather products, handicraft items, readymade garments and processed food items. The SMEs are showing a lot of promise in this sector and if given the right infrastructure, helping aids and government policies they will be able to generate more employment and foreign exchange for the country.

Table 3
Distribution of Exporting Enterprises
by channel of Export

	No. of Exporting Enterprises			
	Directly Exporting	Indirectly Exporting	Both	Total
All India	12,821	6,352	27,502	46,675

% Share

Channel	% Share
Directly	27.47
Indirectly	13.61
Both	58.92

Source: Census, 2008, Ministry of Micro, Small and Medium Enterprises

There are a few common characteristics of SMEs:

1. They are born out of a person's initiative, knowledge and skill sets and are either started by one single person or set of entrepreneurs with a unique skill set.
2. Due to the flat hierarchy the decision making is faster and there is direct involvement of the owner.
3. The production cost of is low.
4. Ease in adopting technology
5. Urge to innovate.
6. High job creation.
7. Use of easily accessible resources which leads to the less product cost and ultimately to market specialization.

(United Nations Economic and Social Commission for Asia and Pacific, 2012)

The Ministry of Micro, Small and Medium Enterprise sector conducted its 4th All India census in May 2008 with 2006-07 as reference year. The census shows how this sector has emerged as the jewel in the crown of the Indian Economy and acts

as the breeding ground of entrepreneurs at the grass-root level.

Table 4
Composition of SME

Total Enterprises (Lakhs)	No. of	15.64
Number of Rural Enterprises(Lakhs)		7.07
Number of Women Enterprises(Lakhs)		2.15
Number of Enterprises by type(Lakhs)	Micro Enterprises	14.85
	Small Enterprises	0.76
	Medium Enterprises	0.03
Enterprises by type of Activity(Lakhs)	Manufacturing Enterprises	10.49
	Repairing & Maintenance Enterprises	2.52
	Services Enterprises	2.62
Employment (Lakhs)	Micro Enterprises	65.34
	Small Enterprises	23.43
	Medium Enterprises	4.32
Gross output (Crores)		7,07,510
Number of Exporting units(Lakhs)		0.47

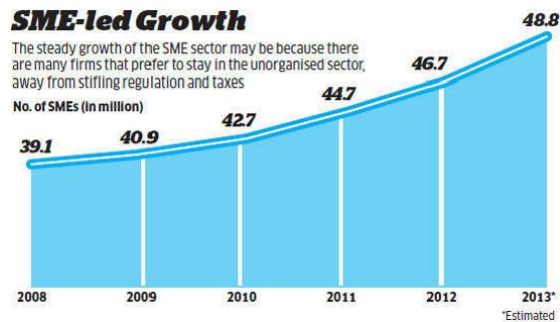
Census, 2008, Ministry of Micro, Small and Medium Enterprises

Glitches Faced by SMEs

Despite the fact that approximately 16 lakhs SMEs employ 40% of India's workforce, and accounts for 40% of India's total exports which is a magnanimous number and their number is also growing every year but still it's only

able to contribute 17% to GDP. Why? What is going wrong? Let's further delve in this matter. The SME sector is blatantly unorganized and the percentage of organized players is just the tip of the iceberg. This is done so as to avoid taxes and rules and regulations but this in turn ensures that the schemes, subsidies and aids reach to only handful of people.

**Figure 2
SME led growth**



Source: Economic Times, June, 2013

SMEs across the world face similar set of problems in making the ends meet. The major challenges which they come across are:

- Financial constraints.
- Inadequate Infrastructure.
- Ineffective marketing strategies.
- Manpower problems.
- Undermined role of Entrepreneurs.
- Competition from big players.
- Export barriers.

Financial Constraints

Even though SMEs have shown tremendous growth and have lot of potential still they face problems in generating finances for themselves. Out Of 16 Lakhs SMEs only about 5% are accessing banks for loans. Government help also remains futile because of their past poor credit history and that's the main reason why they don't get investors and even if they do get it then they have to give an interest which is always higher than the market rate, which in turn increases their overall cost. Entrepreneurs

can take loan easily but their repayment becomes very difficult for them. Another problem which they face is that In India there are handful of credit rating agencies like ICRA, CRISIL etc., so the investors don't even get to know the credit worthiness of any SME in which they want to invest which increase the level of risk for them.

According to the Working Group on Rehabilitation of Sick Units set up by RBI (Kohli Committee) A Small scale Industry is considered sick when

"If any of the borrowal accounts of the unit remains substandard for more than 6 months i.e. Principal or interest, in respect of any of its borrowal accounts has remained overdue for a period exceeding one year will remain unchanged even if the present period for classification of an account as substandard is reduced in due course." Or

"There is erosion in the net worth due to accumulated losses to the extent of 50% of its worth during the previous accounting year, and the unit has been in commercial production for at least two years."

As per the census, conducted by Ministry of Micro, Small and Medium Enterprises the two main reasons of any SME to report sick is the lack of demand of their product and the non-availability of funds, which ultimately leads to the closure of the firm.

**Table 5:
Major Reasons reported by
sick/incipient units**

Reason for sickness/ incipient sickness	Proportion of sick/ incipient sick units
1. Lack of demand	41.94 %
2. Shortage of working capital	20.49 %
3. Non-availability of raw material	5.11 %
4. Power shortage	5.71 %
5. Labour problems	5.64 %
6. Marketing problems	11.48 %
7. Equipment problems	3.17 %
8. Management problems	6.46 %

Source: Census, 2008, Ministry of Micro, Small and Medium Enterprises

Inadequate Infrastructure

In the Rural or backward areas where most of these SMEs are located there is a lot of power and water shortage. It becomes difficult for these small time players to have their own power back up. The lack of good roads adds to the woes of these industries which lead to underutilisation of their capacity.

Ineffective Marketing Strategies

It is rightly said that if any company does not understand the right art of selling then even if their products is the best and has some Unique Selling Proposition then also they will not be able to make their venture a profitable one. When it comes to SMEs they don't even know the basics. Most of the SMEs don't even have a marketing department. Even if the world is changing, the basic rule of marketing remains the same. If the company does not understand their Segmentation, Targeting and positioning then how will they make sure that they are reaching the right set of customers. 4Ps of marketing still holds relevance.

Let's try to understand the marketing mix issues in reference to the SME sector.

1. **Product Issues:** The use of outdated technology, old techniques and lack of innovation in product design development leads to low quality of products which has a direct implication on the profit margins and leads to stunted growth of any SME. Entrepreneurs don't have the required capital to build their brand as a large portion of their capital is used for the day to day working of their company. For a steady flow of foreign exchange they need to maintain their export standard which unfortunately does not happen due to the unskilled staff. Thousands of SMEs in India reportedly lose million of revenues due to their unawareness about Intellectual Property rights. They don't take patents or trademark their products and let the

competitors copy or counterfeit their product. According to Patent Office Delhi, "India is way behind in IP applications globally. In 2010, about 490,226 patent applications were filed in the USA; 391,177 in China; 344,598 in Japan; 170,101 in Korea; 150,961 in the European Patent Office, and 59,254 in Germany, compared with a mere 39,400 in India along with 7,589 design applications and out of that as well 80% of these were filed by MNC's and not SMEs."

2. **Price Issues:** The low bargaining power, both for raw materials and end products leads to a decrease in their profit margins. At the same time the dearth of investors and a high interest rate add to their troubles. There is not even enough support from the government bodies.

Figure 3
Marketing Mix of SME



Source: Authors compilation

3. **Place Issues:** Selection of proper location of workshops and plant depend upon various parameters like cost of land, availability of raw material, infrastructure support, skilled labour availability and closeness to the markets but the Entrepreneurs are not skilled enough to take the right decision because of their financial constraint, emotional attachment to their ancestral property, family business and cheap land etc. The deplorable conditions of roads makes it difficult for the SMEs to have a proper network be it for the procurement of Raw material or for reaching their right target segment. Along with this the crunch of financial resources does not allow them to use middlemen which in turn lead to either the inadequate supply of raw material or compromise in the quality or an increased cost.
4. **Promotion Issues:** When any enterprise relies only on one mode of communication then they are not able to attain their goal. SMEs only use word of mouth and do not have money to advertise or publicise their product in the market which restricts their reach to the market. These units suffer from a complete disadvantage vis-à-vis their larger counterparts. As per Google- FICCI report only 5% of SMEs in India have a website which means a large number of enterprises are not even aware of online marketing. The potential of Internet is not even tapped by them as the entrepreneurs are not trained and skilled enough. Neither do they have any knowledge of computers nor do they have the required skilled staff.

Manpower Shortage: Manpower in number is not a problem; the problem is to find the right set of skilled labour. Weak HR base with low level of compensation leads to inadequate human resources

planning. They face high attrition also and have to depend on the current set of employees for reference as they cannot use external agencies because of the cost constraints for the right search of candidates.

Undermined role of Entrepreneurs: Apart from their own personality Entrepreneurs need to have the basic requisite information for starting up a venture. The different financial sources which are available to them, need to continuously upgrade their technology, the government policies know-hows and desired amount of knowledge and skill sets. Limited capital availability and lack of expertise are the main factors affecting modernization and expansion plans for a SME. Unfortunately in India the role of Entrepreneurship is much undermined and not much is done to foster their role.

Competition from big players: SMEs are lone survivors, whereas big players are the darlings of the financial firms who go head over heels to support them with funds and schemes. The big players have all the support from these firms. Large industries have all the necessary resources to make their voice heard whereas SMEs due to their constraints are not even able to create their brand awareness. Large firms create entry barriers for SMEs and it's always very difficult for these small enterprises to rebound.

Export Barriers: There are two types of Export barriers: Internal and External. Internal barriers are mainly related to the company and its products. The lack of market knowledge, compromising product quality, inadequate infrastructure, resource constraints and market intelligence etc. are some of the factors which constitute the Internal export barriers whereas loopholes in legal and regulatory frameworks, technological advancements, exchange rate fluctuations, export policies, competitors and knowledge about foreign market are the major external export barriers.

Initiatives of the Government

Government of India is formulating new policies and programs almost every year to foster the development of these Small scale enterprises. As per Micro, Small and Medium enterprises of India government's support measure can be classified in three periods:

1948-1991

In 1954 Micro, Small and Medium Development Organisation was set up as an apex body for sustained and organised growth of SMEs.

In 1956 The National Small Industries Corporation, The Khadi and Village Industries Commission and the coir board was set up.

In this period, lot of supportive measures were taken. Priority credit access through Priority Sector Lending Program, Reservation under government purchase program, infrastructure development was some of the measure.

MSME Development Institutes were set up all across the country to give training to young entrepreneurs.

1991-1999

So as to face the fierce foreign competitors a policy was laid for Small, Tiny and Village Enterprises in August, 1991.

Quality Control test centres were also set up during this time.

To accelerate Finance and Technical services The Small Industries Development Bank of India (SIDBI) and a Technology Development and Modernisation fund was created.

A delayed payment act was facilitated for prompt clearance of dues.

1999-2013

For development and promotion of the sector, in 1999, Ministry of Micro, Small and Medium enterprise came into picture.

A credit linked Capital subsidy scheme was launched to encourage technology upgradation.

A credit-guarantee scheme was started to provide collateral-free loans to these enterprises.

The Exemption limit for excise duty was raised to 1 crore Rs.

A market Development Scheme was also launched at the same time.

In 2006, The MSME Act finally came into picture which helped in defining MSMEs in a more clear and precise way. For development and growth of these enterprises it was very important to define them and remove the ambiguity of their role and through MSME Act it happened for the first time.

Credit Rating Scheme for manufacturing enterprises was launched in 1995 with the objective of attracting more and more investors towards a high rated enterprise.

To enhance the competitive strength of MSEs, the Government introduced a scheme to incentivise technological upgradation, quality improvement and better environment management by the SMEs.

For holistic development of this sector, a Micro and Small Enterprises Cluster Development programme is implemented.

A program for developing global competitiveness was initiated in 2007-08 and this was known as **National Manufacturing competitiveness**

programme. There are 10 main features of this programme:

1. Building awareness on Intellectual property rights.
 2. Incubator support for entrepreneurial and management development of SMEs.
 3. Giving edge to manufacturing sector through Quality management standards and Quality Technology Tools.
 4. Rs.135 crore for Mini Tool Rooms.
 5. Promoting Bar code Certification.
 6. Reduction of manufacturing cost through Lean Management programme.
 7. To generate awareness of SMEs amongst the buyers by the use of Information and Communication Tools.
 8. To provide expert advice and solution to real life problems through Design Clinic Scheme.
 9. Marketing assistance and Technology upgradation scheme for SMEs.
 10. Technology and quality upgradation schemes to SMEs.
- ✚ Setting up of Export Promotion Council.
 - ✚ In September, 2006, Outreach Programme for Skill Development in Less Developed Area was launched under which special short-term skill development courses were introduced.

Source: (Ministry of MSMEs in India)

Findings

A quick recapitulation of the data, facts and figures clearly indicates that SMEs which are the growth engines of this country and are showing tremendous potential still needs lot of policies and programmes for their upliftment.

Table 6
Percentage share of leading capitals with working and closed enterprises

Name of State/UT	Working	Closed
Tamil Nadu	14.95	16.72
Uttar Pradesh	12.00	16.24
Karnataka	8.71	9.59
Maharashtra	5.54	8.43
Madhya Pradesh	6.84	7.35
Gujarat	14.70	7.04
Kerala	9.60	7.03
Punjab	3.08	4.95
Rajasthan	3.51	3.49
Bihar	3.20	3.29
Total	82.13	84.13

Source: Census, 2008, Ministry of Micro, Small and Medium Enterprises.

The above table clearly indicates that the number of closed enterprises is more than the working enterprises in almost all the major capitals of India. The main reason of this is that even though government is showing lot of concern but still the right information regarding technological advancements, innovation and new world rules is not reaching the right set of people. Entrepreneurs are not skilled and trained enough to take a viable decision.

For this differentiated policies and mechanisms are needed for different SMEs in different sectors, on the basis of their stages development and nature of operations. Proactive policies are required so as to strengthen the base of this sector and offer new avenues of growth. Along with Government agencies, other private organisations and institutes also need to contribute in this matter

Suggestions and Recommendations with main emphasis on Marketing challenges

The most important question which arise after understanding the issues and problems faced by SMEs is that

how to unlock the potential of this sector. Globalisation has opened many avenues for SMEs all over the world but India unfortunately with a huge base of 16 Lakhs SMEs is still not able to make a mark on the global players. Government of India need to create an environment where SMEs can flourish. A healthy business environment is vital for the economy to grow. Such an environment must include

**Figure 4
Business Environment for SME**



- Government Regulations and Economic Policies:** There are many policies and programmes which have been started by the Government of India and various organizations and councils like SIDBI, Technological Development funds etc. are working diligently for the enterprises but still their reach is poor. Maximum no. of enterprises are not even familiar with any of the policies or schemes, the awareness is very poor. There are overlapping agencies and programmes for development which are for the assistance of SMEs but still they continue to remain weak in those areas. Government need to reach the rural sector which is the hub of these SMEs and where the know-hows of the schemes are almost negligible.

Unlike other countries where there is a single dedicated Export Agency to help SMEs, In India

this creates lot of confusion as there is no single agency to make SMEs aware of concessional government market promotion schemes provided through different agencies. There should be one dedicated agency to perform the role.

Taxation incentives should be implemented. Loan repayment should be made easy which will give financial strength to the entrepreneurs. In India the major reason most new and small businesses fail is not lack of profits but a lack of cash. Credit limit should also be extended.

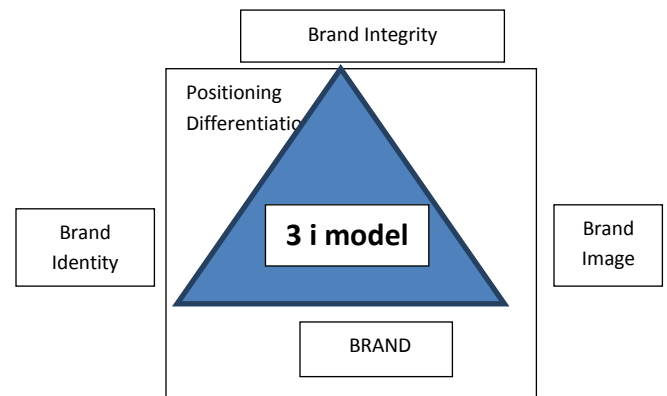
- High Quality Infrastructure:** It is very difficult for Indian SMEs to compete globally as the quality of infrastructure over here is the worst. Government needs to take initiatives for the same and the best possible alternative for this would be to join hands with private sector for the betterment of conditions.
- IT Support:** A study conducted by Google pointed out that out of the 30 million SMEs, 8 million SMEs have the potential to do online business but only 5% of them have websites. The reason behind this is very simple hardly entrepreneurs are familiar with the online world and internet. They are not even aware of computers, and the IT support staff is beyond their capacity as they are always given a fat package by the big players. IT adoption is required in every area so as to harness the full potential of SMEs. Proper training and guidance should be given by the Institutes and government bodies and time to time workshops should be conducted to make these enterprises aware of the global changes which will give them an edge.
- Entrepreneurship Culture:** To foster the growth of SMEs, it is vital for our country to hone the skills of our existing as well as budding entrepreneurs. Government needs to

have a favourable attitude towards entrepreneurs, in providing them with right financial support, making them more technologically aware, building the required infrastructure and last but not the least developing entrepreneurial traits in them. The trait development can happen through more education and training. Institutes like Entrepreneurship Development Institute of India should be given special aids wherein they can impart education to the underprivileged sector as well. Vocational programmes should be introduced and more and more women entrepreneurs should be encouraged to enter in this field.

- Marketing Support:** In this Era of Globalization Marketing is the key to success for the growth and development of any SME. It is the backbone of any organization. In the fast growing economies, with the influx of so many foreign brands it's the brand which helps in creating an emotional bond between all the entities of an organization. The need of the hour for SMEs is to make customers, buyers, government, suppliers, investors and competitors aware about their presence and for this they need to manage their brand. Brand Management includes developing a promise, making that promise, and maintaining it, such as defining the brand, positioning the brand, and delivering the brand.
- Branding The SME:** A Brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of a seller and to differentiate them from those of competitors. (Kotler) **A brand gives:**

 - Recognition to the product.
 - Easier for seller to process orders.
 - Provide legal protection.
 - Helps in attracting a profitable segment for the company.
 - Builds corporate image.

Figure 5



For SMEs so as to have a strong foothold in the market it's imperative to achieve all the objectives, they need to have a connect with their buyers. For that, they need to understand their right segment of buyers. SME owners do not pay any heed to the most important activity in the organization. Some of them have brand names but don't want to work on that and feels that if money is spent in advertising or any other brand building exercise then it's not a wise utilisation of resources. The truth is that building a brand only helps in earning them big margins at a later on stage. It's important for SMEs to do STP (**Segmentation, Targeting and Positioning**) of their product and if this is done properly then half of the battle is won automatically.

SMEs need to differentiate their product well in the market. Any USP of the product needs to be highlighted. Entrepreneurs need to focus on creating the right image of their brand in the mind of consumers. One success story which can be elucidated rightly over here **is the story of DFM Foods** which have products like Crax and Natakhat in their kitty. They clearly understood the demand of packaged food products and made it their USP; their target segment was kids and they positioned their brand well in their consumers mind by creating a fun and frolic image.

Brand Identity is created when a brand is positioned in the best possible way in

the mind of the consumers. Brand identity is the outward expression of a brand including its name, logo, and visual appearance. It reflects how the owner wants the consumer to perceive the brand. The owner always tries to reduce the gap between brand identity and brand image. For SME Entrepreneurs having a Brand identity is all the more crucial if they want to foray their way in the global arena. Patenting, licensing or taking trademarks for their products avoid the nuisance of counterfeiting, helps in quality control, and reduces the chance of losing on their royalty amount.

Once your product is differentiated well, a **Brand Image** is developed in the mind of consumers. Brand image is the impression in the consumer's mind of a brand's total personality. Brand image is developed over time through **Integrated Marketing communication** with a consistent message and is authenticated through the consumer's direct experience. SMEs need to understand the power of Internet for promotion and building the image of their brand. To unleash the potential of this medium it is important for Entrepreneurs to have the know-hows of Information Technology. Putting an advertisement online gives an enterprise a considerable leap over the ones which are not able to use this medium. It also helps in marking SMEs presence in front of the global buyers. SMEs can easily upload photos or videos of their products and can interact freely with the potential global buyers well without relying on any intermediary.

Brand Integrity is the most crucial elements of 3i model. It is the point at which an enterprise achieves its desired Brand image while meeting its business objectives as well. It occurs when all the entities of the organization and its customers understand, believe and experience the promise. Brand integrity helps in creating trust within and outside any organization. SMEs have to ponder more on this element **as having a name which sells automatically** means

- Increase in the sales volume because of more trust of buyers on quality of the product. SMEs need to focus on creating Advocates of their product who will not shift to any other brand under any circumstance.
- Helps in creating strong foothold in the market.
- Would be able to charge price as per the features and quality of their product.
- High level of satisfaction and desired amount of motivation will help in retaining the employees for a longer duration.
- The production time will automatically decrease as the raw material would be available on time, the suppliers would be happy to give more credit period and the efficiency of motivated workers will also increase.

But for sustenance of Brand Integrity it's important for SMEs to continuously upgrade their technology, remain abreast with new advancements in their field and never let their urge to innovate die.

Marketing Process Outsourcing All said and done, still the limited resources of finance restrict the movement of SMEs. Even small firms want to grow but they don't have the required amount of money to create a buzz in the market. At that time the firms can take help of the organizations which are offering Marketing Process Outsourcing. In this case the SMEs don't need to have a proper marketing department, instead of that they take services of these organizations. They help in Segmenting their market, targeting the right set of customers, differentiating or positioning their products. Along with this they help in

developing the required communication mix also for these SMEs.

Conclusion

SMEs are the life force of any economy. If given the right conditions they have the potential to sail through these shaky times and take many more along with them. To empower this sector, it is the need of the hour to support them, to train them and give them the much desired environment in which they can contribute more to the economy. Government is taking lot of initiatives but they need to be directed towards the right set of people. Entrepreneurs need to be given training and more and more Institutes and private organizations should get involved in giving the right skill sets to the budding Entrepreneurs. Academic and R&D organizations need to be modernized and should be in tune to the emerging needs. Foreign collaborations, FDI and cross border bundling represent the new viable ways to create a vibrant atmosphere for SMEs to strengthen their International Business strategies.

References

- Government of India: MSME Annual Report, 2011-12
- SME World Magazine: Singular voice of SMEs(www.smeworld.org)
- Management Canvas Team (March15, 2013): Issues faced by SMEs, IIM Indore Business Magazine
- Murthy, H.L.Nagaraja, "Problems being faced by SMEs in India" available at www.indianfaculty.com
- United Nations Economic and Social Commission For Asia and The Pacific: Policy Guidebook For SME Development in Asia and The Pacific, 2012
- Zaidi Lubina (2013), "Problems affecting the Business Management growth of SMEs in India", International Conference on Technology and Business Management, March, Faculty of

- Management Studies, University of Delhi
- Government policies and Measures (2008-09): SME Enterprises in India
- "Final Results: Fourth All India Census of Micro, Small and Medium Enterprises 2006-07", April 2011 Edition, Ministry of Micro, Small and Medium Enterprises, Government of India
- "Guidelines for Rehabilitation of Sick Small Scale Industrial Units", Reserve Bank of India Document, April,2004
- Ravi Shamika, "Entrepreneurship development in The Micro, Small and Medium Enterprise Sector in India", Indian School of Business, July 2009
- www.ibef.org, "SMEs role in India's Manufacturing Sector", India Brand Equity Foundation
- Banerjee Chandrajit(2013), "Unlock the Potential", The Financial Express, July5,2013
- "Growth of SMEs: Opportunities and Challenges"(2012), Indian Global Summit on MSMEs, Confederation of Indian Industries
- Knight Gary(2001), "Entrepreneurship and Strategy in The International SME", Journal Of International Management, Volume7, Issue3, 2001, pg:155-171
- Nwanko Sonny, Gbadamosi Ayantunji, Entrepreneurship Marketing - Principles and Practices of SME Marketing, www.eBookstore.tandf.co.uk.
- Global Entrepreneurship Monitor, Global Report 2010
- Ghatak Shambhu, "Micro, Small and Medium Enterprises in India-An Appraisal",www.legalpundits.com
- Michele O'Dwyer, "Marketing The SME: Innovation and Approach", Cambridge Scholar Publishing
- Luck Esuh Ossai-Agwe, Olyusegun Adebayo Isaiah(2012), "Is Small and Medium Enterprises (SMEs) an

- Entrepreneurship?”, International Journal of Academic Research in Business and Social Sciences, January 2012, Vol.2, ISSN:2222-6990
- Innovation Readiness of Indian SMEs: Issues and Challenges (2012), FICCI MSME Summit, www.ficci.com
- “Size Doesn’t Matter – Successful brand Management in small and medium-sized companies”, www.evokepr.com
- Banerjee Bibhash, “Why Indian SMEs need branding. Now!” , www.brandharvest.net

Internet Sources

- <http://smallenterpriseindia.com>
- <http://smechamberofindia.com>
- The Economic Times(2013), <http://economictimes.indiatimes.com/news/emerging-businesses/sme-policy-trendonly-17-to-gdp/articleshow/20496337.cms>
- www.dsir.gov.in/reports/mitcon/chap2
- http://commerce.nic.in/writereaddata/pressrelease/National_Manufacturing_Policy2011.pdf
- www.dcmsme.gov.in/data-sta.html
- www.academia.edu/1341673
- www.thesmetimes.com
- www.smallenterpriseindia.com

Dr.Salabh Mehrotra

HOD, PGDM, Associate Professor
Neelkanth Vidyapeeth
Meerut, U.P

Keywords

Entrepreneurship, Women, Business,
Gender.

Woman constitutes the family, which leads to society and Nation. Social and economic development of women is necessary for overall economic development of any society or a country. Entrepreneurship is the state of mind which every woman has in her but has not been capitalized in India in way in which it should be. Due to change in environment, now people are more comfortable to accept leading role of women in our society, though there are some exceptions.

Our increasing dependency on service sector has created many entrepreneurial opportunities especially for women where they can excel their skills with maintaining balance in their life.

Propose of this study is intended to find out various motivating and de-motivating internal and external factors of women entrepreneurship. It is an attempt to quantify some for non parametric factors to give the sense of ranking these factors. It will also suggest the way of eliminating and reducing hurdles of the women entrepreneurship development in Indian Context.

Introduction

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to

create something new and an activity which creates value in the entire social eco-system. It is the psyche makeup of a person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in a given way.

The women have achieved immense development in their state of mind. With increase in dependency on service sector, many entrepreneurial opportunities especially for women have been created where they can excel their skills with maintaining balance in their life. Accordingly, during the last two decades, increasing numbers of Indian women have entered the field of entrepreneurship and also they are gradually changing the face of business of today, both literally and figuratively. But still they have not capitalized their potential in India the way it should be.

The first part of this paper deals with the ideas why to boost the women entrepreneurship and what are the reasons that propel women to undertake such profession. This part also depicts the factors of hindrance of women entrepreneurship and also the likely measures to be taken for removing such obstacles that are affecting women entrepreneurship. The second part deals with a review of various research studies done on women entrepreneurship along

with study on their impact on various economies. The third part deals with objectives and research methodologies. The fourth part concentrates on analysis of data collected through questionnaires to establish motivating and de-motivating internal and external factors of women entrepreneurship. The attempt has been made to rank these factors in regard to their severity of impact on women entrepreneurship. The last part of this study includes the suggestive measures for eliminating and reducing the hurdles for the women entrepreneurship development in Indian context.

Reasons for Boosting Women Entrepreneurship

The role of women entrepreneurs in the process of economic development has been recognized from nineties in various parts of the world. Today, in the world of business, women entrepreneurship has become an essential movement in many countries and has been accepted in all areas of working. The United Nations report has also concluded that economic development is closely related to the advancement of women. In nations where women have advanced, economic growth has usually been steady. By contrast, in countries where women have been restricted, the economy has been stagnant. The data on correlation between Gender related development index and GDP per capital reinforces the above fact.

**TABLE1
GENDER RELATED DEVELOPMENT INDEX AND ITS COMPONENT**

Rank	Country	Gender related development index	As a per % of HDI	GDP per Capital (US\$)
1	Australia		98.9	34923
2	Norway	0.966	99.6	53433
3	Iceland	0.961	99.0	44613
4	Canada	0.959	99.2	35812
5	Sweden	0.959	99.3	36712
6	France	0.956	99.4	33674
7	Netherland	0.956	98.9	38694
8	Finland	0.954	99.5	34526
9	Spain	0.954	99.4	31560
10	Ireland	0.949	98.2	44613
114	India	0.948	97.1	4102
		0.594		

TABLE 2

Country	Business Association
Nepal	Women Entrepreneurs Association of Nepal (WEAN)
Malawi	National Association of Business Women (NABW)
Russia	Novgorod Women's Parliament, Perm Business Women's Club, St. Petersburg Institute for International Entrepreneurship Development, Archangelsk Women Entrepreneurs, Novosibirsk Association of Women Entrepreneurs
US	Business and Professional Women, National Association of Women Business Owners (NAWBO)

Sources: Jalbert, E. Susanne, Women Entrepreneurship in the Global Economy.

As shown in the above table, Gender related development index is significantly correlated with GDP per capita. The value of correlation coefficient comes 0.857371. Therefore, it can be treated as one of the parameter to show the economic condition & growth of the country.

As shown in the above table, Gender related development index is significantly correlated with GDP per capita. The value of correlation coefficient comes 0.857371. Therefore, it can be treated as one of the parameter to show the economic condition & growth of the country.

Business Association And Women Entrepreneurship

Structural association and group of people also promote women entrepreneurship. A vital link to economic decision-making processes, the business associations has made their members' visions and priorities a part of the national political and economic agenda. Around the globe many more organizations are contributing in similar ways. Table 2 depicts some of the business associations of some countries.

These associations undertake wide varieties of activities encompassing credit, business skill training, technical and technology training, employment creation, marketing services, legal assistance, psychological counseling and some social welfare trade programs. These associations have also played a positive and vital role in promoting international trade for women entrepreneurs. (Jalbert, 2000)

Reasons For Women Opting For Entrepreneurship

Self determination, expectation for recognition, self esteem and career goal are the key drivers for taking up entrepreneurship by women (Moore & Buttner, 1997). Sometimes, women chose such career path for discovering their inner potential, caliber in order to achieve self satisfaction. It can also provide a mean to make best use of their leisure hours. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities

Obstacles For Women Entrepreneurship:

The entrepreneurial process is same for men and women. Successful men and women entrepreneurs undergo similar motivations and thus achieve success in largely same way under similar challenges. They are also found to have access to fund from the same sources. The same condition both men and women can be successful entrepreneurs. (Cohon et.al. 2010). However, in practice most of the upcoming women entrepreneurs face problems that are of different dimensions and magnitudes than that faced by their male counterparts. These problems, generally, prevent these women

entrepreneurs from realizing their potential as entrepreneurs. The major hurdles that the women face during starting and running a company generally come from financing and balancing of life. The balancing of life is caused due to lack of family support for the women. The other hindering external factors include gender discrimination, inaccessibility to information, training opportunities, infrastructure etc. Some internal factors like risk aversion by women, lack of confidence, lack of vision of strategic leader etc. can also create obstacles for the women entrepreneurship development.

Table3 Snapshot Of Key Factors

S. N.	Country	Factors
1	United States	<ul style="list-style-type: none"> • access to capital • access to information • access to networks
2	Korea	<ul style="list-style-type: none"> • financing • the effort to balance work and family
3	Indonesia	<ul style="list-style-type: none"> • exporting their product overseas • increasing the volume of production
4	Vietnam	<ul style="list-style-type: none"> • the prevailing social and cultural gender-based inequalities and biases • accessing credit from formal institutions in view of their limited access to formal education, ownership of property, and social mobility • unequal access to opportunities and markets • include business experiences, • limited knowledge of marketing strategies, • weak business associations, • lack of networking facilities • Poor access to education and training programmes.
5	Bangladesh	<ul style="list-style-type: none"> • Inadequate financing • Competition • Obtaining quality raw materials, and • balancing time between the enterprise and the family
6	Uganda	<ul style="list-style-type: none"> • lack of training and advisory services • lack of managerial and technical skills, • weak infrastructure • difficulties in accessing loans, and • complicated company registration processes.
7	Rwanda	<ul style="list-style-type: none"> • restricted mobility • security
8	Morocco	<ul style="list-style-type: none"> • lack of operational and managerial skills • Cultural constraints • Inefficient production mechanisms • lack of managerial skills
9	Kenya	<ul style="list-style-type: none"> • lack of technical skills, • confidence, • strong individual involvement • the willingness to take risks
10	Africa	<ul style="list-style-type: none"> • Constraints and barriers to obtaining money to start and grow their own business. • Women's inexperience of negotiating with the banks • their lack of financial confidence • access to the essential abilities, skills and experiences for business • their dual (household) and triple (community) roles and responsibilities • lack of key dedicated "time" to be able to explore and nurture their own resources • Lack of abilities, skills and expertise in certain business matters. • lack of exposure to the world of business
11	Mauritius	<ul style="list-style-type: none"> • the hassle of getting permits; • the lack of market; • the ability to raise capital; • not being taken as seriously as men.

Above table depicts the various internal and external factors that affect the development of women entrepreneurship in various countries

Literature Review

Darrene, Harpel and Mayer, (2008) performed a study on finding the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women. The percentage of occupancy of managerial job is found to be comparatively higher in case of self employed women as compared to other working women. This study also shed light on similarity and dissimilarity of situations for self employed men and self employed women. Self employed men and women differ little in education, experience and preparedness. However, the main difference lies in occupational and industry experience. The percentage of population holding management occupation is lower for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be less than of self employed men in industries like communication, transportation, wholesale trade, manufacturing and construction. The analysis is based on data from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) from 1994 to 2006.

Jalbert, 2000 performed a study to explore the role of women entrepreneurs in a global economy. It also examined how women's business associations can strengthen women's position in business and international trade. The analysis is performed on the basis of facts and data collected through field work (surveys, focus groups and interviews) and through

examining the existing published research. The study has shown that the women business owners are making significant contributions to global economic health, national competitiveness and community commerce by bringing many assets to the global market. As per the analysis of the research study, women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks to communicate effectively, to organize efficiently, to be fiscally conservative, and to be aware of the needs of their environment and to promote sensitivity to cultural differences. Researchers contend that women business owners possess certain specific characteristics that promote their creativity and generate new ideas and ways of doing things. These characteristics include focus, high energy level, personal motivations, self employed father, social adroitness, interpersonal skills etc. There is a worldwide pool of economically active persons, known as the Women's Indicators and Statistical Data Base (WISTAT), from which one can extrapolate the general number of women entrepreneurs. WISTAT titles the category "employers and own-account workers," but the category could be termed as well as self employed or business owners. The category describes those who are economically independent and who could be entrepreneurs. The number of women to 100 men in each region is represented for three decades spanning 1970 to 1990. The study revealed that the gap between men and women business owners has narrowed significantly. In 1970 women numbered 26 for each 100 men, but by 1990 women numbered 40 for each 100 men who were self employed.

Tambunan, (2009), made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining

overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Das, 2000 performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, Indian women entrepreneurs faced lower level of work-family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries.

Singh, 2008, identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic

ministry & social & welfare development ministry of the Government of India.

Lall & Sahai, (2008), conduct a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self perception self esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in familyowned business but they still have lower status and face more operational challenges in running business, but they still have lower status and face more operational challenges in running business.

Bowen & Hisrich, (1986), compared & evaluated various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers, relatively likely to have frts born or only children, unlikely to start business in traditionally male dominated industries & experiencing a need of additional managerial training.

Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family back ground, education, size of business unit. Some interesting facts which came out from this report are

less educated women entrepreneurs are engaged in micro enterprises, have husband & children but have no help at home. Most of the women establish enterprises before the age of 35, after gaining some experience as an employee somewhere else. The motivational factors were desire for control & freedom to take their own decision as well as earning handsome amount of money. Dedication of more than 48 hours in a week with the family support to their enterprises gave them a sense of self confidence. However, to maintain balance between family & work life is a major challenge before women entrepreneurs especially for those who have children & working husband.

Cphoon, Wadhwa & Mitchell, (2010), present a detailed exploration of men & women entrepreneur's motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

Greene et.al., (2003), evaluate the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender

discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives.

Damwad, (2007), describes the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. It broadly identifies few obstacles like financing, lack of knowledge & skills in business life, markets & entrepreneurial activity, work life balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous. The study compares early stage entrepreneurial male & female activity among Nordic countries with the same of USA. It also compares various programme & schemes developed by Nordic countries & agencies that provide support to them. OECD & European Commission are focusing on methodologies in analyzing quantitative & qualitative women entrepreneurship. The Nordic countries need a framework for policy learning develop a proper policy mix towards promoting women entrepreneurship.

Objectives Of Study

- To identify the reasons for women for involving themselves in entrepreneurial activities
- To identify the factors of hindrance for women entrepreneurship
- To determine the possible success factors for women in such entrepreneurial activities.
- To make an evaluation of people's opinion about women entrepreneurship.

Methodology

The research is based on secondary & primary data. It's an exploratory & descriptive in nature. The secondary data is collected from review of past researches and other reports. The factors have been identified then classified into three categories factors responsible for hindrance, reasons for starting the

business & reasons for success in women entrepreneurship. Then these factors with their sub-classification rated on likert scale of 1 to 5, where 1 denotes least important & 5 denote most important. Then these factors have been further analyzed through Chi square test to check the difference between opinions collected from different sets of people. PSW 18 has been use for calculation purposes.

The data has been collected from the female PGDM students & faculty members only. It is just have common areas of concerns in both the sample group. All the three forms of factors analyzed from the view points of marital status & occupation. Results show that one basis of marital status we find major differences of opinion at significance level of 5. These are need for Money & others factors on which these two sets of people have different opinion. However in hindrance reason we could not find any significant difference. When it comes on success factors Marketing skills & Preservation also have significant difference. (Refer hypothesis test summary for marital status in annexure) On the basis of occupation differences are more because two sets have difference in generation also. Students & faculty members have significant differences on various issues almost in every set of factors. Starting from hindrance factors they significantly differ on Raising Capital, Information & advice, skills & expertise, Gender discriminations & others. In the second category of factors i.e. reasons for starting business factors for significant difference are passion; need for money, to become independent, self satisfaction & others. In the category of success factors difference are on the issues like quality of product & service, uniqueness of design & services, management skills & marketing skills & preservation.

Measures To Remove The Obstacles

The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited

to only creation of opportunities for women. Hence, it is imperative to design programmes that will address to attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country.

The basic instinct of entrepreneurship should be tried to be reaped into the minds of the women from their childhood. This could be achieved by carefully designing the curriculum that will impart the basic knowledge along with its practical implication regarding management (financial, legal etc.) of an enterprise.

Adopting a structured skill training package can pave the way for development of women entrepreneurship. Such programmes can train, motivate and assist the upcoming women entrepreneurship in achieving their ultimate goals. Various schemes like the World Bank sponsored programmes can be undertaken for such purposes. The course design should focus on imparting input on profitability, marketability and practical management lessons. Besides, there should be consideration in helping the women entrepreneurs in balancing their family life and work life. As a special concern, computer illiterate women can be trained on Information Technology to take the advantage of new technology and automation.

The established and successful women entrepreneurs can act as advisors for the upcoming women entrepreneurs. The initiatives taken from these well established entrepreneurs for having interaction with such upcoming women entrepreneurs can be proved to be beneficial in terms of boosting their morale and confidence. It may result in more active involvement of women entrepreneurs in their enterprises.

Infrastructure set up plays a vital role for any enterprise. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities. However, precautionary measures should be undertaken to avoid the misuse of such facility by the men in the name of the women.

Even in today's era of modernization the women entrepreneurs depend on males of their family for marketing activities. This is simply because they lack the skill and confidence for undertaking such activities. Women development corporations should come forward to help the women entrepreneurs in arranging frequent exhibitions and setting up marketing outlets to provide space for the display of products or advertisement about services made by women.

Conclusion

The study tried to find out the difference among various set of people of the crucial factors which are concerned with the women entrepreneurial opportunities at large. Issues have been identified through various review of literature. It should be cross checked with the real entrepreneurs. These factors may vary from place to place business to business but women entrepreneurship is necessary for the growth of any economy whether it large or small.

Reference

- Ayadurai, Selvamalar , (2005), An Insight into The "Constraints" Faced by Women Entrepreneurs in A War-Torn Area: Case Study of The Northeast of Sri Lanka, presented at the 2005 50th World Conference of ICSB Washington D.C.
- Bowen, Donald D. & Hirsch Robert D. (1986), The Female Entrepreneur: A career Development Perspective, Academy of Management Review, Vol. 11 no. 2, Page No. 393-407.
- Cohoon, J. McGrath, Wadhwa, Vivek & Mitchell Lesa, (2010), The Anatomy of an Entrepreneur- Are Successful Women

Entrepreneurs Different From Men? Kauffman, The foundation of entrepreneurship.

- Greene, Patricia G., Hart, Myra M, Brush, Candida G, & Carter, Nancy M, (2003), Women Entrepreneurs: Moving Front and Center: An Overview of Research and Theory, white paper at United States Association for Small Business and Entrepreneurship.
- Hackler, Darrene; Harpel, Ellen and Mayer, Heike, (2008), "Human Capital and Women's Business Ownership", Arlington, Office of Advocacy U.S. Small Business Administration, August 2006, VA 22201 [74], No. 323.
- Handbook on Women-owned SMEs, Challenges and Opportunities in Policies and programmes, International Organization for Knowledge Economy and Enterprise Development.
- [http://www.nfwbo.org/Research/8-21-2001/8-21-\(2001\).htm](http://www.nfwbo.org/Research/8-21-2001/8-21-(2001).htm)
- Jalbert, Susanne E., (2008), Women Entrepreneurs in the Global Economy, education research. <http://research.brown.edu/pdf/1100924770.pdf>.
- Lall, Madhurima, & Sahai Shikha, 2008, Women in Family Business, presented at first Asian invitational conference on family business at Indian School of Business, Hyderabad.
- Mathew, Viju,(2010), "Women entrepreneurship in Middle East: Understanding barriers and use of ICT for entrepreneurship development", Springer Science + Business Media, LLC 2010
- Moore, D. P. & Buttner, E. H. (1997). Women entrepreneurs: Moving beyond New Generation of Women Entrepreneurs Achieving Business Success.
- Orhan M. & Scott D. (2001), Why women enter into entrepreneurship: an explanatory model. *Women in Management Review*, 16(5): 232-243.
- Singh, Surinder Pal, (2008), An Insight Into The Emergence Of Women-owned Businesses As An Economic Force In India, presented at Special Conference of the Strategic Management Society, December 12-14, 2008, Indian School of Business, Hyderabad

- Tambunan, Tulus, (2009), Women entrepreneurship in Asian developing countries: Their development and main constraints, Journal of Development and Agricultural Economics Vol. 1(2), Page No. 027-040.the glass ceiling. Thousand Oaks, CA: Sage.
- Winn, Joan, (2005), "Women Entrepreneurs: Can we remove the Barriers?" International Entrepreneurship and Management Journal, 1(3): 381-397,
- Damwad, (2007), Women Entrepreneurship – A Nordic Perspective, August 2007, Nordic Innovation Centre.
- Women in Business & Decision Making – A survey on women entrepreneurs, women network, euro chambers Association of European Chambers of Commerce and Industry
- Women in Business: A Demographic Review of Women’s Business Ownership, Office of Advocacy U.S. Small Business Administration, August 2006

Siddharth Mathur

Teerthanker Mahaveer University,
Delhi Road, Moradabad

Keywords

Women entrepreneurship, rural area,
professional education, awareness,
self-confidence

The aim of this study is to discuss the issues regarding women entrepreneurship in rural India. This paper is mostly based on secondary data and some observations; for the identification of these issues the author has reviewed various research articles and reports. Findings of this study reveal that absence of definite agenda of life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of the property, no awareness about capacities, low ability to bear risk, the paradox of entrepreneurial skill & finance in economically rich and poor women, problems of work with male workers, negligence by financial institutions, lack of self-confidence, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs are major problems of women entrepreneurship development in India.

Introduction

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social eco-system. It is the psyche makeup of a person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which

makes him/ her think about life and career in a given way.

Last ten years of Indian economy make it evident that the structure of ownership in the industrial sector, in agriculture, in the trade and commerce sectors has changed. Many women entered the world of business, of trade commerce and they have become successful entrepreneurs in various business activities. However, the rate of participation or rate of their inclusion in the business world is very low, in spite of its increase during the last ten years. This growth rate of women's participation in economic activities is much lower than the expected rate. If we look at the developed countries we see that women are actively participative in the business and trade activities, including agriculture, without any social or other restrictions. But in India, there are still many social and cultural restrictions on women. Hence, women participation in entrepreneurial activities is less than the requirement of the fast growth of India.

The women have achieved immense development in their state of mind. With increase in dependency on service sector, many entrepreneurial opportunities especially for women have been created where they can excel their skills with maintaining balance in their life. Accordingly, during the last two decades, increasing numbers of Indian women have entered the field of entrepreneurship and also they are gradually changing the face of business of today, both literally and figuratively. But still they have not capitalized their potential in India the way it should be.

Reasons for Women Opting for Entrepreneurship

Self-determination, expectation for recognition, self-esteem and career goal is the key drivers for taking up entrepreneurship by women (Moore & Buttner, 1997). Sometimes, women chose such career path for discovering their inner potential, caliber in order to achieve

self-satisfaction. It can also provide a mean to make best use of their leisure hours. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities.

Obstacles for Women Entrepreneurship

The entrepreneurial process is same for men and women. Successful men and women entrepreneurs undergo similar motivations and thus achieve success in largely same way under similar challenges. They are also found to have access to fund from the same sources. The same condition both men and women can be successful entrepreneurs. (Cohoon et.al. 2010). However, in practice most of the upcoming women entrepreneurs face problems that are of different dimensions and magnitudes than that faced by their male counterparts. These problems, generally, prevent these women entrepreneurs from realizing their potential as entrepreneurs. The major hurdles that the women face during starting and running a company generally come from financing and balancing of life. The balancing of life is caused due to lack of family support for the women. The other hindering external factors include gender discrimination, inaccessibility to information, training opportunities, infrastructure etc. Some internal factors like risk aversion by women, lack of confidence, lack of vision of strategic leader etc. can also create obstacles for the women entrepreneurship development.

Objectives and Data

A major objective of this article was to identify the critical issues of women entrepreneurship in India and discuss the various issues regarding to problems of women entrepreneurship in India. The present article is purely based on secondary data collected through literature survey. All facts and problems

discussed in this article are opinions of the respective authors. However, the present author criticizes some of these opinions and makes analyses based on the observations and experiences regarding women entrepreneurship in India.

Problems of Women Entrepreneurship in India

Definitely, there are a number of problems regarding women entrepreneurship in India, researchers having identified issues relating to social aspects, economic life, skill problems, problems of family support, courage etc.

Absence of Definite Agenda of Life

The educated women do not want to limit their lives in the four walls of the house (Cf. Babaria and Chheda, 2010). The educated women demand equal opportunity and greater respect from their partners as well as from society and they are struggling for equal opportunities and respect from their partners as well as from society in India. However, some women with a definite agenda acquired good positions in the business world in India i.e. Indra Nooyi (CEO of PepsiCo); Dr. Kiran Mazumdar-Shaw (Chairman & Managing Director of Biocon Ltd.); Anu Aga (Chairperson of Thermax Engineering); Sulajja Firodia Motwani (Joint Managing Director of Kinetic Engineering Ltd); Ekta Kapoor (Head of Balaji Telefilms); Priya Paul (Chairperson of Appeejay The Park Hotels chain of boutique hotels). Yet, in rural India, most of the women are either illiterate or semi-literate and they have not a proper idea of self-esteem and self-respect. Therefore, the question that immediately arises is how they can try to get self-respect and have a definite agenda in order to acquire good positions in society.

Absence of Balance between Family and Career Obligations

As Indians, most of the women are very serious about family obligations but they

do not equally focus on career obligations (Cf. Mathur 2011; Singh N.P. 1986). Indian women devote their lives to take care of their family members but they are not concerned with their self-development. Many women have excellent entrepreneurial abilities but they are not using their abilities to create additional income sources for their families, which would go hand in hand with boosting their self-reliance. Sometimes they are not even aware of the concept of self-reliance. Moreover the business success depends on the support the family members, extended to women, in the business process and management (Cf. Lathwal 2011).

Poor Degree of Financial Freedom

In Indian families, the degree of financial freedom for women is very poor, especially in lower educated families and rural families. In these families women can't take any entrepreneurial decision without the consideration of the family members as well as considering social ethics and traditions. Due to the financial dependency, a woman can't start any business or any economic activity to become independent. Therefore, this has become a vicious circle of dependency for women in India.

No Direct Ownership of the Property

No doubt, the right of property is given as a legal provision in India, but it raises one of the most important questions regarding the right to property for women. There are very few women having on paper the right of property because, firstly, they are not aware of this right. They only become aware when problems are created in their families due to family disputes. Otherwise, women are not enjoying their right of property, being treated as second-class citizens, which keeps them in a "pervasive cycle of poverty" (Mehta and Mehta, 2011).

Paradox of Entrepreneurial Skill & Finance

There is paradox of "have and haven't" skills of entrepreneurship in Indian women belonging to economically poor and rich families. Women belonging to economically rich families have the capital support but they may not have good entrepreneurial skills, therefore outsourcing the activities. At the opposite side of society, many women from economically poor families have consistent entrepreneurial skills, but they have not any financial support from their families. We therefore believe that the problems of women entrepreneurship are hanging in the trap of this paradox.

No Awareness about Capacities

An increasing level of education should create awareness regarding an individual's capacities. But, unfortunately, our educational system has not succeeded in creating awareness about woman's capacities and their hidden powers to handle economic activities. According to Shruti Lathwal (2011), India faces an increase in the education level of women and an increased social awareness as to the role women play in society, but this is not a widely acceptable truth because it applies only in urban India and not in rural India too. Urban environment is favourable to identifying and creating awareness regarding women's self-capabilities. However, in the rural area this type of attitude has not developed yet.

Low Ability to Bear Risk

According to Mehta and Mehta, 2011, women in India live protected lives. A woman is taught to depend on the male members of her family from birth. She is not allowed to take any type of risk even if she is willing to take it and has ability to bear it as well. However, this is not entirely true because many great women proved that they have risk bearing capacities and attitude to take risks in

entrepreneurial activities. They have become aware of their rights and potential situations and therefore entered different fields of businesses (Cf. Singh and Raghuvanshi 2012). However, most of the women are not performing entrepreneurial activities because they are not having the proper capacities. Therefore, we should try to make them aware of their risk bearing capacities.

Problems of Work with Male Workers

Many women have good business skills but they do not want to work with male workers and sometimes male workers are not ready to work with women entrepreneurs. According to Shruti Lathwal, 2011, most of women entrepreneurs argued that semi-educated or uneducated class of workers cannot visualize a "female boss" in their field of work.

Negligence by Financial Institutions

Banks and financial institutions are important financiers of entrepreneurs in developing countries because small and medium size firm operators are not borrowing from the capital market. But these banks and financial institutions are not ready to provide credit to women entrepreneurs because of their traditional mind set. They think that, this may become cause of nonperforming asset in future. However, according to a report by the United Nations Industrial Development Organization (UNIDO), "despite evidence that woman's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit".

Lack of Self-Confidence

A strong mental outlook and an optimistic attitude amongst women create a fear of committing mistakes while doing their work (Cf. Goyal and Parkash 2011). The family members and the society are not willing to stand by women with entrepreneurial development potential. In such a situation women should develop

their self-confidence to handle this type of barriers, in spite of the fact that Indian women prefer a protected life to the development of their self-confidence. They are neither mentally nor economically self-reliant. Therefore, we should try to develop their confidence through moral support from society and family members.

Lack of Professional Education

Rao (2007) observed in his study that poverty and illiteracy are the basic reasons of the low rate of women entrepreneurship in our country. The educational level and professional skills also influence women participation in the field of enterprise. We are providing education to the women but not providing professional education. If we look in the professional schools we find that there is a very few number of women students. If we analyse rural - urban ratio of enrolled women in professional education we realize that there are very few rural female students enrolled in this type of education. Even parents are not ready to send their daughters for undergoing professional education. Sometimes it happens, however, that many women taking the training by attending the entrepreneurial development programme do not have an entrepreneurial bent of mind.

Mobility Constraints

According to Ghani et al. (2011) mobility is one of the important problems in women entrepreneurial development. They are not ready to leave their place for business activities and prefer staying only in their residential areas. These traits are important as entrepreneurs tend to start their businesses in their current local area and are thus disproportionately found in their region of birth (Dahl and Sorenson 2007).

Lack of Interaction with Successful Entrepreneurs

Singh (2008) mentioned that the lack of interaction with successful entrepreneurs

is also one of the problems in women entrepreneurship in India. Successful entrepreneurs always play the role of model in the society for women who have the ability of entrepreneurial activities and lead to undertaking economic activities to prove their ability. But unfortunately there is no sufficient provision of such type of interaction to inculcate knowledge and provide experiences of successful women entrepreneurs. Many economists argue that this is a main obstacle in the growth of women entrepreneurship.

Measures To Remove the Obstacles

The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited to only creation of opportunities for women. Hence, it is imperative to design programmes that will address to attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country.

The basic instinct of entrepreneurship should be tried to be reaped into the minds of the women from their childhood. This could be achieved by carefully designing the curriculum that will impart the basic knowledge along with its practical implication regarding management (financial, legal etc.) of an enterprise.

Adopting a structured skill training package can pave the way for development of women entrepreneurship. Such programmes can train, motivate and assist the upcoming women entrepreneurship in achieving their ultimate goals. Various schemes like the World Bank sponsored programmes can be undertaken for such purposes. The course design should focus on imparting input on profitability, marketability and practical management lessons. Besides,

there should be consideration in helping the women entrepreneurs in balancing their family life and work life. As a special concern, computer illiterate women can be trained on Information Technology to take the advantage of new technology and automation.

The established and successful women entrepreneurs can act as advisors for the upcoming women entrepreneurs. The initiatives taken from these well-established entrepreneurs for having interaction with such upcoming women entrepreneurs can be proved to be beneficial in terms of boosting their morale and confidence. It may result in more active involvement of women entrepreneurs in their enterprises.

Infrastructure set up plays a vital role for any enterprise. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and other amenities. However, precautionary measures should be undertaken to avoid the misuse of such facility by the men in the name of the women.

Even in today's era of modernization the women entrepreneurs depend on males of their family for marketing activities. This is simply because they lack the skill and confidence for undertaking such activities. Women development corporations should come forward to help the women entrepreneurs in arranging frequent exhibitions and setting up marketing outlets to provide space for the display of products or advertisement about services made by women.

Conclusion

Women are an important human resource of the nation and every state should try to utilize them as mediators of economic growth and development. Encouragement for women entrepreneurship is one of the ways for that. But unfortunately it is seen that the traditional mind set of the society and negligence of the state and respective authorities are important obstacles in the

women entrepreneurship development in India. Apart from the responsibility of the state and society, absence of a definite agenda of life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of the property to women, paradox of entrepreneurial skill & finance in economically rich and poor women, no awareness about capacities, low ability to bear risks, problems of work with male workers, negligence by financial institutions, lack of self-confidence, lack of professional education, mobility constraints and lack of interaction with successful entrepreneurs are major problems of women entrepreneurship development in India. Therefore, there is need of continuous attempt to inspire, encourage, motivate and co-operate with women entrepreneurs, awareness programmes should be conducted on a mass scale with the intention of creating awareness among women about the various areas to conduct business.

References

- Ashish, Mathur. 2011. "Women Entrepreneurs in the Indian Agricultural Sector." *ZENITH International Journal of Business Economics & Management Research* 1.2 <http://zenithresearch.org.in/>
- Babaria, Mahesh and Mittal Chheda. 2010. "Women Entrepreneurs in India." Note published by Ghalla Bhansali Stock Brokers Pvt. Ltd, 1st July, 2010.
- Bowen, Donald D. & Hirsch Robert D. (1986), *The Female Entrepreneur: A career Development Perspective*, *Academy of Management Review*, Vol. 11 no. 2, Page No. 393-407.
- Dahl, Michael, and Olav Sorenson. 2007. "Home Sweet Home: Social Capital and Location Choice." Working Paper.
- Ghani, Ejaz, William Kerr, and Stephen O'Connell. 2011. "Spatial

- Determinants of Entrepreneurship in India." Working Paper.
- Goyal, Meenu and Jai Parkash. 2011. "Women Entrepreneurship in India-Problems and Prospects." *International Journal of Multidisciplinary Research*, 1(5).
- Mehta, Anita and Mukund Chandra Mehta. 2011. "Rural Women Entrepreneurship in India: - Opportunities and challenges." Paper presented at the International Conference on Humanities, Geography and Economics (ICHGE'2011), Pattaya, December 2011.
- Moore, D. P. & Buttner, E. H. (1997). Women entrepreneurs: Moving beyond New Generation of Women Entrepreneurs Achieving Business Success.
- Shanmukha, Rao Padala. 2007. "Entrepreneurship Development among Women: A case study of self-help Groups in Srikakulam District, Andhra Pradesh." *The Icfai Journal of Entrepreneurship Development* 1(1).
- Shruti, Lathwal. 2011. "Women Entrepreneurs in India." *International Journal of Research in IT & Management* 1(3) <http://www.mairec.org>
- Singh N.P. 1986. "Successful women entrepreneurs - their identity, expectations and Problems." National Institute for Entrepreneurship and Small Business Development, New Delhi.
- Singh, Ranbir and Raghuvanshi Nisha. 2012. "Women Entrepreneurship Issues, Challenges and Empowerment through Self Help Groups: An Overview of Himachal Pradesh." *International Journal of Management Research and Review*, 2(1): 77-90.
- Singh, Surinder Pal. 2008. "An Insight Into The Emergence of Women-owned Businesses as an Economic Force in India." Paper presented at Special Conference of the Strategic Management Society, December 12-14, 2008, Indian School of Business, Hyderabad.
- Tambunan, Tulus, (2009), Women entrepreneurship in Asian developing countries: Their development and main constraints, *Journal of Development and Agricultural Economics* Vol. 1(2), Page No. 027-040. the glass ceiling. Thousand Oaks, CA: Sage.
- Winn, Joan, (2005), "Women Entrepreneurs: Can we remove the Barriers?" *International Entrepreneurship and Management Journal*, 1(3): 381-397.

Er. Supratim Pratihar

Asst. Prof. – Marketing
DRIEMS – MBA, Tangi, Cuttack

Ananya Roy

Ph.D. Scholar, P.G Department of
English, Utkal University, Bhubaneswar

Keywords

Business, Entrepreneurship, Gender,
Society, Women

Social and economic development of women is necessary for overall economic development of any society or a country. Entrepreneurship is the state of mind which every woman has in her but has not been capitalized in India in way in which it should be. Due to change in environment, now people are more comfortable to accept leading role of women in our society. The educated Indian women have to go a long way to achieve equal rights and position because traditions are deep rooted in Indian society where the sociological set up has been a male dominated one. Despite all the social hurdles, Indian women stand tall from the rest of the crowd and are applauded for their achievements in their respective field. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women. She has competed with man and successfully stood up with him in every walk of life and business is no exception for this. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance. Woman constitutes the family, which leads to society and Nation. Our increasing dependency on service sector has created many entrepreneurial opportunities especially for women where they can excel their skills with maintaining balance in their life. The present paper endeavours to study the concept of women entrepreneur. It strives to explain the reasons women become entrepreneurs. The authors also attempt to find out the problems faced by women entrepreneurs and the solutions to such problems.

Introduction

Entrepreneurs play a very important role in socio-economic welfare of the country. They identify the needs of the business, purchase the other factors of production and coordinate them for some productive purposes. They are the innovators, researchers and risk-takers of the company. Due to the mixed economy in India, both public and private entrepreneurship exists here. Large scale sectors are under the public entrepreneurship. The middle and small scale sectors are under the private entrepreneurship. In order to develop entrepreneurship in this sector, Government of India has stepped towards the Entrepreneurship Development Programmes.

The origin of the basic word "Entrepreneurship" is from a French word "Entreprendre", where it cradled and originally meant to designate an organizer of certain musical or other entertainments. The Oxford English Dictionary (of 1897) defines the term "Entrepreneur" in similar way as the director or a manager of a public musical institution, one who gets-up entertainment arranged, especially musical performance. Initially in the early 16th century, it was applied to those who were engaged in military expeditions. In 17th century. It was extended to cover civil engineering activities such as construction and fortification. Since then, the term "Entrepreneur" is used in various ways and various views.

An entrepreneur can be defined as one who initiates and establishes an economic activity or enterprise. Entrepreneurship thus refers to the general trend of setting up new enterprises in a society. The International Labour Organization defines an entrepreneur as a person with a set of characteristics that typically includes self-confidence, result-oriented, risk taking, leadership, originality and future oriented.

Some refer to women entrepreneurs as

those who innovate, imitate or adopt a business activity. Given that entrepreneurship is the set of activities performed by an entrepreneur, it could be argued that being an entrepreneur precedes entrepreneurship. In any case, the entrepreneurial definitions described above highlight the aspects of risk-taking, innovating and resource organizing.

In modern era, when women are showing their capabilities in various walks of life, the entrepreneurial classes of women are playing an increasingly prominent role in various sectors of industrial growth and economic development. Entrepreneurship amongst women is a relatively recent phenomenon, which is gradually changing with the growing sensitivity of the roles, responsibilities and economic status of women in the society in general and family in particular.

At the same time, it is also recognized that their challenges are immense and complex. For women entrepreneurs, starting and operating a business involves considerable risks and difficulties, because in the Indian social environment women has always lived as subordinate to men. There have been noticeable changes in the socio-psycho-cultural and economic norms of our society due to liberalized policy of the government of India, increase in the education levels of women and increased social awareness in respect of the role women plays in the society. It has now been recognized that to promote self-employment and to reduce the incidence of poverty, some drastic efforts have to be made to accelerate self employment of women in various sectors.

Literature Review

Bowen & Hisrich (1986) compared & evaluated various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus

of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers, relatively likely to have first born or only children, unlikely to start business in traditionally male dominated industries & experiencing a need of additional managerial training.

Jalbert (2000) performed a study to explore the role of women entrepreneurs in a global economy. It also examined how women's business associations can strengthen women's position in business and international trade. The analysis is performed on the basis of facts and data collected through field work (surveys, focus groups and interviews) and through examining the existing published research. The study has shown that the women business owners are making significant contributions to global economic health, national competitiveness and community commerce by bringing many assets to the global market.

Das (2000) performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, Indian women entrepreneurs faced lower level of work-family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries.

Greene et.al. (2003) evaluate the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes,

financing challenges, business unit, context and feminist perspectives.

Darrene, Harpel and Mayer (2008) performed a study on finding the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women.

Singh (2008) identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.

Lall & Sahai (2008) conducted a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship & family business. The study identified Psychographic variables like degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self perception

self esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

Tambunan (2009) made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Cohon, Wadhwa & Mitchell (2010) present a detailed exploration of men & women entrepreneur's motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their

counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

Objectives

- To study the concept of women entrepreneurship in India
- To explain the reasons women become entrepreneurs
- To find out the problems faced by women entrepreneurs and the solutions to such problems

Women Entrepreneurship In India

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as —an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

Two main streams of thoughts have influenced the promotion of women entrepreneurship in India by the government as well as by various other agencies. The first stream is employment centered. It has been argued that

considering their weaker bargaining power in the market as well as society, women should be given higher priority in various entrepreneurial schemes. The second most stream of thought relates to the argument for autonomy of women. There are three broad stages for this which are Conceptualization, Analysis of internal aspects and Analysis of external aspects

Reasons For Women Becoming Entrepreneurs

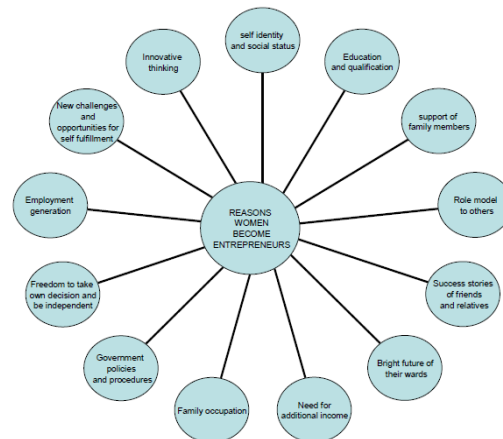
The glass ceilings are shattered and women are found indulged in every line of business. The entry of women into business in India is traced out as an extension of their kitchen activities, mainly 3P's, Pickle, Powder and Pappad. But with the spread of education and passage of time women started shifting from 3P's to modern 3E's i.e., Energy, Electronics and Engineering. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. 'Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent.

A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. Many women start a business due to some traumatic event, such as divorce, discrimination due to pregnancy or the corporate glass ceiling, the health of a family member, or economic reasons such as a layoff.

But a new talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are flourishing as designers, interior

decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. The following diagram shows the reasons for women becoming entrepreneurs

Figure 1



Problems Associated With Women Entrepreneurs

Basically all women entrepreneurs almost suffer from two main categories of problems viz. Specific Problems and General Problems. The first category of problems affect women specifically in their smooth operations of enterprise ,while the other category of problems have a general or over-all affect on the enterprises owned by such group of women entrepreneurs. Over-all these problems can be summed up as under:

Problem Of Finances Arrangement

Finance is said to be the "life blood" of every business undertaking, be it large or medium or small scale enterprise. Usually women entrepreneurs face the problems of shortage of finance on two important grounds. Firstly, women do not generally have property on their own names to use that as collateral securities for obtaining loans/funds from banks and other financial institutions. Thus their access to external sources is very limited .Secondly, the banks also consider women less credit worthy and discourage women borrowers

on the belief that they cannot repay back the amount of loans taken by them.

Scarcity Of Raw Materials Required For Productive Capacities

They have to even face the problems of scarcity of raw-materials and necessary inputs. On the top of this are the high prices of raw materials on one hand and getting raw materials at minimum discount rates in the other.

Cut-Throat Competition With Other Group Of Men And Established Self-Sufficient Entrepreneurs

Women entrepreneurs do not have a proper organizational set-up to pump in a lot of money for canvassing and advertisements. Thus they have to face a stiff competition with the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women entrepreneurs.

Limited Mobility Factor In Case Of Women Entrepreneurs

Unlike men, women mobility in India is highly limited due to many factors. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them to give up their spirit of surviving in enterprise altogether.

Family Responsibilities, Ties As Well As Commitments

In India, mainly a woman's duty is to look after her children and manage the other members of the family. Man plays a secondary role only. In case of married women she has to strike a fine balance between her business and family. Her total involvement in family leaves little or

almost no time or energy to be diverted for the business activities. Support and approval of husbands seems to be necessary condition for women entry into business. Accordingly, the educational level and family background of husbands also influences women participation in the field of enterprise.

Lack Of Education And Prevalent Levels Of Illiteracy Amongst Women

In India, around 3/5th (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic barriers or hurdles. Due to lack of education and that to qualitative education, women are not aware of business, technology and market knowledge.

Also lack of education causes low achievement motivation amongst women. Thus lack of education creates problems before women to set up competitive enterprises.

Domination By Male And Ideology Of Male Dominated Society

Male chauvinism is still prevalent in many parts of the country yet. The constitution of India speaks about the equality between both the sexes, i.e. men and women.

But in practice, women are looked upon as "abla" i.e. weak in all respects. Thus women suffer from a number of problems, in a nutshell in a male dominated society, women are not treated equal to men. This in turn, serves as a barrier to woman's entry into business.

Lesser Risk And Uncertainty Bearing Attitude

Women in India lead a protected life. They are even less educated and economically not stable neither self-depended. All these factors reduce their ability to bear risks and uncertainties involved in a business unit, which is the most important criteria of every business activity.

Lack Of Self-Confidence And Optimistic Attitude Amongst Women

Today all the women are suffering from one major problem of lack of self-confidence, will-power, strong mental outlook, optimism etc. They always fear from committing mistakes while doing their piece of work, more over there is limited initiative of taking risk and bearing uncertainty in them. Thus all these psychological factors often obstruct their path of achieving success in the area of enterprise.

Old And Outdated Social Outlook To Stop Women From Entering In The Field Of Entrepreneurship

Also one of the dominant reasons for their failure is the attitude of society people towards their modern business prospects and developing attitude. Women nowadays have low risk taking ability because of the number of questions put forward by the conservative society people. Thus they are under a social pressure which restrains them to prosper and achieve success in the field of entrepreneurship.

Absence Of Proper Support And Back-Up For Women By Their Own Family Members And The Outside World People

Many a times their own family members are not supporting and cooperating as well as having encouraging attitude to dare to enter into the entrepreneurship field. They are always making many pessimistic feelings to be aroused in their minds and making them feel that family and not business is a place meant for them. Due to such limited scope of help and cooperation from family and other people, they drop the idea of excelling in the enterprise field.

Apart from the above discussed problems there may occur other serious problems faced by women entrepreneurs such as

improper infrastructural facilities, high cost of production, attitude of people of society towards the women modern business outlook, low needs of achievement and socio-economic constraints often puts women behind in the field of enterprise.

Solutions To The Problems Of Women Entrepreneuers

The problems faced by women entrepreneurs may be solved by using a number of measures to overcome them. Such solutions or remedies can be well understood as under:

- There should be a continuous attempt to inspire, encourage, motivate and co-operate women entrepreneurs.
- Attempts should be there to enhance the standards of education of women in general as well making effective provisions for their training, practical experience and personality development programmes, to improvise their over-all personality standards.
- Attempts to establish for them proper training institutes for enhancing their level of work-knowledge, skills, risk-taking abilities, enhancing their capabilities.
- Attempts to bring about a society attitude change, generation of awareness and consciousness on the policy of self-development of women entrepreneurs.
- Attempts by various NGO's and government organizations to spread information about policies, plans and strategies on the development of women in the field of industry, trade and commerce.
- Establishing various policies to offer easy finance schemes for economically strengthening the position of women.
- Forming a cooperative association of women entrepreneurs to mobilize resources and pooling capital funds, in order to help the

women in the field of industry, trade and commerce.

- Offering seed capital, up-liftment schemes, women entrepreneurs fund etc. to encourage them economically.
- To extend concessional rates facilities and schemes for women entrepreneurs to prosper in the field of enterprise.
- To establish all India forum to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions in the favour of women entrepreneurs and taking strict stand against the policies or strategies that obstruct the path of economic development of such group of women entrepreneurs.

Thus by adopting the aforesaid measures in letter and spirit, the problems associated with women can be solved.

Conclusion

It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate, efforts are being taken at the economy as well as global level to enhance woman's involvement in the enterprise sector. This is mainly because of attitude change, diverted conservative mindset of society to modern one, daring and risk-taking abilities of women, support and cooperation by society members, changes and relaxations in government policies, granting various up-liftment schemes to women entrepreneurs etc. Thus, what else is required is to continue with the above changed trend, emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making

them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process. We can promise ourselves and make a sincere commitment of contributing to the field of women entrepreneurship at individual level which un-doubtedly bring drastic positive change in growth and development of women entrepreneurship at country and even at a global level.

References

- <http://thirdfront.in/index.html/documents/5.pdf> accessed on July 15th, 2013
- <http://www.academia.edu/4188526/india> accessed on July 15th, 2013
- http://www.zenithresearch.org.in/images/stories/pdf/2011/Sep/14.Vol_01_Issue_05%20MEENU%20GOYAL%20women%20paper.pdf accessed on July 18th, 2013
- <http://ssmrae.com/admin/images/b519ef6358f4efbf2050a228201f75e3.pdf> accessed on July 21st, 2013
- <http://www.journalijdr.com/sites/default/files/Download%201001-013.pdf> accessed on July 24th, 2013
- <http://www.chimc.in/Volume2.1/Volume2Issue1/GurendraNathBhardwaj.pdf> accessed on July 24th, 2013

Swati Seth

Assistant Professor, Department of
Commerce, Delhi School of Economics,
University of Delhi

Komal Kapoor

Assistant Professor, Asian Business
School

Keywords

Women entrepreneurship,
Empowerment, Changing roles,
Growth

In today's turbulent times, many changes are taking place across the globe and the most prominent change, which comes to notice, is the changing role of women in today's society. The traditionalistic role of women is a thing of the past. Now women are exploring new and innovative avenues to prove their self worth to themselves and to the society. With the rise of education statistics for women, they have more power in their hands. Hence they are taking multiple roles of corporate professional, entrepreneurs, businesswomen, homemakers, teachers, etc. But their success story is not as glamorous as it sounds. They have had their share of problems, challenges, prejudices, failures, and pressures from home front, which are not allowing them to contribute significantly to the overall development of women entrepreneurship in India. Hence the paper would try to understand the current status of women entrepreneurship in India and the world, would highlight success mantras, challenges and opportunities, role models, and develop a framework which would give out strategies to be implemented in order to promote women entrepreneurs at a more serious level. The paper would also divulge various efforts that could be made both at the elementary level and economic level, which would ultimately lead to a scenario where India can be called equivalent to other developed nations on the statistics pertaining to women entrepreneurship.

Introduction

The concept of Women Entrepreneurship pioneered in India around 1970 with the

celebration of the Women decade from 1975 to 1985. In 1980s and 90s, an increasing number of women started to enroll for engineering and management programs. Many of them entered various fields like software, technology, management, banking, telecom, consulting, hospitality and other industries.

However, the number of women reaching the top management grade is still low. There are a lot many social and cultural factors which act as impediments for women to stay on the top.

The traditional set-up of women is now breaking down, and there is an emergence of new class of women who are much more empowered than before.

They are willing to go the extra mile and beat the competition by being independent, confident, sacrificing their personal goals to meet their professional aspirations, willing to step into the shoes of "powerful men" and also outperform them. The age-old shackles of being burnt in the fire called as "Sati" is no longer accepted and a new era of women ruling the world has come up.

Even the Companies Bill (which just got passed in Lok Sabha and Rajya Sabha and is waiting for the President of India's approval to replace the age old Companies Act, 1956) recognizes this fact and has laid down provisions for Women Directors which states that there needs to be an appointment of at least one women director on the Board of the Company.

Across the globe, women have succeeded to join businesses and it's high-time that India also moves on the progressive path and ensures equal role for men and women.

The facts look impressive but still the gender disparities and inequalities in India are a stark comparison to the other nations. A mammoth task lies ahead to be taken up and resolved.

Figure 1
Women Economic Participation



Source: Hautmann, Ricardo, Laura O. Tyson and Saadia Zahidi, *The Global Gender Gap Report 2011*, World Economic Forum.

Source: World Bank, *Global Gender Gap report, 2011*

The figure shows that while India's scores around the mean gender gap index overall (horizontal axis), its score for women's economic participation and opportunity is below the 5th percentile of the distribution (vertical axis). This again throws light on the fact that a lot needs to be done in India per say to fill this gap and remove inequalities.

Efforts are being made both at economy level and individual bodies level to introduce many programmes and opportunities where women can participate in a big way. Organizations like Federation of Indian Women Entrepreneurs, smallB (a SIDBI initiative), Consortium of Women Entrepreneurs, Self Employed Women's Association are conducting landmark activities and programmes to promote women entrepreneurship in India.

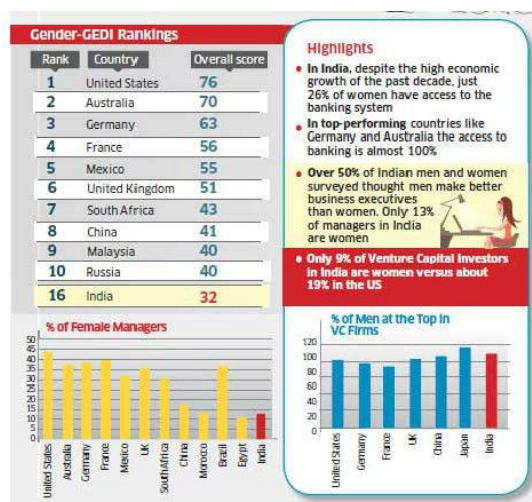
Literature Review- Women Entrepreneurs

The government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital, and giving at least 51% of employment generated in the enterprise to women (Bhargava, 2007).

There could be many reasons as to why women would like to be an entrepreneur. Some of the most accepted notions for this have been – need for financial security, supporting their families, pursue their hobbies, to follow their ambition and chart out their growth story. Even after initiatives of the government and autonomous bodies, the growth story is far from being positive.

The status of India of women entrepreneur is not very encouraging if we look at the world figures:

Figure 2
Gender comparison



Source: Global Entrepreneurship & Development Institute.

Women tend to choose different industries to work than men, as it is being considered that women entrepreneurs belong to a different breed and they need to work in less important industries than men do. Why is this discrimination?

Mostly women are entering into certain businesses like: handicrafts, jewellery, textiles, designing. There is still a lot of scope for them to enter the male-dominated sectors like construction, engineering, automobile, etc.

Starting a new business venture is not easy. There are a number of hurdles which one needs to cross in order to survive and grow in business. And if you are women, you might have to bear an additional hurdle of facing the cultural and societal factors, which demotivate her to sustain in the business. There may be lack of education, skills, training, money to continue the business, but it would take courage to continue and beat the society and tell the world – I have it in me and I am going to be a “successful” women entrepreneur against all odds.

The combination of pull and push motives and effective mentoring, personal characteristics such as risk of failure, educational level, creativity, innovativeness, ambitiousness and marital status are important for the encouragement of women entrepreneurship to start up a new business (Nicholas and Victoria, 2010; Nan and Maria, 2007).

Rajeswari and Sumangala state that “the quest for economic independence and better social status and sometimes sheer need for the family’s survival, force women into self-employment and entrepreneurship” (Pillai and Anna, 1990).

Major Challenges And Difficulties Faced By Women Entrepreneurs In India Are

- Financial problems
- Limited access to good networks
- Work-life balance
- Gender inequality
- Lack of proper training and relevant experience
- Domestic competition
- Lack of confidence

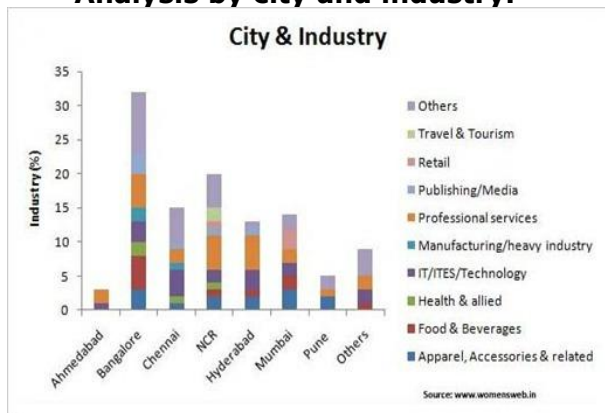
There Could Be Various Types Of Women Entrepreneurs, Which Can Be Summarized As Follows

- Women entrepreneurs in organized & unorganized sector

- Women entrepreneurs in traditional & modern industries
- Women entrepreneurs in urban & rural areas
- Women entrepreneurs in large scale and small-scale industries.
- Single women and joint venture entrepreneurs.

Women are entering varied fields of business and are not restricted to only small scale and services. This again proves the outward shift happening at their front. The latest trends clearly depict that women are becoming a part of almost all the industries and not just the traditional ones like teaching, services, small scale, etc. The figure depicts the composition of women entrepreneurs across industries in various Indian cities.

Figure 3
Analysis by city and industry.



This change of occupational pattern is a positive sign of situation changing in India. The reasons can be many, but what needs to be seen is the status of India in terms of women entrepreneurship figures. Positive and concrete growth has taken place in the last two decades in various areas of Indian society. Be it housewives becoming MD's, marketing wizards, chefs, PSU's heads, media barons, social activists, the list is endless. Infact, women entrepreneurs are making their presence felt in so called "male industries" like tractors, plastic, cement, automobile.

Growth Of Women Entrepreneurship Through Women Empowerment

"The Corporate Gender Gap Report, 2010, of the World Economic Forum reveals that out of a sample of 30 member-countries of the OECD and BRIC, India had the lowest percentage of female employees (23%), followed by Japan (24%), Turkey (26%) and Austria (29%), in Representation of Women in Business." (*Economic Times, 2013*)

Hence, there is all the more need to empower the women of today in order to lead to more opportunities for income and employment generation. There is a close relationship between women empowerment and the level of social and economic development of any country. Women represent half of the human resource of a country. If they are neglected and not treated well, then almost half the development of the country is at stake.

The government of India is also undertaking measures to empower the Indian women. There has been a shift from "welfare" oriented approach in the First Five Year Plan to "development" and "empowerment" of women in the consecutive Five Year Plans. Also, there have been various schemes for assistance provided by Ministry of Women and Child Development; Central Social Welfare Board (CSWB); Ministry of Human Resource Development, Department of Education; Ministry of Rural Development; Ministry of Social Justice and Empowerment; Ministry of Labor & Employment, etc for the empowerment and development of women. The National Policy for the Empowerment of Women with the objective of bringing about advancement, development and empowerment of women in all walks of life has been formulated. These schemes aim to work on certain critical areas like:

- Women and poverty
- Education and training of women
- Women and health
- Violence against women
- Women and armed conflict

- Institutional mechanism for advancement of women
- Human rights of women and many other initiatives

Some indicators depicting the progress in the situation of Indian women are given in the table below:

Table 1
Progress of Indian Women, 2008

Development Indicators	Women	Men	Total	Women	Men	Total
* Demography						
- Population (in million in 1971 & 2001)	264.1	284.0	548.1	495.7	531.2	1027.1
- Decennial Growth (1971 & 2001)	24.9	24.4	24.6	21.7	20.9	21.34
* Vital Statistics						
- Sex Ratio (1971 & 2001)	930	-	-	933	-	-
- Expectation of Life at Birth (1971 & 2001-06)	50.2	50.5	50.9	66.91	63.87	-
- Mean Age at Marriage (1971 & 1991)	17.2	22.4	-	19.3	23.9	-
* Health and Family Welfare						
- Birth Rate (1971 & 2008)	-	-	36.9	-	-	22.8
- Death Rate (1970 & 2008)	15.6	15.8	15.7	6.8	8.0	7.4
- Infant Mortality Rate (1978 & 2008) Per 1000 live births	131	123	127	55	52	53
- Child Death Rate (2007) (0-4 years)	-	-	-	16.9	15.2	16.0
(2007) (5-14 years)	-	-	-	1.2	1.1	1.2
- Maternal Mortality Rate (1980 & 2006)	468	-	-	254	-	-
* Literacy and Education						
- Literacy Rates (1971 & 2001)	7.9	24.9	16.7	54.28	75.96	65.38
- Gross Enrolment Ratio (1990-91 & 2006-07) (%)						
Classes I-V	85.5	113.9	100.1	107.8	114.4	111.2
Classes VI-VIII	47.8	76.6	62.1	69.5	77.4	73.6
- Drop-out Rate (1990-91 & 2006-07) (%)						
Classes I-V	46	40.1	42.6	26.6	24.4	25.4
Classes I-VIII	-	-	-	45.3	46.6	46.0

Development Indicators	Women	Men	Total	Women	Men	Total
* Work and Employment						
- Work Participation Rate (1971 & 2001) (%)	14.2	52.8	34.3	25.68	51.93	39.26
- Organised Sector (No. in lakhs in 1971 & 2006)	19.3 (11%)	155.6	174.9	51.21 (19%)	218.72	269.93
- Public Sector (No. in lakhs in 1971 & 2006)	8.6 (8%)	98.7	107.3	30.03 (16.51%)	151.85	181.88
* Decision Making						
- Administrative						
IAS (2002 & 2006)	535 (10.4%)	4624	5159	571 (11.9%)	4219	4790
IPS (2005 & 2006)	142 (4.4%)	3056	3198	150 (4.7%)	3059	3209
- Political						
PRIs (No. in lakhs in 1997 & 2009)	8.14 (31.3%)	17.84	25.98	10.38 (36.83)	17.79	28.18
Legislative Assemblies (No. in 1985 & 2000)	141 (5.1%)	2632	2773	229 (5.6%)	3838	4067
Parliament (No. in 1989 & 2009)	47 (61%)	721	768	80 (10.12%)	710	790

Notes: @ Refers to 1995 in respect of only 9 States viz. Gujarat, Haryana, Kerala, Madhya Pradesh, Punjab, Rajasthan, Tripura and West Bengal.

Figure in parentheses indicate the percentage in the total and year of the data in respective columns.
Data from Planning Commission.

Source: India, Ministry of Human Resource Development, Department of Women and Child Development. (2001). Working Group on Empowerment of Women: Tenth Plan (2002-07): Report, New Delhi, p.43.
India, Ministry of Human Resource Development, Department of School Education and Literacy. (2009). Annual Report 2008-09. New Delhi, p. 307-08, 317-18.
India, Registrar General. (2008). Sample Registration System: Statistical Report 2007. New Delhi, p. 83-84.
India, Registrar General. (2009). Sample Registration System Bulletin, October 2008. New Delhi, p. 1-5.

The Main Factors Thus Contributing Towards Empowerment Of Women Are

- Increased literacy and education levels across states
- Change in social and economic development of the country
- Better government initiatives to motivate women to work well
- Growing cost of living to meet the daily needs of life
- Need for women to support the family financially
- Entering of more MNCs and development of private sector, providing better opportunities for women to work
- Fostering of new concepts in the organization like work-life balance, flexi-timings, equal opportunity at the workplace, diversity of the workforce, etc.
- Coming up of nuclear families, wherein the concept of DINK (Double Income, No Kid) is gaining importance

- Increased participation of women in day-to-day decision making
- Availability of new types of products and services like instant foods, crèches, which enable women to spend more time working.

The empowerment of women will depend both on the current status of women in the society and also the expected role the society wants the women to play in the long run. This will in turn shape up the women entrepreneurs of India.

Initiatives By Government & Corporates

Also, to promote women entrepreneurs, many companies are taking initiatives to mutually benefit, in terms of helping the women to start their own businesses and in turn they benefit by building their reputation and contributing socially towards the community and the society. One such example is of "Project Shakti" undertaken by Hindustan Unilever Limited. (HUL).

HUL in this project build a distribution system through a network of women micro-entrepreneurs to get the product directly to consumers. This helped women entrepreneurs to start their own business and improve upon their standard of living. The company benefitted by extending its reach into rural areas and has tapped the interior parts of the country. The basic belief was that by giving additional income to women, it would lead to greater benefits for the household as a whole and enhance the livelihood for the family.

Government help is also forthcoming by the means of Microfinance facilities available (Self-Help groups) where women can come together for some business and work for their independence.

Shashi started the Consortium of Women Entrepreneurs of India (CWEI) in Delhi in 1996 and has trained women in the embattled country known for its anti-women extremist group, Taliban. The soft-

spoken lady is also a member of the national board of the Ministry of Micro, Small and Medium Enterprises and an international consultant on enterprises development with a specialisation in gender in business. The sectors where the organisers were unable to find women entrepreneur partners for the Afghan all-woman business delegation in India include pharmaceuticals, cargo and shipping, heavy tractors, road construction and information technology.

Success Story Of Successful Women Entrepreneurs

Whatever has been said about the issue, women Entrepreneurship is still not a reality. Equal opportunity between men & women is not the truth.

This is barring the fact that it has been proven that women can be better managers & leaders. They are a perfect blend of task & people orientation. There is also going to be some difference in the kind of culture that a women entrepreneur would cultivate in her organization based on strong fundamental values and concern for all.

India can have more women entrepreneurs, if the position of women in the society improves further and proper training programs are initiated for their long term sustainability. The support from family members will also play an important role for their success.

Recent surveys conducted in several countries by the National Foundation of Women Business Owners (NFWBO) indicate that women-owned firms involved in the global marketplace have greater revenues, are more optimistic about their business prospects and are more focused on business expansion than women-owned firms that are domestically oriented.

Some progress has taken place in this direction. We have Ms. Sunita Choudhary, the first female auto rickshaw taxi driver

in North India. Some other examples follow.

Some Of The Famous Women Entrepreneurs, Who Have Earned Respect Internationally, Are

Oprah Winfrey: She is the founder three times over: Founder of Harpo Productions, the Oprah Winfrey Network (OWN) and founder of the Oprah Winfrey Leadership Academy for Girls.

Kiran Mazumdar-Shaw: India's first biotech entrepreneur Kiran Mazumdar-Shaw founded Biocon in 1978 when she was 25 by partnering with an Irish firm to make industrial enzymes.

J.K. Rowling: It was wizardry that transformed J.K. Rowling from a destitute single mother on welfare into a best-selling billionaire. Her adventures of teenage magician Harry Potter and his classmates at Hogwarts became a children's literary sensation in 1998 with the U.S. publication of Harry Potter and the Sorcerer's Stone. It and the six subsequent books have now sold 500 million copies worldwide. A film franchise and theme parks have kept the profits rolling in, making J.K. Rowling far more than just an author by anyone's measure.

Cher Wang: She and CEO Peter Chou cofounded HTC in 1997, and have remained as its leaders as it developed from a manufacturer for other smartphone companies to a leading Android brand.

Diane von Furstenberg: The Belgian-born von Furstenberg may have begun designing clothing in 1970 with \$30,000, but has since risen to the top of the industry, now wielding the power of the president of the trade association of the country's top 350 designers.

(Source: Forbes "'The World's Most Powerful Female Entrepreneurs, 2013" 22 May 2013)

Some of the famous Women entrepreneurs in India are:

Kanika Dewan: After doing her Masters in Finance from Wharton Business School, Dewan decided to become an interior designer. And recently her company 'Bramco' has designed the floors of IGI's Terminal 3 airport.

Nidhi Saxena: The person behind Karmic Lifesciences is a contract research organization. It specializes in Oncology Cardiovascular, Neurology and Diabetes. Karmic conducts clinical trials and provides clinical data management to pharma companies, like Novartis International, Bayer AG and Cipla.

Vijaya Pastala: Her enterprise has a Rs 60 lakh turnover from selling honey! The packaged products are sold online, delivered to over 100 shops in Mumbai and Bangalore, as well as to a lot of B2B partners like Taj Hotels.

Sneha Roy & Sananda Misra: Toptomato.in by Sneha Roy & Sananda Misra is an online platform for ordering all household items. TopTomato was launched in the month of September, 2012 by Sneha Roy and Sananda Misra, graduates from Indian Institute of Technology, Kharagpur, with varied experience of working in the FMCG sectors. The venture is self-funded and the seed capital was about Rs 5 lakhs.

Mitali Kalra: She has started a chain of health food cafes in India by the name of Zao Foods. She pumped in Rs 14 lakh from her personal savings. A year into operations, her turnover is Rs 25-30 lakh. Till date, she has invested Rs 30 lakh, but expects to earn Rs 35-40 lakh by end of 2013.

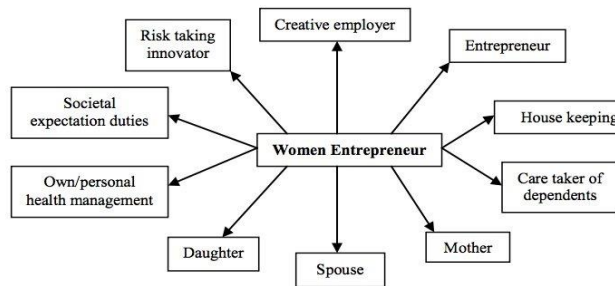
Uniza Tasneem: She is the founder and director of Koramangala-headquartered Daria System, a hospital management solution enterprise. They manage the financials of healthcare sector mainly superspeciality & multispeciality, large &

medium hospitals, nursing homes, diagnostic centers, laboratories, multispecialty clinics and pharmacies by providing customized software solutions.

(Source: Economic times "Success stories of six inspirational women entrepreneurs" 4 July 2013)

They have been successful to break the myth that women-led businesses are unable to grow beyond a certain limit. Infact women have been endowed with natural qualities to be an entrepreneur. They are better than men in certain areas and they are able to take up multi dimensional roles with ease.

**Figure 4
Entrepreneurial Women And
Multidimensional Roles**



Source: a research study on work life balance for women, www.moneychat.com Infact, this success can be attributed to many characteristics that women possess that is not the forte of the men. Both nationally and internationally, women have proved that they have an edge over their counterpart because of certain peculiar and desirable traits.

Some Strong Traits Of Women, Which Make Them Successful

- To care for and be sensitive to everyone’s needs
- To communicate effectively
- Using intuition and rationale both in decision-making
- To be organized and systematic in their dealings
- Building long-term and sustainable relationships

- To treat everyone as equal
- Considering the cultural differences and adapting to it

Conclusion

There needs to be a radical shift in the attitude of the society as to how it perceives women. The traditional male-dominated attitude of the society cannot hold longer. There is a dire need to provide appropriate training and development for women entrepreneurs. This will change the way people view role of women in the society.

There has been a sudden rise of women entering the workforce with better amenities for women to fulfill their professional dreams and aspirations. This can be attributed to higher education levels, better medical facilities, higher standard of living, better economic development leading to increased demand for new types of products and services. This has further contributed to the notion that the income of just the male counterpart is not sufficient to meet the entire family needs. Mostly women are joining the workforce to support the husband and contribute towards the family growth and development due to the rising cost of living and to ensure a comfortable living for the entire family.

At this critical position, self-employment is the safer way to generate income and empower the women of today. In addition, self-employment also changes the position of women from being job-seekers to job givers. And being 49% of the of the population, they can provide massive impetus to the economic development of the Indian economy if proper and concrete measures are undertaken. Infact, it would not be wrong to say that in certain areas, women can prove to be better entrepreneurs than men because of their innate qualities.

As said by some famous women entrepreneurs, now it’s the time for women entrepreneurs to fly high:

"Whatever you do, be different – that was the advice my mother gave me, and I can't think of better advice for an entrepreneur. If you're different, you will stand out." Anita Roddick, founder of The Body Shop.

"A woman with a voice is by definition a strong woman. But the search to find that voice can be remarkably difficult." Melinda Gates, philanthropist, co-founder and co-chair of the Bill & Melinda Gates Foundation.

"My philosophy is that not only are you responsible for your life, but doing the best at this moment puts you in the best place for the next moment." Oprah Winfrey, American television host, actress, producer, and philanthropist.

References

- Bhatnagar, A., Bhardwaj, B. R., & Gandhi, S. Women Entrepreneur in India. International Journal of Entrepreneurship Research, 2, No. 1, June 2012.
- Bhargava, S. (2007). Towards Entrepreneurship in the 21st Century. Developmental Aspects of Entrepreneurship, 1(1), 1-10.
- Statistics on Women in India (2010) National Institute of Public Cooperation and Child Development
- Economic Times "Companies Bill: Legislation which makes the future a better picture" 31 Aug 2013
- <http://www.hul.co.in/sustainable-living/casestudies/Casecategory/Project-Shakti.aspx>
- Global Entrepreneurship & Development Institute, Report
- World Bank Report on Gender data
- Economic Times "Success stories of six inspirational women entrepreneurs" 4 July 2013 (<http://economictimes.indiatimes.com/success-stories-of-six-inspirational-women-entrepreneurs/articleshow/20912945.cms>)
- Forbes "The World's Most Powerful Female Entrepreneurs, 2013" 22 May 2013 (<http://www.forbes.com/sites/meghancassidy/2013/05/22/the-worlds-most-powerful-female-entrepreneurs-2013/2/>) www.womenwebs.com

Dr.Vijit Chaturvedi

Associate Professor, Lingaya's University
Faridabad

Dr.Pritisuman Mishra

HOD – Business Administration
Department, Lingaya's University
Faridabad

Keywords

Gen Y, workforce management,
competitive advantage, workplace,
practices Work life balance

In today's world with rapid advancement and changes all around we are witnessing visible transformation at workplaces matched with rising expectations of both employees and employer. With revolution in employee satisfaction and transforming employees into leaders the complete way of leadership has undergone a sea change.

We have learned about Baby boomers, Builders and other generation through which the present day workforce popularly called as Gen Y, Millenials, and Google generation and also i-generation has evolved. Unlike the traditional work practices, functions, polices and centralized way of leading the workforce today's organization adopt and implement strong employee centric, talent focussed and leadership building culture at their workplaces..With expansion in technology, privatization, dispersed growth of service sector, rising standards, role of foreign investment in service sector like education, changing mindset of common man and a high rising professional attitude along with high awareness of customers the complete scene of competition and expectation leading to satisfaction has changed.

The characteristics attitude, expectations and work style of this generation is entirely different from the earlier generations. This generation is the most recent, competent risk takers, creative and expect job autonomy and friendly relationship. At times organization find it difficult to manage this Gen who works along with managers belonging to earlier generations.HR department needs to realign the expectations, capabilities and future goals of organization in a way to

improve the HR deliverables. Organizations cannot ignore or postpone tapping the potential of this highly dynamic workforce and need to manage the performance and sustain them for long to yield competitive advantage.

The purpose of present paper is to focus on changing mindsets and work place practices based on Gen Y, their key characteristic aligned with betterment of organization and rejuvenating the workplaces to suit to the need of this Generation. Based on a detailed conceptual overview based on practices adopted in different organization it can be said that organization need to be proactive and passionate along with being creative to best utilize this immense potential. The paper helps in getting insights for organization to understand the distinct role that Gen Y plays and rethinking over more contemporary ways to manage this vigorous workforce who will build talent base for future successions, career planning, and leadership position thus create a sustainable leadership advantage for the organizations.

Introduction

A lot is been talked and is been done at government level about the way entrepreneurship is been initiated. Today when generating employment and need of skilled workforce all over the globe is the concern we cannot ignore the role the recently entered Gen Y or Millenials .This is the most recent generation the young generation in which India is younger and thus has wider scope of sustaining itself in future also exists. Talking about this for organization the biggest benefit and potential lies in utilizing and creating workplaces suitable to Gen Y as it is a generation that is highly innovative, creative, enthusiastic, autonomous and has a high sense of accountability and expects an open, congenial, comfortable and flexible work environment where it does not hesitates to perform at its best. Thus through this paper an effort is been

made to understand how by building talent pipeline through effective management of Gen Y a highly self dependent, innovative and advanced culture can be created thus building future leadership pipeline and successors.

Witnessing today's competitive work environment and increased competency amongst the available workforce today's workplace are no longer employer centric where employees are bounded by principles of limited rationality and defined work procedures and defined specified skills and resulting rewards. There is a wide "**Demographic Metabolism**" which can be defined as change in workforce when new successive generation enters as workforce and this gives rise to "**cohort effect**" which means when there are clashes, tensions, conflicts which ultimately leads to transformation after the differences in the generation finally settles. Today's changing workforce (known as GenY) is entirely different .They have their own ways of working , expecting, performing, leading, directing and getting controlled, the expectations in terms of autonomy, work pressures, loving the job and ways of feeling committed are also beyond the traditional ways of management. Today's Gen Y wants creativity at work, own devices to work with, informal environment to work in high interaction and participation matched with lowest interference and highly innovative work culture. With so different mindset, diversity, expectations ensuring right person, right work in right way, consistent performance and aligning their goals with goals of organization is the most challenging task.

The very purpose of this paper is to understand the competencies of this Gen Y the Millennial and how by understanding their mindsets the chances of conflict between the managers and millennial can be reduced for the organization well being and different initiatives and strategies to create work friendly practices for this dynamic and energetic workforce and also

understanding the differences that they can bring for organization to yield sustainable competitive advantage in future.

The basic objectives of the present paper is on-

1. Understanding the 'Gen Y' and their basic characteristics
2. Understanding different work practices adopted to create flexible and Gen-Y friendly environment
3. Focussing on improvement areas required to improve compatibility between expectations of Gen Y and work practices

Core Competencies required to manage today's workforce

After understanding the basic traits of Gen Y it is quite evident that in order to manage these millennial few important orientations as perceived by Millennials to be understood in managing them ,the nine different perceived orientations are-

Autonomous, Entitled, imaginative, self absorbed, defensive, abrasive, myopic ,unfocussed and indifferent

and each of these orientations have their own intrinsic values that help managers to devise plans, engagement and retention policy accordingly to manage this workforce in most effective manner

Friendly practices for managing Gen Y

The internal communication should be highly enriched

The concept of **Reverse mentoring** the older folks should be initiated to strengthen their loyalty, involvement and engagement

Introduce innovative concept to make this generation feel informal environment or home like in performing their best like BYOD(Bring

your own device, Pizza Hut ringing the bell, Wrist band concept in IT –Ites to generate informal working ,no defined structural barriers rather having comfortable sofas or relaxing chairs etc)

Make each day informal and special to celebrate along with working like leaving free space for people to play and enjoy, Mazaddar Mondays, Fun Fridays, Home shanty Home concept, Hobby clubs and classes etc.

Encouraging social work and fostering the spirit by encouraging volunteers Providing best trainings to update their skills and investing in their skills

Connecting socially through social network and realizing the potential of social media in this even within the organization

Adopting more transparency and two way communication for effective results

Appreciating and giving credit as they expect more appreciation and recognizing the talent

Giving challenging assignments and listening to innovative and different ideas and even operationalize if feasible to strengthen loyalty

Believe more in cash prizes as they believe in this more

Compensate in different ways right from recreational facilities to sponsored holidays and practicing open communication channels

Developing young leadership talent for the benefit of organization by creating a sustainable leadership pipeline

Being more techno savvy and investing in e-learning or blended learning to ensure quick learning

Identifying the improvement areas in Gen Y

Based on the research findings of Ashridge Business School from 2009 the following areas requires improvement in Gen Y-

Generating self awareness-This generation seems to be low on understanding the impact of their behaviour and action on others and thus are becoming more self centre, thus focussing on developing the skill of self awareness or emotional competence is a must for them to become complete leaders.

Improving self management - This generation also needs to be taught about self management whether with respect to time management, reflexive learning so that as initiators and self starters they should be able to manage themselves and bring difference in others as well.

Sharpening their communication skills - It was also found in the study that at times this generation lacks in written communication, grammatical errors thus consistent training in communication is required.

Developing more independent thought - It is seen that though this generation are risk takers but at times are also seen to be risk averse, thus either through training, feedback, assessment care should be taken to make them think independently and create difference

Developing problem solving skills - It is also important that this generation should learn more problem identification, analysis and interpretation skill to come to rational and more vigilant solutions so that they are able to perceive situations in different manner and ensure sure success

Developing Team spirit - Because it is commonly seen that this gen y believes more on meritocracy and individualism where most of the times they do not like sharing their credit with others this may

create problem in organizational setting where team work or consensus may be required thus training the millennials and designing suitable work policies and work structures in a way where by setting super ordinate goals team spirit can be generated

Developing customer and business awareness - One drawback commonly seen in this generation is lack of awareness about customers, business, its foundation due to which their attachment and involvement in organization is hampered .Thus it is important to brief this generation about the rituals, beliefs, success stories of the organization and thus building loyalty towards organization.

Generating Risk awareness - It is commonly seen that risk taking ability is still comfortable but analyzing risk and judging poor and good risk in business so that their employability skills can be made better.

Key characteristics of Gen Y

This workforce is extremely articulate and are well aware about what is happening in their surrounding

They possess high entrepreneurial attitude and a defined and focussed vision behind every move
They believe and desire such jobs or challenging task that involves entrepreneurial autonomy along with varied learning opportunities

They love interacting with their seniors, leaders and understand an effective leadership pattern that in long term may help them to become leaders

They believe in transparency and quick assessment ,they are highly demanding and expect a logic or rationale behind every move

High level of self assertiveness, ambitious attitude, self confidence and

a spirit of doing things right irrespective of all circumstances exists in this generation

They do not believe in organic growth are multi-taskers and do not have confined or specialized thought process rather have and reflect generalist approach

They believe more on creating a work life balance rather than on stability thus the believe on job mobility is an important belief

They believe in enriched work styles thus the threshold of boredom and monotony is low and believe in making work life more and more flexible

They are highly tech savvy and believe in immediate satisfaction of needs may be that is the reason this generation is also known as Google generation

Less focus on others and more on others

This generation prefers on- line learning or virtual learning rather than classroom session and quick justification and rational arguments

The level of feeling of engagement is low in comparison to other generation They believe more in discussion rather than one way learning

They believe in inspirational leadership and respect managers who can treat them as human beings employees rather than as employees

They are motivated by managers who are ready to work with them and is one amongst them rather than as big hierarchical silos

Strategies for creating flexible workplace to enhance GenY effectiveness:

Rigorous pre-employment testing should be conducted so that if any gaps exist between learning and behaviour exist can be understood and worked out

- Clarity in interviews and transparency should be adopted so that commitments and expectations should not be different
- Understanding the expectations and learning should be understood so that better retention strategies can be operationalized and the myth that this generation has low stability level is possible to work out
- On-line coaching and two way mentoring in a consistent way is the key for developing their present and making them feel comfortable with their job
- Develop new learning strategy suitable for organization and engage employees as facilitators also to refrain them to avoid learning
- Identify new ways to evaluate learning so that change in behaviour can be noted and new behaviour acquired can be judged for the well being of organization
- A supportive environment is required to be developed in which new ideas, creativity, innovation, a positive attitude through constructive feedback can be provided.
- Mentoring on regular basis is important to be adopted that too from a manager who can understand their feeling and respects young people
- Good opportunities to get trained with most up to date technology should be initiated
- Challenging traditional ways of management like work time flexibility and focus on performance rather than on timings and sitting should be avoided this will work as a wonderful retention strategy

HR strategies required to utilize Gen Y

In order to maintain and ensure availability and right utilization of Gen Y it is important for organization to see that HR tenets in order to prepare the value chain is ready to utilize them. The following initiatives may help-

Attracting the Gen Y - Because this generation may hesitate posting their resumes in recruitment cell for organization other options like through social networking sites and referrals procuring right person with right energy can be identified. Similarly a flexible workplace culture may also help in attracting right talent.

Focus On Professional Growth And Development - Regular training programs focussing on updating skills and developing right attitude should be focussed where the millennial feel that organization bothers about them

Managing The Rewards - Gen Y believes more in cash rather than other form of compensation also they believe in quick and prompt recognition and morale boosting. They are open for positive criticism in a constructive way so HR has to think beyond the conventional ways of performance and focus on making this talent effectively utilized

Thinking Beyond Employee Engagement - Organizations need to adopt entirely different approach and there are multiple ways by which they can be managed. Apart from routine ideas out of the box process is required to keep them engaged. For example at Google 20% of time employees spend in generating innovative ideas, similarly creating social communities to interact with one another is also a welcoming approach. Similarly engaging them in CSR activities, engaging their voluntary participation in different social activities is also welcomed.

Creating Work Life Balance - This Gen believes in equally participating in social, cultural, religious, educational and entrepreneurial activities. The policy of flexitime, compressed work weeks work from home compulsory leaves, day care facilities, and gym can also help to motivate and create a balance in personal and professional life.

Deploying Best IT Skills - Best IT and collaboration tools have to be utilized through a highly collaborative tool called **integrated workforce experience (IWE)**, this helps employees to connect the right people with right expertise, resources and content at the right time, regardless of geography. This also helps employees to communicate more effectively whether they are anywhere.

Organizational Strategies For Managing Gen Y And Building Future Leadership Pool

Shadow Boards - This is a strategy to give young managers(selected ones) to give opportunity to interact with group of executives .Boards have 7-9 members who rotate every 2 years so that large pool of talented youngsters in form of talent pool can be created to interact with top management. This is a badge of honour for them and strategy for effective talent management. This also helps in generating creative thinking to the organization.

The Mahindra War Room-This program was initiated in 2007 whose focus is to identify and provide opportunity to the brightest of brain of top student of business school in India to teach them to strategize themselves. Under this program the Mahindra business leaders share challenges that keep them awake at night which are then developed into case lets and is been disseminated to different business schools. After evaluating by a team of experts of Mahindra panellists the top team are been given opportunity for National finals. Thus best of young talent

is been identified and the experience helps in developing leadership potential.

Mahindra Auto Quotient - This quiz is a highly motivating opportunity for all automobile lovers to get an opportunity since 2006. In 2008 this was extended to all employees of Mahindra group and later on launched in different engineering colleges all India and the winners of this quiz are been given projects and internship opportunities.

Fireside Chats - The fireside chats at M&M is a platform top open direct line of communication between the top management and young managers. This platform allows open communication informally between the top management and the young managers .It helps in removing the hierarchical silos and helps in discussing informal ideas. It is conducted on quarterly basis and attended by participants in age group of 25-35 across Mahindra group. These chats are telecasted live on the intranet and are available for all to see.

Mahindra ESOP'S - Employee social option plan is a structured process of catalysing and facilitating large scale employee volunteerism in community activities which focuses on girl child education from disadvantaged section with special emphasis on green cover. Many employees voluntarily participate every year in developing leadership abilities and connecting with their own selves in a deeper sense and this is voluntary for all entry level employees.

At Tata Chemicals when organization realized people are spending more time in tour, travel, meetings rather than interacting with others in order to manage the talent and the Gen Y the following initiatives were taken-

Year of the people was a program started in 2008 as a medium to foster people interaction and creating a conducive work environment the purpose is to keep the employees informed what is

going in the company and through this involvement and attachment to the company can be initiated.

Friday Talkies - In this the first and fourth Friday of month is declared as Home station days. Care is been taken to avoid any travel, meetings or extended touring so that they can spend time with their families.

Home Shanti Home is a concept that makes employees to leave from offices in time. Lights are off once the office time is over except in urgent schedules this helps in creating an excellent work life balance.

Fun @ work- Oorja is an annual cultural festival aimed at enhancing learning and development and developing culture of responsiveness and teamwork within a 3,500 strong family of TCL employees spread across India. Similarly **Mood Monitor** is acute bright yellow device that allows every employee to indicate his or her mood by simply moving a hand. The idea is to lift the spirits of a sad or angry colleague and help them when they are puzzled. **Cheer Ring**-is a brass bell that is hung at offices at TCL all across India. All good, bad, achievement or fun announcement can be made to share excitement; fun, festive mood and thus a sharing platform can be created .this helps in creating a vibrating and exciting place to work in. Similarly several **Hobby clubs** are there based on interest like **HOPE** (Harnessing opportunities for people empowerment), **XPLORES** is another club at TCL Mumbai adventure to help employees with a passion for the outdoor and adventures. Similarly TCL face book helps in connecting people through social media and through this employee also connected with other that help them to interact with next generation.

Rejuvenating Culture - Another important strategy adopted at Zensar to utilize the talented Gen Y .They believe in creating a culture based on five '**F**' - **focussed ,fast flexible, friendly and**

fun. This helps in creating a collaborative environment which helps in fostering encouragement and employees give their best.

Similarly at Zensar identifying 10-15% of the associate base as critical talent with special care provided to draw up comprehensive development action plan, engage this identified talent base and frequent leadership patterns and behaviour for the right utilization of resources.

Conclusion

Based on the discussion it can be inferred that organizations cannot imagine and keep themselves isolated from the changes happening and the way workplaces are getting transformed.

In context to effective talent management and building sustainable leadership patterns the need is to focus on changing perspectives faced by present day workplace. With emergence of Gen Y the complete realignment of HR policies, work culture, work environment, surrounding pressure and rising expectations it is important to redesign the culture and prepare people to be aware of ways and means to contribute in creation of collaborative work culture. Because this generation cannot be defined by

chronological age but by their need and ability to connect with large universe and social media, gadgets and .technology has made it possible.

Gen Y has made people believes that doers and thinker s are not different and what is required is to develop an ability to listen and act carefully and in a participative manner as correctly said by Franklin Roosevelt "we cannot build future for our youth but can prepare our youth for future". It is important for the organization to think and rethink the best ways to capitalize on this Gen Y ability and competence as a competitive advantage to build tomorrow's leaders or leadership pipeline.

References

- Angeline .T(2011), "Managing Generational diversity at workplace" ,African Journal of Business Management,5(2)
- Charrier K(2000), "Marketing strategies for attracting and retaining generation X Police -
- Kamdar(2002) "Pattern of work culture: Cases and strategies for culture building" Asia Pacific Journal of management 19(1)
- Tulgan,B.(1996), "Managing Generation X:How to bring out the best in young talent", New York , Polo press

Prof. Aniruddha Ghosh

Asst. Professor, Asian Business School

Keywords

Capital Structure, profitability, time series model

In the sphere of finance, every company finances its asset through some combination of equity, debt or some hybrid securities. Many theory has suggested different measures for firms capital structure, sometimes use of debt and equity both, assuming no other costs (Modigliani & Miller) and thus having no impact on the profitability of the firm. Sometimes, it is said there is an influence of many factors affecting its decision (Pecking order & Agency Theory). Other, theories suggested that the risk pertaining to liquidity and bankruptcy should be well evaluated before the inclusion of debt in the capital structure. The other theories also suggest that there is a relationship between the stock prices, the earnings and the payouts of the company. Development of various ratios like ROCE, ROI, RONW, etc.

However, there was one thing common to all these theories i.e., providing adequate source of finance for the firms and every effort was made to optimize the Cost of capital or increasing the profitability of the firm. This paper tries to show that how the mix of different capital structure elements affects the profitability of the firm. The paper suggests a linear model to explain this anomaly. The tools used for the study is a typical ordinary least squares (OLS) time series model. We have taken three equations under consideration for our study. The First equation is based on absolute value of earnings on different variables. On the other hand , the second and third equations were used to calculate the impact of different ratios on return, whereas , the second equation determines the impact of capital structure on profitability, while the third equation establishes the effect of working capital on return on assets. The study shows the impact of loan fund on the profitability of

IFCI and the possible measures we can take to reduce this calamity.

Review of Literature

Capital Structure: Theory

A basic model of capital structure determination has derived from the with-taxes Modigliani and Miller (1958, 1963) model with expansion to incorporate the financial distress costs of debt. This traditional static trade-off theory can be characterised by the assumption that capital structure is optimized with management weighing up the relative advantage of the tax-shield benefits of debt against the increased likelihood of incurring debt-related bankruptcy costs (Myers, 1984).

However, in seeking to model the wide diversity of capital structure practice, a number of additional factors have been proposed in the literature. First, the use of debt finance can reduce agency costs between managers and shareholders by increasing the managers' share of equity (Jensen and Meckling, 1976) and by reducing the 'free' cash available for managers' personal benefits (Jensen, 1986). It may also encourage managers to perform better in order to reduce the likelihood of bankruptcy, which is costly for managers (Grossman and Hart, 1982). Conflicts between debt-providers and shareholders arise because the debt contract gives shareholders an incentive to invest sub-optimally in very risky projects. This implies an agency cost of using debt finance. Jensen and Meckling (1976) argue that an optimal capital structure can be obtained by trading off the agency costs of debt against the benefit of debt, in what might be termed an extended trade-off model.

Second, Myers and Majluf (1984) argue that, under asymmetric information, equity may be mispriced by the market. If firms finance new projects by issuing equity, under-pricing may be so severe that new investors gain more of the

project NPV to the detriment of existing shareholders. This may lead to an 'underinvestment' problem since such projects will be rejected even if the NPV is positive. This underinvestment can be reduced by financing the project using a security that is less likely to be mispriced by the market. Internal funds involve no undervaluation and even debt that is not too risky will be preferred to equity. Myers (1984) refers to this as the pecking order theory of capital structure. The description follows earlier empirical work by Donaldson (1961), in which he observed that managers preferred to fund investment initially from retained profits rather than use outside funds. This preference led firms to adopt dividend policies that reflected their anticipated need for investment funds, policies which managers were reluctant to substantially change. If retained profits exceeded investment needs then debt would be repaid. If external finance was required, firms tended first to issue the safest security, debt, and only issued equity as a last resort.

Under this model, there is no well-defined target mix of debt and equity finance. Each firm's observed debt ratio reflects its cumulative requirements for external finance. Generally, profitable firms will borrow less because they can rely on internal funds. The preference for internal equity implies that firms will use less debt than suggested by the trade-off theory. Further, firms are more likely to create financial slack to finance future projects.

Other factors that have been invoked to help explain the diversity of observed capital structures include: management behaviour (Williamson, 1988); corporate strategy (Barton and Gordon, 1988); firm-stakeholder interaction (Grinblatt and Titman, 1998, Ch. 16); and corporate control issues (Harris and Raviv, 1988, 1991). A significant strand of the empirical literature has sought to distinguish which of the two main theories best explains capital structure practice (e.g. Shyam-Sunder and Myers, 1999;

Fama and French, 2002; Adedeji, 2002; Frank and Goyal, 2003). Implicit in such testing is that the theories have elements that are mutually exclusive. While the theories in their basic form do lead to a set of 'precisely opposite' predictions (Barclay and Smith, 1999), there is increasing recognition that neither theory is able, independently, to explain the complexity encountered in practice. This is particularly true when seeking a unified theory to explain the broader array of corporate financial policy choices (Barclay and Smith, 1999).

Capital Structure: The Impact Of Institutional Differences On Financial Decisions

La Porta et al. (1997, 1998) consider that a country's legal system is the main determinant of external finance availability. They identify common law countries (such as the UK, US) as affording good legal protection to shareholders with French-civil-law countries affording less protection. Legal protection for creditors against managers, usually relevant in situations of financial distress, is also typically strong in common law countries (including the UK). However, the US is an important exception in this respect and is identified as one of the most anti-creditor countries. Both the UK and the US are typified by good law enforcement and relatively low concentration of company ownership. However, Demirgüç-Kunt and Maksimovic (2002) suggest that any deficiencies in the legal system can be compensated, at least partially, by a combination of banking system administration and regulation.

In their study of international capital structures, Rajan and Zingales (1995, p. 1422) argue that it is important to test the robustness of US findings in different environments. They identify as potentially important the cross-country differences in tax and bankruptcy codes, in the market for corporate control and in the historical role played by banks and security

markets. Demirgüç-Kunt and Maksimovic (1996) confirms that the level of financial markets development has a significant impact on companies' financing policies. Further, while capital structure decisions in developing countries are affected by the same factors as in developed countries, Booth et al. (2001) argue that the persistent cross-country differences suggest that our understanding of the impact of different institutional features remains incomplete.

As context for the present study, the UK can be characterised as having a broadly similar financial and legal environment to the US. It has a common law legal system with good investor protection, well-developed financial markets and an active market for corporate control. Bank finance and inter-company ownership relationships play relatively smaller roles than in some countries. The most obvious differences between the UK and US relate to tax and bankruptcy codes and the size of the corporate bond market (Rajan and Zingales, 1995).

Capital Structure: Empirical Evidence

In the main, two empirical approaches have been used to obtain evidence on factors that affect corporate financing decisions. The first approach, adopted in the majority of studies, seeks to explain observed capital structures in terms of factors felt likely to be important, usually using cross-sectional regression methods. Based on an informal meta-analysis of twenty papers across several countries, Thomson (2003) identifies several key features of firms that seem to be related to debt ratios across a wide range of environments and through time: size, earnings variability, asset tangibility, profitability, investment opportunity set and industry.

The evidence on tax influence is weak, perhaps reflecting the endogeneity between tax rates and financing choice (Graham et al., 1998). With a few exceptions, UK cross-sectional studies

(Bennett and Donnelly, 1993; Lasfer, 1995; Adedeji, 1998; Bevan and Danbolt, 1998) and panel regression studies (Ozkan, 2001; Antoniou et al., 2002; Bevan and Danbolt; 2004) generally find similar relationships to those found in the US and elsewhere. Two of the robust observations cause specific difficulties for theory: the negative relationship between debt ratio and profitability is consistent with the logic of pecking order theory but inconsistent with trade-off theory; the negative investment opportunity set observation supports trade-off theory but not pecking order theory.

Other UK studies include an early one by Marsh (1982), who investigated security issues and found that companies are heavily influenced by market conditions and the past history of security prices in choosing between debt and equity. He also provided evidence that companies appear to make their choice of financing instruments as if they have target levels of debt in mind. These debt levels are themselves functions of company size, bankruptcy risk and asset composition. The related study by Walsh and Ryan (1997) found both agency and tax considerations were important in determining debt and equity issues. Lasfer (1999) investigated the determinants of debt structure, maturity and priority structures and found significant differences across company size; in particular, the relationship between debt and agency costs only applies to large companies whereas small company debt appears to be driven by profitability.

Bevan and Danbolt (2002) focused on the difficulties in measuring gearing and found that debt determinants appear to vary significantly between short-term and long-term components of debt. The pecking order theory prediction that there should be a negative relationship between the dividend payout ratio and investment was confirmed by Adedeji (1998). In a UK replication and extension of the Shyam-Sunder and Myers (1999) test of pecking order against trade-off theory, Adedeji

(2002) found mixed evidence, with neither theory dominant. Overall, the evidence for the UK (as for the US) is somewhat inconclusive. While various individual factors can be identified as important, neither of the two major theories is capable independently of adequately explaining the outcomes of firms' financing decisions in practice. Recent studies have begun to focus on dynamic aspects of capital structure such as whether, as implied in the trade-off theory, firms engage in capital structure rebalancing. Ozkan (2001) provided evidence that UK firms do have target ratios and adjust to the target ratio relatively quickly. Antoniou et al. (2002) showed that firms in three European countries (including the UK) adjust their debt ratios to attain target structures, but at different speeds, suggesting that environmental and traditions are also important determinants. Baker and Wurgler (2002) and Welch (2004) suggested that US firms fail to rebalance in response to changes in leverage resulting from equity issues, or market changes in equity values, respectively. By contrast, Leary and Roberts (2003) argued that frictions in the capital markets encourage firms to adjust capital structure, but that this adjustment is relatively infrequent, leading to 'extended excursions away from their targets' (Myers, 1984).

They found that US firms behave as if they follow a dynamic trade-off policy in which they actively rebalance leverage to stay within an optimal range. Flannery and Rangan (2003) extended this idea by developing a model that allowed firms' target capital structures to vary over time and for firms to adjust gradually towards the target. They confirmed that US firms operate with a target leverage ratio, and more than halve the distance to the target within two years. Finally, one of the major observations contrary to the trade-off theory, the strong inverse relationship between profitability and leverage has been shown to be reconcilable by consideration of mean reversion in

earnings (Sarkar and Zapatero, 2003). While the evidence is far from conclusive, on balance it seems that some form of target or target range is employed by firms, consistent with the logic of trade-off theory.

However, using the large-scale regression approach invariably involves identification of the average behaviour of firms and does not measure its diversity. In particular, it does not allow for the possibility that some firms may choose to adopt a hierarchical 'pecking-order view' of finance while others, perhaps the majority, adopt a target capital structure. Further, its focus on the outcomes of the financing decision-making process necessarily limits our understanding of the process itself. An alternative approach is to ask company managers directly about their attitudes and behaviour regarding corporate financing using the survey method.

This allows both the process and diversity of practice to be investigated, offering a richer understanding of practice.

Prior surveys of general capital structure issues have been mainly US-based (e.g. Donaldson, 1961; Scott and Johnson, 1982; Pinegar and Wilbricht, 1989; Norton, 1989; Graham and Harvey, 2001). However, there is one published study on Australia (Allen, 1991) and a few cross-country comparisons, including the two recent European surveys, which have typically incorporated a small sample of UK companies (Stonehill et al., 1975; Allen, 1999; Bancel and Mittoo, 2004; Brounen et al., 2004). To the best of our knowledge, there is only one prior UK study (Fawthrop and Terry, 1975).

This paper efforts to show how capital structure decisions affect the profitability of the firm, here we have taken the example of IFCI Ltd. Research study shows that the level of debt, payout decisions, the level of equity exposure and income earned on assets affects the profitability of the firm.

Objective of the Study

The main purpose of the study was to investigate the financial structure of IFCI, to study the impact of loan funds on IFCI's health. In addition we also tried to identify the short coming and inadequacy of the fund to raise profit for the period of study.

Research Methodology

The study is based on secondary sources however I have used trend analysis to predict the current year's data. The main source of information for the study was annual reports, RBI Bulletin, Information available from manuscripts of various articles and information available on internet. The universe under study is Indian economy. The sample taken under study was IFCI Ltd.; the study was conducted on standalone results of IFCI for the period (2007-2013¹). Software used for performing the study is MS Excel 2013. The statistical techniques used are linear trend analysis and multiple regression analysis.

Empirical Results

Table 1 depicts that the share capital of IFCI Ltd increased during 2007 to 2008 due to the issue of new equity share, but in the next year, a decline is noticed in the share capital value, which was caused by the redemption of Preference share in 2008-2009, which the equity share remained the same, while the equity share capital remained the same. In the year 2009-2010, the reduction in the share capital is noticed again, but it was caused due to the re-conversion of equity share into loans. Increase in reserve & surplus in year 2007-2008 was primarily contributed through the securities premium account, which increased by 1200.25 crores during the year, which was also a major cause of change.

¹ The data for the year 2013 has been forecasted using trend analysis technique.

Year	Share Capital	Reserves & Surpluses	Shareholder's Fund	Changes In Times
2007	1067.95	873.84	1941.79	
2008	1190.32	2134.55	3324.87	71%
2009	1108.29	2632.47	3740.76	13%
2010	1001.68	3608.12	4609.8	23%
2011	1001.68	4001.72	5003.4	9%
2012	1001.68	4534	5535.68	11%
2013 ²	961.55	4086.09	5107.39	-8%
Average	1047.592	3124.398	4180.527	17%

Source: Annual Report and author's own work.

Year	Loan	Foreign Currency Loan	Loan Fund	Changes In Times
2007	11452.5	1471.78	12924.28	
2008	9595.91	627.08	10222.99	-21%
2009	9042.49	631.29	9673.78	-5%
2010	10328.27	534.19	10862.46	12%
2011	18737.72	526.85	19264.57	77%
2012	4467.06	540	5007.06	-74%
2013	9982.39	719.25	11321.50	126%
Average	10515.192	721.491	11325.235	16%

Source: Annual Report and author's own work.

Year	Shareholder's Fund	Loan Fund	Capital Employed	Changes In Times
2007	1941.79	12924.28	14866.07	
2008	3324.87	10222.99	13547.86	-9%
2009	3740.76	9673.78	13414.54	-1%
2010	4609.80	10862.46	15472.26	15%
2011	5003.40	19264.57	24267.97	57%
2012	5535.68	5007.06	10542.74	-57%
2013	5107.39	11321.50	16428.90	56%
Average	4180.527471	11325.23491	15505.76	-6%

Source: Annual Report and author's own work.

Financial Analysis

The table 4 show the difference financial ratio, which help in determining the financial position of IFCI Ltd. Debt ratio show the participation of loan fund in total assets. On an average, debt ratio is 0.72 times, which is higher than the standard.

Highest debt ratio was 0.79 times in year 2007, and the lowest was 0.65 in 2009, which is not an ideal situation. As proprietary ratio is also calculated on basis of total asset, it does not depict the ideal position. Higher and lower proprietary ratio were 0.25 times in 2009, and 0.12 times in 2007 respectively.

Debt equity above analysis does not show good solvency position of the company, as capital mix of IFCI Ltd. is mainly contributed by loan fund, whereas participation of shareholder fund is comparatively less. Average current ratio was 5.62 in 2009, 2010, 2011, current ratio become higher than the standard - 5.61times, 7.67 times and 9.52 times respectively.

This situation of current ratio shows that the company had blocked its capital unnecessary in current assets rather than investing it in portfolio opportunities.

Current assets took a bigger portion in total asset in the last three years, which was more than 50 percent. The company also does not depict a sound profitable position as its return on assets had been between 0.03 times to 0.07 times during the study period and earning per share were 11.27.

² 2013 figures are calculated using trend analysis.

Table:4 Financial Ratios of IFCI Ltd.							
Year	Debt Ratio	Proprietary Ratio	Debt Equity Ratio	Current Ratio	Current Asset to Total Assets Ratio	Return on Asset	Earning Per Share
2007	0.79	0.12	6.66	2.5	0.22	0.06	13.91
2008	0.67	0.22	3.07	2.82	0.3	0.07	15.22
2009	0.65	0.25	2.59	5.61	0.55	0.04	8.55
2010	0.69	0.24	2.94	7.67	0.55	0.03	9.08
2011	0.74	0.19	3.85	9.52	0.6	0.03	9.57
2012	0.76	0.23	4.21	3.15	0.69	0.11	8.99
2013	0.73	0.20	4.08	5.05	0.48	0.06	10.89
Average	0.72	0.24	4.57	6.05	0.56	0.07	12.70

Source: Annual Report and author's own work.

Impact of Capital Structure on Profitability of IFCCI Ltd.

The main objective of this study is to analysis the impact of capital structure on the profitability of IFCI ltd. To determine the effect of working capital management on corporate profitability, the researcher used the following equation:

Awantika Tewari

Student, Asian Business School, Noida

Ashwani Singh

Student, Asian Business School, Noida

Rupesh Kumar

Student, Asian Business School, Noida

Keywords

Synergizing, Survival, Strategy

Entrepreneur is a person who organizes and manages an enterprise, especially a business, usually with considerable initiative and risk. He/she should be able to look at the environment, identify opportunities to improve the environmental resources and implement actions to maximize those opportunities.

Entrepreneurship has been on the rise as a global phenomenon much before India began becoming sensitive to the development of entrepreneurs. However, the awareness towards the path of entrepreneurship is now picking up a quick pace in our own country.

Today, however, the unprecedented level of complexity and change posed by the competitive environment makes a unitized approach to innovation increasingly difficult, and creates opportunities for new idea generation and knowledge sharing. Thus, there arises the need of collaborative innovation. The world needs to think it would be easy for entrepreneurs to achieve success without anybody's help? Can a single mind develop the best idea alone? Then how can synergy help anyone and therefore the words said by Stephen R. Covey as **"The combined effect of individuals in collaboration always exceeds the sum of their individual effects."** turns out to be false.

A common myth propagates the phenomena of synergy stating that, collaboration along with innovation leads to enhanced growth. But every coin has

its two sides, will it be expedient to cease that collaborative efforts will surely generate success? Why would an entrepreneur amalgamate his idea?

This research paper focuses upon tracing out **the impact of unitized approach** toward success and survival of entrepreneurs in the long run and thereby gaining an overall growth outcome in the long run.

Synergy Effect

The concept of synergy effect here relates to the combined influence of two or more innovative ideas to collaborate together and give out a better result.

Keywords:

- Entrepreneurship,
- Innovation,
- Synergy,
- Resistance.

Objective of the study

1. To trace out the implication of unitized/synergized efforts for entrepreneur's survival and growth.
2. To study snag's resulting resistance towards amalgamation of ideas. Many of the entrepreneurs are not comfortable in sharing their ideas which leads to birth of many small entrepreneurs who could have instead started a full - fledged venture with multiple branches.

Research Methodology

- Qualitative Research
- Sample size- 100 (Mumbai, Kanpur, Kolkata, Punjab, Delhi/NCR, Jaipur etc.)

- No of Respondent- 30 (Tridot Enterprises, Sahitya Prakashan, Abhishek Enterprises, Subh Yatra, Fastro Cab)
- Our research is based on convenient sampling.
- Data Collection Tools: Questionnaire through mails & telephonic communication.
- Data interpretation:- Pie-chart wherever required

Limitation of Study

- Less number of respondents
- Time constraint
- Lack of understanding i.e. there is no specific qualification required for being an entrepreneur, therefore a small tea vendor and a garment businessman both stand to be an entrepreneur but there is always a lack of understanding in their concepts.

Introduction

An **entrepreneur** is an individual who organizes and operates a business on his/her own. Entrepreneur is commonly seen as an innovator — a generator of new ideas, and business processes. Management skill and strong team building abilities are often perceived as an essential leadership attributes for successful entrepreneurs. Robert B. Reich considers leadership, management ability, and team-building to be essential qualities of an entrepreneur.

Entrepreneurship is the quality of being an entrepreneur, i.e. one who "undertakes an enterprise". The term puts emphasis on the risk and effort taken by individuals who both own and manage a business, and on the innovations resulting from their pursuit of economic success.

Entrepreneurship and innovation are positively related to each other and interact to help an organization to flourish; entrepreneurship and innovation are complementary, and a combination of the two is vital to organizational success and sustainability in today's dynamic and changing environment; entrepreneurship and innovation are not confined to the initial stages of a new venture; rather, they are dynamic and holistic processes in entrepreneurial and innovative organizations; and organizational culture and management style are crucial factors affecting the development of entrepreneurial and innovation behavior in organizations.

Synergy is the interaction of multiple elements to produce an effect greater than the sum of their individual effects. The term synergy comes from the Greek word "synergo", meaning "working together".

In the current scenario, collaborative innovation will lead to enhanced success rather than a single innovative plan. Thus focusing on its need currently due to increased competition and reduced employment opportunities.

Literature Review:

Synergizing Efforts- "A Long run Strategy for success and survival for Entrepreneurs"

What is Entrepreneur?

Entrepreneur is someone who exercises initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides what, how, and how much of a good or service will be produced(BusinessDictionary.com).

An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner, or the one who owns the majority of shares in an incorporated venture. According to economist Joseph Alois Schumpeter (1883-1950), entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success. Schumpeter discovered that they are

- greatly value self-reliance,
- strive for distinction through excellence,
- are highly optimistic (otherwise nothing would be undertaken),
- always favor challenges of medium risk (neither too easy, nor ruinous).

Most people desire to be an entrepreneur. Becoming your own boss and creating your own career is very attractive to most people. Additionally, many movies glorify people who found a way to make a living on their own. However, not everyone has an entrepreneurial mindset. If you ever desired to be an entrepreneur, you need to examine yourself.

Characteristics of entrepreneurs (<http://www.iplanner.net>).

- **Strong leadership qualities**
Leaders are born not made. A leader is someone who values the goal over any unpleasantness the work it takes to get there may bring. A leader has strong communication skills and the ability to amass a team of people toward a common goal in a way that the entire team is motivated and works effectively to get there as a team

(<http://www.mbda.gov/node/337>).

- **Highly self-motivated** Nobody makes progress by sitting back and waiting for it to find them. Successful people go out into the world and invoke change through their actions. They adapt well to changing situations without unraveling and are typically expert of helping their teams change with them by motivating them toward new goals and opportunities. They are also often very passionate about their ideas that drive toward these ultimate goals (<http://www.mbda.gov/node/337>).
- **Strong sense of basic ethics and integrity** Business is sustainable because there is a common, understood code of ethics universally that underpins the very fabric upon which commerce is conducted. While cheaters and thieves may win in the short term, they invariably lose out in the long run. You will find that successful, sustainable business people maintain the highest standards of integrity because, at the end of the day, if you cannot prove yourself a credible business person and nobody will do business with you, you are out of business (<http://www.mbda.gov/node/337>).
- **Willingness to fail** Successful entrepreneur are risk takers who have all gotten over one very significant hurdle: they are not afraid of failure. In fact,

entrepreneurs are often successful because

they are calculating and able to make the best decisions in even the worst of cases(<http://www.mbda.gov/node/337>).

- **Serial innovators** Entrepreneurs are almost defined by their drive to constantly develop new ideas and improve on existing processes. Successful people welcome change and often depend on it to improve their effectiveness as leaders and ultimately the success of their businesses as many business concepts rely on improving products, services and processes in order to win business (<http://www.mbda.gov/node/337>).
- **Competitive spirit** Business is a constant war with competition to win business and grow market share. It's also a personal challenge to use all of this to focus inward and grow a business from nothing into a powerhouse that either makes a lot of money or is so effective that it is sold or acquired for a profit as well (<http://www.mbda.gov/node/337>).
- **Creative** When creating a business idea, many entrepreneurs have to be very creative. There is a good chance that someone else has already established himself as the authority for the niche that a new entrepreneur chooses. However, with a little creative

twist, new entrepreneurs can take old ideas or business models and revolutionize them, making them attractive to potential clients or customers (<http://www.mbda.gov/node/337>).

Why Entrepreneurs

(<http://under30ceo.com/16-awesome-reasons-why-you-should-be-an-entrepreneur/>)

- **Most industries and businesses are changing:** Now is a high time to find opportunities in the chaos and destruction of changing industries. Provide a product or service that will enable you to earn a living despite while others struggle.
- **To pursue your passion:** Part of the goal in starting your own business is to actually make a living doing what you love.
- **You will be your own boss:** As an entrepreneur you will work for your clients, but you have the ability to replace and fire difficult clients. Owning your own business will enable you to experience being in control of your own workday.
- **There is no ceiling on your professional potential:** When you own your own business, your creativity and skill growth can evolve and be used as you need them to for the success of your company.
- **You are the captain of the ship:** All of the responsibility falls upon your shoulders, but with that you have the freedom to steer your small business in whichever

direction you see fit. You can even start your business part-time.

- **You enjoy having multiple roles in business:** If you excel at multitasking, then being an entrepreneur is definitely a way to use those skills for the benefit of your own business.
- **Security:** Business is changing. Fast. No business has the same security level as it did before the economic downturn. Don't let the usual fear of lack of security hold you back as it may have done in more economically secure times.

Synergy Effect

The term synergistic effect refers to an increased intensity caused by the combination of two substances on an organism. For example, two medications taken together might have a more potent effect on the body than either would alone, which is a synergistic effect. Another illustration of synergistic effect can be seen in the concept of teamwork. In most cases several employees working together on a project results in increased productivity and more efficient use of resources. This is another example of the synergistic effect.

Combination of Synergy and Entrepreneur

Being an entrepreneur is a tough task alone. But when you try to amalgamate your idea with someone else it becomes quite easy. This is because when two minds work together the probability of success becomes more as the synergy effect gives you better results than being gained singly.

Thus, nowadays people should try to mingle their innovative ideas together and then start a full - fledged new entrepreneurship with advanced results.

**Strategies of Entrepreneurship:
The Duke Entrepreneurship Manual: A Resource for Entrepreneurs**

1. Idea Generation: every new venture begins with an *idea*. In our context, we take an *idea* to be a description of a need or problem of some constituency coupled with a concept of a possible solution. (A characterization of this phase is still work in process on this site.)

2. Opportunity Evaluation: this is the step where you ask the question of whether there is an opportunity worth investing in. Investment is principally capital, whether from individuals in the company or from outside investors, and the time and energy of a set of people. But you should also consider other assets such as intellectual property, personal relationships, physical property, etc.

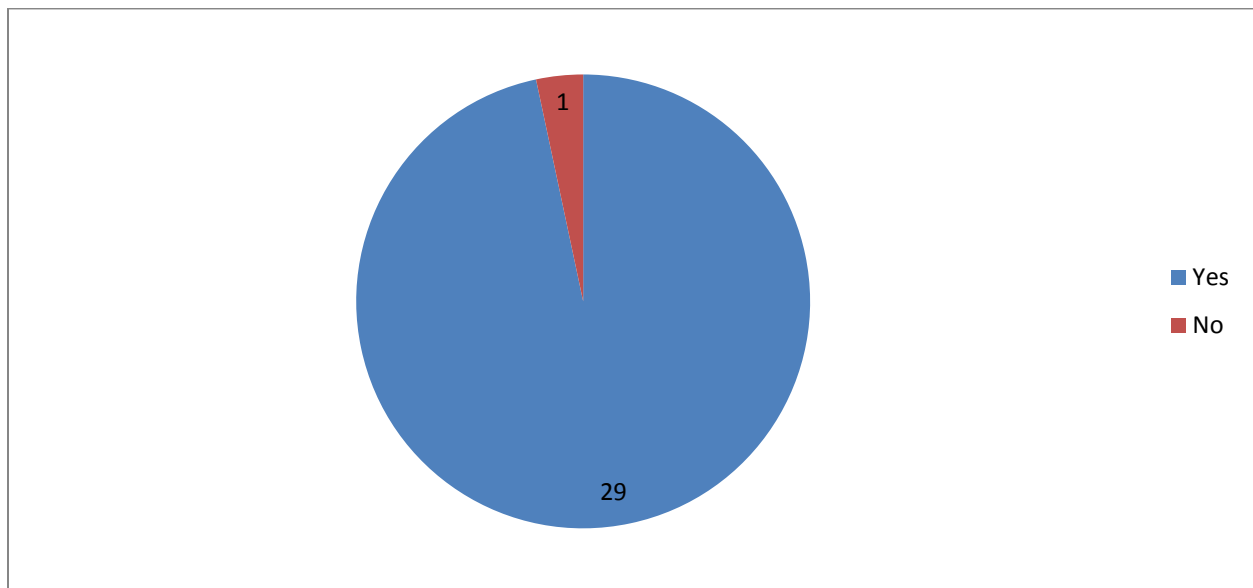
3. Planning: Once you have decided that an opportunity, you need a plan for how to capitalize on that opportunity. A plan begins as a fairly simple set of ideas, and then becomes more complex as the business takes shape. In the planning phase you will need to create two things: **strategy** and **operating plan**.

4. Company formation/launch: Once there is a sufficiently compelling opportunity and a plan, the entrepreneurial team will go through the process of choosing the right form of corporate entity and actually creating the venture as a legal entity.

5. Growth: After launch, the company works toward creating its product or service, generating revenue and moving toward sustainable performance. The emphasis shifts from planning to execution. At this point, you continue to ask questions but spend more of your time carrying out your plans.

Data Interpretation & Analysis:

Question 1:- Do you consider yourself as an entrepreneur?



Interpretation:- Almost 96.67% people out of the sample considered themselves as an entrepreneurs and only 3.33% denied the fact. The one denying the fact of being an entrepreneur stated that it will be too early for him to be called as an entrepreneur as he is still at the learning phase and has a long journey ahead to tag himself as an entrepreneur. To become an entrepreneur is a very tough task, arranging all the resources and all facilities

takes lot of time and energy. Therefore considering oneself as an entrepreneur is yet to take much more time

Question 2:- Characteristics that an individual must have to be an entrepreneur.

An entrepreneur is a complete package of characteristics like leadership qualities, initiator, risk taker, motivator, innovator, financier etc.

The best responses we got during our research were:-

- A Vision to choose a professional team and to be able to implement them,
- Maintain informal relations involving human behavior besides a motivational approach,
- Become a shameless self-promoter,
- Constant updation of ideas,
- Innovation & creativity.

Question 3:- Is it difficult or easy to establish yourself as an entrepreneur?

Interpretation:- The response was strange but yet interesting, we found 100% of the respondents found it difficult to establish themselves as an entrepreneur. It is not an easy task to combine all your capabilities and direct them towards attainment of one goal but still many of us want to become a successful entrepreneur. But the question arises how?

Question 4:- What are the different snags faced by you during starting your venture?

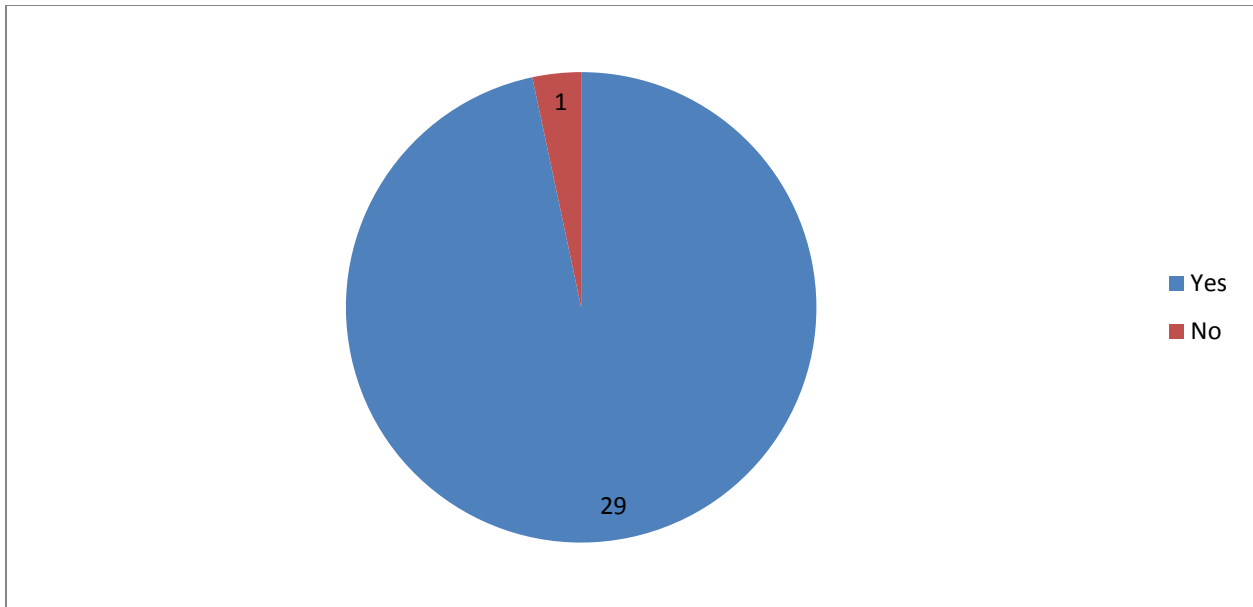
Interpretation:- Setting up a new venture in a well established market is troublesome. The most common problem faced by individuals is the finance issue because at the initial stage no banker or other financial institution is ready to give loan or any other help.

The various other hurdles faced by entrepreneurs to start their venture are:-

- Resources serve the major issue, but at the present scenario understanding your customer is a difficult task.
- Legal proceedings.
- Arrangement of Working Capital at initial stage was also a hurdle.
- Already established market.

Question 5:- Do you think collaborative efforts can reduce these snags?

Interpretation:- Collaborating effort means combining your own idea with someone else so as to gain a better result. All the respondents agreed that collaborative efforts will help them in overcoming the hurdles faced except 1 who denied the fact stating that it would be difficult to collaborate.



Question 6:- If yes, how collaborative efforts of individuals put together help in overcoming these snags?

Interpretation:- Collaborative effort will always help creating a competitive edge over the other players and thus succeed. During the research the responses we got were :-

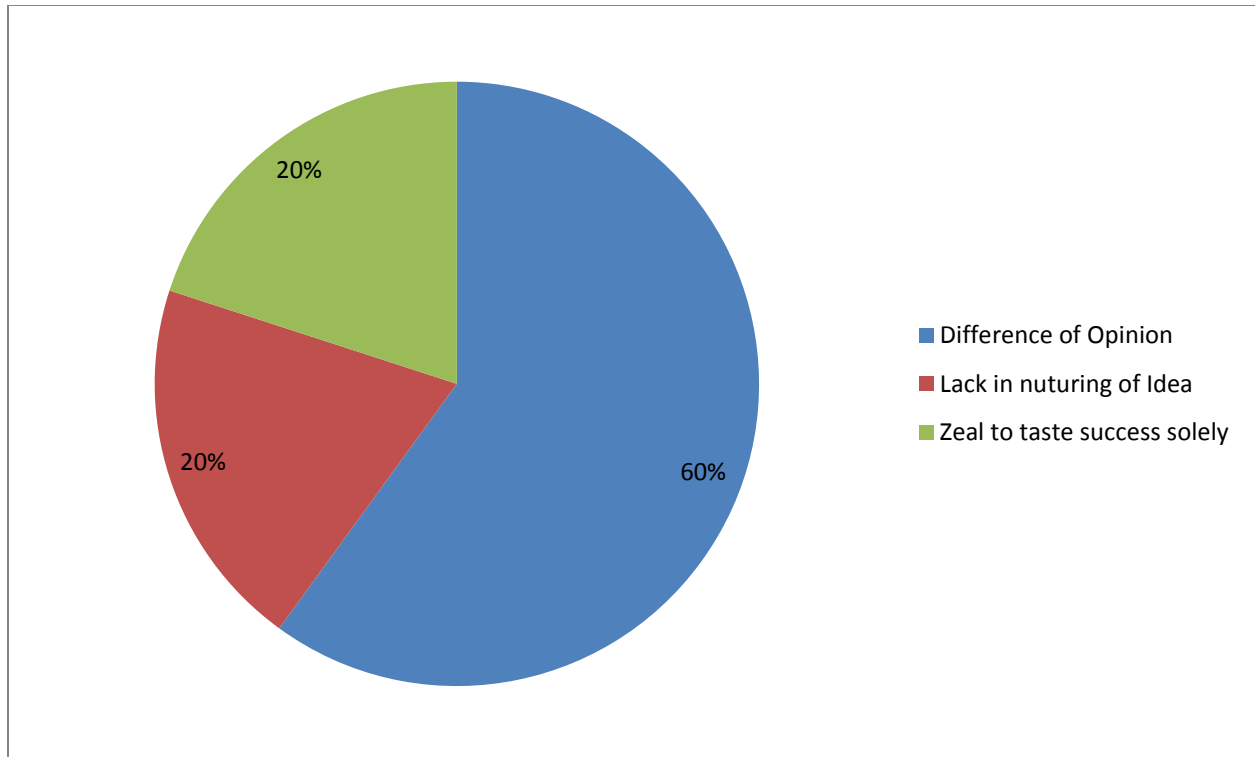
Collaborative efforts would help in:

- Better generation and execution of idea
- Enhancement of complementary skills which would help in enhancing overall productivity
- Also there will be delegation of work and responsibility. Thus, the task is completed in best possible manner.
- Last but not the least, Entrepreneurship is not a "one man show", it requires combined efforts of all forces.

Question 7:- If not, why collaborative efforts are not feasible to adopt in entrepreneurship?

Interpretation:- Only 1 person denied the efficiency of collaboration. He replied that collaborative efforts would not help in survival and growth on the ground that there may be difference in opinion between the individuals, also at the initial stage there may be lack in nurturing of ideas.

And the most appropriate reason was an entrepreneur would never want to share his profits with anyone i.e. he has zeal to taste his success solely.



Question 8:- If given how feasible will it be for you to amalgamate your ideas with someone else?

Interpretation:- Ideas are man's own creation which cannot be easily shared or cannot be followed by others. The response which we received was unexpected but still the truth.

All the respondents agreed to the fact that it is very tough to share your own thoughts with others and thus finding out a midway to satisfy their own perspective and that of other's also is a tough task.

Finally the conclusion of the research was,

- Respondents found it hard to establish themselves in a well established competitive market
- Almost all the entrepreneurs accepted the fact that collaborative efforts would prove beneficial for them.
- But, it was strange to notice that all agreed to the fact that it is not at all feasible to amalgamate or merge your idea with someone else.
- This was due to conflict of idea and thus there should be proper match in the conceptualization of the amalgamating entrepreneurs.
- Also, the trust and honesty towards the purpose will prove its benefits.
- Diversified fields should be selected so that larger market can be catered.
- There should be win-win situation for both the parties.
- And therefore a midway should be chosen to overcome all the snags and prove the study that **"Synergizing Efforts will help in long run success and survival of Entrepreneurs"**

References & Bibliography:

- BusinessDictionary.com

- <http://www.iplanner.net>
- <http://www.mdba.gov/node/337>
- <http://under30ceo.com/16-awesome-reasons-why-you-should-be-an-entrepreneur/>
- <http://www.dukeven.com/Home/entrepreneurship-overview---a-framework>
- NSIC website
- <http://www.loc.gov/rr/business/guide/guide3/>
- http://shodhganga.inflibnet.ac.in/bitstream/10603/4148/9/09_chapter%202.pdf
- [file:///C:/Users/ABS/Downloads/enterprise_paper_14_2003_1837%20\(1\).pdf](file:///C:/Users/ABS/Downloads/enterprise_paper_14_2003_1837%20(1).pdf)
- <http://www.reference.com/motif/science/synergistic-effect>
- <http://link.springer.com/article/10.1007/BF00400026>

http://www.researchgate.net/publication/237210917_Exploring_the_synergy_between_entrepreneurship_and_innovation

Rashmi Verma

Student, Asian Business School, Noida

Saloni Singh

Student, Asian Business School, Noida

Adviteeya Pandey

Student, Asian Business School, Noida

Keywords

Waste Management, Entrepreneurship,
Household and Industrial Waste,
Environmental Sustainability,
Recycling

This paper uses the 'lens' of integrated and sustainable waste management to provide opportunities to potential entrepreneurs by showing them a direction in this challenging field of **Waste Management** to start their own venture by collecting wastes from industries and households, converting them into bio-gas and finally supplying them to the households. The objective of this paper is not only to provide direction to management student to start their own venture in waste management but also to the women to manage their household waste and become entrepreneurs. To understand the scope of waste management in India the research will be conducted through collection of primary and secondary data. Secondary data will be collected from government websites, journals, and publications. Primary data will be collected through questionnaire (filled by companies and households) .The purpose of collecting primary data at two levels is to understand the demand and opportunities for waste management at both levels. This research paper will contribute by giving direction in waste disposal and also help in reducing improper solid waste management that deteriorates public health, causes environmental pollution, accelerates natural resources degradation, causes climate change and greatly impacts the quality of life.

This research will highlight new fields for potential entrepreneur but it will also help in avoiding huge investments in waste collection and disposal by government and companies and will help in developing a win-win solution for both with environment sustainability.

Introduction

With a population of over 1.2 billion, rapid urbanization and modernization of India is simply inevitable. India has a large and increasingly wealthy population producing 68.8 million tons per year of Municipal Solid Waste or 188,500 tons per day. With the growth trend set to continue urban India will generate 160.5 million by 2041 and over the next decade some 920 million tones of solid waste will need to be properly managed. The per capita waste generation rate in India has increased from 0.44 kg/day in 2001 to 0.5 kg/day in 2011, fuelled by changing lifestyles and increased purchasing power of urban Indians. Urban population growth and increase in per capita waste generation have resulted in a 50% increase in the waste generated by Indian cities within only a decade since 2001. There are 53 cities in India with a million plus population, which together generate 86,000 TPD (31.5 million tons per year) of Solid Waste at a per capita waste generation rate of 500 grams/day. The total Solid Waste generated in urban India is estimated to be 68.8 million tons per year (TPY) or 188,500 tons per day (TPD) of Solid Waste. Such a steep increase in waste generation within a decade has severed the stress on all available natural, infrastructural and budgetary resources.

The present citizens of India are living in times of unprecedented economic growth, rising aspirations, and rapidly changing lifestyles, which will raise the expectations on public health and quality of life. Remediation and recovery of misused resources will also be expected. These expectations when not met might result in a low quality of life for the citizens. Pollution of whether air, water or land results in long-term reduction of productivity leading to a deterioration of economic condition of a country. Big cities collect about 70 - 90% of Solid Waste generated, whereas smaller cities and towns collect less than 50% of waste generated. More than 91% of the Solid Waste collected formally is land filled on

open lands and dumps. It is estimated that about 2% of the uncollected wastes are burnt openly on the streets. About 10% of the collected SW is openly burnt or is caught in landfill fires. The pollutants include carbon monoxide (CO), carcinogenic hydro carbons (HC) (includes dioxins and furans), particulate matter (PM), nitrogen oxides (NOx) and sulfur dioxide (SO₂).

It is aesthetically unattractive; and it fills up landfill sites, which are becoming more difficult and costly to establish and maintain waste management is one such service where India has an enormous gap to fill. Proper waste disposal systems to address the burgeoning amount of wastes are absent.

The current Waste Management services are inefficient, incur heavy expenditure and are so low as to be a potential threat to the public health and environmental quality. Waste materials can originate from a variety of sources and include industrial, agricultural, commercial and domestic activities. Effective waste management strategies assist in minimizing or avoiding adverse impacts on the environment and human health, while allowing economic development and improvement in the quality of life.

Waste Management has become a matter of great concern to most city corporations, and there have been some instances of management collapse even in metropolitan cities in the year 2012. All this build-up took place within a single decade, which is why many corporations have awakened to the rude shock.

There has been an unpredictable increase in both industrial and domestic wastes. The government and corporations have now taken cognizant of things that require immediate attention, and a lot of funds have been diverted to various waste management projects.

Waste Management was conveniently done by dumping waste in rural areas,

which then gave rise to a bigger menace of 'pollution sinks'. Residential and commercial wastes are mostly in semisolid and solid forms. Even the bio-medical wastes, which have been treated fall into this category. Industrial waste on the other hand is not included in this category. Industrial waste management is quite a complex process, which clearly means a lot of investment in infrastructure, technology, and planning.

Without an effective waste management program on waste generated from various activities both industry and domestic can result in health hazardous and have impact on environment. India, primarily lacks the space in the cities to dispose off the waste. Secondly, though we have a waste management policy, the existing players don't have the required technological capabilities and hence there hasn't been an effective implementation of the same. Apart from the obvious environmental hazards, there are direct and indirect economic costs to this – while the healthcare costs go up due to the air and water pollution happening in the vicinity of the populace, so do the remedial costs for mitigating the contamination of water table due to the seepage of the waste into it.

Fundamentally collecting garbage and dumping them in the outskirts of the city is a multi – thousand crore business. While no investment is made in the scientific disposal of these wastes, the profit margins for these businesses are extremely high.

We don't have some sustainable solution, option that let us meet our current needs and provide for future generation as well. Our most promising alternatives are waste reduction and recycling. Appropriate waste management system can be developed by understanding the type of waste generated. The activities associated with managing waste from generation point to final disposal normally includes generation, reduction, reduce, recycle,

handle, transfer, transport & transformation & disposal.

On the part of industry, industrial waste management is also indispensable from the view point of both the social responsibility of business corporation & ISO 14000 which will influence their survival in global market.

Entrepreneurship is being practiced at every big and small level in our country but no one is aware about the opportunities of entrepreneurship in waste management. It has been observed that the utilization of waste in the form of biogas is becoming very popular as many of new entrepreneur have entered into it. But the scope is not limited to the biogas creation but this concept gives lot many opportunities like collection, dumping, reselling by further processing, and creating raw material for other companies. One of the waste management company in also in top 500 companies ranked by fobes and in India 3 students of IIM also started their venture into wastete management which is accepted by people and running successfully. All these success story have given a new direction in the field of entrepreneurship. This is an opportunity for us if we realize it and work on it we will be able to convert our weakness and problem of huge waste into strength by starting new venture.

Literature Review

Waste generation in India has direct proportion in term of development and progress of the state/cities and showed significant variation among the Indian cities. The solid waste amount is expected to increase significantly in the near future as the country strives to attain an industrializes nation status by the year 2020. The government of India has taken many initiatives and implemented new technologies and methods by giving loans for setting up composting plants to encourage proper management of solid waste since the 1960s (MoEF, 2005). Due to increased public awareness of MSWM, a

public litigation was filed in the Supreme Court, which resulted in the Municipal Solid Wastes (Management and Handling) Rules, 2000. Government, for the first time, now has included private organizations in providing this public service. New methods of storage, collection, transportation, processing and disposal are being explored and implemented.

In Mumbai, Stree Mukti Sanghatana (SMS), a non-governmental organization, started the Parisar Vikas (PV) program to train informal recyclers as "*parisar bhaginis*," or "neighborhood sisters." The *bhaginis* are taught the principles of zero waste, how to sort and handle waste from multi-family dwellings, composting and biogas plant management, gardening, and how to organize as worker cooperatives and negotiate contracts. Through SMS programs, a total of 600 women work in almost 150 locations in Mumbai, ranging from institutional campuses to housing apartments. They bundle the dry, recyclable waste for sale to industry recyclers. Residuals and organics are either picked up by the city for disposal at dumpsites, or by SMS to be processed in composting and biogas facilities that produce manure and biogas for industry and domestic end uses. (www.no-burn.org by Virali Gokaldas and the Global Alliance for Incinerator Alternatives)

The cooperatives enter into recycling contracts with institutions, apartment complexes, businesses, and the municipality. The snack bar generates 25 – 30 kg of clean, source-separated, organic waste per day. Supplemented with outside sources, this feeds the 100 kg/day capacity biogas plant. Gas from the plant meets a quarter of the canteen's cooking gas needs. The operation has been so successful that the institute added another 500 kg/day plant at its larger canteen, and is constructing a third plant to service their new 1,000-student hostel.

For a biogas plant handling five metric tons per day of wet waste, the environmental benefits are significant. On

an annual basis, the plant saves greenhouse gas emissions equivalent to 4,197 tons of CO² from recycling wet waste. The same plant creates, annually, biogas equivalent to 55,000 kg of liquefied petroleum gas and 10,000 kg of organic compost. This is in addition to the reduced impact of transportation on Mumbai's crowded streets.

SMS has successfully demonstrated the viability of decentralized waste management in one of the world's largest and most crowded cities. Although this approach takes more time to roll out than a one size-fits-all city-wide strategy, its greater flexibility and customization is important to its success. Waste picker cooperatives are instrumental in managing source separation, and the small-scale biogas and compost pits have generated higher-paying employment for women waste pickers while significantly reducing the waste burden on the municipality. .(www.no-burn.org by Virali Gokaldas and the Global Alliance for Incinerator Alternatives)

Similarly, the pilot project, titled "Decentralized Solid Waste Management through Community Participation: A Pilot Programme in Purdilpur Ward of Gorakhpur City", was undertaken in 2010 following preparation of and informed by a city vulnerability assessment. This pilot program was part of the city engagement phase of the Rockefeller Foundation Asian Cities Climate Change Resilience Network (ACCCRN) program and has led to ongoing work in this sector under the ACCCRN implementation phase. For the Gorakhpur solid waste management project, 200 households were engaged in implementation of a decentralized, community based solid waste management program. The project provided livelihoods creation and ecosystem benefits in the form of greater recycling and composting of waste, while reducing waste collection in drains, which exacerbates flooding and water logging. This project was complemented by a solid waste awareness building pilot project,

the "Polyethylene No More" campaign. In this project, GEAG produced and distributed a series of four page leaflets to communicate challenges associated with sanitation and waste in Gorakhpur, encouraging citizens to change their habits regarding waste and recycling and to actively participate in community solicitation of better services from city government. The solid waste management pilot project was informed by a sector study, also funded by ACCCRN and also undertaken after completion of the city vulnerability assessment. The sector study, which produced a report titled "The Role of Indiscriminate Use and Disposal of Plastics in Enhancing Climate Change Induced Vulnerability in Gorakhpur", assessed usage patterns relative magnitude and problems related to indiscriminate disposal of plastic bags in the city of Gorakhpur including their impact on the environment and role in increasing city vulnerability to climate change impacts. The study also focused on sensitizing stakeholders and decision makers and encouraging exploration of possible solutions through multi stakeholder and multidisciplinary partnership.

Objective

- To understand the opportunities for the new entrepreneurs in waste management.
- To analyse new ways of disposing waste so as to maintain sustainable environment

Methodology

Sampling Design

- Sampling Area : Delhi ,Noida and Gurgaon
- Sample Size : 20 house hold

Methods

- The study is based on Random Sampling Method.

Research Design

- Data Source: Primary & Secondary data
- Research Method : Qualitative Method
- Research Technique : Questionnaire, Personal Interview
- Type of Questionnaire : Structured
- Type of Questions : Closed &Open ended
- No of Questions : 7-8

Sources of Data

The data collected from these sources

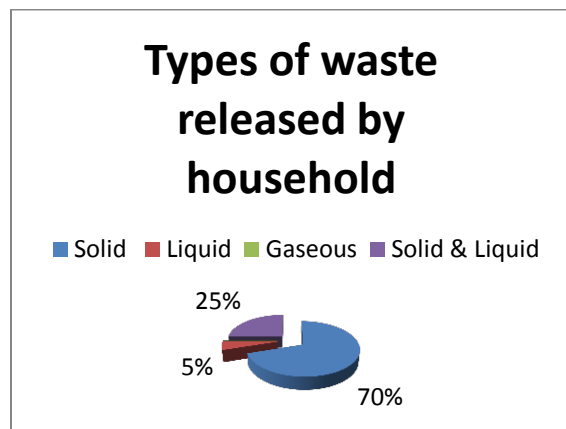
Primary Data

The findings and recommendations are based on primary data collected directly from the factory and households.

Secondary data

Company history its details about products and competitors are based on secondary data collected from various sites.

Data Interpretation And Analysis

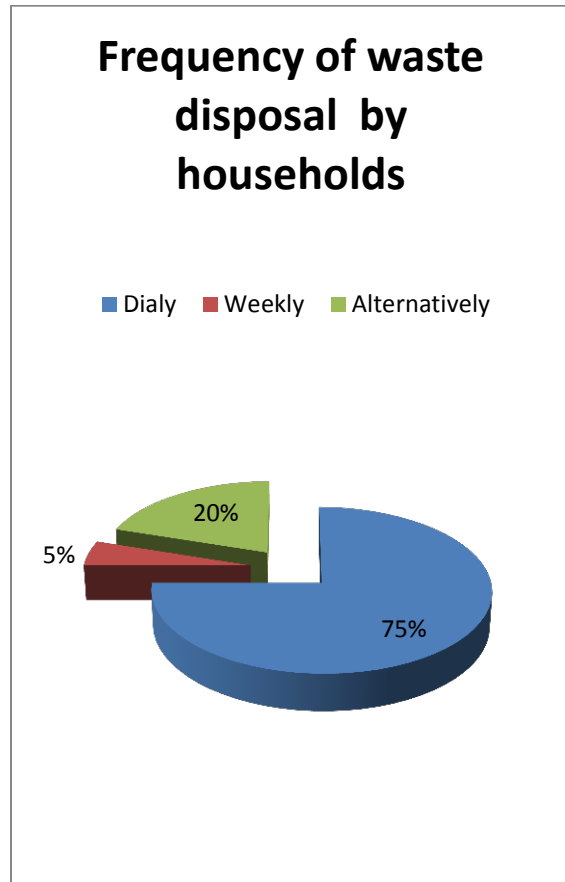


Interpretation

Among 20 households 14 have mentioned solid as their answer, 5 selected both as solid & liquid as their answer. Only 1 respondent selected Liquid as their

answer. No one have mentioned gaseous as their answer.

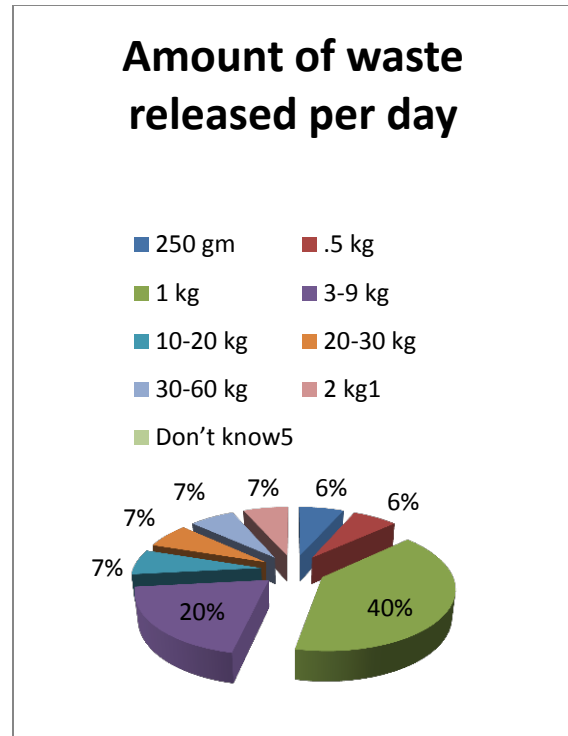
This shows that maximum households releases solid waste, some of them also have liquid as their waste but no household is involved in releasing gaseous waste.



Interpretation

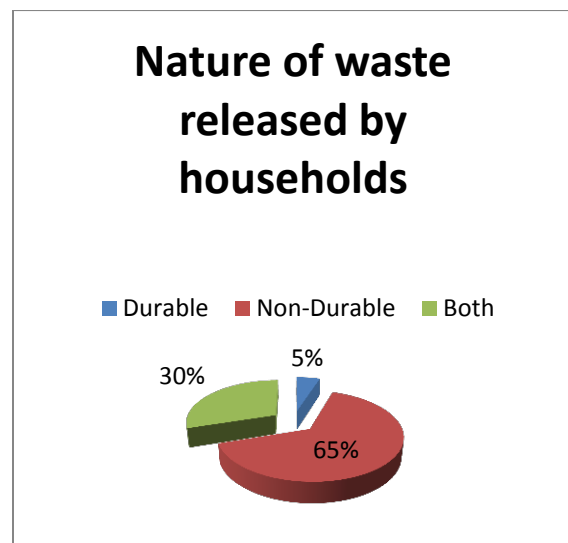
15 the responded answered that they dispose their waste on daily basis,4 households mentioned that they dispose their waste on alternative basis, only one household mentioned that they dispose their waste on weekly basis.

This is being analysed from this that maximum of the household dispose their waste on daily basis,few of them dispose their waste on alternative and negligible of them dispose their waste weekly.



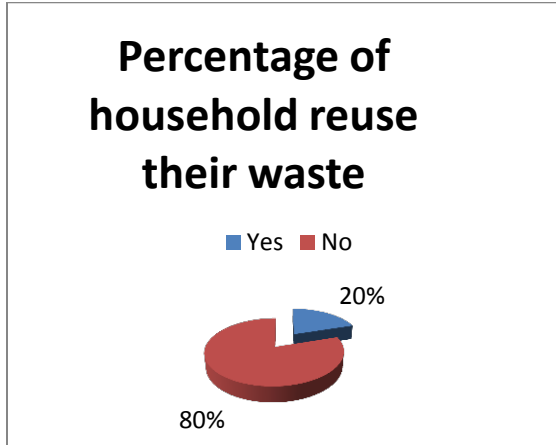
Interpretation

Maximum of the respondent i.e 40% mentioned 1 kg as their answer, 20% of them don't know the amount of waste released. And different amounts were mentioned by different respondent.



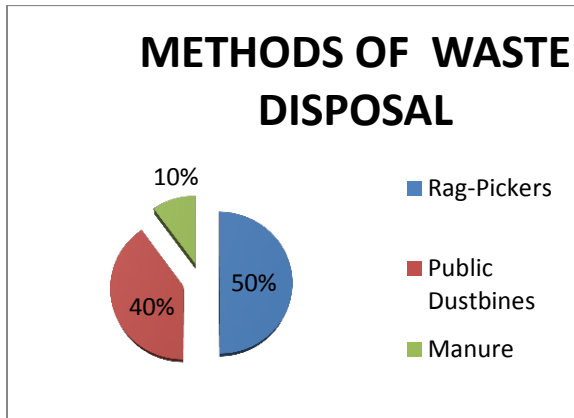
Interpretation

Maximum household mentioned that they release non-durable waste, 30% mentioned both durable and non-durable as their answer. Only 5% mentioned that they release durable waste.



Interpretation

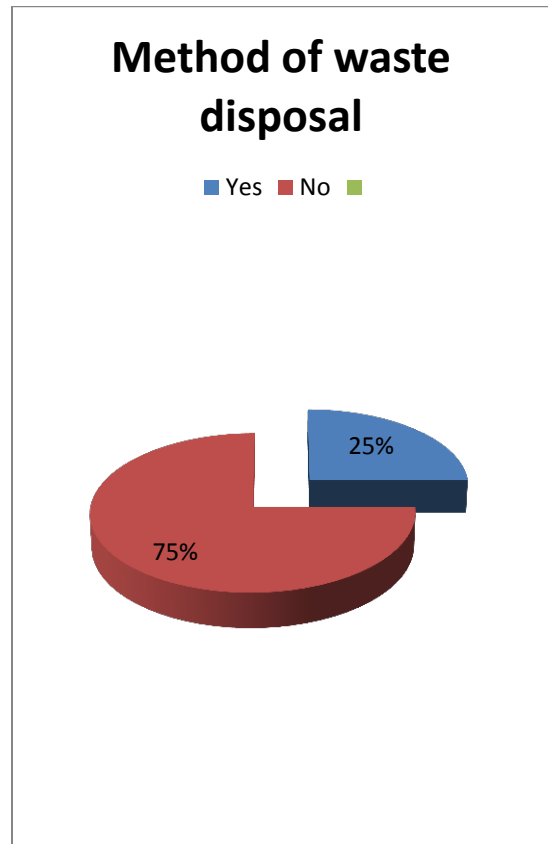
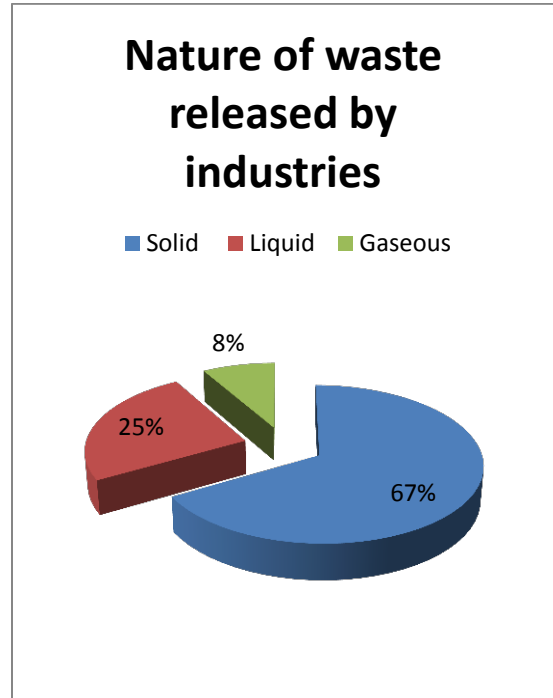
It can be interpreted that maximum households don't reuse their waste.



Interpretation

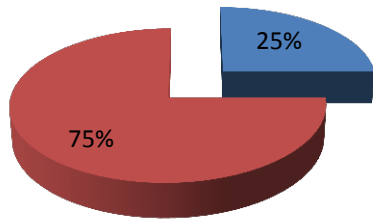
It was interesting to know that 10% of the households reuse their waste instead of disposing by making manure. 50% of the household give their waste to rag-pickers for disposal, and 40% of them dispose their waste in public dustbins.

Industries



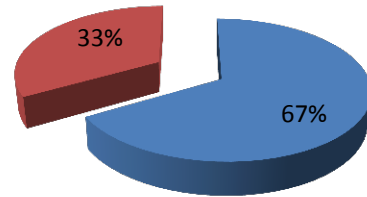
Presence of waste management process within companies

■ Yes ■ No



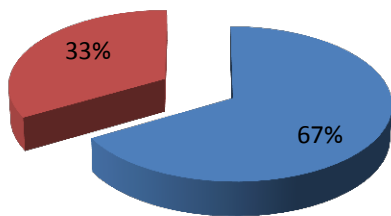
Amount of waste disposed

■ Not Disposed ■ 10,00000 tons



Need of waste management unit

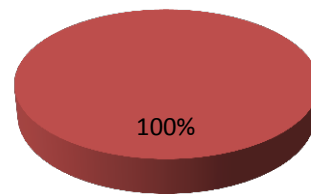
■ Yes ■ No



Willing to start new venture in waste management

■ Yes ■ No

0%



Limitations

1. The response in some of the organizations was given by subordinate, who may not have full information about the waste disposal
2. Due to entry restriction we were unable to approach more factories for filling questionnaire.

3. 40 questionnaire were sent to companies and factories through e-mail but only 20 of them responded.

4. The household was not interested in filling questionnaire.

4. In Mumbai, Stree Mukti Sanghatana (SMS), a non-governmental organization, started the Parisar Vikas (PV) program to taught the principles of zero waste.

5. Residuals and organics are either picked up by the rag pickers for disposal at dumpsites.

6. It is found that maximum waste produced by household is solid and non-durable in nature.

7. 80% of the household don't reuse or recycle their waste and some of them use it as manures.

Results & Discussion

1. . The per capita waste generation rate in India has increased fuelled by changing lifestyles and increased purchasing power of urban Indians.

2. Waste Management was conveniently done by dumping waste in rural areas, which then gave rise to a bigger menace of 'pollution sinks'

3. More than 91% of the Solid Waste collected formally is land filled on open lands and dumps. It is estimated that about 2% of the uncollected wastes are burnt openly on the streets. About 10% of the collected SW is openly burnt or is caught in landfill fires.

This huge amount of waste and its improper management gives a new way to potential entrepreneur to enter into this field of waste management. And with this a new model of entrepreneurship can be developed.

RELEASE OF ABS JOURNAL



INTERNATIONAL CONFERENCE ICE 2013 - INNOVATION, CREATIVITY AND ETHICS



**NATIONAL SEMINAR SEED 2012-
BUSINESS STRATEGIES FOR ECONOMIC EVOLUTION AND DEVELOPMENT**



Guidelines for Authors

ABS Management Research - Articles and Application invites original and research based unpublished papers in the area of management. This journal publishes papers of interest to academic researchers and industry practitioners. It encompasses all the areas of management. Papers are hence accepted for publication on the understanding that these papers contain original unpublished work, not submitted for publication anywhere else.

- The paper should be typed in MS Word.
- Title of the paper should be followed by full name, e-mail, contact number, affiliation(s) of the author(s).
- Font: Main Body – 11pt., Heading 18pt., Style – Times New Roman
- Manuscripts: Should be upto 4000 words (A-4 size, typed 1 paragraph spacing, 11 point font)
- An abstract of about 200-250 words must be present.
- Tables and Figures: To the extent possible, tables and figures should appear in the document near/after where they are referenced in the text.
- The paper must start with an introduction and subsequent sections should follow
- The paper must end with a conclusion summarizing the findings of the paper.
- Referencing:
 - It is the author's obligation to provide complete reference and follow a specific referencing style
 - The Editorial reserves the rights to modify and otherwise improve the manuscripts to meet the Journal's standard of contents, presentation and style.
 - The Editorial Board reserves full and unfettered right and sole discretion to accept or refuse a Research Paper / Article ? Case Study for publication; they would be under no obligation to assign reasons for his decision.
 - Authors may revise the Manuscripts, if necessary, before the papers are accepted for publication.
- All Manuscripts and Editorial Correspondence should be addressed to

The Editor

Asian Business School,
ABS Management Research – Articles and Applications,
Marwah Studios Complex II,
Plot A2, Sector 125,
Noida – 201303.
INDIA
Tel.: 0120-4594200



Approved by AICTE, Ministry of Education, Govt. of India

Plot A2, Sector 125, Noida - 201303

Post Graduate Diploma in Management