

Success Factors and Challenges in Women-Run Small and Medium-Scale Businesses: A Study

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Abstract

The purpose of this research was to evaluate the characteristics that contribute to the success of small and medium-sized enterprises in India that are owned and operated by women. In addition to this, the study attempted to investigate the difficulties that are encountered by female company owners, investigate the disparities in the perceptions of success determinants that are held by educated and uneducated female business owners, and get an understanding of the reasons why women choose to launch their own companies. The research used primary data that was gathered via the use of a self-administered questionnaire, and the sample size consisted of 92 female entrepreneurs out of a total of more than 130 participants. For the purpose of conducting an analysis of the data, descriptive statistical methods such as percentages, frequencies, rank orders, weighted averages, and standard deviations were used. A T-test analysis was carried out to examine the entrepreneurs' perceptions of the elements that contribute to their success, based on their level of education.

According to the results, women believe that the success of their businesses is mostly dependent on personal aspects such as their abilities, business ethics, and the quality of their relationships with customers. Low self-esteem is most often caused by difficulties that are directly tied to a woman's gender in the business world. According to the findings of the research, female unemployment is a driving force that functions as a motivational element that drives women to seek entrepreneurship. Additionally, the desire for economic independence acts as a driving force.

Keywords

Women Entrepreneurship, Economic Independence, Small and Medium-Sized Enterprises

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(SMEs), Perceptions of Success.

Introduction

Although India's entrepreneurial spirit dates back millennia, the 21st century has seen an explosion in the country's startup culture on a scale never seen before. In tandem with the development of new technologies comes a transition in mental approach. Women's participation in all areas of the economy, including business ownership, has increased significantly during the last four decades. Women nowadays are no longer afraid of the reaction that may come from society since they are aware of their rights. Women in the 21st century are no longer willing to tolerate the abuse that they experienced in the past because they consider their identity to be a badge of honor. In today's cutthroat economic environment, more and more businesswomen are establishing their own distinct spheres of influence. There is no reason why women who live in cities and have some level of education can't be successful in business and entrepreneurship. "The rural sector has a key role to play in the expansion of the economy and in the process of expanding the number of women who are successful in business. This is especially true with regard to the latter. There are lakhs of women in India, both from rural and urban regions, who are engaged by the small-scale industry. These women are working in a variety of different jobs. According to the Development Commissioner of MSME, there are over 2 million women working in small scale enterprises either as owners or managers. These women are employed in either capacity. According to the MSME Development Commissioner, this estimate is accurate. Only around 13% of these companies are officially registered, while the other 87% are doing their operations without being officially recognised. According to the information that was supplied by MSME, the total number of female employees in the SSI sector is anticipated to be somewhere in the neighbourhood of 33,17496. The government of India has implemented a number of key programs with the intention of encouraging female participation in business ownership and management". According to the Gender Gap Index 2018 published by the World Economic Forum, India ranks 142nd out of 149 nations in terms of the economic involvement and opportunity available to women. The percentage of women who are employed is about one third of the number of men who are employed.

Literature Review

When looking at studies done in the past, there is no agreement on what factors genuinely contribute to the success of a firm that is headed by a woman. However, there are certain

variables, such as personal considerations, economic factors, and societal factors, that are explored more than others. These are the factors. Face-to-face data collection was conducted by the vast majority of researchers via the use of primary data and self-administered questionnaires. (Danish Ahmad Ansari, 2016) a number of scholars have made the comparison between India's low female involvement percentage and that of other nations. According to Bharti Kollan and Indira J. Parikh (2005), the progression of women from the 1950s to the 21st century demonstrates that women continue to encounter obstacles imposed by society, but that they have overcome psychological barriers and social preconceptions.

According to the conclusions of “a study that was carried out by Syed Shah Alam, Mohd Fauzi Mohd Jani, and Nor Asiah Omar (2011), there are four factors that are responsible for the success that women in business experience. These considerations include the following: (a) Encouragement and support from one's family; (b) robust social ties; (c) one's own internal motivation; and (d) information and communication technology (ICT). It was shown that the success of women as company owners is impacted by support from family and other social interactions, as well as by internal motivation; however, the success of women business owners is not influenced by innovation brought about by ICT”.

According to the 43% of the women surveyed in Seema Johar's essay “A study on the Development of Women Entrepreneurship in Ghaziabad, UP, India (2015)” said that their spouse is the primary source of inspiration behind their decision to start their own business. The majority of respondents, 94%, said that after starting their own business, they saw a significant boost in their level of self-confidence. On the other hand, research conducted by E. Holly Buttner and titled “Female Entrepreneurs: How Far Have They Come?” (1993) indicates that males often become entrepreneurs for financial reasons, while women claim familial considerations as their motivation.

A study conducted by Dr. V. Basil Hans and published in the journal "Women entrepreneurship in India- changes and challenges (2018)" revealed that there was no statistically significant disparity between rural and urban entrepreneurs in India in terms of their ownership of proprietary businesses. Based on the research conducted by Singh and Monga (2014), it was found that a mere 29.3 percent of women possess awareness regarding the various government initiatives and financial institutions that are available to support women entrepreneurs. Consequently, this lack of awareness leads to underutilization of resources.

Our research aims, among other things, to determine whether or not there is a material difference in the way that women business owners with different levels of education see the

elements that contribute to their success. Previous research has shown that there may be a discrepancy between the perspectives of ignorant and educated business owners on the aspects that contribute to a company's level of success. According to research conducted by Mary Suganthi Bai J (2014), the majority of highly educated people would rather have high-paying desk jobs than launch their own businesses. Studies have also indicated that females are more likely than their male counterparts to gain from education and utilize it in their company. This is due to the fact that females are more likely to be entrepreneurs. “According to the findings of a research carried out by Frédéric Meunier, Yulia Krylova, and Rita Ramalho, economies in which women have completed a greater number of years of formal education are likewise characterized by relatively large numbers of newly established female businesses”.

Objectives

The target demographic consists of the female business owners who have established permanent residence in India. The major objective of this research is to investigate the characteristics that contribute to the success of female entrepreneurs, with the hope that this will lead to subsequent studies that narrow the gender gap. The following are the goals that have been established for the research:

- To determine and analyze the characteristics that contribute to the success of women business owners in India.
- To determine whether or not there are any significant disparities in how business owners with different levels of education see the things that contribute to their success.
- In order to investigate the difficulties that women business owners encounter.
- The purpose of this study is to examine the variables that are driving and persuading women to create their own businesses.

Hypothesis of the Study

The following is the hypothesis that will be investigated as part of this research in order to further our understanding:

Null Hypothesis H_0 : Regarding the success criteria that are essential to running a company, there is not a discernible gap between the perceptions of women entrepreneurs who have a low level of education and those who have a higher level of education.

The null hypothesis is established on the presumption that women, regardless of their level of education, are more equipped than males to lead successful companies because they possess

the necessary skill set to cultivate and maintain the company. The aforementioned hypothesis will be examined by a t-test conducted in Microsoft Excel under the assumption of unequal variance.

Research Methodology

i. Research Method

The study was carried out using a form of research known as quantitative research. This approach of doing research is quite regimented. The process of collecting data follows a certain workflow, after which it is transformed into numerical data so that it may be analyzed further. The purpose of the investigation is purely exploratory.

Study Site

For the purposes of this research, the female business owners in India serve as the unit of analysis. According to a study that was released by the Ministry of Micro, Small, and Medium Enterprises in 2021, India has the largest number of female entrepreneurs of any nation in the world.

ii. Population and Sampling

The sample for this study comprises of Indian-based small and medium-sized businesses that are majority owned and controlled by women (defined as having ownership of more than 51 percent of the firm). The selection criteria included seeking for female business owners who are more than simply the “face” of the company; rather, they are the ones who make the real decisions. In this investigation, we used a method of sampling that did not rely on chance. Both convenience sampling and snow-ball sampling were used in the selection of the samples. The first five entrepreneurs were chosen using a sample approach called convenience sampling. After that, a number of female entrepreneurs recommended the names of more entrepreneurs, and we contacted those entrepreneurs who were the easiest to get in touch with.

iii. Instrumentation and Collection of Data

A well-structured, five-part questionnaire that was produced expressly for the purpose of this study and is based on previous research in the area serves as the survey instrument. This questionnaire was prepared specifically for the purpose of this study. The questionnaire had no open-ended questions; this ensured that all of the responses could be readily translated into numerical values and used in the analysis. The first part of the survey included demographic

questions, while the second part focused on the respondent's professional background. In the third section of the questionnaire, a total of 28 different difficulties were cited, each of which was organized under the relevant heading. Challenges, regardless of how many there were, may be chosen by entrepreneurs. In the fourth section of the questionnaire, a Likert scale with five points was utilized to estimate the significance of each aspect contributing to success. The variables were to be ranked by the entrepreneurs on a scale that went from 1 to 5, where 1 meant they were inconsequential and 5 meant they were highly essential. In question 5 of the questionnaire, business owners were asked to rate the various aspects of push factors on a scale from 1 to 5. In a similar manner, business owners assigned a relevance rating between 1 and 6 to each of the pull elements. Inconsistencies in the raw data, such as omissions, insufficient information, and ambiguous replies, were analyzed and validated for accuracy. During the procedure, 34 samples were thrown out, and the remaining 92 were tallied in a serial fashion in Microsoft Excel according to the proper headings. Calculations of percentages and frequencies, as well as the mean, standard deviation, and two-tailed t-test, were performed on the data using Microsoft Excel.

Results and Discussion

i. Descriptive Statistics

According to the data that was analyzed, 73% of the women who were surveyed are under the age of 40. 67 out of 92 of the women are under the age of 40, which indicates that our research has a relatively youthful proportion of female participants. The vast majority of women, or 56 of them, began their businesses with an investment of capital that was either less than or equal to one hundred thousand Indian rupees (INR), while 39.1 percent of these women made an initial investment of more than one hundred thousand Indian rupees. Hinduism and Islam, the two faiths that account for the majority of followers in India, account for 66.3% and 18.43% of the participating women, respectively. According to the findings, the vast majority of highly educated women would rather work for someone else in a paying position as a professional than attempt to establish their own company. Twenty-six percent of the whole sample is comprised of females, yet only 18 of them possess post-graduate degrees, and none of them have PhDs. We may deduce that the majority of female entrepreneurs do not have a higher degree. After launching their own business, just seven out of ninety-two women said that their existing financial situation had not improved. None of these ladies have completed high school, and the highest level of education they have achieved is tenth standard. According to a review of the

data, the vast majority of women are employed in the businesses of selling garments, tailoring, making handicrafts, and operating bakeries.

Table 1 Demographic Details of Women Entrepreneurship

Statistics	Value
Women below 40 years of age	67 (73%)
Women Above 40 years of age	25 (27%)
Initial investment	
Capital <= INR 1,00,000	56 (60.9%)
Capital > INR 1,00,000	36 (39.1%)
Religious distribution	
Hindu	61 (66.3%)
Muslim	17 (18.43%)
Others	14 (15.21%)
Education level	
10thb or less	73 (81.11%)
Post-graduates	18 (19.56%)
PhD holders	1 (1.08%)
Financial improvement	
Improvement	85 (92.39%)
No improvement	7 (7.61%)

ii. Critical Success Factors

On a scale from 1 to 5, with 1 representing “not important” and 5 representing “extremely important,” the respondents were asked to rate the importance of each success criteria. With a mean score of 4.42 out of 5, women entrepreneurs ranked personal traits such as managerial abilities, hard effort, skill sets, and the capacity to take risks as the most essential success criteria. In second place, with a score of 4.29, are social characteristics such as gender, education, and age. According to the women questioned, who gave technological advances a mean score of 3.73, these breakthroughs are likewise very important. Political considerations, such as those pertaining to economic steadiness, trade rules, and corrupt practices, are not seen as being essential to success (3.20). It is generally agreed that economic elements such as recession, inflation, currency rates, and gross domestic product (GDP) are not among the most essential factors that contribute to the success of a firm (3.12).

iii. Educated and uneducated entrepreneurs' perceptions of success factors

A two-tailed t-test with the assumption of unequal variance was carried out. According to our null hypothesis, “educated businesswomen and uneducated businesswomen do not significantly

vary from one another in their perceptions of the characteristics that contribute to their success”. We are unable to accept the null hypothesis in any of the situations since the value that we computed for p is less than 0.05, which is written as $p < 0.05$. Therefore, we accept our alternative hypothesis and draw the conclusion that there is a considerable difference in the way educated and uneducated business owners perceive the variables that contribute to their success. According to the results of our poll, there are 56 business owners who have completed college or higher education and 36 business owners who just completed high school or lower. As a result, the proportion of educated people to ignorant people is 61 to 39. Women with and without higher education agree that “personal attributes” (4.61) (4.11) are the component that contributes the most to the success of a company. “Social factors” (4.48) (4.00) come in as the second most significant component in determining success. When it comes to the impression of “technological factors,” there is a significant gap between the average responses of educated people (4.29), and those with less education (2.86). “Economic factors” is the element that is seen as having the least importance by educated entrepreneurs, while “political factors” is the factor that has this perception among entrepreneurs with less education.

Table 2: Educated vs. uneducated entrepreneurs' perceptions of success factors (in Mean scores)

Serial No.	Success factors	Educated mean	Uneducated mean	Total mean	P-value
1	Personal Attributes	4.61	4.11	4.42	0.00019
2	Political Factors	3.54	2.67	3.20	0.0000383
3	Economic Factors	3.38	2.72	3.12	0.00438
4	Social Factors	4.48	4.00	4.29	0.000279
5	Technological Factors	4.29	2.86	3.73	0.000021

iv. Challenges faced by women in business

The questionnaire had a total of 28 different issues, which were then categorized under the following five headings: personal, social, financial, product-related, and institutional. Fear of failure was experienced by the majority of women (72%). Keeping a healthy balance between

work and personal life was another challenge that the majority of women (68%) experienced. A lack of self-confidence, male domination, the inability to take risks, and market competition were some of the other significant hurdles that were encountered. The problem of acquiring raw materials was encountered by the fewest number of women (20%), followed by difficulties in retaining staff (23%), inefficient stocking method (24%), and excessive costs associated with the purchase of new technology (22%).

v. Push and Pull Factors

The questionnaire was constructed in such a way that prospective business owners were required to rank the "the motivating considerations and compelling elements in order of importance, with 1 being the most important motivating or compelling factor, and 5 being the least significant motivating or compelling factor to establish a business." According to the findings of the study, the desire of female entrepreneurs to achieve "Economic Independence" was the single most significant factor that led women to start their own business. After this comes "use of personal skills at position 2 (15.6%), followed by recognition at rank 3 (15.4%)". This is the most important factor. They seem to be driven to seek business ownership by independence from a monetary perspective more than anything else. They find that "family business tradition" and "success of other entrepreneurs" are the factors that are the least inspiring for them to consider.

The fact that women had "no other alternative" and "Unemployment" (27.36%) was a motivating factor that "pushed" them to launch new businesses of their own. Kumar (1999) and Mamun (2000) came to similar conclusions with their research. "Difficulties within the family" comes in at number three with 17.39%. It is not true that "lack of higher education is the most important issue that compels women to start their own businesses (14.13%)". Only 13.5% of women were unhappy in their former jobs, and as a result, they chose to leave their jobs and establish their own businesses.

Conclusion

This research was carried out with the purpose of determining and analyzing the elements that are responsible for the success of businesses in India that are owned and managed by women. The research was carried out in an urban setting, and there were 92 female business owners that participated in the interview process. The samples were acquired primarily via the use of the convenience sampling method and the non-probability snow-ball sampling approach. It was determined that the most important aspect is a person's own characteristic. We observed that

educated women had a different impression than uneducated women do of all five criteria that contribute to success, and this difference is significant. Women who manage their own enterprises confront a far higher number of obstacles than males do. We may deduce that women are subject to discrimination based on their gender, that they are upset by male dominance, and that they are pressured into starting their own businesses as a result of unemployment.

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