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A Review on Women Entrepreneurship

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Abstract: Women's participation in the business world is on the rise, but the gender gap in entrepreneurship performance persists. The inequalities and discrimination faced by women in the entrepreneurship ecosystem can lead to imbalance in the economic system resulting in regression in the quality of life and decelerates the human development. The gender gap implicates the economic growth and social welfare, hindering women from contributing to the economy by their perspectives and innovations. In this paper, the journey of women entrepreneurship is discussed analyzing the motivations and factors affecting the success of women entrepreneurs. The various difficulties and challenges faced by women in the pursuit of entrepreneurship is also discussed here. The study aims in providing a better understanding of contribution of women entrepreneurs for the overall progress of nation and humankind.

Index Terms - Entrepreneurship, Women entrepreneurs, Challenges.

I. INTRODUCTION

Entrepreneurship ecosystems should assume that every entrepreneur has access to same level of resources, participation, and support, and gets an equal shot for a successful venture start-up. However, research shows that women are at a disadvantage in many areas of the entrepreneur ecosystem.

Women today make up 49.7 % of the global population (UN report). Their contribution to the economy is undeniable, and involvement has gradually expanded in recent decades. Despite the existing injustice and inequality that keeps women and girls out of schools, workplace, and leadership positions, restraining their freedom and limiting their decisions even making them vulnerable to domestic violence, abuses, and harmful practices; women still contribute 37 % of the global GDP (World Bank, 2019) [1]. This shows the role of women in developing economy. Of this, 40 % is contributed by the women entrepreneurs alone. This clearly portrays the impact of women entrepreneurs in the society. Women's entrepreneurship is also inexplicably linked to significant societal advantages. In the realm of economic development, female entrepreneurs wield considerable influence, contributing substantially to job creation, wealth generation, poverty alleviation, advancements in human development, educational enhancements, improvements in healthcare, and overall national progress, with a particular emphasis on their impact within developing nations.

This paper focuses attention on entrepreneurship and gender, to have a better understanding of how a female perspective can contribute to entrepreneurship and economy, as well as the challenges faced by women. This paper also analyzes the career motivations that drive women to continue their work despite challenges and the difficulties they face every day; among these, the motivation for career persistence was considered as the most important variable. This study also attempts to conceptualize the career motivations to help women to improve the social perceptions and serve as support systems for women experiencing conflicts and challenges.

II. LITERATURE REVIEW

Fischer et al., 1993[2], organized the differences between men and women enterprises and discussed the need for developing policies to encourage the growth of women entrepreneurship after researching on the perspectives of liberal feminism and social feminism. It was found that overt discrimination, and systematic lack of access to resources that women may experience, impedes their ability to succeed in business. The author suggested the models and policies to be adopted to encourage women entrepreneurship from systematic and policy makers' viewpoint.

Gundry et al., 2002[3], studied the extent to which the women entrepreneurs merged in the global economy, their contributions, special characteristics of women entrepreneurship, their entrepreneurial behavior and discussed about the credibility of women leaders. It focused on finding patterns of their leadership style and what assistance should be provided. They found that people have low credibility to women entrepreneurs due to many women enterprise failures. They also found that women are not getting access to many financial resources and their primary finance was their own or from family members.

Brush et al., 2009[4], used an organizational framework to conduct research on the academic literature on women entrepreneurship and proposed a framework for the understanding of women entrepreneurship. Based on institutional theory, they build a framework

around 3Ms (markets, money and management) and added two more - motherhood and meso/macro environment to construct a 5 M framework to understand women entrepreneurship. They found that Motherhood representing the female entrepreneur's household and family context have a larger impact on female entrepreneurs as compared to male entrepreneurs. The meso/macro environment tries to capture influences of society, culture (macro), intermediate structures and institutions (meso).

Ahl et al., 2010[5], reviewed the aspects of gender and entrepreneurship addressing the issues related to gender in the aspirations, logics, approaches, obstacles, and outcomes of entrepreneurial behavior. It also discussed about some sensitive topics like marriage, religion, culture, and family structure. It proposed the behavioral differences in men and women and issues faced when women follow the traditional way of entrepreneurship reinforcing the existing discrimination.

Sullivan et al., 2012[6], researched on the emerging trend of women entrepreneurship by proposing a model related to the general process of women entrepreneurship describing the women's motivation to become an entrepreneur, their opportunity recognition, their acquisition of entrepreneurial resources, and their success/performance. Thus, providing a review of the recent literature on women entrepreneurs and finding the unique perspective on how the entrepreneurial process unfolds for women. The author also considered the behavioral differences of men and women in entrepreneurship at different practical and societal standpoints realizing the existing gender barriers.

Jennings et al., 2013[7], reviewed the milestones in women entrepreneurship and explored the researches being conducted in the topic- women entrepreneurship.

The study found that women are less likely to start an enterprise compared to men given all the conditions are same. It addressed the issues faced like difference of male and female entrepreneurs in financial source acquisition, differences in their strategic organizational management practices and success rate of women enterprises. It summarized key points and findings in the research topic of women entrepreneurship focusing on the core challenges and giving insights or the future direction of research.

Henry et al., 2016[8], presented a systematic literature review on the gender and entrepreneurship literature published in 18 journals over a 30-year period to identify the trends and patterns and to explore methods for future research. The author concluded that the research on female entrepreneurship remains focused on finding disparities between male and female entrepreneurs, the advanced feminism still has not influenced any of the gender issues. The other factors and variables influencing women entrepreneurship like sociology, political and organizational science has not been researched so far. It emphasizes the need to break the conventional method of approach on women entrepreneurship and provide more qualitative and innovative methodologies like in-depth interviews, life histories, case studies, ethnography, or discourse analysis to understand the trends of women entrepreneurship.

Terjesen et al., 2015[9], established a theoretical framework to measure entrepreneurial environment ecosystem in different countries to study demographics of women entrepreneurship, and scored nations from 0 to 100. It was found that there is an increase in participation of women in entrepreneurial sector. Most of the women entrepreneurs were having higher educational qualifications and their participation in innovation and technological sector were less. It was found that the fear of failure is one of the most important obstacles to the initiation of a start-up process. The study discussed the importance of high potential women entrepreneurs and formed a framework based on their characteristics. It discussed the demographics of women entrepreneurship and characteristics of each region. The challenges as well as the advantages of each region was found out. The other findings include: women entrepreneurs with higher access to networks and finance were getting better resources and opportunities, attitudes and response to opportunities also play an important role in success of an enterprise.

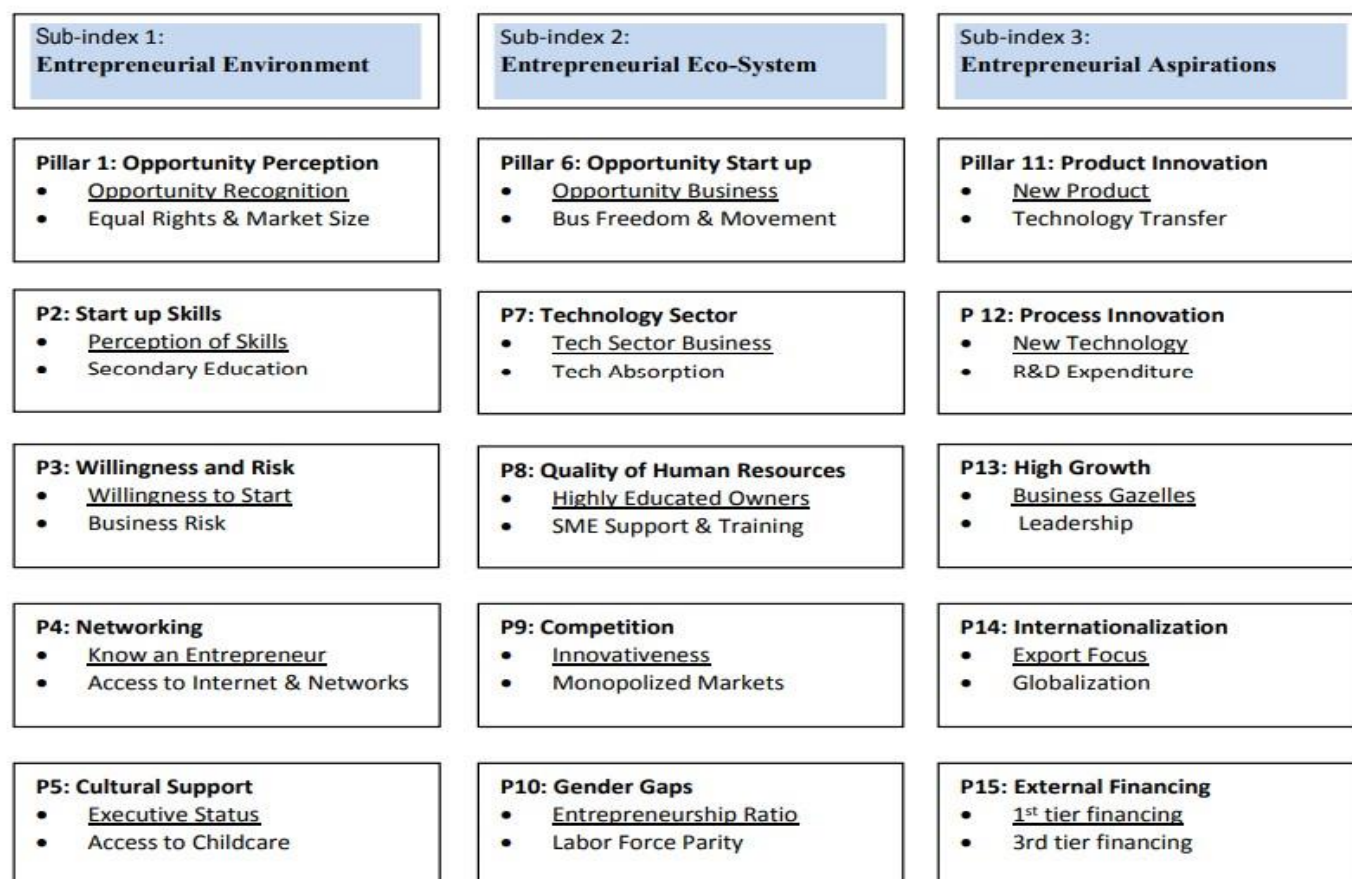


Fig 1. 2015 Female Entrepreneurship Index Framework (Terjesen et al., 2015)

III. HISTORICAL BACKGROUND

The earliest entrepreneurs emerged primarily as traders and merchants. It was Jean-Baptiste Say, a prominent French economist, who first coined the term "entrepreneur" around 1800 (The Economist, 2009) and articulated the role of the entrepreneur as one who reallocates economic resources from less productive areas to those of higher productivity and increased yield. The participation of women in business had a boom during the second world war contributing as the largest workforce. Eliza Lucas Pinckney can be considered as one of the earliest recognized female entrepreneurs, having inheriting the management of her family's plantations in South Carolina, USA, in 1739. During this period, Dutch colonists operated within a matriarchal society, where women frequently inherited wealth and land, consequently transitioning into business ownership. Margaret Hardenbrook Philipse, renowned for her success as a merchant and ship-owner, engaging prominently in trade activities was one among them. Throughout the 18th and 19th centuries, many women managed small businesses which are family inheritance or established for supplementing the household income. Their establishments were often driven by the need to mitigate poverty or for additional family income and were not pursued as a profession, so these endeavors were not initially recognized as entrepreneurial pursuits. However, as societal constraints gradually loosened during this period, more women began to assert themselves in the public sphere. Despite facing societal disapproval, individuals such as Rebecca Lukens thrived by assuming the control of the family enterprise, Brandywine Iron Works & Nail Factory, in 1825[10], successfully transforming a steel business in heavy debt to a flourishing one. The 20th century witnessed a shift towards more progressive attitudes and the rise of feminism, leading to wider spreading of the term "female entrepreneur." It was the era of great transformation, where trends of emergence of women showed a highly positive pattern. It was also the time when the challenges faced by women were recognized and many countries and organizations began to realize the importance of participation of women in business and started encouraging them. During 1990s-2000s, many women entrepreneurs gained recognitions across the globe encouraging many more.

IV. NEED OF WOMEN ENTREPRENEURSHIP

The involvement of women can significantly contribute to the development of the country and boosting its economy. Women entrepreneurship provides opportunities for growth and progress of nation by promoting self-sufficiency and self-dependency of women and empowers them by creating their own social identity. Entrepreneurship can tackle the problem of unemployment as well as provide opportunities to express the ideas and varying perspectives. Women entrepreneurs not only create their own financial freedom but also provides job opportunities to others improving the quality of many lives.



Fig 2. Need for women entrepreneurship (Garg et al. 2017)

V. MOTIVATING FACTORS

The factors motivating a woman to start an entrepreneurship are complex to point out. They can be pushing factors that push them to act and build a start-up or pull factors that attract their attention. Push factors like death or illness of the earning member of the family, inadequate family income, debts, redundancy, unemployment or dissatisfaction in current job or income, and regression of living standards can motivate women to start new ventures. Malavika Hedge, the CEO of Café Coffee Day, a coffee chain business was pushed to be an entrepreneur as the company experienced a major set-back due to the financial issues and passing away of VG Siddhartha, her husband, and the former CEO. The company was on the brink of closing with a debt of more than Rs.7000 crores was revived by her resilience, hard work, and management. She began her entrepreneurial journey after the suicide of her husband, facing several major challenges including decline in customers, competitions from others, brand perception issues above the huge debts. Several drastic measures were taken for improving the financial situation like cutting of less profitable items, adding local specialties to the menu, shutting down non profitable shops and building new shops in bustling cities. Inefficient coffee machines were cleared and a tastier coffee bean was introduced. The ambience in the shop providing a relaxed atmosphere was promoted one of the main attractions and staffs were also given special training. Sustainable measures and recycling were also promoted. By taking all these measures, she builds herself a new coffee empire.

The decision to start a new innovative may originate from pull factors like fame, authority, and power, self-satisfaction, self-reliability, and independency, to contribute to the social welfare, to maintain a work-home balance, personal and professional success, as a hobby or even as a challenge.

VI. FACTORS AFFECTING WOMEN ENTREPRENEURSHIP

There are many factors affecting the participation of women in business both internal as well as external. Internal factors like attitude, intention, ambition, determination to excel, self-confidence and workplace learning culture affect the entrepreneur's skills and management.

One of the important driving factors for the success of an entrepreneurship is the ambition of the entrepreneur- the need for achievement, need for power, need for money, need for fame and affiliation which encourages them to take risks and influences the decision and path they are taking.

Confidence in entrepreneurship is defined as the capability of entrepreneurial perception, which helps entrepreneurs to pursue their target with a strong belief on their way (Twibell et al., 2008). The confidence of the entrepreneur to take a risk or to try a new initiative influences the success of the firm. Women having higher self-confidence tends to be more successful than those with lower self-confidence.

External factors like training and education, financial status, sociocultural factors, and influence of other entrepreneurs also influences the success and failure of a firm. Finance and availability of capital is an important factor, lack of finance is one of the main reasons for failure of many small and medium start-ups. Women especially face troubles in finding capital and they may get easily crushed in the competition with large firms. Lack of financial resources is the main reason for lower participation of women in business especially in developing countries. The working environment, government policies, social influences and cultural preferences also influence the success and failure of an entrepreneurship. Patriarchal society and male dominated cultures produce a negative effect for women entrepreneurship.

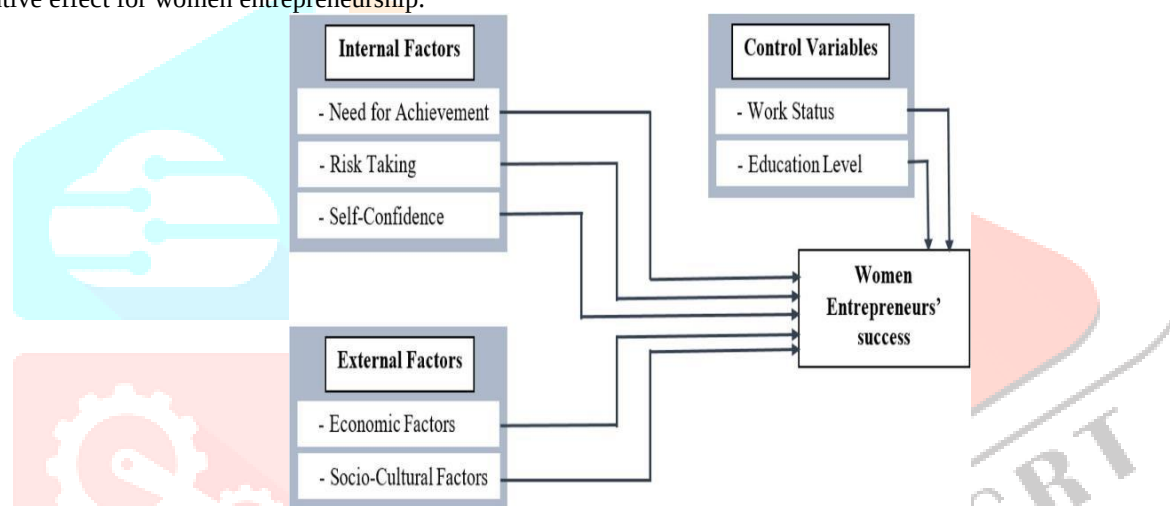


Fig 3. Factors affecting women entrepreneurs' success in a developing economy (Khan et al. 2021) [11]

VII. CHALLENGES FACED BY WOMEN ENTREPRENEURS

There are many challenges and constraints that limit the expansion of women entrepreneurship making entrepreneurship a male dominated field. Financial, cultural, and social problems along with gender discrimination and stereotypes makes it difficult for a female entrepreneur to thrive.

Financial constraints due to lack of funds is a major problem faced by women entrepreneurs. They may not possess the collateral for credits and family or friends may not lend them due to their lack of confidence in their capabilities. Even venture capital firms and investors are affected by the gender stereotypes which are deeply embedded in them. This discourages many women from initiating their start-ups and may even lead to failure of their firms.

Socio-cultural barriers imposed on women, especially in developing and under developed countries make it even more difficult for them to pursue their interests. Its hurtful to see that many societies prefer boys instead of girls even denying their rights to educations. There are also beliefs that women should be feminine and look after the family and children and they are only suited for some feminine industries like spa, boutique and likewise.

Cultural beliefs that women are physically weak and technically inept, involuntarily affects their choice and performance. The ingrained concept that women should take care of the family and children along with sex discrimination, cultural practices, and limited access to finance, network and practical guidance deters the entrepreneurial development of women.

Another barrier is the lack of confidence. Many women are ingrained by the norm that they should be dependent on the men causing them to lack confidence in themselves and they may not be willing to take risks.

Lack of experience and lack of role models leads to less probability of women selecting entrepreneurial path. They may not be experienced and may not understand the requirements, laws, and plans for developing their innovation. The lower number of existing successful female entrepreneurs may also construct psychological barriers to those who want to start entrepreneurship.

Another important problem is work-life balance, many women are forced to choose between career and family. The emotional entanglement also influences their decision making.

The lesser number of skill development programs and lack of guidance and mentoring may lead to failure of entrepreneurship. the persisting illiteracy as well as lack of training is a major problem especially in developing countries, which is one of the reasons for lower participation of women in entrepreneurship in developing countries.



Fig 4. Women's entrepreneurial challenges (NITI AAYOG, 2022) [12]

A Case Study of Success: Madam C.J. Walker, one of the earliest successful entrepreneurs becoming the first selfmade millionaire in the U.S. She identified the opportunity for haircare products as many women were facing hair loss problem and the products available cannot satisfy the consumers, so she innovated by experimenting a new product which she claimed could promote hair growth and restore scalp health and created a brand "Madam Walker's Wonderful Hair Grower". Despite facing racial and gender discrimination of being an African-American, she persisted and built a multi-million-dollar beauty empire, becoming one of the wealthiest self-made women of her time and trained and empowered many African-American women.

VIII. CONCLUSION

The importance of the women entrepreneurship has always been increasing as the step towards progress. Despite the emerging role of women entrepreneurs towards the social progress, gender gap still exists globally hindering the women from utilizing their business potentials and achieving success thus affecting the development of the nation. The women entrepreneurs face numerous challenges including financial problems, socio-cultural barriers, lack of confidence, lack of experience, gender stereotypes and discrimination as well as family-career struggles widening the gap in gender equality. Regardless of these problems many women entrepreneurs demonstrated their capabilities and potential by building successful enterprises. To overcome this issue, supportive networks providing guidance and opportunities to the women can be set-up, supportive policies and encouraging gender inclusive plans can be made by the government, provide skill development initiatives and experience opportunities to them. this paper is a review on women entrepreneurship, analyzing the factors behind successful women enterprises and addressing the issues and challenges faced by women entrepreneurs Thus, providing a sustainable entrepreneurial ecosystem to unleash full potential of women entrepreneurs and thrive towards economic growth and prosperity.

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