RESEARCH ARTICLE

# Constraints Faced by Women Entrepreneurs towards Entrepreneurial Development: Learned Experiences from Women's Groups

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## ABSTRACT

Women's groups are necessary to overcome exploitation, create confidence for the economic self-reliance of the rural poor women who are mostly invisible in the social structure. These groups enable them to come together for a common objective and gain strength from each other to deal with exploitation, which they are facing, in several forms. Rural women are dealing with a lot of issues with their full involvement in group operations until today. It could be mainly due to existing social customs men and women are placed on a different footing. For these constraints might be the existing social set up of Indian villages, multiple role responsibilities of rural women and discriminatory approach of women education. This study was conducted to make an understanding of constraints faced by rural women entrepreneurs under production and labor constraints, technical and managerial, and financial, marketing, personal/general constraints perspectives. The research was conducted in Raipur district of Chhattisgarh. Three villages were chosen from two selected blocks viz. Arang and Dharsiwa, and five women groups were selected from each village. A hundred and twenty respondents from thirty women groups were interviewed. This paper aims to identify and ranks constraints faced by women entrepreneurs toward their entrepreneurial development in agriculture.The paper engages with a qualitative methodology to categorize and rank entrepreneurial constraints by using Garrett's Ranking Technique. This study offers a broad overview and ranking ofthe constraints faced by women entrepreneurs toward their entrepreneurial developments. The results indicated the major constraints faced by women entrepreneur were high labour cost for production, complex procedural formalities to start an enterprise as a technical and managerial constraint, securing working capital as a financial constraint, low price for produce during marketing and lack of education of the women entrepreneurs.

## INTRODUCTION

Constraints indicate a forcible limitation and restraint of action. There are still a lot of modifications to bring the women into the mainstream in our community. Rural women are dealing with a lot of issues with their full involvement in group operations until today.It could be mainly due to existing social customs men and women are placed on a different footing. For these constraints might be the existing social set up of Indian villages, multiple role responsibilities of rural women and discriminatory approach of women education. However, in the sense of technological development, science perspective and females in all fields of life have demonstrated to be doing well on par with males, there is a need for a changed status for women in the modern world. Because the changes can be initiated in a short space of time, public policies, non-governmental and voluntary organization and other organizations should operate towards achieving these goals.

### Analytical tool

Information regarding the constraints faced by the women entrepreneurs procured. Garrett's ranking technique enables to change orders of constraints and perks into numerical outcomes. The primary benefit of this method over simple frequency distribution is that the constraints are arranged from the respondent's point of perspective based on their severity. As perthis method; respondents have been asked to assign the rank for all factors and the outcomes ofsuch ranking have been converted into percent positions.

Garrett's formula for converting ranks into percent is:

Percent positions = $100 * (R_{ij} – 0.5)/N_j$

Where

$R_{ij}$ = Rank given for the ith variable by jth respondents

$N_j$ = Number of variable ranked by jth respondents

The percent position of each rank will be converted into scores referring to the table given by Garrett and Woodworth (1969).the percent positions estimated is converted into scores. Then for each factor, the scores of each individual are added and then total value of scores and mean values of score is calculated. The factors having highest mean value is considered to be the most important factor; the constraints will be accordingly ranked.

## METHODOLOGY

The research was performed in Raipur district of Chhattisgarh. Three

villages were chosen from 2 selected blocks *viz.* Arang and Dharsiwa, and five women groups were selected from each village. A hundred and twenty respondents from thirty women groups were interviewed. Constraints were grouped under production and labor constraints, technical and managerial, and financial, marketing, personal/general constraints containing 4, 6, 5, 4 and 5 statements respectively. The grouping is a modified version of statements used by Prasanna Kumar (2009). The responses were elicited in a three-point continuum, viz, more serious, serious, less serious, with a scoring pattern of 3, 2, and 1 respectively. Simple frequency was worked out to find out the level of response. The ranking of constraints faced by women entrepreneurs depicted by using Garrett's Ranking Techniques. In Table 1 according to more serious, serious, less serious rank or score value of 1, 2, and 3 the percentage positions calculated by using Garrett's formula. For 1 the percent position was 16.67, for 2 the percent position was 50 and, for 3 percent position was 83.33

## Table 1. Percent positions and their corresponding Garret Value

| 100 (Rij-0.5)/Nj | Percent position | Garrett Value |
|---|---|---|
| 100*(1-0.5)/3 | 16.67 | 69 |
| 100*(2-0.5)/3 | 50.00 | 50 |
| 100*(3-0.5)/3 | 83.33 | 31 |

The Garrett value multiplied with corresponding frequencies result of the respondents and the multiplied value for more serious, serious and less serious added together and divided by the total number of the respondents. With this found mean score the constraints accordingly ranked.

## Constraints faced by women entrepreneurs towards their entrepreneurial development

Garrett ranking technique has been used to analyse and rank the constraints faced by women entrepreneurs were classified under production and labor constraints, technical and managerial, and financial, marketing, personal/general constraints.

## Financial constraints faced by women entrepreneurs

From the Table 2 that it noted that in financial constraints 'securing working capital' ranked first followed by 'less subsidy amount' ranked second, 'insufficient financial assistance by financial institution' ranked third, 'complex loan procedure' ranked fourth, 'the entire loan amount is not given' ranked fifth by women members.

It could also be seen women expressed that the lending institutions have their guidelines in deciding and advancing the loans based on different parameters which may not suit the financial requirements of the members.

The resource-poor members of the group may find it difficult to provide the matching amount with that of the loan. It is not surprising that women expressed less subsidy for the loan is a more serious problem in executing the enterprises selected. In WGs, under the active participation and continuous follow up by the sponsoring agencies, there is no difficulty in obtaining the loan. However, it is the subsidy component which they feel is inadequate. Normally, the members with limited earnings may not repay the loan. Further, the time to time policies of the government on loan and subsidies might have prompted them to rate this as a more serious problemamount provided by the financial institutions.

**Technical and managerial constraints faced by women entrepreneurs**

It evident from Table 2 that in technical and managerial constraints ranking gave by women members were 'complex procedural formalities in getting to start an enterprise' as first rank, 'highly expensive consultancy services of private agencies' as second rank, 'ineffective consultancy services provided by the govt. agency' as third rank,'non-availability of efficient managers' as fourth rank, 'lack of good training facilities' as fifth rank 'lack of guidance from technical departments/resource persons' as sixth rank.

It is quite obvious that different technical departments do not participate in the process of formation of groups. Besides, the lack of coordination among different technical departments would also contribute to the above observation. The technical competency of the personnel working in different departments is a serious concern notonly in promoting group enterprises but also in the extension activities. It is an eye-opener for the departments to see that the lack of training facilities is rated as a serious problem for the better functioning of the groups. The promoting organizations have to develop close linkage with the different technical departments to provide need-based pieces of training to the members. Also, it is the primary duty of promoting organizations to select the right place and time for training the members by considering the convenience of the members.

**Marketing constraints faced by women entrepreneurs**

It evident from Table 2 that in marketing constraints ranking given by women members were 'low price for the produce'as first followed by 'lack of transportation facility' as second, 'lack of market related information' asthird, and 'long-distance of the market' asfourth.

Inadequate publicity in terms of the products produced by the members of the WGs for the use of consumers, the

place of its availability, the rate at which the product sold, etc. would have prompted them to indicate this as a serious problem. The prices are decided bythe economic principle of demand and supply in addition to its brand name and popularity among the general public in general and consumers in particular. Further, the prices need to be fixed on scientific lines by considering the cost of production.

## Production and labour constraints faced by women entrepreneurs

It concluded from Table 2 that in production and labour constraints ranking given by rural women wereby 'high labour cost' as first followed by 'non-availability of skilled workers' as second, 'the high cost of inputs' as third, non-availability of input as fourth rank.

At present, the entire rural segment is suffering from non-availability of skilled workersand high cost of labour. This may be explained with the facts that the migration of rural youth to urban areas in search of employment might have created a scarcity of labours in rural areas interm might have lead to the high cost of the labours. Further, the WGs which are running the economicactivity on a low profile with less investment may not be able to afford the high cost of the labour. The creation of economic enterprises to generate employment to the rural masses may improve the situation.

## Personal/general constraints faced by women entrepreneurs

It revealed from Table 2 that in personal/general constraints ranking given by women members were 'low level of education'as firstfollowed by 'social customs and beliefs' as second rank, 'dual duties' fourth and 'non-cooperation of family members'as third and 'lack of freedom to take the decision'as fifth.

In case of personal constraints, it is worth to note that women entrepreneurs indicated that dual duties as a serious constraint. This could be easily understood that the women members need to undertake domestic and farming operations along with the economic activity undertaken by them. This would lead to theproblem of excessive tension. Further, the sense of excelling in their field of economic activity would pose a major challenge for them.

**Table 2: Distribution of women entrepreneurs based on their constraints (n=120)**

| Items | 1st | 2nd | 3rd | 1st*69 | 2nd*50 | 3rd*31 | Total | Mean score | Rank |
|---|---|---|---|---|---|---|---|---|---|
| **Financial** | No | No | No | | | | | | |
| Securing working capital. | 76 | 24 | 20 | 5244 | 1200 | 620 | 7064 | 58.86 | 1 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Insufficient financial assistance from financial institutions. | 60 | 38 | 22 | 4140 | 1900 | 682 | 6722 | 56.02 | 3 |
| Complex loaning procedure | 65 | 26 | 29 | 4485 | 1300 | 899 | 6684 | 55.7 | 4 |
| The entire loan is not given at a time | 61 | 32 | 27 | 4209 | 1600 | 837 | 6646 | 55.38 | 5 |
| The subsidy amount is less | 56 | 51 | 13 | 3864 | 2550 | 403 | 6817 | 56.80 | 2 |
| **Technical and managerial** | | | | | | | | |
| Ineffective consultancy services provided by the govt. agency. | 60 | 36 | 24 | 4140 | 1800 | 744 | 6684 | 55.7 | 3 |
| Highly expensive consultancy services of private agencies. | 65 | 29 | 26 | 4485 | 1450 | 806 | 6741 | 56.17 | 2 |
| Non-availability of efficient managers. | 63 | 27 | 30 | 4347 | 1350 | 930 | 6627 | 55.23 | 4 |
| Lack of guidance from technical departments/resource persons | 45 | 36 | 39 | 3105 | 1800 | 1209 | 6114 | 50.95 | 6 |
| Training facilities are not good | 54 | 35 | 31 | 3726 | 1750 | 961 | 6437 | 53.64 | 5 |
| Complex procedural formalities in getting to start an enterprise | 72 | 28 | 20 | 4968 | 1400 | 620 | 6988 | 58.23 | 1 |
| **Marketing** | | | | | | | | |
| Long-distance of the market. | 61 | 35 | 24 | 4209 | 1750 | 744 | 6703 | 55.85 | 4 |
| Lack of transportation facilities. | 68 | 29 | 23 | 4692 | 1450 | 713 | 6855 | 57.12 | 2 |
| Lack of market information. | 52 | 55 | 13 | 3588 | 2750 | 403 | 6741 | 56.17 | 3 |
| Low price for the | 11 | 7 | 3 | 7590 | 350 | 93 | 8033 | 66.94 | 1 |

| produce | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Production and labour** | | | | | | | | | |
| Non-availability of input materials | 61 | 45 | 14 | 4209 | 2250 | 434 | 6893 | 57.44 | 4 |
| High labour cost. | 76 | 36 | 8 | 5244 | 1800 | 248 | 7292 | 60.76 | 1 |
| Non-availability of skilled workers. | 76 | 28 | 16 | 5244 | 1400 | 496 | 7140 | 59.5 | 2 |
| The high cost of inputs | 67 | 36 | 17 | 4623 | 1800 | 527 | 6950 | 57.91 | 3 |
| **Personal/General** | | | | | | | | | |
| Dual duties | 51 | 37 | 32 | 3519 | 1850 | 992 | 6361 | 53.00 | 4 |
| Low level of education | 63 | 40 | 17 | 4347 | 2000 | 527 | 6874 | 57.28 | 1 |
| Non-cooperation of family members | 51 | 46 | 23 | 3519 | 2300 | 713 | 6532 | 54.43 | 3 |
| Social customs and beliefs | 67 | 28 | 25 | 4623 | 1400 | 775 | 6798 | 56.65 | 2 |
| Lack of freedom to take the decision | 44 | 47 | 29 | 3036 | 2350 | 899 | 6285 | 52.37 | 5 |

## CONCLUSION

The discussed constraints are consequently ranked to assist policymakers make better choices about resource allocation in priority sectors. Results indicate that women entrepreneurs face greater difficulties and that these challenges are intensified by negative circumstances in women's groups.Given the circumstances, it is tough for women entrepreneurs to set up and manage their enterprises. It is, therefore, necessary that policymakers are aware of this and support develop a conducive atmosphere for encouraging women entrepreneurship.

The research makes two significant contributions to the economics and politics of entrepreneurship: it expands the literature of entrepreneurship by addressing core problems for women involved in entrepreneurship and highlights interconnectedness between various constraints occurring in adverse conditions for women entrepreneurs. The mechanism provided to rank the constraints is designed to assist supporting institutions and policymakers

in shaping efficient planning and capital utilization choices, as there have been allegations of the need and effectiveness of promoted entrepreneurship programs that do not focus on improving women.

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