



WOMEN AND SUSTAINABLE BUSINESS: PROSPECTS AND CHALLENGES

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“Empowering Women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of good family, good society and ultimately good nation”

- APJ Abdul Kalam

Abstract

Women entrepreneurs may be defined as the women or a group of women who initiate, organize, and operate a business enterprise. The development of entrepreneurship is very significant for the sustainable development of the nation. Sustainable development is broadly defined as development which meets the requirements of the present without compromising the ability of future generations to meet their own needs. Sustainability is dependent on three main areas namely, economical, ecological, and social developments. This arises due to the increasing number of reasons to view entrepreneurship as something more than just having entrepreneurship and people associated with that to the societal changes. Women and sustainable business development are such a focused area due to the changes happening in the society. Hence, the need arises to know better about the women and sustainable business. This paper is intended to explore more about the prospects and challenges that a woman entrepreneur is facing to sustain her business.

Key Words: Women Entrepreneurship, Sustainability, Women in Business

Introduction

With the world economy thriving to recover from the economic downturns of the past decade, thrust is growing for a better and new industrial revolution that is both sustainable and inclusive. This means supporting growth within the constraints of the planet's limited

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resources and putting people at the heart of development. Central to inclusive and sustainable industrial development is the urgent need to harness the economic potential of women – half of the world's population.

The women entrepreneurs are changing the face of businesses of today. The growth and importance of women business ventures are one of the defining trends of the earlier decades, and it is an indication in the recent past that it will continue to sustain over the coming years as well.

According to one of the UNIDO research report, it is estimated that by 2020, 870 million women who have been living or contributing at a subsistence level will enter the economic mainstream for the first time as producers, consumers, employees and entrepreneurs. Following are the key forecast:

1. The economic impact is expected to be staggering, with profound effects on global development as a whole. It is becoming increasingly clear that women are, and will continue to be, powerful drivers of development. When men and women become more equal, economies grow faster, fewer people remain in poverty, and overall well-being increases. Studies have reported that raising female employment to male levels can have a direct impact on GDP growth rates, increasing it by as much as 34% in some countries,
2. That countries' productivity can increase by as much as 25 % if discriminatory barriers against women are removed.
3. The impact of women's economic empowerment goes beyond this. Researches (has shown that women are more likely than men to invest a large proportion of their household income in the education and well-being of their children. When women are empowered to make an income, accumulate assets and increase their economic security, they improve industrial capacity and spur economic growth by creating new jobs, as well as expanding the pool of human resources and talents available in a country.
4. At the same time, women tend to have a smaller ecological footprint than men. Their production and consumption patterns are often more resource-efficient, they are more likely to recycle and they make more sustainable decisions for their households and businesses. Therefore, their increased role in economic decision-making has positive effects on sustainable economic development. There is increasing recognition that women entrepreneurs are the new engines for inclusive and sustainable industrial growth, and are



the rising stars of economies in developing countries.

5. In 2012, the World Economic Forum identified women entrepreneurs as “the way forward”.

6. Yet, despite this, women entrepreneurs still struggle to take their rightful place in economic life. Even though more and more women are starting businesses globally, they still manage fewer businesses than men, and run businesses that are in less profitable sectors, that grow more slowly and are ultimately more likely to fail.

7. These gender gaps impose real costs on society. When women do not participate equally in entrepreneurship, economies lose the benefits that would otherwise be provided by new products and services, additional revenues and new jobs; economies also lose out due to the long-term negative effects on workforce skills and education occurring when half of the potential pool of labour is not developed. The clear consequences of women's economic marginalisation further emphasise the pressing need for gender equality and the economic empowerment of women.

The development of entrepreneurship is very significant for the sustainable development of the nation. Sustainable development is broadly defined as development which meets the requirements of the present without compromising the ability of future generations to meet their own needs. Sustainability is dependent on an equitable distribution of resources for the present and the future. It cannot be achieved without gender equality. Women's empowerment is a key factor for achieving sustainable economic growth, social development and environmental sustainability. Hence, the key objective of this paper is to discuss about the importance of women in sustainable business development, the challenges they face and the opportunities they have.

Global and Domestic Trends

The global trend of the women entrepreneurship is significant in many areas (GEDI 2015). As per GEDI 2015, there has been 18% improvement in technology transfer which caters to private sector investments. At the macro level analysis, business risk has improved an average of 13% in terms of better availability and reliability of corporate financial information, protection of creditors by law, and institutional support of inter-company transactions. It is understood from the report that the significant improvements in technology transfer and business risk had increased the importance of entrepreneurship.



Further, there has been a 7% increase in the percent of female entrepreneurs who intend to grow their business by 50% and employ 10 people within 5 years. The percent of female entrepreneurs who are highly educated – those that have participated in some form of post-secondary education — has increased 9%. Innovativeness is measured by the percent of entrepreneurs who report that few businesses offer the same product, and is down 13% among female businesses. More disturbingly, the percentage of female businesses that are in the technology sector has decreased 19%. Despite the progress of many countries focusing on women entrepreneurship, **Asia is expected to** improve women's perceptions of their skills that they possess to start and sustain a business.

As far as India is concerned, the present status of the women population is accounting to 48.4% of the total population compared to 437.10 million representing 46.5% of the total population (940.48 million people) in the 1990s. Among them, only 4.5% of the total self-employed women were recorded; and the majority of women entrepreneurs are engaged in the unorganized sector. In the era of liberalization, privatization, globalization, the Indian women entrepreneurs are very fast entering non-traditional sectors. As per census 1991, work participation of Indian women was 22%. The role and involvement of women entrepreneurs in rural, particularly, enhancing more, the literacy levels increased ration and so on are the positive trends in the area of women entrepreneurship is concerned. The government's policies and aids are yet another trend that supports for the growth and sustainability of the Indian women entrepreneurs. But, there are limited numbers of authorized data available to claim about women entrepreneurship in India. Overall, it will be affair generation that while women constitute nearly 50% of the population, the proportion of entry of women businesses set up is a fraction of one percent.

The Importance of Women Entrepreneurs

Women entrepreneurs may be defined as the women or a group of women who initiate, organize, and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51% of the employment generated in the enterprise to women.

The Indian economy has been witnessing a major change since 1990s with the introduction of new policies of economic liberalization, globalization, and privatization by the



Government. The participation of women entrepreneurs in Indian economy has been earmarked as the lowest when compared to the actual potential. In many cases, they have been concentrated more on unorganized sector and employed as low skilled people. The sustainability of the organisation also necessitates increasing the profitability too. In this dynamic world, women entrepreneurs are an important part of organizational quest for sustained growth.

As per 'The 2015 Female Entrepreneurship Index Framework' by GEDI, the women entrepreneurship is exhibited as the characteristics of a high impact entrepreneurship. This was categorized into three sub-indices such as Entrepreneurial Environment, Entrepreneurial Eco-system, and Entrepreneurial Aspirations. These three sub-indices stand on 15 pillars, each of which contains an individual and an institutional variable that corresponds to the micro- and the macro-level aspects of entrepreneurship. These pillars attempt to capture the open-ended nature of entrepreneurship, and can provide an in-depth view of their countries' strengths and weaknesses.

Entrepreneurial Environment focuses on assessing the 'entrepreneurial spirit and culture' of a given society as well as the presence of institutions to support entrepreneurial start-ups. This includes opportunity perception, perception of skills, willingness and risk, networking, and cultural support. The Entrepreneurial Eco-System contains variables that capture the access to resources and institutions needed for female business development. Eco-system includes opportunity to start-up, technology sector, quality of human resource, competition, and gender gaps. The final sub-index, Entrepreneurial Aspirations, focuses on the individual entrepreneurial characteristics as well as resource availability needed for 'high potential' female entrepreneurship to prosper and contribute to economic growth. This would include product innovation, process innovation, high growth, internationalization, and external financing. There is growing appreciation that the conditions that support women's ability to start and grow ventures may be different from those that help men.

According to Ernst and Young's 2011 survey of 80,000 adults in 60 countries, found that only 3 of every 1,000 respondents achieve high growth, as measured by growing five or more jobs in five years. These high impact entrepreneurs tend to have a college education and to start internationally-oriented ventures. A recent Kauffman Foundation (2015) report



indicates that high-growth firms' dynamism is decreasing which could lead to lower levels of economic growth. It is not easy to determine which entrepreneurs will successfully grow their businesses exponentially (Acs and Mueller, 2008). They insist that 'high potential' female entrepreneurs as those who exhibit characteristics associated with high growth outcomes but which may currently be an aspiration rather than an achievement. Hence, it is revealed that high potential female entrepreneurs are 'market expanding, export oriented, innovative' entrepreneurs (Acs, Szerb, and Autio, 2014).

Early approaches to study of women entrepreneurship involved comparisons of individual characteristics of male and female entrepreneurs, e.g., demographics of age and education as well as attitudes and perceptions such as risk aversion, growth ambitions, or self-efficacy (e.g., Sexton and Bowman-Upton, 1990, Fagenson, 1993). Although individual characteristics are important, a pure focus on them can result in an 'individualistic fallacy'—that is, when one assumes that outcomes at the individual level can only be explained by individual-level characteristics rather than other variables such as those found in the environment.

An emerging body of comparative international entrepreneurship research on female entrepreneurs suggests that many environmental institutions must be considered (Terjesen, Hessels, and Li, 2013; e.g., Verheul, van Stel, and Thurik, 2006). For example, family-related institutions such as greater provision of childcare services and family leave are associated with higher levels of female entrepreneurship (Elam, 2008; Terjesen and Elam, 2012) as women tend to start ventures at a later age (ages 35-40) than men, and must manage work-family conflicts (Shelton, 2006).

Furthermore, the overall business environment in terms of laws, regulations, and business stability will affect businesses' ability to thrive and grow. Women entrepreneurs play a substantial role in growing their economies (Terjesen and Amorós, 2010). When a country does not achieve its full potential, the economy suffers. Fewer 'high potential' female entrepreneurs result in fewer ideas being realized, less innovation, less export potential, and fewer jobs created. Through their entrepreneurial activities, high-potential female entrepreneurs increase their own economic welfare, and also improve the economic and social fabric of society through job creation, innovative products, processes, and services, and cross-border trade.



Entrepreneurship Towards the Context of Sustainability

Sustainable development is broadly defined as development which meets the requirements of the present without compromising the ability of future generations to meet their own needs. The concept of sustainability hinges on perfecting the balance between society, economy and the environment and this issue is firmly and squarely on the corporate agenda. Sustainable development depends on an equitable distribution of resources for today and for the future. It is also expected that the businesses sustain over a period of time to contribute for the sustainable development of the nation. After many financial crises, corruption scandals, natural disasters and developments in e-trade, businesses understand that being sustainable and well governed are more important factors in the competitive market than simply turning a profit and maximizing shareholder value. In general, sustainability is durability of systems and processes that interconnect ecological, economical, and social imperatives in a business.

All the domains of the sustainability have been accumulated to the multifaceted concept of entrepreneurship. There is a risk of treating these specific imperatives of sustainability towards the entrepreneurial behaviours. The holistic approach becomes an integrated approach during the sustainability paradigm. The ecological imperative deals with the planet that covers the biophysical capacity; the social imperative deals with the people live in the society; and the economic imperative deals providing the adequate supply to the standard of living.

Now, in the process of social change, the sustainability in businesses becomes a key for the growth of women entrepreneurship. The sustainable business is a requirement of integrated approach that determine the action oriented results of women entrepreneurship towards solving issues in the societal changes.

Challenges in the Success of Women Entrepreneurship

Both women and men face challenges in setting up their own businesses, but for women the barriers are often greater and harder to overcome. They are often confronted with a lack of government support in terms of policy, laws, and services, and in some countries have only limited access to formal bank accounts, which prevents them from accessing loans or credit. In some regions of the world, women have fewer inheritance rights than men, and in many countries there are legal distinctions between women and men that limit women's



economic opportunities. Women have suffered the most in our country. Their participation in the economic activities was earmarked to low participation rates, higher contribution to the unorganized sector, and in most cases in low skill areas. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. The nature of women entrepreneur is to accept the challenges to meet her personal needs and become economically independent. Indian women entrepreneurs face lot of challenges compared with many advanced nations.

The past researched proved that the following are the major constraints that Indian women entrepreneurs face today:

- Lack of confidence in their strength and competence
- Women's family and personal obligations are sometimes a great barrier
- The lack of mobility to the market place is leading to higher the market oriented risks
- Self-motivation, family support, Government policies, financial assistance, environmental conditions are leading to manage more challenges
- The level of education about management of business by women has not increased much
- The participatory outcome of the training and developmental activities towards the sustainable development of business by women needs more focus
- The sustainable growth lies on the sourcing of right resources at the right time. The dynamics of resources is needed to improve the support to women business ventures.

Prospects to the Success of Women Entrepreneurship

Empowering women entrepreneurs is essential for achieving the objectives of sustainable business development. The change in the societal needs create lot of opportunities for the women to set up and grow in the business. Conducive business environment today provides all necessary inputs to create more opportunities to the sustainable women business enterprises by themselves.

Development of the women entrepreneurship has been a policy objective of the government since independence. There is more focus on the women entrepreneurship by providing schemes and supportive measures to enhance sustainable business through non-



government bodies too. Apart from the traditional enterprises, eco-friendly technology, bio-technology, IT/ITES, telecom, and many more service avenues create lot of opportunity to set up new ventures by women in India.

As we realize the importance of policy changes across the globe, it is also important to recognize the women entrepreneurial dimensions considering SMEs and measures taken to the growth policies too. The areas such as meeting the financing needs, offering support services, providing technology access, R&D facilities and innovation are some of the key developments that facilitate a woman to set up and sustain in the business. This has become a continuous process over the years. Hence it is in the hands of women to play a key role to identify the prospective avenues and overcome the challenges prevail continuously. The prevailing such areas for undertaking economic activities include:

- Free entry into world trade and improved risk taking ability
- Some restrictions withdrawn by Government to encourage international and national trade
- Benefits of socialization, developments and cultural changes in the society and so on.

Conclusion

Women constitute nearly 50% of the total population. They are willing to take up business and contribute to the nation's growth. The successful women entrepreneurs, such as Dr. Kiran Mazumdar Shaw, Ekta Kapoor, Shahnaz Husain, Mallika Srinivasan, Priya Paul, etc., and their sustainability over a period of time are evidences to us. There is no doubt that women face large number of challenges in due course of management of their organisation. However, empowering them is essential for achieving the goals of sustainable development and the bottlenecks stopping their growth must be eradicated to entitle full participation in business. As we see the changes happening in the environment, ecology, and society, it was not fully adopted by the women. Hence, it is concluded that the women in sustainable business has to see a greater vision than it is prevailing today.

Further researches may be conducted to address some of the emerging issues such as:

- The role of governments in enhancing the productive capacities of women to ensure inclusive and sustainable industrial development.
- While considering women entrepreneurs' leading role in managing environmentally sustainable businesses, the scope for the use their utilization of resources to make a green



approach to business the norm across the economy.

- Scaling up of women entrepreneurial activities from informal sector to the formal sector of the economy.
- Creation of opportunities through public-private partnerships playing a role in ensuring greater leverage, scale and systematic impact.
- Improving the competitiveness of women entrepreneurs, making accessibility to technologies and services.

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