

Promoting Women Entrepreneurs: Challenges and Successes

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Women Entrepreneurs: The history

Before the 20th century, women have operated small business to augment their family income. They tried to avoid the vicious cycle of poverty which most of them experienced. During this time, the ventures which these women undertook were not considered entrepreneurial in nature.

Women became more involved in the business world when people started accepting women's ideas about business. Women entrepreneurs started to a focus.

The 17th century, Dutch colonists, operated under a matriarchal society. In this society, many women inherited money and lands, and through this inheritance, became business owners. One of the most successful women from this time was Margaret HardenbrookPhilipse, who was a merchant, a ship owner, and was involved in the trading of goods.

Women entrepreneurs became more popular in the mid-18th century, and owned certain businesses like brothels, alehouses, taverns, and retail shops although these were not perceived to be of good reputation because during these times, it was shameful for women to be in business positions.

During the 19th century, more and more women came out to the public despite limitations given to them by the society. Despite the disapproval of society, women such as Rebecca Lukens flourished. In 1825, Lukens took over the family business, Brandywine Iron Works & Nail Factory, and turned it into a profit-generating steel business.

The rise of Feminism in the 1900s, and women's more progressive way of thinking, female entrepreneurs began to be a widely accepted term. Female entrepreneurs started more openly women consumers they were making great strides. They started gaining their rights to vote in the 1920s. Clara and Lillian Westropp started the institution of Women's Savings & Loan as a way of teaching women how to be smart with their money.

Women entrepreneurs became more influential as the society progressed. The Textile Industry got a boom and the development of the railroad and telegraph system. Women such as Madame C. J. Walker took advantage of the changing times. Walker was able to market her hair care products in a successful way, becoming the first African American female millionaire. Carrie Crawford Smith was the owner of an employment agency opened in 1918, and like Madame C. J. Walker, sought to provide help to many women by giving them opportunities to work.

There were problems 'though with the During the Great Depression, some of the opportunities afforded to women took a backseat and society seemed to reverse its views, reverting to more traditional roles. This affected woman working in business; however, it also served as a push to those involved in the entrepreneurial world.

More women began to start their own businesses, looking to survive during this time of hardship. In 1938, Hattie Moseley Austin, who had begun to sell chicken and biscuits after her husband died, opened Hattie's Chicken Shack in Saratoga Springs, NY.

Women entered the workforce During WWII, filling the jobs left by men who were in the military. Some women did patriotic jobs while the others started their own small businesses. One of these women was Pauline Trigere, who came to New York from Paris in 1937, started a tailoring business that later turned into a high-end fashion house.

Another woman was Estée Lauder, who was working on the idea for her beauty products which officially launched in 1946, a year after the war ended. When the war ended, many women still had to maintain their place in the business world; because, many of the men who returned were injured.

As the 1990s came in and onwards, the availability of computers and the increasing popularity of the internet gave a much-needed boost to women in business. This technology allowed them to be more prevalent in the business world and showcase their skills to their competitors. Even with the increased popularity of women in business, the availability of technology and the support from different organizations, female entrepreneurs today are still struggling. The economic downturn of 2008 did not serve to help them in their quest. However, with the continual attention given to female entrepreneurs and the educational programs afforded to women who seek to start out with their own business ventures, there is much information and help available. Since 2000, there has been an increase in small and big ventures by women, including one of their biggest obstacles—financing.

Trends of Women Involvement in Entrepreneurship and Sustainability

As early as the 1970s, women left housework and entered the workforce in masses. These women opted to work from home not as homemakers, but as job-making entrepreneurs. Many women started businesses that align with their personal values (Ambepitiya, 2016).

Pareek (1992) defines women entrepreneur as a female who plays a captivating part by repeatedly interacting and keenly adjusting herself with financial, socio-economic, and support spheres in society. Globally the impact of women entrepreneurs is gaining recognition intensely. The number of female business owners continues to increase steadily as women entrepreneurs are making positive impact in the global economy. (Oluwole, Dominic 2014) *Applied Science University, Kingdom of Bahrain 27 November 2017 -Proceedings of the International Conference on Sustainable Futures.*

Trends in Women Entrepreneurship in India Radha J. L. Asst. Professor Neville Wadia Institute of Management Studies & Research (NWIMSR)

Research found out that women in developing countries account for over 40 to 50 percent of all businesses, although more evidently, the socio-cultural environment hinders them. In India Entrepreneurship is very limited amongst women especially in the formal sector, which is less than 5% of business during the last two decades. According to online studies conducted earlier this year for rankings on the best places for female entrepreneurship, India went up on the list compared to its position in 2013. India's female entrepreneurship environment exposes statistics of improvement with respect to women finding opportunities to start ventures (60%), validation with respect to skills (52%) and do not feel the impending doom of failure for their startup (57%)

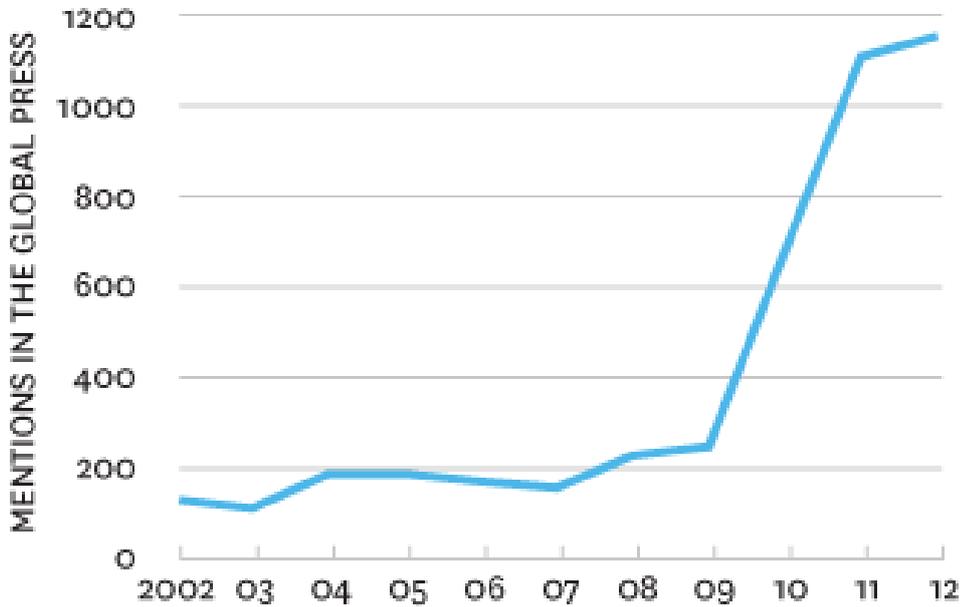
Other than the above-mentioned data of women entrepreneurs in India, the trends in Women entrepreneurship in the last few decades were affected by government policies. Promotion strategies have been giving new opportunities for women. According to the same MSME annual report 2011-2012, only 13.72 percent of enterprises in the registered MSME sector were enterprises managed by women representing about 2.15 lakh across the country. (Trends in Women Entrepreneurship in India Radha J. L. Asst. Professor Neville Wadia Institute of Management Studies & Research (NWIMSR))

The Global rise of Women Entrepreneurs:

Women's entrepreneurship has been considered as a fundamental economic force that is re-shaping the world of business. Women-owned entities in the formal sector represent approximately 37% of enterprises globally — a market worthy of attention by businesses and policy makers alike. (Harvard Business Review by Jacky Vanderbrug, September 04, 2013)

WOMEN’S ENTREPRENEURSHIP IN THE GLOBAL PRESS

How often female entrepreneurs were mentioned in the global press.



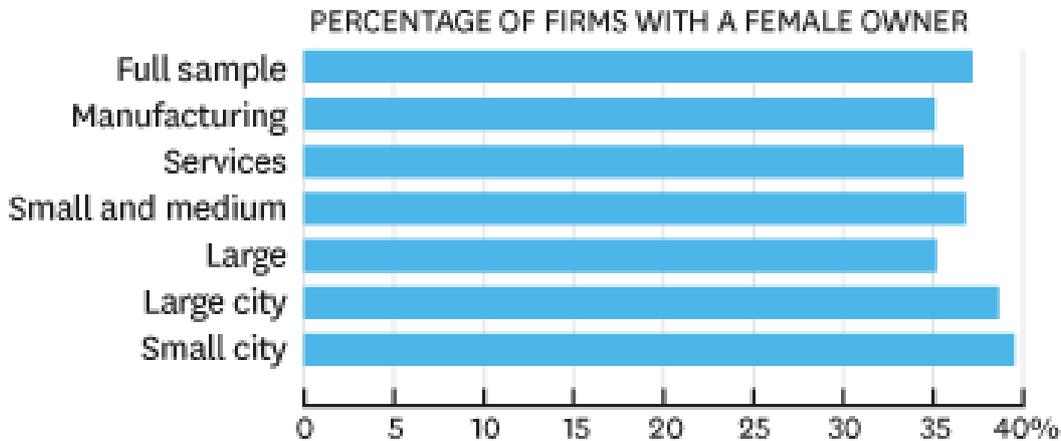
SOURCE LEXIS-NEXIS GLOBAL, ASPEN NETWORK OF DEVELOPMENT ENTREPRENEURS, 2012

HBR.ORG

While aggregated data is often challenging to find, the recent Global Entrepreneurship Monitor (GEM) found 126 million women starting or running businesses, and 98 million operating established (over three and a half years) businesses. That’s 224 million women impacting the global economy — and this survey counts only 67 of the 188 countries recognized by the World Bank

ON AVERAGE, MORE THAN A THIRD OF GLOBAL FIRMS HAVE WOMEN OWNERS

The percentage of female-owned firms around the world.



SOURCE IFC- BANKING ON WOMEN, 2013

HBR.ORG

These entrepreneurs cross the spectrum of micro to high growth — from supporting life to creating wealth. They include hair salon owners, high tech visionaries and everything in between, all making critical economic contributions.

The Major Trends of Women Entrepreneurship: The Rise of Women Entrepreneurs

1. The Unique Strength of Women Entrepreneurs:

According to Author and entrepreneur Sallie Krawcheck, the qualities women inherently bring to the workplace are exactly what make them great entrepreneurs in any field. Women entrepreneurs manage risk and complexity and see things holistically focusing on the long-term period. She said that “Women are in a better place than ever to harness these abilities in the entrepreneurial world.”

2. Women entrepreneurs are Optimistic

Entrepreneur Sallie Krawcheck opposes that various forces are currently paving the way for women entrepreneurs to find success both now and in the future. She sees an increasing grid of resources and organizations helping these women entrepreneurs. The women entrepreneurs are being assisted from coaching and networking to instruction and ideas on funding sources. Additionally, there is increasing recognition of the fact that startups with female leadership perform better than those with all male leaders. Optimistic women entrepreneurs’ manifest courageous efforts to become successful.

3. The Inherent Challenge of Accessing Credit and Capital

Women entrepreneurs often have problems in accessing credit from sources. This is one reason why there is a high failure among women to own their businesses. In 2014, women received only 16 percent of all conventional small business loans, and in 2016, women were given a mere 2 percent of all venture capital offerings. More women have relied on personal finance streams like credit cards and savings to get their businesses off the ground, and many are less likely to apply for loans for fear of being denied. As a means of combatting this challenge, more women than ever are turning toward crowdfunding to gain the capital they need to start their businesses.

As it turns out, women are more successful at crowdfunding than their male counterparts, with their campaigns performing better across all sectors, even in the male-dominated technology industry. www.hiscox.com

In recent years, the rate of new business formation by women has significantly outpaced the rate of new business formation by men across all ethnic groups in the USA. Similar trends are found across the developing world. However, women still own and manage significantly fewer businesses than men. The explanation for this phenomenon, the behaviour of female entrepreneurs in terms of traits, motivations, and success rates, and their gender-related distinctiveness are complex and multifaceted. Despite a growing literature we still need more research on female entrepreneurship—particularly in developing countries where we are seeing a growing number of initiatives aimed at promoting entrepreneurship and empowering women in the process. The latter tendency reflects a generally growing interest in female entrepreneurship in developing countries, which, in turn, is due to greater interest in the role played by entrepreneurship in the economic development process. Women have been assigned a special role not only because they stand to benefit from entrepreneurship being the poorer and more discriminated against gender, but also because they are seen as a critical driver of entrepreneurship in light of their unique role in the household and the rise in female-headed households across the developing world. Minniti, M. (2009). Gender Issues in Entrepreneurship. Foundations and Trends in Entrepreneurship.

Traits of Successful Women Entrepreneurs

A study conducted by Arooj Zeb, *Abasyn Journal of Social Sciences* – Vol (11), Issue (1), 2018.

Determinants of successful women entrepreneurship in Pakistan resulted in the following traits of successful women entrepreneurs:

1. Tolerance of ambiguity - is the “tendency to perceive unclear situations as desirable,” whereas intolerance for ambiguity is “the tendency to perceive ambiguous situations as sources of threat”. Most women consider unclear situations to be more challenging to them. They often respond positively to these kinds of situations and discover how they could possibly make these favorable. This ambiguous, uncertain or unclear situations are similar to taking risks.

Tolerance to ambiguity leads the organization into success. (Brockhaus, 1982)

Women entrepreneurs are confronted with less- structured and more set of possibilities hence tolerance of ambiguity and risk taking propensity are one of the important parameters of Entrepreneurial Performance. (Gasse, 1982, Kilby 1971)

2. High Need for Achievement - The theory of “need for achievement” was presented in 1961 by David McClelland. According to him it is a crucial psychological force behind human actions and believed to be significant in influencing entrepreneurial behavior. The people are problem solvers, see and make efforts to achieve goals, by performing the best and being innovative. (Littunen, 2000; Utsch & Rauch, 2000).

BARRIERS FACED BY WOMEN ENTREPRENEURS

Despite the struggles of women to be entrepreneurial, a number of barriers are still faced by them.

The following are most evident ones:

1. FINANCE

Most women only rely from the significant extent of self-generated finance during the starts up business. Few bank loans and grants were extended on minority cases. Access to bank loans are accessed by Women when the businesses become established or having good relationship with the bank.

2. ADMINISTRATIVE AND REGULATORY REQUIREMENTS

Female entrepreneurs have some problems with administrative and/or regulatory requirements. Micro enterprises of all types managed by women entrepreneurs can experience problems in meeting administrative and regulatory requirements, because of the disproportionate effect of compliance costs on small companies compared with large firms. Administrative and regulatory barriers are more significant for female owned businesses than for male owned firms of a similar size.

3. LACK OF MANAGEMENT SKILLS OR TRAINING

Generally, women entrepreneurs lacked management skills because they lack previous experience on this area. However, there are minor difficulties in accessing business advice or support. A significant minority of specialist organizations felt the difficulty in the business language as a prominent one.

4. MARKETING

A lack of sales and marketing skills was the most commonly reported problem faced by female entrepreneurs, after finance. The fact that this is a characteristic shared with many other micro enterprises and small firms does not make it any less important to female entrepreneurs. It may be seen as part of a general need to raise the level of management skills and competencies in female owned and other small businesses.

5. TECHNOLOGY

Access to technology and problems with intellectual property protection were regarded as problems for women entrepreneurs. The lack of computer knowledge of employees is a major problem as computer skills are a key part of the business. Another firm used computer extensively for word processing, desk top publishing, e-mail and research purposes but saw no value in increasing their use further.

6. LACK OF CONFIDENCE

As women are accepting a subordinate status, as a result they lack confidence of their own capabilities. Even at home, family members do not have much faith in women possessing the abilities of decision-making.

7. LACK OF WORKING CAPITAL

To be women and to do something on their own becomes quite difficult for them because of lack of access to funds as women do not possess any tangible security and credit in the market. Before marriage she has to depend on father and after marriage she has to follow the footsteps of the husband. As such, women do not enjoy the right over the property of any form and they have limited access over external sources of funds, even getting loans from either a bank or financial institution becomes exceedingly difficult.

8. LIMITED MOBILITY

Due to primary household responsibilities towards her family, her time gets divided between the two worlds. She has restricted timings for work due to which, she is not in a position to travel frequently and be away for longer periods. Thus, her mobility is restricted. This also has an implication on business.

9. MALE DOMINATED SOCIETY

A woman is dominated by men in her family as well as business. Often, she has to obtain permission from men for almost everything. They are not treated as equals. Her freedom is restricted. She always has to consult and get approval of men.

10. LOW RISK BEARING ABILITY

This is so because right from the childhood, her parents take decisions for her and after marriage her husband takes over. She is protected throughout and thus the risk bearing ability gets reduced.

11. SOCIO-CULTURAL BARRIERS

Woman has to perform multiple roles be it familial or social irrespective of her career as working woman or an entrepreneur. In our society, more importance is being given to male child as compared to female child. This mindset results in lack of schooling and necessary training for women. As a result this impediments the progress of women and handicap them in the world of work.

SUGGESTIONS

Women entrepreneurs also explored their perceptions of the types of support that might be most helpful for them in addressing the issues and problems that they are facing.

Financial Aspects: Special schemes should be implemented whereby women can get bank loans at decent conditions

Childcare: More childcare facilities should be provided to fit women entrepreneurs' needs. This would entail extended opening hours or flexible opening hours according to the woman entrepreneur's needs. Alternatively measures should be taken for fathers to be in the position to take parental leave, and men should be encouraged to take the leave.

Household: It should be made easier for women entrepreneurs to get help for their households, and initiatives like the "cheques services" implemented by the Belgian government should be copied. This system would alleviate the workload of the female entrepreneurs and at the same time decrease the number of unemployed persons.

Training, advice or consultancy targeted solely or mainly at women entrepreneurs Startup programmes for women, particularly those returning to the labour market.

Special targeting of women in general campaigns to boost levels of entrepreneurship.

Equal opportunities policies aiming for equal access for women to services.

Need to have network with other firms to generate business and access informal advice.

Encouraging and assisting relevant business support initiatives.

Wild Women Entrepreneurs (Wild WE), the leading networking organization for women entrepreneurs, announced today that the organization has entered into a partnership with Ready Talk to help women enhance their professional development without restrictions. It is also found that compared to men, women were less concerned with making money and often choose business proprietorship as a result of career dissatisfaction. Secondly, women find entrepreneurship as a tool of meeting their career needs and childcare role.

In most countries, regions and sectors, the majority of business owner/managers are male (from 65% to 75%). However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up in business. Women are working in this multifaceted world. The organization scenario changes like a kaleidoscope with every responsibility, accountability and multiple pulls and pushes, which women have faced and came out with success. In addition, rates of self employment among women are increasing in several countries. Although there are no official statistics relating businesses to the gender of their owner/manager, there is a good deal of evidence to suggest a significant increase in female entrepreneurship. One consequence of this is that women are a relatively new group of entrepreneurs compared with men, which means that they are more likely to run younger businesses. This in turn has some implications for the problems they face and their ability to deal with them.

The Economic Contributions of Women Entrepreneurs

Silicon Valley is known to have a gender gap. Despite women garnering half of all bachelor's and master's degrees and nearly half of PhDs, only 3% of start-ups are founded by women. Women are minimally represented in the C-suite.

A report entitled *Women in Technology: Evolving, Ready to Save the World* by Vivek Wadhwa and Lesa Mitchell points out that women-led tech firms have 35% more return on investment than male-led. Their revenues are also 12% greater if venture capital backed.

These figures are in line with the business world more generally, which indicate that women-led companies with more than \$10 million in revenues have a return 47% higher than that of all companies with more than \$10 million in revenues.

This robust return potentially would have a very beneficial effect on the economy. More revenue leads to more jobs and business expansion. The figures suggest that a more fruitful approach to gender disparities might focus on the overall economic impact and opportunity loss stemming from the gender gap.

Despite this, however, women-led start-ups are underrepresented when it comes to venture capital funding, which is one of the main roads to starting a tech company. Only 10% of funding is given to women-led firms in the U.S. In the U.K., men are 86% more likely to receive venture capital backing than women, despite the fact that women lead more start-ups there than in the U.S., at 10%.

One reason might be the bro-centric culture still common in the tech world. At a conference on women and tech in 2013, 33% of attendees reported receiving dismissive comments at work and 15% indicated that their abilities had been questioned.

Successful women entrepreneurs point to mentorship as an important ingredient in their success. Eighty percent of them reported having one, indicating that more mentorship, more often may contribute to women becoming entrepreneurs.

Another factor could be how women's contributions are perceived. One angel investor, quoted in *Forbes*, cited ZipCar's founder Robin Chase as an example of how women tend to solve a problem in their lives, whereas men don't. ZipCar solves the immediate issue of wanting to go somewhere in a car but not wanting the hassle of a vehicle. Men, according to the article, tend to conceptualize a new way to build a business, such as Twitter.

The gender difference cited, though, is questionable. Snap Inc., the parent of Snapchat, is an example of a male-founded business solving an immediate problem — at the time, making social media messages disappear rather than having an infinite shelf life.

One possibility in solving the gender disparity riddle is simply more data analysis on what, exactly, separates successful women entrepreneurs from women who might have been successful, but whose efforts didn't come to fruition, or those who didn't try. Are there differences in experiences? Business strategy? Family background? More parsing seems to be needed.

Evidence indicates that gender disparities in tech cause economic opportunity loss. Given that, more study to determine how the number of women entrepreneurs might be increased is

warranted.(<https://workingcapitalreview.com/2017/04/women-tech-entrepreneurs-need-to-be-valued>)

Lessons from Top Female Executives and entrepreneurs

A community of female leaders is building momentum in an effort to reinforce sound business growth practices to help breakthrough this issue. EY's Entrepreneurial Winning Women™ program has established three core concepts that seek to act as a launch pad for female-led businesses to succeed.

The following learnings can be considered in order to nurture women entrepreneurship form the practitioners:

1. A strong community. Communities offer women entrepreneurs much-welcomed affirmation, know-how, peer-to-peer guidance and, ultimately, role models.
2. An authentic purpose. This simple statement of “why we do what we do” serves as the company's North Star, guiding it in every aspect — from recruitment to customer management to product development and sales.
3. A flexible, adaptive leadership style. When a company grows, its leader needs to evolve too. A small start-up requires different characteristics in its leader than a 100- or 1,000-person company. Entrepreneurs need the self-awareness to know when they need to change their focus, and how.(<https://workingcapitalreview.com/2017/04/women-tech-entrepreneurs-need-to-be-valued>)

CONCLUSIOSAND RECOMMENDATIONS

The related literature and studies as bases for this research speaks about the challenges of women entrepreneurs in this undertaking. However, because of the growing interests and aggressiveness of women in venturing into some of these entrepreneurial exercises, successful ones were able to surpass the rocky roads along their journeys. The obstacles, and challenges which these women entrepreneurs have gone through manifest that not only the masculine ego of man push him to be entrepreneurial, but the femininity of women and their continuous struggles and passion to perform the entrepreneurial tasks likewise lead them to success.

Funding should be made equally available to women entrepreneurs. The procedure and formalities of bank should be simplified and the required document should be minimized. Women entrepreneurs should take some time to study the nature of challenges women face in business and possibly tender solutions to them before starting their business. Attending of training programmes, seminars, workshop and conferences by women entrepreneurs is very important. This will help to reduce the challenges they face in business. —Some challenges encountered by women entrepreneurs can easily be avoided if they would not mind to start their business from micro or small level and allow it to grow gradually into maturity stage

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