
Women Entrepreneurs In Home-Based Businesses: Issues and Challenges

Anil Kothari*, Shehnaz Tobwala**

ABSTRACT

This review sheds light on the evolving phase of home-based women entrepreneurs, with the main focus on opportunities for growth and challenges faced by women entrepreneurs. Women have undergone a radical transformation from merely a homemaker to a dynamic multifaceted personality contributing to the socio-economic growth worldwide. This change is partly attributed to the growth of home-based businesses which offers women to take control over their lives by turning their skills, hobbies and ideas into profitable ventures. Major challenges faced by home-based business women include access to start up capital, conflict between work and family, managing business growth successfully, lack of training and business skills, keeping up with technology and other market place changes. New heights have and can be further achieved by women as entrepreneurs by overcoming social barriers, by increasing literacy rates of females, honing their business skills and asserting their capacity to assume leadership position. By increasing their participation in economic activity and by designing and implementing a well planned comprehensive programme for women professionals can improve confidence and a sense of self-belief which would lead them to perform better in the professional ambience.

The world of business and entrepreneurship no longer consist of men; women are also joining the workforce in record numbers. Today, more and more women are seeking economic opportunity and self-determination through enterprise creation and are well prepared to grab the opportunities of the multi-polar world. Women are taking control in the business world. Women entrepreneurs are playing a significant role in socio-economic development of the country. All over the world, the number of female business owners continues to increase progressively which is changing the shape of the global economy. A considerable number of small scale & cottage industries have been identified where women entrepreneurs can play an important role. Worldwide, it is estimated that approximately one third of all businesses are owned by women.

Women are culturally well equipped to run their own business, through the experience of managing households, raising children etc. Therefore,

***Dr. Anil Kothari**

Assistant professor

Faculty of Management Studies

Mohanlal Sukhadia University

Udaipur, Rajasthan (313001)

****Shehnaz Tobwala**

Reader, Faculty of Management Studies

Mohanlal Sukhadia University

Udaipur, Rajasthan (313001)

Phone no: 0294-2450931(R)

E-mail: sheh_att@yahoo.com

a move from family management to enterprise management may be easier than a move from paid employment to self-employment. Recently, increasing numbers of more sophisticated women entrepreneurs prefer to work from home instead of working out of home. The attraction of operating a home business is appealing to millions of women who want more freedom and control over their lives. The main reason is that they are tired of balancing their work, home life and family's varied needs. The American Woman's Economic Development Corporation contends that 80 percent of female entrepreneurs start businesses in the home and choose to remain small. Additionally, women appear to be enjoying great success in their undertakings. While only one quarter of businesses started by men is still operating after five years, half of all female owned undertakings remain in business after a five year period.

There are many advantages of home based businesses like: integration of family and work responsibilities, flexible schedules, less association with others in a usual work environment, self determination, independence, increasing personal fulfillment, setting personal targets, enhancing creativity.

Increased globalization, opening of markets and low cost of communication has encouraged high growth of home-based women entrepreneurs. The powerful force behind the growth of home-based businesses is technology. An opportunity to work from home has increased due to change from an industrial based economy to information and service based economy and use of new communication technologies. More and more women are choosing to create their own jobs at home rather than seek employment elsewhere.

Most of the home-based women entrepreneurs use information technology in the operation of their business, and a considerable number employ the internet as a marketing tool. They can send and receive messages, transfer data, and conduct research from their homes, largely eliminating the need to travel to a place of employment. Availability of sophisticated software programs eliminates the need of support staff. In addition the large use of mobile phones, pagers, fax machine, video conferencing, voice mail systems, and toll free telephone numbers enables

efficient handling of home-based businesses.

Today, home-based businesses include range of consulting firms, coaching classes, advertising agencies, photography studios, event management and free-lance writing services. According to Scott Clark in the Houston Business Journal, home-based businesses create more than 8,000 new jobs each day and generate nearly \$400 billion in annual revenues. Indeed, renowned companies such as Amway, Ben and Jerry's, Domino's pizza, Estee Lauder, Hallmark and Nike all started as home-based businesses.

Older but growing home business opportunities like embroidery, handicrafts, herbal medicine, sewing, cooking, retail, personal services like beauty salon, food and catering etc. can offer start up women entrepreneurs a chance to enter a proven industry and spend less time in learning the selling skills.

While newer home business opportunity like consulting, web-designing, writing, advertising, event management, construction, manufacturing, technology etc. require more skills to be developed, but the higher profit potential and reduced competitive landscape can be fascinating for new startups.

Many reasons have been identified as to why women choose to undertake entrepreneurial ventures rather than working for other and why a home-based setting is usually suitable.

Flexibility: is one of the main motivations for women setting up in business and this could be due to their family commitments. They can change to their own needs and for the demand of their families, especially when working from the home.

Opportunities: Many women have looked for entrepreneurship for opportunities they were not able to find in the corporate world. Home-based business can increase women's financial opportunities, especially when women's access to the public area is constrained by geography or social norms.

Avoid glass ceiling: By preferring to run their own business from home, women entrepreneurs are able to shun glass ceiling that apparently characterizes the

corporate world and restrict them from rising to top.
Issues and challenges

Work-family balance: The foremost problem that women experience when setting in home-based business concerns their 'traditional' responsibilities, such as family commitments, loss of home space used by family and interruptions. It is not an easy solution for any women, no matter how educated or sophisticated, to work at home and deal with business and children and sometimes husband partner all day long. Most importantly their domestic duties are always a hindrance to their success in business enterprises.

Time-Management: Women in home-based business often face the problem of time management. They tend to bear the complete responsibility of the business rather than hiring staff so that the work is divided. This could affect business performance; the lack of free time does not allow them to travel to institutions, banks and other finance houses for advice and information on credit, to attend training programs to acquire skills, or to seek out better customers or suppliers

Slow Growth: Women in home-based business tend to rise more slowly than men. One justification for the slow growth rate of female owned enterprises is that women often try to build cultures which characterize themselves. As a result, they are unlikely to expand their companies and move on, desiring to develop their business at their own personal speed that is consistent with their ideals and values.

Lack of confidence and skills: Women often lack the necessary confidence and skills to successfully start a home business and run it. There are a variety of reasons for this including the choice of activity, information gaps and alleged discrimination

Lack of Networks: Lack of suitable networks and of societal position for women is another obstruction. Women in general have a lower social position than men, which affects the kinds of network they can access or participate. Women have therefore less access to essential resources, support and information needed to successfully start and manage new firm compared to men.

Gender-based barriers: Women entrepreneur also

faces gender-based barriers outside the business environment that restrain them from starting a business. Outlook towards working women may impede women's entrepreneurship. Attitudes about the value of work, working women, and gender equality affect women's economic participation and entrepreneurship everywhere. In the male dominant society, it is not easy to come up in business field. Many businessmen do not want to enter into business transaction with women entrepreneurs.

Lack of role models: Lack of role models in entrepreneurship is one of the many barriers for women entrepreneurs. There exists a strong link between the presence of role models and the growth of entrepreneurs. An individual will be more influenced by another individual of the same sex. The existence of a role model help women to develop attributes making them a keen admirer and achiever.

Low-level management skills: Home-based women entrepreneur is still concentrated in the service and retail sectors and women still stay behind men in terms of training, qualification etc. Women also seem to have lower credibility when it comes to dealing with suppliers, financial institutions and clients. They lack key managerial skills which is important in running a business and have limited real world business experience.

Financial problems: Lack of finance is one of the major problems faced by home-based women entrepreneurs. Despite evidence that woman's loan repayment rates are higher than men's, women still face difficulties in obtaining credit often due to discriminatory attitudes of banks and informal lending groups. Women are deprived loans because they often wish to borrow smaller amounts than men, and not due to the fact that they are women. Financiers would also prefer to lend large amounts since this is more profitable for their own businesses than smaller advances. The family members may also hesitate to invest money in business started by women or permit to avail bank loan. Most of the time financial matters are taken care of by male family members. Sometimes all the property may be in the name of male persons and they may not be ready to give guarantee for availing bank loan. Women may be disadvantaged in raising the initial capital to start a new firm. Collateral needed for external financing may be beyond the wealth level

of most women. Financing for an existing firm may be less available because women are less likely than men to enter informal financial networks.

Working from home is not without challenges. Although the industry as a whole is quite varied, and the people, products and services can be very different, home-based women entrepreneurs share common problems. Women still do not have equal access to economic opportunity. Women still face more obstruction inside and outside the labour market. Despite educational gains, potential and business intelligence women face additional barriers in the business environment. Lack of family support for home-based women entrepreneurs, existing negative socio-cultural attitudes, and personal problems are specific barriers.

Conclusion

The fast growing and developing world of the home-based business promises to have major influence on the very nature of small businesses. The entry of large number of educated, technology friendly and comparatively young women entrepreneurs to the home-based business sector suggests that it will increase self-employment among women.

Phenomenal increase of home-based women entrepreneurs is attributed to relatively more positive attitudes towards women as active economic agent and their motivations that reach beyond monetary concerns, especially in situations involving family considerations and career growth.

One the major challenges faced by women entrepreneurs is social and cultural traditions which limit the role of women as supplementary income providers. Many women entrepreneurs choose home-based business as the most feasible option available to them to meet their need for achievement in a society imbued with organizational and cultural constraints as regards the capability of women. The family members should understand them and give way for continuing their efforts for becoming and being a woman entrepreneur. Women entrepreneurs should also try to get full moral and financial support from their family members.

Women entrepreneurs can be seen as an

important economic force and if their potential has to be maximized, then steps need to be taken to include the specific issues facing women in business at the highest level of policy making. There is a major challenge for policy makers to improve the conditions for the establishment and growth of women-owned businesses. Increased support from government should be provided to help female entrepreneurs overcome entrenched barriers. Government by themselves cannot make firms grow up and employ staff. Nevertheless, they can work to put in place stipulation and incentives which allow firms and individuals to do the job. Government can ensure that support mechanisms are designed and implemented to enable women entrepreneurs to establish and grow their own enterprises. They can create a favorable political and legal environment that would be based on gender equality.

The local government and banks should come forward to help the women entrepreneurs to get loans in an easy way, without putting unrealistic conditions. Women owned enterprises should get easy access to conventional bank loans, private loans: from micro loans to venture capital, including social funds, family funds, start-up and expansion funds and insurance. Government should develop a more flexible range of financial products and services to meet the needs of women entrepreneurs, in starting up and growing business.

Women entrepreneurs should be encouraged to participate in international business through trade fairs and exhibitions, etc. Governments should welcome advocacy, lobbying and networking of women entrepreneurs. The best way to start networking is by joining business organizations for women which can help them to connect, develop business goals and focus their attention on success.

Exploiting women's potential and translating it into profits is the key step to economic development. Promotion of women owned home businesses is likely to promote female employment by creating jobs not only for themselves but also for others leading to greater economic growth.

In conclusion, a home based business offers tremendous opportunities for women if informed decisions are made based on their skills and

qualifications and risks and benefits are weighed appropriately. Support and encouragement from family and society can open new avenues for female entrepreneurs and increase the marketability and profitability of business owned by women entrepreneurs. If all these are provided, women entrepreneurs will emerge and touch new heights in the business field.

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