

Role of Women Entrepreneur on the Growth of Small and Medium Scale Enterprise

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Abstract:- Times are changing, at this age of economic downturn, women have become the vital weapons to the survival of their families and the development of the nation. This study is based on conceptual and theoretical research conducted by academic scholars. It deals with the notion that female entrepreneurs have peculiar capabilities, skills and abilities which if tapped into, can cause a positive development in the growth of SMEs and the economy at large. Based on this fact, the following investigation is undertaken, whose objective is to analyse the aspects that influence the entrepreneurship of women, to identify what factors influences the creation and development of business that they embark on, the challenges they face in respect to gender inequality and their contribution to the growth of the Nigerian economy.

Keywords:- Women Entrepreneurs, Economy, SMEs, Gender, Growth.

I. INTRODUCTION

Economic development of any nation lies on the capacity of entrepreneurs to be innovators in creating new businesses which would therefore aid in economic growth. In many part of the world including developing countries like Nigeria, entrepreneurship has been traditional associated with the male gender. From the sociological view, it is stated that ‘men are more entrepreneurial than women due to typecasts and roles that are attributed to men assigning the female roles within housework, childcare and elders’ (Eagly, 1987). There has been a shift from efforts to support equal opportunities in gender to issues relating to unemployment (Holienska, Jančovičová, & Kovačičová, 2016). This places entrepreneurship in the position of job creation both in job opportunities and self-employment for others. With this, the research on women entrepreneurship has become focused on unveiling the unexploited sources of economic growth.

Nigeria is currently ranked the most populated nation in African and the seventh most populous country in the world (Census.gov, 2018). Due to the fact that the population is ever increasing, and peradventure nothing is done about this, the increase in the population will lead to more negative consequences in the development in the country (Hani, Rachmania, Setyaningsih, & Putri, 2012). Different scholars have stated that up to sixty to eighty percent of food meant for family consumption is provided by the women and that economic growth of some nations-

developing and developed nations is attributable to female entrepreneurs (Aina & Salau, 1992; Egunjobi, 1995). Statistics also shows that women constitutes fifty percent of the population in Nigeria, but little wonder why just thirty-five percent of these women are involved in an entrepreneurial activity (Odoemene, 2003).

II. STATEMENT OF RESEARCH PROBLEM

According to Gomes, Santana, Araujo and Martins (2014), researchers found a small number of articles published in the 1970s. However, the 1980s, when compared to the previous decade, began as an era where, at least quantitatively, research on “women’s entrepreneurship” increased. This can be explained, in theory, by an increase in female involvement in the labour market, not just as employees but as employers of labour in their own businesses, but yet academic literatures on the subject was limited in African countries.

At the same time, women still faces various challenges in breaking through in their business as many of them tend to remain as small business for a very long time. Hence, the study is aimed at examining the diverse roles of women entrepreneurship in the growth and development of small and medium scale enterprises, their challenges and the most appropriate solutions to solve them in order to develop the economy

III. LITERATURE REVIEW

➤ Women Entrepreneurship

Entrepreneurship as a “calculated risk-taking and continuing process of innovation activities that embodies discovery, exploitation and evaluation of opportunities, judgement of the possibilities and making decisions in an identified uncertainty within an environment that is quickly changing by using the overflow of knowledge and creating value out of the knowledge.” (Jargues, 2012). Entrepreneurship is not a silk task and is not easy at all, but it is an effort to do something in a productive manner by considering risk factor associated with the desired drives of individual or group of individuals (Fosial, Sagar, & Khanam, 2015). Women entrepreneur all over the globe are major contributors to the growth and development of a nation (Iyiola & Azuh, 2014) despite this, there are different factors that has constrained women from being entrepreneurs. Factors such as; little or no support, less access to information, gender discrimination, and many more (Ajza, Hazzan & Rashid 2010)

Women entrepreneurship in the last decade has been seen as an important untapped source of economic growth and develop because they create employment opportunities, as well as exploitation of entrepreneurial opportunities which helps in providing solutions to management across the society. Though women generally are perceived to be in industries that are primarily less important, they still remain major contributors to the growth of any nation (Garga & Bagga, 2009).

According to Sangolagi and Alagawadi (2016), women by nature choose to work in sectors such as social services, education and house-hold services, But at the same time, women in low income countries choose to be creators of their own businesses , and these businesses must be compatible with their household responsibilities. This creates two types of women entrepreneurs which are women entrepreneurs by choice and women entrepreneurs by necessity. Women are major contributors to a nation economy because they contribute ideas, energy, and capital resource and generate employment (Iyiola & Azuh, 2014).

➤ *Entrepreneurship and Economic Development in Nigeria*

According to Nwokoye, Onwuka, Uwajuwogu, and Ogbonna (2013) Entrepreneurship is seen from the context of Micro, Small, Medium Scale enterprises. There is a significant difference between economic development and economic growth. Economic development deals with increase in the standard of living of a country from low to high. Economic growth indicates the extension of different total macroeconomic indicators.

Mordi, Simpson & Okafor (2010) established the fact that entrepreneurship is a useful tool in eradicating poverty and deriving a sustainable development. In a typical Nigerian family, the roles played by women are changing due to the dynamic family and functional situation which allows women to be able to carry out more functional and operational roles in the society. The role of women in entrepreneurship has become very important on a country's socio-economic growth and development. Over the years women's involvement in entrepreneurship has increase immensely and has contributed to the GDP of the country. The economic development of a nation depends on the entrepreneurship practices in the country.

An economy like that of Nigeria where the government and the citizens prefers to import goods that will satisfy their needs will find it difficult for growth and development to take place. In order for economic growth to take place entrepreneurship must be taken seriously from all sectors of the economy as it contributors enormously to

the socio-economic development in both developing and developed nations.

IV. IMPACT OF WOMEN ENTREPRENEURSHIP ON THE GROWTH OF THE ECONOMY

Entrepreneurship which is a line of action of owning and managing a new business or improving on an existing products or services that create value, assuming the accompanied risks, receiving the resulting rewards and independence (Tersoo, 2013). The small, medium and large business plays an important role when it comes to job creation, market competitiveness, innovation and the advancement of industrial development has been recognised by both academic and policy makers (Nagare, 2013).

Nigeria, as a country has a strong desire for the growth of their economy, which is why a unique focus is given to entrepreneurship. There is this program called sustainable development program which is geared toward self-sufficiency, poverty eradication, hunger eradication, good roads and the likes, all these can be carry out through entrepreneurship. Some of these entrepreneurial programmes already embarked upon by the Nigerian government includes; “National Economic Empowerment and Development Strategy (NEEDS)”, “Family Economic Advancement Program (FEAP)” and “Small and Medium Enterprise Development Agency (SMEDAN)”. This sustainable development program declared in Abuja Nigeria will see the light of the day when women who constitutes 50% of the population fully participate in the program (Tersoo, 2013).

Woman enterprise is a vital wellspring of financial development in creating new occupations and by being hereditarily extraordinary, the inspiration for considering women entrepreneurship both in creating and created nations derives from the expanding comprehension of their essential part in making and creating business as a major driver for monetary development (Abosede & Onakoya, 2013). Women give diverse answers for administration and business issues yet the women enterprise has been neglected especially in business research. (Acs, BardasI, Estrin, & Svejnar, 2011).

According to Jeminiwa, (1995) cited in (Tersoo, 2015). States that” women are at the centre of development because they are in charge of most of the non-monetary economy like subsistence farming, giving birth to children, trading labour amongst others”.

V. FACTORS INFLUENCING WOMEN ENTREPRENEURSHIP

- Generation of income: Women engage in entrepreneurship to generate income. Women in the corporate society most times are not paid equal salary with their male counterpart, and so to make extra income, they go into entrepreneurship and it helps the economic to grow.
- Achieving those things that the system does not provide: In Nigeria, provisions are not made for women that do not have cooperate jobs to be paid any cent by the government, so the lunch into entrepreneurship to bring down their poverty level.
- Need for change: Women want to add value to their client, to contribute more to the society in addition to their economic aspiration.
- Family structure: Women want to make a living and provide for their children but due to little income that may be coming from the husband she may decide to go into entrepreneurship to augment the family income. In develop and even developing countries, some women are living alone, this situation forces them to participate in entrepreneurship.

VI. LIMITATIONS TO WOMEN ENTREPRENEURSHIP

- Absence of role models: Women most times have no fellow women as role models. In the past, very few women venture into large scale entrepreneurship making it difficult to see who to imitate or coach causing barrier to growth.
- Financial capital: the lack of financial capital is a huge challenge to women in entrepreneurship obtaining credit loan is difficult.
- Family and parenting responsibilities: Women who have more domestic responsibilities have less chance to build up their business to meet with the changing environment.
- Gender discrimination.: Women are also facing gender discrimination by both the male and female gender, which is why many of these entrepreneurs only have businesses that would provide only at the subsistence level
- Lack of experience or specialized educational background in business and advance technology – most women are not experienced in the business they do, they just went into it because one circumstance or the other force them into it.
- Reduced time available to spend in business due to the dual role the society anticipate them to perform at work and in the household as mothers. (Brush et al in lock, 2015).
- Social and cultural barriers – women by culture are to remain in their homes to take care of the family, so going into large scale business tends to be limited.

VII. WAYS OF IMPROVING WOMEN ENTREPRENEURSHIP ON THE GROWTH OF THE ECONOMY

- Training and development.
- Women entrepreneurship loans and grants.
- Business registration support.
- Raising the profile of women business.
- Networking opportunities for women entrepreneurship.

VIII. SHORTCOMINGS ENCOUNTERED BY WOMEN IN SETTING AND ESTABLISHING SME

Women who are business owner often experience several benefits over the male counterparts. They can easily establish a strong connection with their customers which often leads customer loyalty and retention. However, setting up business is not a simple task no matter how small it is. There are some situations where women entrepreneurs are faced with challenges in the course of managing their business.

Women entrepreneurs are sometimes not prepared for the shortcomings they are bound to face. The first thing they need to understand before setting up a business is that challenges will certainly happen. It is considered as aspect of the business and they should confront each challenge with a proper solution.

According to Richardson et al. (2004), women entrepreneurs are faced with unhelpful attitudes arising from society's pessimistic state of mind towards women in businesses. Lebakeng (2008) claimed that the core issues women entrepreneurs face are lack of education and training, industry management skills, discrimination in the access to credit and the pressure of child care. McClelland et al. (2005) acknowledged the following challenges encountered by the women entrepreneurs when starting a business.

➤ *Lack of Financial Capital:*

Access to capital is one of real challenge that prevent women from starting their own businesses. In some circumstances women have to depend on their personal assets and savings while men often rely on investors, personal savings in addition to bank loans. Hendricks (2001) discovered that women who wants to get loans from banks do not possess the needed skills to structure a qualified plan. Also women encounter problems in getting capital from investors and financial institutions because their business outline in some situations are less favourable to investors.

Karim (2001) claimed that financial problems were the most common problems faced by women entrepreneurs. Other studies carried out by Boden and Nucci, (2000); Watson, (2003) all established the fact that women will probably withdraw from their businesses not because of business failure but because of financial limitations.

➤ *Lack of Experience and Management Skills:*

This is another issue encountered by women which the need to overcome in entrepreneurship. McClelland et al. (2005) established that women are often found in the traditional sectors like retail, services, teaching etc., rather than executive and managerial areas. Women are less equipped for managerial experiences of business ownership in some areas (Ali & Ali, 2013).

➤ *Family Constraints*

Winn (2004) established the fact married women, especially those with children, live in two worlds: one at work and one at home. Childcare and other home responsibilities affect women's capability and readiness to undertake serious business ventures. Running a business and playing the role of a mother is very challenging, there are views that women could be more effective in running a business in the event that they do not have to deal with kids. Winn (2004) also found out that business responsibilities affect women's ability to relax at home.

➤ *Attempting to Do It Alone*

Women are fond of trying to do everything alone, they are always trying to prove a point that they are stronger than what people think. They often apply this mentality to business by trying to do everything alone without asking for assistance from anyone. Initially, the strategy was working for them since they take care of everything alone, however once the business starts growing the strategy of doing it alone becomes unnecessary in the long run they may even start losing customers. It is advisable to get help by hiring people who will reduce the work load.

➤ *Gender Biasness*

This has always been a major hindrance to women in business. Women have been undergoing a lot of biasness in the society they find themselves in for years. Women entrepreneurs for a long time have been and are victims to gender biasness both by the male and female counterparts. The females are always disregarded by the male dominating society and are tagged as the weaker vessel. People who have daughters prefer not to include her in the family business because of their philosophy that women are incapable and also because they will be married to a third person. They rather partner with their sons in the family business even if he is not efficient enough to handle such business.

IX. IMPLICATION OF THEORY, PRACTICE AND EMPIRICAL REVIEW

This study draws insight from numerous entrepreneurship theories and data of recent years. Quite a number of women are noted to have broken out of corporate life to embrace entrepreneurial careers as an alternative to inflexible work practices and outdated systems.

Radović (2009) established that there has been a new revolution on women entrepreneurship as we witness women emerging as business owners in economic sectors they have not previously occupied. According to Minniti, Allen, & Langowitz, (2005), globally women represent more than one third of all people involved in entrepreneurial activity. Women have played a significant role in the worldwide expansion of entrepreneurship they also bring commitment and integrity because they care about economic empowerment, entrepreneurial development and innovation.

However, as stated by Minniti, et al. 2005, studies over the past decade show a persistent gap between men and women in the level of entrepreneurial activity, in entrepreneurial orientation and propensity and in the motivation, desire, and intention to become an entrepreneur.

As identified by Choitung, Hongyi, and Kris, (2012) the gap between females and males regarding their entrepreneurial career interests and attitudes has provoked loads of study on the effect of gender on entrepreneurship.

The notion that entrepreneurship was the same all over the world has changed in recent years as present studies reveal that entrepreneurship practiced in developing countries is different from that which is practised in developed countries (Cetindamar, 2005) This is especially true for gender entrepreneurship where authors have noted that economic and social contexts play strong roles in determining the entrepreneurial inclinations and success of women Minniti et al., 2005.

This research was not tailored towards those in the academia alone, but also structured towards positively influencing women in the industry as well towards tangible execution. As it reveals the great potency that women possess with respect to their population quota and growing impact of their activities on the economy of the nation today. It clearly nudges women to harness their great potential towards the further growth of SME's haven proffers further practicable recommendations to women entrepreneurs and prospective ones. Once these recommendations are applied, its impact would be felt.

Interestingly, this research did not leave out male counterparts, recognizing that they occupy influential positions in the economy and government. It re-engineered the mind-set that women entrepreneurs are threats and exposed the wisdom in encouraging them because their contribution to the economy will be beneficial to all. The authors are optimistic that the proffered recommendations would not positively impact men and women of the economy, but will also be applied by the government towards the formation of policies that make women thrive in business.

X. CONCLUSION AND RECOMMENDATION

The role of women in entrepreneurship has become very important on a country's socio-economic growth and development. Over the years women's involvement in entrepreneurship has increase immensely and has contributed to the GDP of the country.

An economy like that of Nigeria where the government and the citizens prefers to import goods that will satisfy their needs will find it difficult for growth and development to take place. In order for economic growth to take place. With the constant increase in the level of importation of the country, over dependence on crude oil, increase in unemployment rate, low standard of living it has become necessary that Nigeria encourage women in entrepreneurship by assisting them in various ways which will in turn lead to a rapid economic growth and development.

The objective of this study is to examine the role of women in entrepreneurship on the growth of small and medium scale enterprise. The future of Nigeria lies in the involvement of women in entrepreneurship. Encouraging women to go into entrepreneurship is not a bad idea. The government should continue to train and encourage women in entrepreneurship and also try as much as possible to reduce the level of discrimination of women in entrepreneurship.

Women entrepreneur need to realize that they need an effective strategy in order maximize profit and create employment. They could strategize by becoming customer oriented, obsessed on changes, open to new opportunities, arranged through business cooperation and embracing long range considering. Women entrepreneur also have to overcome the inertia of going into entrepreneurship, they should build a relationship where they can encourage women who are not in entrepreneurship to venture into entrepreneurship, such relationship will be useful should in case they want to fight for some rights and privileges. Government should also try to establish a conducive business environment to enable entrepreneur carry out their business activities effectively. They should address issues such as electricity, roads and railways, and also provide security.

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