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### Problems being faced related to legal, socio-cultural and administrative factors by women entrepreneurs in micro & small enterprises in Bihar

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#### Abstract

The traditional roles of Indian housewives are gradually changing into women entrepreneurs due to better education. Some of the factors responsible for these changes are good health, changing socio cultural values and need for supplementary income for her family. Even though entrepreneurship has its own advantages, it is not free of problems. For this there are a number of factors that are three broad categories -economic, social & legal and administrative. 120 women entrepreneurs, engaged in micro and small enterprises were selected through random sampling this study. Likert scale, was used to address issues of key factors that affect women entrepreneur's performance in MSEs. The study finding indicate that the economic factors are severe than the others followed by the legal and administrative factors, competition in market, lack of access to market and lack of business training are the key economic factors that affect the performance of women entrepreneurs, in legal and administrative factors, no knowledge about fiscal policy and lack of business assistance & support by government are the major issues that faced by the women entrepreneurs in rural area of Muzaffarpur district.

**Keywords:** Women entrepreneurs, entrepreneurship, micro and small enterprises (MSEs)

#### 1. Introduction

Women entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Even after 73 years of independence women face many barriers like lack of education, money, health facility, problems due to male domination, etc. Now in present day women have joined the work force in order to financially support to their families and improve their standard of living but not many women have to satisfy their requirements, because they have less paid and unsecured jobs. Entrepreneurship can be used as one of the important key factors of economic development by involving women especially in rural women in entrepreneurial activities. Now women constitute near about fifty percent of the world population. Women have to face various socio-economic, cultural and other problems as entrepreneurs as they are not treated at par with men due to social and cultural traditions. In recent years, it is observed that there has been increasing trend in number of women enterprises in India as the result of changing scenario of the present world. The hidden and open entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. On occupation pointed out that geographical relocation of industries from developed to developing countries in recent years has been a prime factor in facilitating the increased participation of women, as gathered from the UN report ESCAP study 1991. As per the Human Development Report (2007), India ranks 96th on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. In developing economies, the small, medium and cottage industries are able to create livelihood to the poor and needy of the society especially in rural area. The small savings of rural areas are contributing more in establishing the small and micro enterprises in Bihar. Women entrepreneurs in Bihar need to be special attention because in Bihari society women has been facing challenges and inadequacy all though her life. Every stage of her life is being indebted with one or the other limitation. So the research concentrates on the Problems being faced related to Legal, Socio-

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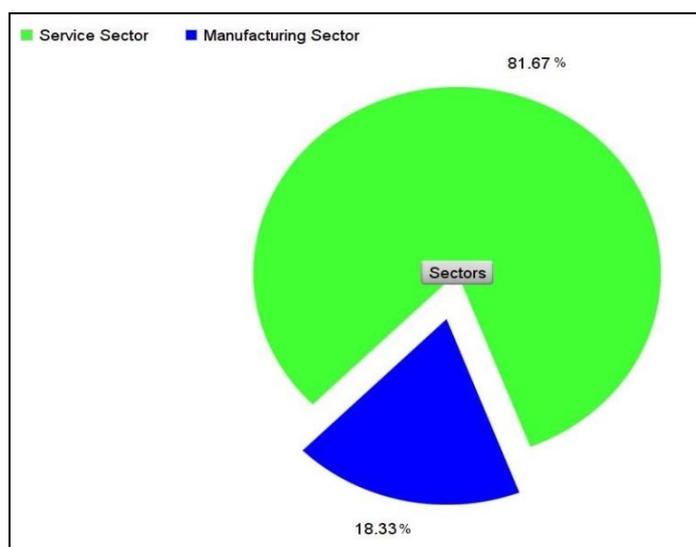
cultural and Administrative factors by Women Entrepreneurs in Micro & Small Enterprises in Bihar(with special reference to Muzaffarpur district).

**2. Material & Methods**

A descriptive survey research design was employed in the study to assess the key factors that affect the performance of women entrepreneurs in MSEs in Muzaffarpur district. Kurhani Block will be selected from Muzaffarpur district of Bihar, four panchayats (Kharauna Dih, Turki, Rajla and Basouli kishunpur madhuban) were selected. All areas were selected by purposively sampling. 120 women entrepreneurs, engaged in micro and small enterprises were selected through random sampling. The primary data were collected from women entrepreneur in MSEs by interview schedule. The secondary data include information that are obtained mainly

from different reports, Female entrepreneurship awards sites, online business papers, bulletins, magazines, national government websites and general search engines such as Google, Yahoo and literatures, which are relevant to the theme of the study, were gathered from various sources to complement the survey-based analysis. Likert scale, was used to address issues of key factors that affect women entrepreneur’s performance in MSEs. The Likert scale ranges from ‘strongly agree’ to ‘strongly disagree’ (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree. The mean, variance and standard deviations were calculated by online socscistatistics (variance/standard deviation calculator) software.

**3. Results & Discussion**



**Fig 1:** Type of sectors in Micro and small Enterprises of Woman Entrepreneurs

Figure-1 shows that type of sector of women entrepreneurs. Out of 120 women entrepreneurs only 18.33% of them were

belongs to manufacturing sector. Majority of women entrepreneurs i.e., 81.67% were belongs to service sectors.

**Table 1:** Economical factors that affect the performance of women Entrepreneurs in MSEs

| Sr. No.                                | Economical Factors        | Mean | Variance | SD   | Rank of Severity |
|--|---------------------------|------|----------|------|------------------|
| 1                                      | Competition in the market | 4.22 | 1.06     | 1.04 | 1 <sup>st</sup>  |
| 2                                      | Lack of access to market  | 4.18 | 0.90     | 0.95 | 2 <sup>nd</sup>  |
| 3                                      | Lack of capita or finance | 4.10 | 1.25     | 1.12 | 4 <sup>th</sup>  |
| 4                                      | Poor infrastructure       | 3.67 | 1.92     | 1.37 | 5 <sup>th</sup>  |
| 5                                      | Lack of business training | 4.10 | 1.28     | 1.13 | 3 <sup>rd</sup>  |
| Grand mean/variance/standard deviation |                           | 4.05 | 1.28     | 1.12 |                  |

Table-1 showed that competition in market is the first major problem, the mean scores 4.22, variance (1.06) and standard deviation (1.04) shows the women entrepreneurs agree with the factor that there is competition for their product/service. As the mean score 4.18, variance (0.90) and S.D. (0.95) in the above table show, almost women entrepreneurs agree with the lack of access to market. In economical factor fourth major

problems for a women entrepreneur is capital or finance. The mean score (3.67), variance (1.92) and S.D. (1.37) shows that the women entrepreneurs is MSEs agree on the poor availability of necessary infrastructure around their working areas. Lastly lack of the business training is the third severity rank in economical factors that faced by the women entrepreneurs.

**Table 2:** Socio-cultural factors that affect the performance of women Entrepreneurs in MSEs

| Sr. No.                                | Socio-cultural Factors              | Mean | Variance | SD   | Rank of Severity |
|--|-------------------------------------|------|----------|------|------------------|
| 1                                      | Lack of family support              | 3.29 | 1.83     | 1.36 | 4 <sup>th</sup>  |
| 2                                      | Having limited contract outside     | 3.67 | 1.78     | 1.33 | 1 <sup>st</sup>  |
| 3                                      | Prejudice & class bias              | 3.66 | 0.91     | 0.94 | 2 <sup>nd</sup>  |
| 4                                      | Negative attitude of other employee | 3.40 | 2.03     | 1.43 | 3 <sup>rd</sup>  |
| 5                                      | Lack of social acceptability        | 2.58 | 1.51     | 1.22 | 5 <sup>th</sup>  |
| Grand mean/variance/standard deviation |                                     | 3.32 | 1.61     | 1.26 |                  |

Table-2 revealed that the mean score (3.29), variance (1.83) and S.D. (1.36) of the women respondents shows that the women entrepreneurs do not like to decide on the family support. The contact (networks) that women entrepreneurs in MSEs have with outsiders is low too with a mean score of (3.67), variance of (1.78) and S.D. of (1.33). However, they approach to agree in the idea that they have prejudices or class biases, with a mean of 3.66, variance of 0.91, and S.D. of 0.94. On the other hand, in relation to the attitude of other

employees towards their enterprise, the above table shows that the respondent women entrepreneurs do not like to decide on it. The mean score 3.40, variance 2.03 and standard deviation 1.43 for attitude of employees of enterprise clearly strengthens this idea. The mean score (2.58), variance (1.51) and S.D. (1.22) of the respondents in table shows the respondent women entrepreneurs do not like to decide on idea the social acceptability.

**Table 3:** Legal and administrative factors that affect the performance of women entrepreneurs in MSEs

| Sr. No.                                | Legal & Administration Factors  | Mean | Variance | SD   | Rank of Severity |
|--|---|------|----------|------|------------------|
| 1                                      | Lack of Business & support by Gov.                                    | 4.06 | 0.75     | 0.85 | 2 <sup>nd</sup>  |
| 2                                      | Lack of Institu. network & other support agencies in terms of finance | 3.91 | 1.05     | 1.03 | 3 <sup>rd</sup>  |
| 3                                      | Lack of business formalization  | 3.65 | 1.46     | 1.21 | 5 <sup>th</sup>  |
| 4                                      | Not have beneficiary of Gov. incentives.                              | 3.74 | 1.24     | 1.11 | 4 <sup>th</sup>  |
| 5                                      | No knowledge about fiscal policy                                      | 4.14 | 0.69     | 0.83 | 1 <sup>st</sup>  |
| Grand mean/variance/standard deviation |   | 3.90 | 1.04     | 1.01 |                  |

The table-3 revealed that, women entrepreneurs in MSEs have no business assistant and supports by government bodies. The mean score (4.06), variance (0.75) and S.D.(0.85) shows that these entrepreneurs agree with the issue that they have no business assistant & supports by the concerned government officials. The mean score (3.91), variance of 1.05 and standard deviation 1.03 shows that, the women entrepreneurs in MSEs agree on lack of Institutional network & other support agencies in term of finance. In relation to their enterprises formalization in running their enterprises, the

respondents agree with lack of business formalization. This is justified by the mean score (3.65), variance (1.46) and S.D. (1.21). With regard to not have beneficiary of government incentives, the mean (3.74), variance (1.24) and standard deviation (1.11), shows that women entrepreneurs agree with this issue. Main success factor for an entrepreneur is having knowledge about fiscal policies. Table-3 shows that the women entrepreneurs in MSEs do not have knowledge about fiscal policies.

**Table 4:** Comparison of the major factors affecting women entrepreneurs' Performance

| Sr. No. | Item Factors                   | Grand Mean | Grand Variance | Grand Standard Deviation | Severity Rank   |
|---------|--------------------------------|------------|----------------|--------------------------|-----------------|
| 1       | Economical factors             | 4.05       | 1.28           | 1.12                     | 1 <sup>st</sup> |
| 2       | Socio-cultural factors         | 3.32       | 1.61           | 1.26                     | 3 <sup>rd</sup> |
| 3       | Legal & Administration Factors | 3.90       | 1.04           | 1.01                     | 2 <sup>nd</sup> |

Table-4 shows that the grand mean (4.05), grand variance (1.28) and grand standard deviation (1.12) clearly depicts that the economic factors are severe than the others followed by the legal and administrative factors that has a grand mean of (3.90), grand variance (1.04) and a grand standard deviation of (1.01). The table-4, also shows that the impact of the socio-cultural factors is better than the economical and legal & administrative factors.

#### 4. Conclusion

No doubt Entrepreneurship among women, improves the wealth of the nation and her family. The study concludes that economic factors are severe than the others followed by the legal and administrative factors, competition in market, lack of access to market and lack of business training are the key economic factors that affect the performance of women entrepreneurs in rural area of Muzaffarpur district. No knowledge about fiscal policy and lack of business assistance & support by government are the major legal and administrative factors that affect the performance. In socio-cultural factors, having limited contract outside & class bias are the major factors that faced by the women entrepreneurs.

#### 5. Recommendation

Government should be established separate market/Industrial areas for only women entrepreneurs, where women entrepreneurs work freely without any hesitation or class bias.

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