

Women & Business in India

A Review of Literature

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Abstract—Women have always played a special role in India since the distant past and in the present. Family has also been an integral element of Indian society. The women and the Indian family values and structure have changed dynamically keeping with the times. Women now play an active role in the field of business. Many women have turned into entrepreneurs setting up their own businesses. Likewise, women have gradually transitioned to occupying an important role not only in the family but in the family business as well. Hence, Indian women in business may be studied on two dimensions – as entrepreneurs and as part of family business. There is comparatively more research on women entrepreneurs but limited work on women involved in family business in India. This review is an attempt to study the women in business in India on both dimensions.

Keywords- Indian Women, Entrepreneur, Family & Family Business

I. INTRODUCTION

A. Indian Women

Indian society is patriarchal in its structure and places many demands on its women. The role of women in family and society is defined by deep-rooted traditions. The potential and talent of majority women remains undiscovered and untapped. Women are often forced to occupy supplementary or secondary status with great dependence on men in all areas of their existence. At the same time there are examples of Indian women who have taken charge and come out of their shell to chalk out their careers themselves. They have ventured into business, taken up challenges and emerged successful through patience and perseverance. Dr. A. P. J. Abdul Kalam emphasized that "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 the development of a good family, good society and ultimately a good nation".

B. Entrepreneurship

Many factors such as social, cultural, psychological factors etc. exert an influence on the nature and growth of entrepreneurship in a country. Entrepreneurship is the

activity of an entrepreneur and the motivational spirit behind the activity. An entrepreneur is a person who challenges status quo and acts as a catalyst for change. An entrepreneur takes initiative, taps opportunities and creates advantage for all. According to [2], "a person who assumes and bears all types of risks involved in an enterprise, who organizes the various inputs or factors of production and who innovates new ideas, concepts, strategies and methodology in business from time to time is known as Entrepreneur".

C. Family Business

Family as a social institution is one of the oldest surviving [4]. It functions at the core and serves as the foundation of society. It shapes the character of its members through its values, relationships and ideals. Family also exerts a strong influence on the work choices of its members. It is seen that family members feel strongly connected and often prefer to work with each other by setting up a family business. Family business may be defined as a business where ownership and/or management are in the hands of one or more members of a family. About a third of the companies listed in Fortune 500 are family businesses [9].

II. WOMEN ENTREPRENEURSHIP & INDIA

Women are natural entrepreneurs. They have inherent qualities that guide them to success in business activities such as willingness to learn new skills and enhance knowledge, ability to adapt to new situations and manage conflicts, sensitivity, will power etc. They are considered to be good at the balancing act and seeing the larger picture without overlooking important details. They are generally considered to be hardworking and diligent in their work. They have the ability to lead as well as work behind the scenes as team players. Reference [7] identifies women as 'having specific characteristics and qualifications as well as rational outlook on business which has enabled them to become successors in family business and running the family business successfully'.

In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society [11].

However, in independent India society has undergone various transformations. Policy measures have helped improve the level of education and provided assistance to women. There are more girls in institutions for higher education across the country. More women have entered into the workforce and into the world of business. According to Patel [13] women entering business in India is a "recent development in the orthodox, traditional socio-cultural environment".

A woman either opts to work because she desires to make her mark and have a separate identity or because she has no option i.e. there is an economic compulsion to support self and the family. In India "Entrepreneurship" is very limited amongst women especially in the formal sector, which is less than 5% of all the business. Majority of them are engaged in the un-organized sector like agriculture, agro-based industries, handicrafts, handloom and cottage based industries [2]. Women generally start their business ventures in areas that are an extension of who they are – their hobbies and other activities. Most women business owners in Indian organization were either housewives or fresh graduates with no previous experience of running a business [6]. Without any formal training, they start a business simply based on familiarity and interest in an avenue such as Garments and Fashion designing, Personality grooming, Beauty and Health, Gems and Jewellery, Interior decoration, Baking, Cooking etc. Most women-run enterprises are of small size with very low investment. They are concentrated in the Small & Medium Enterprises (SME) sector.

Reference [14] brings out the following points:

- In India, a majority of women entrepreneurs in SMEs fall within the age group of 25- 40 years.
- Most SME women owners are married. Most have an urban background and have lived in small nuclear families, both before and after marriage.
- They have a good educational background, with most of them at least graduates, and have an above average record in education and participation in extra-curricular activities. They have highly educated fathers or husbands.
- They belong to communities that have traditionally been in business e.g., Bania or Punjabi Khatri.
- Overall women entrepreneurs gravitate towards ventures with low investment and lesser technological barriers.
- A majority of women entrepreneurs in India are concentrated in the light-manufacturing sector (leather, garments, engineering goods, beauty products). The second most common category is that of services (interior designing, management and placement, consultancy, nursery school). This is followed by the retail trade sector including boutiques, home furnishing, automobile dealing, etc.

- SMEs owned by women entrepreneurs mostly are of sole proprietorship in India. Proprietorship ventures are popular because of lower initial investments and availability of tax incentives. Some private limited companies and a very small number of partnership concerns, mainly along with relatives also exists.

III. INDIAN WOMEN IN FAMILY BUSINESS

Family businesses constitute most businesses in India, as anywhere else [16]. They have a very significant contribution to the Indian economy. Most major industrial houses are or have origins in family business – Tata, Birla, Ambani, Hinduja, Wadia, Jindal, Godrej, Munjal to name a few. Family values and norms have a direct influence on a family business. Women play a major role in developing and inculcating values and implementing norms in the family. In this sense, women have and will always exert an indirect influence on any family business.

From a long time, the contributions of women have been taken for granted and kept invisible [7]. Salganicoff [17] believes that "invisibility of women in family businesses can be due to continuing stereotyping and discrimination that are the result of prejudices in society and are reflected and expressed within the family business system". Another reason can be women's own limiting attitudes toward their potential and roles, attitudes derived largely from the way they have been socialized [7].

Most family businesses in India "have their independent entities for charity in the form of trusts, often run by lady members of the family. This is one way of giving recognition and occupation for ladies, who are not generally involved in business. There exist an unwritten rule in all the families studied here that daughters-in-law do not get involved in business while daughters anyway, go to their in-law's house. The current generation shows signs of this rule changing, slowly" [16]. Woman-owned family businesses are flourishing and changing the face of family firms all over the world. More women are entering family business today, and their number is likely to grow in future [1; 10]. There is a lot of opportunity for women in family business as nearly 60 percent of all family owned businesses have women in top management team positions [3]. The active participation of women in family business has increased in India as well. Smaller families, revised legislation, higher educational qualifications etc. have helped women join their family business. They not only inherit share in ownership, they are also involved in the family business in managerial and leadership positions.

For some business families, the process of turning to women started because they had no choice. All over the world we can find examples of wives or daughters entering into business in crisis situation such as when the head of the family meets an untimely death or due to prolonged illness

or due to some traumatic incident such as divorce [7]. For a family business its main resource is the family and its members, so if there are no or few men in the family, it naturally turns to the women.

In the Indian scenario, there are numerous examples of wives, daughters and daughters-in-law entering or taking over an existing family business and taking it to new heights by expanding and diversifying scope of activities. Some examples are groups such as Apollo Hospitals, Future Group, TVS Motors, Godrej, Kinetic Engineering Ltd., Balaji Telefilms etc.

IV. WOMEN ENTREPRENEURSHIP LEADING TO FAMILY BUSINESS

Most family businesses have origins in an entrepreneurial venture started by one of its members with others joining in later. This has been observed in the case of some women-led enterprises as well. Recently in India many family businesses have emerged which were started by women with spouses, children and other relatives getting involved as the business started growing. The following examples from different sectors clearly highlight this trend:

1. Reference [5] discusses the case of Mrs. Rajni Bector, founder of Cremica, one of the largest food processing companies of India. One of the successful Punjabi women entrepreneurs, she started Cremica by making ice creams in her garage. She was just a housewife with no formal training and started with very low investment. Her products started selling well and Mr. Ajay Bector her eldest son joined her to help her with the increased business volumes. Cremica expanded its operations and set up manufacturing units for bread, bakery biscuits and namkeens. Mrs. Bector's younger sons Akshay Bector & Anoop Bector had also joined the business after completing their education. It diversified, entered into Joint Ventures with international firms, took up contract manufacturing and reported growth. Today her company has presence across India with its wide product range - Biscuits, Sauces, Jams, Ketchups, Indian Snacks, Ready to Eat Food, Condiments, Frozen Products and Bakery Products etc. From a small woman-led entrepreneurial setup Cremica has turned into a large family business.
2. The classic example will be of herbal queen Lady Shehnaz Hussain who started her herbal-based treatment from a relatively small scale. In fact, she started literally from her kitchen domain to a chain of beauty parlors spread out across the nation and world. Shehnaz started her business as a hobby on a relatively small budget and made an herbal empire to be inherited by her family [6].

3. Mrs. Vandana Luthra founded VLCC-wellness group as an entrepreneur. Her daughter and other family members joined in later once the business started expanding.
4. Groups such as Tarla Dalal and Nita Mehta have an empire of cookery books and other publications, websites, shows, institutes etc. In both the groups, the sons have opted to work with their mothers and convert the unit into family business.

V. CHALLENGES

Indian women are generally used to living in a protected environment. This makes them a little fearful when it comes to facing uncertainties and bearing risks. The study in [8] suggested that though “there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business”. As the boundaries between the firm and the family tend to be unclear, women operating family businesses face a unique set of issues related to personal identity, role conflict, loyalties and family relationships [7].

Unlike men, women mobility in India is highly limited due to many reasons [5]. They have limited access to getting trained, learning new skills and acquiring knowledge. This also limits their ability to travel for the purpose of their business activities and to look for fresh opportunities. There is no concession to women with regard to their family responsibilities and obligations even though they may be actively engaged in the business activities. According to [5], “women's family and personal obligations are sometimes a great barrier for succeeding in business career” and “only few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority”. Many women suffer from guilt when they move away from their traditional roles and as a result they are unable to start their own business or grow it beyond a point. Majority of women entrepreneurs live in nuclear families which proves that today also traditional joint families restrict women entry in the area of business [11]. Women also tend to start business about ten years later than men, on average. Motherhood, lack of management experience, and traditional socialization has all been cited as reasons for delayed entry into entrepreneurial careers [5].

Another aspect that is crucial and throws a major challenge is the nature and level of communication. “Most commonly, communication gaps arise among family members that are often provoked by role confusion, emotions (envy, fear and anger), political divisions or other relationship problems within the family. These lead to increasing misunderstandings and negative perception about the other member(s), resulting in growing friction among family members and clouding of decision-making” [15].

The level of trust and harmony within a family affects the nature and extent of communication. Reference [15] further observes: “Harmonious relationships in the family are important to make a family business successful. It ensures that communication channels among family members are open and any issues or conflicts that arise are sorted out directly in the best interest of the family and the business”.

It is imperative that communication is given adequate attention and steps are taken to ensure that differences in opinion are discussed with an open and neutral mindset. This requires great effort to keep family issues and business decisions segregated. But sometimes differences of opinion between husband and wife about business matters especially if there is problem in business may affect family life. And energy of both the partners may so be scattered by their work in the struggling company that little zeal remain for a strong family life [7].

Women also experience barriers when it comes to exercising authority. Reference [7] notes, “One of the major obstacles faced by women entrepreneurs has been that they are not taken seriously”. It also finds that “the assumption by the outside world is that women hold important positions, because they are married to the boss. Sometimes clients ignore the family businesswomen. Even if wife is more capable than husband, these women find that others sidestep them and look to their spouse for final decision”.

A family business like any other business involves many spheres and areas of work such as production, general administration, human resource management, finance, marketing, customer relationship management etc. Women often, however, are placed in areas such as marketing and finance [12]. Women in family business are subject to the constraints and not given an option to choose the area in which they want to work.

“Usually women do not have formal roles or titles in family business and their efforts are often unrewarded” [7]. They do not get equal recognition, position or compensation as compared to the men. For women entrepreneurs finance is a major concern. “The women entrepreneurs lack access to external funds due to their inability to provide tangible security” [11]. They are forced to arrange finance in most cases by using personal savings or taking loans from family members and friends.

“In most of the family businesses, wives are often kept in the dark about the business and its finances. Daughters, daughter-in-laws, granddaughters, sisters and nieces are often relegated to the position of noncontributing member. The women in the family are often overlooked completely, regardless of their skills, accomplishments or desires” [7].

VI. SUPPORT

“Absence of proper support, cooperation and back-up for women by their own family members and the outside world people force them to drop the idea of excelling in the enterprise field. They are always making many pessimistic feelings to be aroused in their minds and making them feel that family and not business is a place meant for them” [5]. Appropriate support and encouragement from the society in general and family members in particular is required to help them scale new heights in their business ventures [11]. So women in business must be supported by family, their immediate society as well as the government. The government of India has a plethora of schemes for women ranging from awareness programs, training and development, educational courses to soft loans, subsidies, and tax incentives etc. to empower women. But as [5] points out, “despite concerted efforts of governments and NGOs there are certain gaps” and “unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women”. The governmental agencies and the NGOs must focus their efforts in a manner that maximum benefit of existing schemes may be provided to businesswomen along with development of new schemes and policies.

The support from family specially the spouse is a crucial determinant of sustenance and success of women in business. Since 98 percent of the entrepreneurs began business after marriage, the role of husband in women entrepreneurship development has been significant. The others in the family also help the enterprise growth through in a limited way. Obviously, in our society, male support remains inevitable even in women-managed enterprises [11]. The educational level and family background of husbands also influences women participation in the field of enterprise [5]. Most importantly, women need to be given independence, respect and appreciation. It is essential that they develop a sense of self-esteem and are encouraged to take their own decisions with confidence.

VII. CONCLUSION

Women have challenged stereotypes and have come a long way in India. Many traditional barriers have been broken down with regard to women and their growth, yet some remain even today. It is expected that eventually every barrier shall be removed and women would be able to advance freely in all spheres of activity. When women manifest their latent talent and abilities they not only contribute to their own financial growth but also to that of the economy. Indian women aim to create a space they can call their own; to achieve something of value based on their own efforts and contribute to society without neglecting their home or family. Families can no longer ignore their talented, well-qualified women members who are a precious resource in this competitive age. In most cases women have proven to be successful entrepreneurs and leaders for family businesses. Their capability, commitment and contribution

to family and business have started getting recognized and appreciated. A positive trend has emerged with families encouraging participation of their women in the family business or promoting their individual ventures. In the best interest of their family, the society and the nation, capable women must not hesitate to start their own business or join that of their family if given a chance. This paper was a review of existing literature. There is a lot of scope for primary research on many aspects of women in business specially those related to the women leading family firms.

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