Journal of Agricultural Development and Policy, 2024
Volume 34, No. 2, 300-306
https://doi.org/10.63066/23220457.34.2.016

NAAS - 4.34
UGC CARE List Journal

Navigating the Labyrinth: Understanding and Addressing Multifaceted Challenges Faced by Women Entrepreneurs in Rural Punjab

Palak Talwar and Gagandeep Banga

School of Business Studies, Punjab Agricultural University, Ludhiana, India, Punjab

Abstract

The study delves into the intricate challenges confronting women entrepreneurs in rural and urban landscapes, highlighting diverse obstacles requiring focused interventions. Women contend with time constraints, balancing external employment and domestic duties, exacerbating stress and hindering entrepreneurial pursuits. Unpaid responsibilities restrict their exploration of paid work, especially in rural areas where only 18 percentage of women participate in paid jobs nationally. Sociocultural factors, notably patriarchal norms, impede women's entrepreneurial paths, compounded by stigmas related to strength and competence. Rural challenges involve financial barriers, high production costs, and market-related issues like competition and inadequate infrastructure. The study emphasizes the need for targeted interventions to address these multifaceted challenges, urging policymakers, business leaders, and society to create an enabling entrepreneurial environment for women to thrive.

Keywords: Entrepreneurship, Punjab, women, challenges

JEL Codes: L 26, G21, Q18,

Introduction

Women's participation in entrepreneurship has been a subject of increasing importance globally, as it reflects not only economic empowerment but also the breaking down of societal barriers. However, the journey of women entrepreneurs is fraught with unique challenges that often intersect with their roles in both domestic and professional spheres. One of the paramount challenges women entrepreneurs face is the struggle to balance their entrepreneurial ambitions with family responsibilities. Time poverty encapsulates the overwhelming demands on women's time arising from both domestic and professional commitments. The unequal distribution of household responsibilities has far-reaching consequences for women's ability to engage in paid employment. In India, where a substantial portion of women is of working age, a staggering number remains excluded from the workforce. This exclusion is influenced by socio-cultural norms and unfair household responsibilities, with only a fraction of rural and urban women actively participating in paid jobs. Such disparities focus the need for addressing societal expectations around gender roles.

Socio-cultural factors, rooted in patriarchal norms, present formidable obstacles for women entrepreneurs. Studies by Jahanshahi et al. (2010) and Kollan and Parikh (2005) emphasize the deep-seated cultural biases that hinder women's entry into entrepreneurship. Social stigmas surrounding women's capabilities and adaptability act as barriers, with being a woman itself identified as the most significant obstacle. Tackling these cultural barriers is imperative for fostering an environment conducive to women's entrepreneurial pursuits.

A rural Indian lady named Malavika Sharma started the business Avika, which made traditional, hand-embroidered clothing. Over 700 rural women are currently employed by Avika thanks to its quick growth. This story demonstrates the multiple difficulties that a woman-run business encounters when operating in a rural area of a traditional patriarchal nation like India. Given the rural setting, the example also demonstrates how commercial and social concerns inexorably intersect. Despite the women's empowerment movement in our nation, there are social, cultural, and economic barriers standing in the way of women's entrepreneurship, with a lack of an entrepreneurial climate being the main issue. Women are equally capable of operating businesses, yet they still lag behind. Women are denied chances, knowledge, and education despite their ability and aptitude. Family responsibilities for women, gender inequity, money issues, a low risk tolerance, and male-female competitiveness are a few of the primary issues mentioned. By receiving the

Corresponding author email: palaktalwar05@gmail.com

right training, rewards, encouragement, and motivation, as well as societal acceptance of their entrepreneurial skills and emotional support from their families, challenges faced by women entrepreneurs may be eliminated (Pathak and Varshney, 2017; Aneke *et al*, 2017; Velu 2017).

Women face a variety of obstacles, such as draughts, hostile work environments, and fierce competition. Business development is hampered by a lack of infrastructure, a lack of money and knowledge, a lack of education and training, a lack of operating permission, and other issues. Lack of resources, infrastructure, knowledge, and training were the main problems that the majority of the participants experienced; these factors were all taken into consideration while developing suggestions.The municipality should set up training facilities in each township to assist women who wish to launch or grow their businesses.By concentrating primarily on difficulties/barriers impeding female entrepreneurs' success in the uMhlathuze Municipality, the study aims to add to the body of knowledge on women entrepreneurs in the informal sector. Only a few studies have carried out comparable study in this region (Tiwari, 2023; Silambarasan *et al,* 2023; Zwane and Zhou, 2023).

Data Sources and Methodology

The population for the study consisted of all the women entrepreneurs of Punjab. For the purpose of the study, four districts of Punjab with the maximum women population were selected. Further, a list of women entrepreneurs was procured from District Industrial Centre (DIC) of each district. From the list, 40 rural women entrepreneurs were selected on the basis of random sampling and willingness to respond, from each district. Thus, a total sample of 160 rural women entrepreneurs of Punjab were selected.

The primary data for this study were collected using a structured, non-disguised questionnaire. This method allowed for a systematic and organized approach to gather information from the selected sample of women entrepreneurs in Punjab. The questionnaire was designed to capture relevant data on various demographic variables and the area of enterprise

A structured questionnaire was developed to gather information on key variables, including demographics (age, gender, educational qualification, occupation, family income, and family size) and the area of enterprise. Further factor analysis was used.

Factor analysis is a statistical method employed in data analysis to identify underlying patterns, structures, or latent factors within a set of observed variables. This method is particularly useful for simplifying complex data sets, reducing dimensionality, and extracting meaningful insights. factor analysis is a powerful method for uncovering hidden patterns in complex data.

The following criteria were used to assess the acceptability of the factor analysis data:

1. To determine if the correlation matrix shows adequate correlations, it was generated and evaluated.
2. The partial correlations between variables with negative values are displayed in the anti-image correlation matrix. If there are few partial correlations between the variables, there are true factors.
3. An measure for comparing the partial correlation coefficients' magnitudes is the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA). The index is between 0 and 1. KMO needs to be high enough for both the whole MSA and the individual factors.
4. The number of statistically significant correlations between the variables is shown by the Bartlett's test of sphericity. To extract the variables, Principal Component Analysis was utilized. Variation was taken into consideration using linear combinations of variables

Cronbach's alpha

Before data analysis, one should check the reliability of the scale. The reliability of the scale can be checked by the commonly used method known as Cronbach's Alpha. Cronbach's alpha is the measure of internal consistency. This is the average of all possible halving coefficients obtained by dividing the scale items in different ways. This coefficient ranges from 0 to 1 but the satisfactory value of Alpha should be more than 0.6. Values below 0.6 generally indicate unsatisfactory results (Malhotra 2007; Hair *et al* 2007). In the current study, Cronbach's alpha was calculated to test the reliability of the scale.

The formula for Cronbach's alpha is as follow:

$$\alpha = \frac{N\,\bar{C}}{\bar{v} + (N-1)\,\bar{C}}$$

where, N is equal to the number of items, $\bar{c}$ is the average inter-item covariance among the items and $\bar{v}$ equals the average variance spread of each dimension in a multivariate space).

Results and Discussion

Socio-economic profile of the respondents

The respondents were asked related to their socio-economic profile and results are discussed below:

Table 1 shows the distribution of respondents in the rural context, totaling 160 individuals, reflects diverse socio-economic profiles. In terms of age, the majority falls within the 50 and above category, constituting 29.38% of the sample, followed by the 20-30 and 31-40 age groups, each representing 23.13% and 26.25%, respectively. Notably, respondents becoming entrepreneurs below the age of 30 constitute 63.75% of the sample, with the 20-30 age bracket being the most prevalent at 42.5%. Educational qualifications exhibit a varied distribution, with graduates comprising 40%, postgraduates at 26.25%, and higher

Table 1: Distribution of respondents according to their socio-economic profile

Socio-Economic Variables	Rural (N=160)	
	Frequency	Percentage
Age		
Below 20	20	12.5
20-30	37	23.13
31-40	42	26.25
41-50	14	8.75
50 and above	47	29.38
Age of becoming entrepreneur		
Below 20	34	21.25
20-30	68	42.5
31-40	40	25
41-50	17	10.63
50 and above	1	0.63
Educational qualification		
Primary Education	6	3.75
Matric	3	1.88
Higher secondary school	36	22.5
Graduate	64	40
Post Graduate	42	26.25
Diploma	3	1.88
Illiterate	6	3.75
Marital status		
Married	104	65
Unmarried	52	32.5
Widow	4	2.5
Separated	0	0
Family structure		
Joint	86	53.75
Nuclear	74	46.25
Family occupation		
Agriculture	112	70
Business	10	6.25
Service	38	23.75
Annual family income		
Below 60000	3	1.88
60001-120000	5	3.13
120001-240000	13	8.13
240001-360000	42	26.25
360001-600000	22	13.75
Above 6 lac	75	46.88
First Generation Entrepreneur		
Yes	101	63.13
No	59	36.88

secondary school graduates at 22.5%. The marital status of respondents predominantly indicates married individuals at 65%, followed by unmarried (32.5%), widowed (2.5%), and no respondents reporting separation. Family structures are diverse, with 53.75% residing in joint families and 46.25% in nuclear setups. Agriculture is the predominant family occupation, representing 70%, while business and service sectors account for 6.25% and 23.75%, respectively. Regarding annual family income, the majority falls within the "Above 6 lac" category at 46.88%, while the 240001-360000 and 360001-600000 brackets constitute 26.25% and 13.75%, respectively. A significant majority, 63.13%, are first-generation entrepreneurs, while 36.88% report no prior entrepreneurial background. This socio-economic profile provides a comprehensive understanding of the diverse backgrounds of rural women entrepreneurs, encompassing age, education, marital status, family structure, occupation, income, and entrepreneurial legacy. These insights serve as a foundation for developing targeted support strategies and policies to address the unique needs and challenges faced by rural women entrepreneurs in their pursuit of economic empowerment.

Challenges faced by rural women entrepreneurs

In exploring the landscape of entrepreneurship, it is

Table 2 Challenges faced by rural women entrepreneurs

(N=160)

Labels	Challenges faced by Rural Women Entrepreneurs	Mean	S.D.
X1	Family ties or responsibilities	4.13	1.13
X2	Lack of education	3.68	1.37
X3	Male domination	3.18	1.50
X4	Social and cultural barriers	3.54	1.41
X5	Shortage of funds	3.93	1.20
X6	High rate of interest	3.27	1.45
X7	Procurement of loans from Banks	3.86	1.23
X8	High cost of production	3.87	1.13
X9	Non availability of machinery	4.04	1.29
X10	Technological advancement	3.82	1.27
X11	Non availability of raw material	3.36	1.24
X12	Labour shortage	3.39	1.35
X13	Mobility	3.45	1.10
X14	Tough competition	3.73	1.29
X15	Recruitment and hiring of new employees	4.14	0.97
X16	Absenteeism of employees	3.86	1.28
X17	Legal challenge to get copyright/ IPR	3.13	1.60
X18	Contractual agreements	3.04	1.44
X19	Ignorance of taxation issues	3.15	1.34
X20	Not having proper business licences	3.00	1.50
X21	Dealing with Government agencies	3.03	1.60
X22	Fund raising	3.11	1.59
X23	Lack of knowledge about Labour laws	3.02	1.42
X24	Market expansion	4.01	1.00
X25	Marketing of product	4.28	1.03
X26	Finding new customers	4.43	0.95
X27	Packaging and branding of product	4.41	1.08
X28	Pricing of product/service	4.66	0.70
X29	Distribution of product/service	4.30	1.10

crucial to delve into the specific challenges encountered by rural women entrepreneurs. Rural women entrepreneurs encounter a distinctive set of challenges as reflected in the mean scores and standard deviations for various factors. Notably, family ties or responsibilities (Mean = 4.13, SD = 1.13), lack of education (Mean = 3.68, SD = 1.37), and male domination (Mean = 3.18, SD = 1.5) emerge as significant hurdles.

Additionally, issues such as shortage of funds (Mean = 3.93, SD = 1.20), high rate of interest (Mean = 3.27, SD = 1.45), and procurement of loans from banks (Mean = 3.86, SD = 1.23) contribute to the financial challenges faced by rural women entrepreneurs. Production-related challenges include non-availability of machinery (Mean = 4.04, SD = 1.29), technological advancement (Mean = 3.82, SD = 1.27), and non-availability of raw material (Mean = 3.36, SD = 1.24). In the marketing domain, rural women entrepreneurs confront challenges in market expansion (Mean = 4.01, SD = 1.00), marketing of products (Mean = 4.28, SD = 1.03), finding new customers (Mean = 4.43, SD = 0.95), packaging and branding (Mean = 4.41, SD = 1.08), pricing of products/services (Mean = 4.66, SD = 0.70), and distribution of products/services (Mean = 4.30, SD = 1.10). These insights underscore the multifaceted nature of challenges faced by rural women entrepreneurs, emphasizing the need for targeted support and interventions tailored to their unique circumstances.

Table 3 Reliability statistics

Cronbach's Alpha=0.891	Number of Items= 29	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.778**
Bartlett's Test of Sphericity	Chi-Square	5620.85
	df	406
	Sig.	0.001*

The Cronbach's Alpha reliability coefficient, calculated at .891 for a dataset comprising 29 items, demonstrates a high internal consistency among the variables. This coefficient measures the extent to which the items in the dataset are interrelated and consistently contribute to the reliability of the overall scale. The value of .891 suggests a robust and reliable internal structure, indicating that the items collectively measure a cohesive underlying construct. This high level of internal consistency instills confidence in the reliability of the dataset, suggesting that the variables are homogeneously measuring the targeted factors. Researchers can rely on this measure to draw meaningful and consistent conclusions from the analyzed data. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, with a value of 0.778, indicates a moderately favorable level of adequacy for conducting factor analysis on the dataset. The KMO statistic assesses the suitability of the data for dimensionality reduction, suggesting that the observed variables are adequately correlated for this purpose. The Bartlett's Test of Sphericity, with a significant Chi-Square value of 5620.85 and a p-value of 0.001, reinforces the appropriateness of the factor analysis.

The factor analysis reveals critical challenges encountered by entrepreneurs, categorized into distinct factors based on factor loadings, variance explained, and eigenvalues. The "Marketing Challenges" factor, with a high eigenvalue of 7.937 and explaining 16.984% of the variance, encompasses issues such as market expansion, pricing, packaging, distribution, customer acquisition, and tough competition, reflecting the diverse landscape of marketing hurdles faced by entrepreneurs. The "Legal and Production Challenges" factor, with an eigenvalue of 4.628 and explaining 14.623% of the variance, incorporates challenges related to legal complexities, licensing, taxation, contracts, labor laws, government interactions, and production costs, highlighting the intricate blend of legal and production-related obstacles. The "Personal Challenges" factor, with an eigenvalue of 3.735 and explaining 13.570% of the variance, encompasses obstacles related to gender-based issues, social and cultural barriers, mobility constraints, family responsibilities, and educational gaps, underscoring the personal dimensions influencing entrepreneurs. The "Financial and Technological Challenges" factor, with an eigenvalue of 3.289 and explaining 12.400% of the variance, integrates challenges related to fundraising, shortage of funds, high-interest rates, loan procurement, technological advancements, and absenteeism of employees, emphasizing the complex interplay of financial and technological factors affecting entrepreneurial endeavors. The "Human Resource Challenges" factor, with an eigenvalue of 1.681 and explaining 11.124% of the variance, includes challenges like recruitment, labor shortage, absenteeism of employees spotlighting the critical aspects of managing human resources and resources. The "Non-availability of Resources" factor, with an eigenvalue of 1.405 and explaining 7.489% of the variance. These factors collectively offer comprehensive insights into the multifaceted challenges faced by entrepreneurs in various dimensions of their business ventures.

The reliability analysis of the extracted factors reveals robust internal consistency, as indicated by Cronbach's Alpha coefficients. The six identified factors are distinctly characterized by specific entrepreneurial dimensions. The "Marketing" factor, encompassing seven items, demonstrates a high level of internal reliability with a Cronbach's Alpha of .894. This suggests that the items related to marketing challenges, such as market expansion, pricing, and branding, reliably measure a cohesive aspect of entrepreneurial endeavors. Similarly, the "Legal and High Cost of Production" factor, consisting of seven items, attains a commendable Cronbach's Alpha of .889. This factor captures the intertwined challenges associated with legal complexities

Table 4 : Factor summary for challenges faced by rural women entrepreneurs

(N=160)

Statements	Labels	Factor loading	Factor name	Variance explained by the factor	Eigen values
Market expansion	X24	.821	**Marketing Challenges**	16.984	7.937
Pricing of product/service	X28	.785			
Packaging and branding of product	X27	.776			
Distribution of product/service	X29	.755			
Finding new customer	X26	.699			
Marketing of product	X25	.557			
Tough competition	X14	.509			
Legal challenge to get IPR	X17	.858	**Legal and Production Challenges**	14.623	4.628
Not having proper business licences	X20	.858			
Ignorance of taxation issues/laws	X19	.633			
Contractual agreements	X18	.555			
No proper knowledge of labour laws	X23	.526			
Dealing with government agencies	X21	.524			
High cost of production	X8	.499			
Male domination	X3	.847	**Personal Challenges**	13.570	3.735
Social and cultural barriers	X4	.789			
Mobility	X13	.725			
Family ties /responsibilities	X1	.717			
Lack of education	X2	-.535			
Fund raising	X22	.841	**Financial and Technological Challenges**	12.400	3.289
Shortage of funds	X5	.828			
High rate of interest	X6	.802			
Procurement of loans from banks	X7	.555			
Technological advancement	X10	.534			
Absenteeism of employees	X16	.928	**Human resource Challenges**	11.124	1.681
Recruitment and hiring new employees	X15	.871			
Labour shortage	X12	.798			
Non availability of raw material	X11	.736	**Non-availability of resources**	7.489	1.405
Non availability of machinery	X9	.710			

Table 5 : Reliability analysis of extracted factors

	Name of the factor	Cronbach's alpha	No. of items
1.	Marketing Challenges	.894	7
2.	Legal and Production Challenges	.889	7
3.	Personal Challenges	.890	5
4.	Financial and Technological Challenges	.890	5
5.	Human resource Challenges	.896	3
6.	Non-availability of resources	.892	2

in obtaining intellectual property rights (IPR) and issues related to high production costs. The "Personal" factor, incorporating five items reflecting personal and societal aspects of entrepreneurship, achieves a Cronbach's Alpha of .890. This indicates a high level of internal consistency in measuring the influence of variables such as male domination, social and cultural barriers, mobility, family ties, and lack of education on entrepreneurial pursuits. The "Financial and Technological" factor, with a Cronbach's Alpha of .890, encompasses five items related to financial challenges and technological considerations. This factor provides a reliable measure of the interconnected challenges faced by entrepreneurs in securing funds, managing financial resources, and navigating technological advancements. The "Human Resource" factor, consisting of three items, demonstrates strong internal consistency with a Cronbach's Alpha of .896. This factor encapsulates challenges related to human resource management, including absenteeism, recruitment, hiring, and labor shortages. Finally, the "Production" factor, with a Cronbach'sAlpha of .892, reflects the reliability of measuring challenges associated with production, specifically the non-availability of raw materials.

Conclusion and Policy Implications

Wide-ranging governmental initiatives are necessary to address the unique difficulties encountered by female entrepreneurs in rural settings. Taking into account the particular socio-cultural environment, tailored methods for rural women entrepreneurs should concentrate on easing obstacles associated with male dominance and family pressure. The study's noted financial restrictions should be addressed by the implementation of financial assistance measures, such as accessible loans and lower interest rates. The integration of technology improvements, raw material availability, and marketing skills is vital to improve production and market-related capacities. Women can also be empowered to overcome these obstacles by promoting entrepreneurial courses and networks of support tailored to rural environments. Policy initiatives for rural women entrepreneurs should give priority to tackling issues related to financial limits, lack of education, and family obligations. Addressing financial difficulties may be achieved via endorsing programs that improve financial knowledge and make money more accessible. Given the importance of the production and marketing difficulties, policy interventions have to incorporate networking opportunities, mentorship programs, and capacity-building exercises. In addition, cultivating a supportive business climate for rural women entrepreneurs requires addressing personal obstacles including family obligations and cultural norms and developing a gender-sensitive workplace. In addition, initiatives to combat cultural norms and prejudices that impede women's entrepreneurial aspirations should be undertaken in the areas of awareness, education, and advocacy.

References

Aneke E O, Derera E and Bomani M 2017. An exploratory study of challenges faced by women entrepreneurs in the construction industry in South Africa. *International Journal of Business and Management Studies* **9(2)**: 35-51.

Jahanshahi A, B K Pitamber and K Nawaser 2010. Issues and challenges for women entrepreneurs in global scene, with special reference to India. *Australian Journal of Basic and Applied Sciences* **4(9):** 4347-56.

Kollan B and Parikh I J 2005.A Reflection of the Indian Women in Entrepreneurial World. *Research Publication of Indian Institute of Management Ahmadabad* **5:** 91-97.

Pathak A and Varshney S 2017. Challenges faced by women entrepreneurs in rural India. *International Journal of entrepreneurship and innovation* **8(1):** 3-27.

Silambarasan D, Sabesh R and Ramprasath S 2023. Issues and challenges faced by rural women entrepreneurs in India. *International Review of Education* **7(1):** 289-92.

Tiwari B 2023. A study related to challenges and problems faced by rural women entrepreneurs. *International Journal of Advanced Research in Commerce, Management and Social Science* **6(1):** 39-42.

Velu P 2017. Problems and challenges faced by women entrepreneurs in India -a study. *North Asian International Research Journal Consortium* **3(9):** 22-29.

Zwane H C and Zhou S 2023. Entrepreneurial challenges facing female entrepreneurs in informal micro businesses: a case study of umhlathuze municipality. *EUREKA: Social and Humanities* **2:**16-26.

Received: August 21, 2024 Accepted: November 05, 2024