



LEADERSHIP STYLES OF WOMEN ENTREPRENEURS IN COIMBATORE CITY

Dr. G. Vengatesan* T. Anbu**

*Assistant Professor, PG & Research Department of Commerce (CA), Hindusthan College of Arts & Science (Autonomous), Coimbatore.

**I.I.M.Com (CA), PG & Research Department of Commerce (CA), Hindusthan College of Arts & Science (Autonomous), Coimbatore.

Abstract

In the ancient times women were considered inferior to men in every aspect. But with civilization and modernization the concept of women empowerment and feminism also came in light. The concept of women entrepreneurship was also a part of these approaches. Women Entrepreneurs is a person who accepts challenging roles to meet her personal needs and become economically independent. It may be defined as the woman or group of women who initiate, organize and co-operate a business enterprise. According to J.A. Schumpeter, "Woman who innovates, imitates, or adopts a business activity woman entrepreneur

The purpose for studying the entrepreneurial styles followed by successful women entrepreneurs is to enable novice entrepreneurs to identify the strategies followed by them and to guide them in setting up their own venture successfully. There should be women entrepreneurs who can give great ideas and be able to translate them into reality, persuade fellow entrepreneurs and policy makers.

Keywords: *Women Entrepreneurs, Leadership Styles.*

Introduction

In the ancient times women were considered inferior to men in every aspect. But with civilization and modernization the concept of women empowerment and feminism also came in light. The concept of women entrepreneurship was also a part of these approaches. Women Entrepreneurs is a person who accepts challenging roles to meet her personal needs and become economically independent. It may be defined as the woman or group of women who initiate, organize and co-operate a business enterprise.

According to J.A. Schumpeter, "Woman who innovates, imitates, or adopts business activities is woman entrepreneurs". Entrepreneurship has been criticized with gender difference since days along. All the way it is impossible to lead the society without women business is not an exception for it. Women in India have been oppressed culturally, socially, economically and politically for centuries. They are exploited at home, in the families, in the society and in the country. In the Multi ethnic and multi-cultural society like that exists in India, such exploitation takes various Forms.

Concept of Leadership Styles of Women Entrepreneur

Economic development of any region is an outcome of purposeful efforts by different sections of the society. One of the major contributors to the economy is an entrepreneur. Entrepreneur is a person who organizes and operates the business and is responsible for the results in the business. Women entrepreneurship development is an important part of Human Resource Development. Entrepreneurship in women has been a very recent concern. Women have become aware of their existence, their rights, and their work situations.

In the present scenario, women want to be independent in social and economic aspects. Several studies have been carried out in the area of women entrepreneurship but studies related to the leadership styles followed by famous entrepreneurs are limited. The present paper studies the leadership style followed by women entrepreneurs in India and what problems they have faced in their endeavours. The myth that women cannot engage in productive employment needs to be dispelled. Women are growing as successful in different areas and playing vital role in the socio economic development of the country.

Objectives of the Study

- To study the women entrepreneurs and their status in Coimbatore city.
- To study the characteristics of successful women entrepreneurs.
- To identify the issues related to the women entrepreneur skills with respect.

Overview of Leadership Styles of Women Entrepreneurs

1. Women are the Largest Economic Opportunity: THE most convincing business case for women comes from Silverstein and Sayre (2009a), who show that women are a bigger economic opportunity than India and China combined. In 2009 women globally earned \$13 trillion which is double the combined GDPs of China and India (\$5.6 trillion). This female



income is projected to be \$18 trillion by 2014. Given that Commonwealth women represent approximately 30% of the global female population the extrapolated earnings translate to an estimated \$5 trillion. Many institutions now recognise that women's growing affluence and influence cannot be ignored and have identified women as the next big market opportunity as they explore different ways of capturing and capitalizing on this 'market segment' to take advantage of the demographics.

2. Women Control Majority of Consumer Spending: Not only do women earn more than India and China combined, but also women globally control at least 64% of the consumer spending (Silverstein & Sayre, 2009b). Having women on boards will give corporations the competitive advantage to create products and services that will better meet their customers' needs. In some countries, women drive over 70% of household spending decisions but have many unmet needs from financial education and advice to providing products they require at key inflexion points in their lives: caused by divorce, death of a spouse, marriage, first home purchase, birth of a first child, college commencement, first job etc (Accenture, 2006). Therefore, the opportunity to win market share and create new markets are abundant. Moreover, given these demographic trends, corporate leadership should reflect the diversity of the customer base (George, 2012).

3. Women Creating their Own Wealth and Setup: In business According to Barclays research (2013), women are creating their own wealth through earnings, savings and income from setting up business thus given rise to kitchen table tycoons. Trends suggest an increase in self-employment where women are setting up both lifestyle and fast growth companies.

- a) Women are living longer Demographics suggest women are living longer than men and one impact of this is that they become beneficiaries of a double inheritance from both father and husband where the cultures and laws permit. Again, the financial advisory role is important to serve the unmet needs of this demographic and provides an opportunity to service this growing segment. Women often set up and manage businesses that are survival led and necessity driven, which tend to be for long term.
- b) Women improve corporate performance Women are shown to have positive effects that improve corporate performance. Catalyst (2007) compared Fortune 500 companies on the representation of women on their boards and their corporate performance. They found that when comparing the worst and best quartile of female representation this had significant effects on the corporate performance. Return on Equity increased by 53%, Profit Margin by 42%, and Return on Invested Capital by 66%. They also found that a minimum of three women on the board gave the best results.
- c) McKinsey (2007) confirms this relationship. They find that companies with the highest gender diversity teams, as compared to the industry average, see a much higher Return on Equity (10%), a higher operating result (48%), and a stronger stock price growth (70%). In addition, having at least one woman on the board decreases bankruptcy by a full 20% (Wilson & Atlantar, 2009). Interestingly, companies with more women on their boards see better corporate governance and ethical behaviour (Franke, 1997).
- d) Women strengthen the economy and increase next generations' welfare: Investing in women leaders has great effects on a country's GDP and the welfare of next generations. Booz&Co (2012) calculated the possible increase on GDP through the entrance of new female participants to the economy. For India, South Africa, and the United Kingdom (all Commonwealth countries) these increases would be 27%, 10% and 5%. Moreover, women reinvest a far greater amount of their earnings on their children's education and health than men do, whereas men spend greater amounts on entertainment (Goldman Sachs, 2009). Thus, helping women earn their own income has a direct effect on the next generations and offers resilience.
- e) Women are increasingly well educated In some western countries over 50% of graduates are women. For instance, in the UK, more than 54% of the postgraduates were female (Office for National Statistics, UK). However, this is not the case for countries like India, Pakistan and South Africa, but surprisingly so in countries such as Saudi Arabia.

Analysis of Women Entrepreneurship

Given the demographic trends in many countries we should not ignore factors propelling women to set up businesses. Women continue to make active choices to turn to self-employment for many reasons including opportunities for work/life balance and a lack of job opportunities. A report by Barclays 'Unlocking the Female Economy' further highlighted the missed opportunity of female entrepreneurship – in most countries male entrepreneurs outnumber female entrepreneurs by a substantial margin.

The 2010 Global Entrepreneurship Monitor that looks at entrepreneurial activity around the world found fewer female than male entrepreneurs in 58 out of 59 countries –Ghana was the exception where the proportion of female entrepreneurs were greater than 50%.



In order to capture this demographic to benefit economies given the link between levels of entrepreneurship and economic development the following actions should be considered:

- Improve access to capital (this topic merits a separate paper). This could be done by setting up women focussed funds for start-ups (necessity driven entrepreneurship) and growth businesses owned or led by women. Funding is important because the market is very inefficient even in Europe women only access less than 5% of venture funds. Non-traditional sources are also growing using the power of the internet through crowd funding and other initiatives such as peer-to-peer lending.
- Set up business angel communities that bring capital, expertise and connections. Provide incentives, for example using the tax system, to encourage wealthy private individuals to establish business angel groups to support small businesses in terms of investment and advice
- Open up access to serious business networks
- Improve access to markets through trade missions and introductions to influential contacts
- Improve procurement policies so women get fair access
- Create an enabling environment of advice and support for female leaders in micro and small businesses and provide appropriate toolkits for success by improving the business skill sets

Conclusion

At the end of the study it is concluded that women entrepreneurs are raising their interest in Entrepreneurship in this process they are practicing wide variety of leadership styles and exhibiting them because they realized that leadership is one of distinguish factor between success and failure of any business. This paper made an attempt to study the leadership styles of women entrepreneurs in academic institutions.

In this study it is identified that women are struggling a little bit with style of leadership because mostly they are adopting participative leadership style, their decision making process is also good, relations with employees is also appreciative but on the other side they are criticized because their poor communication, centralized authority and risk taking levels in fact this is the area where they are suffering and getting some unexpected out comes.

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