

Factors That Affects the Women Entrepreneurs in Small Scale Sector

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ABSTRACT - Women play the major role in the growth of the Indian economy. Since many entrepreneurs where budding out to uplift the growth of the today's business many factors that arrest the growth of women entrepreneur in the small scale sector. The major finding is the social and cultural factors the affects the growth of women entrepreneur.

Keywords -Supportive institution like NGO's, Women EDP's cell.

1. INTRODUCTION

Recently, in India as in many other developing countries, the role of women in the economic activity of the nation was practically ignored. The increasing participation of men in the work-force, the multiple role of women as mothers, homemakers and paid workers and misunderstandings of the nature of unemployment among women, therefore, suggest the usefulness of describing trends and relationships, in labour force participation as a background for assessing the volume of employment, occupational structure and the impact of economic growth. In this light, the present study analyses in depth the changing role of women in occupational structure with the economic development of the society.

Although most women in India work and contribute to the economy in one form or another, much of their work is not documented or accounted for in official statistics. Women plow fields and harvest crops while working on farms, women weave and make handicrafts while working in household industries, women sell food and gather wood while working in the informal sector. Additionally, women are traditionally responsible for the daily household chores (e.g., cooking, fetching water, and looking after children). Since Indian culture hinders women's access to jobs in stores, factories and the public sector, the informal sector is particularly important for women. There are estimates that over 90 percent of workingwomen are involved in the informal sector.

A. Views of Entrepreneur

Joseph A. Schumpeter thus writes." The entrepreneur in an advanced economy is an individual who introduces something new in the economy- a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of new material or of new markets and the like." Briefly, an entrepreneur is one who innovates, raises money, assembles inputs, chooses managers and sets

the organization going with his ability to identify them. Innovation occurs through (1) the introduction of a new quality in a product, (2) a new product. (3) A discovery of a fresh demand and fresh source of supply and (4) by changes in the organization and management.

B. Women in Several Industries

Women entrepreneur have been making a significant impact in all segment of business like retail trade, restaurants, hotels, education, culture, cleaning insurance and manufacturing. Women and their business skills are not properly utilized across the world, Even through a large number of women set up their business they are still facing lot of problems from the society They have to put up more efforts to prove their efficiency rather than men. The hidden opportunities of women should identify themselves and adopt the best entrepreneurial style to run their business. Different styles of entrepreneurial and leadership skills adopted by successful Women entrepreneur of India. Ekta Kapoor of Balaji Telefilms, Kiran Mazumdar Shaw of deacon and Shahnaz Husain and her beauty products business and Lijatpapads women cooperative system.

C. Defining of Small Scale Units

- In order to boost the development of small scale industries and to ensure their rapid growth, Government has decided:
- To increase the limit of investment in the case of tiny units from Rs.1 lakh to Rs.2 lakhs;
- To increase the limit of investment in the case of small scale units from Rs. 10 lakhs to Rs. 20 lakhs; and
- To increase the limit of investment in case of ancillaries from Rs.15 lakhs to Rs. 25 lakhs.

2. NEED OF THE STUDY

Today women plays the important role in the several areas it is necessary to study the women problem and how they achieve the target. Today women as entrepreneur are a mushroom growth it is necessary to analysis the role and problem faced by them when they involved in the growth of industries.

A. Factor Affecting the Women Entrepreneurs

The main difficulty of a woman entrepreneur is that she is a woman; this pertains to her responsibility towards family, society and work. With joint families breaking up, many simply don't have the support of elders. Women have

been confronted by such dilemmas ever since they started leaving home for the work place. On the other hand, the attitude of society towards her and constraints in which she has to live and work are not very conducive. In spite of the constitutional equality, in practice the attitude of men is not only traditional bound but even of those who are responsible for decision making, planning and research is not of equality. They still suffer from male reservations. This attitude of reservation creates difficulties and problems at all levels i.e., family support, training, banking, licensing and marketing.

Women in rural areas have to suffer still further. They have to face not only resistance or reservation from men but also from elderly women who are ingrained in the attitude of inequality. The overbearing presence of elders restrains even young men from venturing out; so one can image how much a young girl needs to put up to become economically independent. Though in rural areas women are working along with men since times immemorial, their contribution in monetary terms remains unaccounted, or if at all accounted, it is given a very low value. They are mostly engaged in low paid, back breaking agricultural activities or act as helpers in handicrafts.

B.Support for Women Entrepreneurs

1. Education from dependency , entitlement to self-sufficiency and economic growth;
2. Development/facilitation of information and communication technologies that bridge the gap between new enterprises and established businesses;
3. Establishment of networking links, international partnerships, community participation and access to national and global markets;
4. Development of partnerships between stakeholders (government, private sector, NGOs, trading partners);
5. Provision of business skills training, facilitation of business incubation, mentoring and support services;
6. Establishment of appropriate changes to trade, investment and tax policies that promote sustainability and does not stifle the economic dream of women entrepreneurs and
7. Review/changing of regulatory frameworks that stifle women entrepreneurs and accelerate economic growth (Nasser, du Preez and Hermann, 2003).

3. OBJECTIVE OF RESEARCH

1. To analysis the social and cultural factors that affect the women entrepreneur in small scale sector.
2. To find out risk bearing capacity faced by the womenentrepreneur.
3. To analysis the limited mobility of resources like finance, family etc which affects the growth of women entrepreneur.

4. REVIEW OF LITERATURE

Sylvia Hewlett (2002) reported that an increasing number of women choose entrepreneurship out of frustration with demanding and inflexible work environments. Hewlett's

recent (2002)¹ study indicated that women in companies that offered flexible hours or work-at-home options were more likely to stay after the birth of a child. Even with the opportunity for flexible work arrangements, women in her study were more likely to be childless (42 percent) or have stay-at home husbands (30 percent). While for some women, managing adults may be easier than caring for children all day long (Conlin, 2002)², juggling the financial, operational, and marketing tasks for a new venture proved to exceed the expectations, let alone capabilities, of most novice entrepreneurs.

Mainiero and Sullivan (2005)³ developed the concept of the "kaleidoscope" career to examine how relationships (e.g. with spouse, children, relatives, and friends) impact women's career decisions. They suggest: That like a kaleidoscope that produces changing patterns when the tube is rotated and glass chips fall into new arrangements, women shift the pattern of their careers by rotating different aspects in their lives to arrange their roles and relationships in new ways.

Female entrepreneurship is one of the fastest growing sectors of the UK economy, with women representing 13 percent of small business owners. Nearly 50 percent of UK women in full-time employment believe there are good opportunities to start a new venture and over one-third perceive themselves as possessing the skills to start a new business (Harding et al., 2004⁴).

Sabbagh.Z (1996⁵) Women on family lies at core of society playing the major role in political, economic, social and religious behaviour. People are conscious of each other's family, membership. Family links facilities that access to institutions jobs and government services.A.S. Shiralashetti and S.S. Hugar (2007⁶) analyses the "Problems and Prospects of Women Entrepreneurs in North Karnataka District" and offer useful suggestions to overcome these inherent problems. The problems identified were, lack of sufficient information on production and distribution, lack of training facilities in their respective areas, the problem of playing too many roles which lead to work-family conflict and dominance from the male member of the family. Some of the suggestions made were, creating entrepreneurial awareness among women through seminars, symposiums and workshops, making bank credit more accessible to women, arranging regular training camps, improving the economic status of women and maintaining gender balance in decision-making.

¹ Hewlett, S.A. (2002), *Creating a Life: Professional Women and the Quest for Children*, Talk Miramax Books, New York

²Conlin, M. (2002), "Mommy is really home from work", *BusinessWeek*, November, pp. 101-4.

³Mainiero, L.A. and Sullivan, S.E. (2005), "Kaleidoscope careers: an alternative explanation for the opt-out revolution", *Academy of Management Executive*, Vol. 19 No.1

⁴Harding, R., Cowling, M. and Ream, M. (2004), "Female entrepreneurship: achieving the vision", Report, British Chambers of Commerce, London

⁵Sabbagh.Z pp194-95 (1996) *Arab women between defiance and restraint*, olive branch press New York.

⁶Shiralashetti A.S. and S.S. Hugar (2007). "Problems and Prospects of "Women Entrepreneurs in North Karnataka District, A Case Study", The ICFAI Journal of Entrepreneurship Development Vol.IV No.2 (Pp 48-53).

5. RESEARCH METHODOLOGY

The aim of this paper is to explore the barriers to women achieving their full potential in the entrepreneurial sector and the extent to which these barriers are from structural sources or are the result of particular personality traits or perceptions. The research is exploratory in nature and has used a desk-based approach to data collection. Initially an overview of the main issues concerning risk and entrepreneurship is given to contextualize the gender aspects that are then discussed. The paper provides directions for further research by identifying the research and information gaps and provides suggestions for policy. One might speculate that gender-related differences are not significant within the entrepreneurial role in the SME sector and the problems encountered are not gender-specific but rather are related to the risks associated with new business development and growth. Previous research studies have evaluated the proposition that the entrepreneurial process takes place against a backdrop of policies, structures and frameworks which may facilitate or inhibit entrepreneurship, e.g. the contextual setting will differ in terms of previous economic development, regional policies and local support mechanisms. The individual contextual factors include: family history and tradition of entrepreneurship, cultural influences relating to family and friends, family commitments and opportunities and educational opportunities. The individual characteristics influencing the propensity of the individual to engage and develop a career in entrepreneurship are the personal traits and characteristics such as attitudes to self-employment, risk-taking behaviour, age, self-confidence and gender. These may be influenced by the individual contextual factors detailed earlier. Entrepreneurial Processes would be contingent on the three other sets of elements. For example, the individual who originates from a background in which there is a strong tradition of entrepreneurship and family support may inherit the business or a part of an existing family business automatically. While another individual may need to undertake more of the initial stages of setting up the business, including determining the opportunity, persuading oneself and others about the viability, raising risk capital.

A. Methodology of study:

1. Hypothesis of study: to analysis whether the social and cultural is major problem of women entrepreneur in small scale sector in Chennai city.
2. The population size is nearly 2500 women entrepreneur out of 5 lakhs 15 thousand small scale sector in Chennai City in 2006.
3. The structure of questionnaire include open end questions and closed end questions (5, 2, 3 scale , ranking , rating) were used for research.
4. The tools used were frequency analysis, Cluster analysis and trend analysis

B. Problem statement:

1. The major problem of the study is considered only limited population of size only on the women

entrepreneur in small scale sector and tiny sector were also included for research.

2. The researcher cannot meet the closed eye contact of interviewer because of the busy schedule.
3. The interviewer did not answer for all question in the questionnaire due to the time factor
4. The data collected techniques like direct interview and mailed questionnaire is the bias for the researcher.
5. Most of the women entrepreneurs were not the direct owner of business it is like family business, CEO.
6. Most of the entrepreneur did to response directly they gave to some other staffs to answer the question.

C. Scope of the study

1. The study is limited only to the certain industrial area like Tidco, Sidco, etc. estate area: Mogappair, Guindy and Residential area in Chennai.
2. The data collected techniques used by research were direct interview, questionnaire through direct interview, mailed questionnaire to the women entrepreneurs who runs small scale sector in Chennai city
3. The several statistical techniques were applied based on the hypothesis of the study. The data collected techniques involved were primary and secondary data were used.

D. Primary data:

Random sampling is applied for generating data. The sample chosen for the study covers the women entrepreneur in small scale sector in Chennai city. Totally 2500 population size women entrepreneur in Chennai city and they were selected random sampling method of 240 sample size to determine the problem of women entrepreneurs in Chennai city.

1) Questionnaire Method

The input of the study to identify the problem of women entrepreneur is collected by means of questionnaire, which consists of two parts. The first part of the questionnaire is framed to obtain the general information about the women entrepreneur. The second part is designed on the problem of women entrepreneur especially the problem like risk factor, problem starting industry, male domination, social and cultural problem and government support. The questionnaire with cover letter is sent to each women entrepreneur, direct interview method were also conducted and through mail respondent the data were collected they are requested to return the filled questionnaire within 10 days . The respondents tool a period of 15 to 20 days toe return the questionnaire.

A preliminary investigation is undertaken by conduction direct interview and by studying the profile of leading women entrepreneur. The purpose of the pilot study is to test the quality of the items in the questionnaire and to confirm the feasibility of the study. The statement included in the

questionnaire was subject to test of reliability. The questionnaires were tested by 5 scale test.

2) Secondary data

For the purpose of the study the history of women entrepreneur were analyzed that the statistical information given from the government of India websites taken for the research. Participants involved in this study were identified entirely through internet based research. The sample of female entrepreneurs was chosen using information available on online women in business network association sites. Female entrepreneurship awards sites, online business papers and magazines, national government websites and general search engines such as Google, Yahoo which identified female entrepreneurs within six countries. Non-probability. Convince and purposive sampling was used to ensure that each there would be sufficient information available on each of the entrepreneurs chosen and that the information gathered would be as rich and informative as possible.

6. DATA ANALYSIS

The data collected from both the sources are scrutinized, edited and tabulated. The data are analyzed by using SPSS

(Statistical Package for Social Science) computer packages. The data collected are subjected to statistical analysis to identify the exact trend of achievements made by women entrepreneur helps to analysis the major problems in entrepreneur. For this purpose the tools used are , KMO Bartlett’s test, one sample T test of equity and AVOVA.

1 Factor which induces you to start their business

Motivation is the primary source to start their business venture. Human being has her self respect, values, sentiment and aspiration apart from economic status. Under such circumstances the efficiency of the enterprise is related not merely to the efficiency of sophisticated machines installed but more importantly upon the satisfaction and the spontaneous desire of women to put their mind and heart into the work. Women entrepreneur is the major support to start their business venture. The research concentrated on the following sources of motivation to entire into the business.

Table 1 : Factor which induces you to start their business

	Factor	Frequency	Valid Percent
Valid	Child education	7	2.9
	Prestige	36	15.0
	Employment	62	25.8
	Interest to work	50	20.8
	Financial support	47	19.6
	Family support	26	10.8
	Independent	9	3.8
	Others	3	1.3
	Total	240	100.0

Source: Primary data

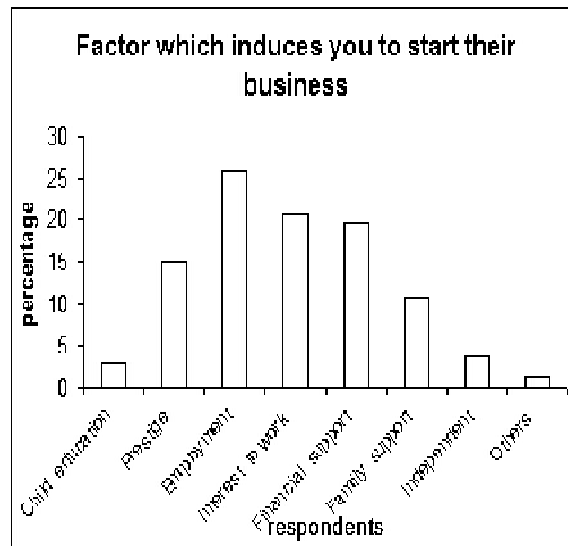


FIGURE1:

Interpretation

From the above table shows that the children education is 2.9%,prestige is the sources of primary motivation 15%, employment necessarily of 25.8% ,interest to work in business is 20.8%, financial support is abundant is 19.6%, family support of 10.8%, independent work force is the major source of motivation 3.8% and others sources is 1.3%.

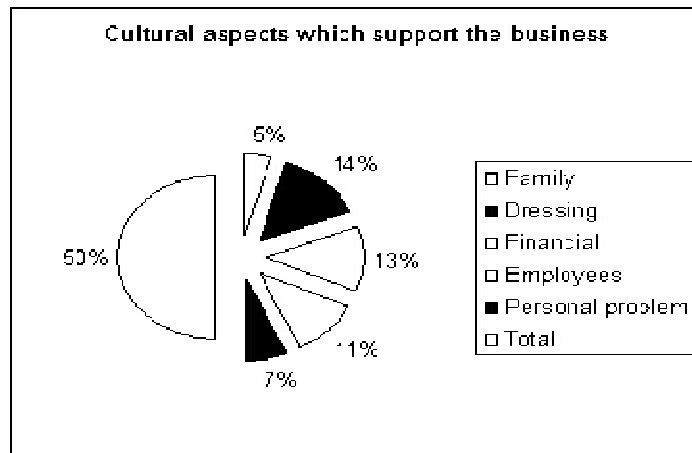
Cultural plays the important role in the business for the women entrepreneurs. The cultural of women does not provide them the motivation support in the certain business aspects that is the major factor for the research to concentrated on the cultural factor that support or not concentrated on the on their business aspects. This table shows the supportive cultural factor that supports the women in business.

2. Cultural Aspect Which Support Their Business

Table II: Cultural aspect which support their business

Factors		Frequency	Valid Percent
Valid	Family	11	9.6
	Dressing	33	28.9
	Financial	29	25.4
	Employees	26	22.8
	Personal problem	15	13.2
	Total	114	100.0

Source: Primary data
FIGURE II:



Interpretation:

This table shows family shows the supportive attitudes with percentage of 9.6%, dressing sense with 28.9%, financial attitudes 25.4%, attitude with employee’s behaviour 22.8% and personal attitude with 13.2%

Most important in promoting small and medium enterprises, which generates more jobs and often use Labour intensive methods of production. Industries and business of smaller size also work towards promoting better income distribution and development of entrepreneurship by expansion diversification and modification the business to increase the profit earnings. This table shows the following aspects of the growth of business.

3. Risk is the Major Factor in the Growth of Entrepreneurs:

Table III: Risk is the major factor in the growth of entrepreneurs

Factors		Frequency	Valid Percent
Valid	Expansion	76	31.7
	Diversification	92	38.3
	Modification	72	30.0
	Total	240	100.0

Source: Primary data
Interpretation

This table shows that the risk factors in the growth of women entrepreneur expansion of business with percentage

of 31.7%, diversification with 38.3%, modification has to be done in business 30%.

4. Social Cultural Psychological Environment Factors Which Motivate The Women Entrepreneur:

Table IV

a)Factor analysis for social-cultural-psychological environment factors which motivate women entrepreneur in SSI:KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.501
Bartlett's Test of Sphericity	Approx. Chi-Square	46.925
	Degrees of freedom	21
	Significance.	.001

Source: Primary data

Table IV(b) Total variance for social-cultural-psychological environment factors

Factor	Initial Eigenvalues		Rotation Sums of Squared Loadings		
	Total	% of Variance	Total	% of Variance	Cumulative %
1	1.390	19.853	1.320	18.863	18.863
2	1.244	17.773	1.194	17.052	35.915
3	1.025	14.646	1.145	16.357	52.272
4	1.000	14.284			
5	.930	13.280			
6	.738	10.548			
7	.673	9.617			

Extraction Method: Principal Component Analysis.

Interpretation:

From the above table it is found that the KMO measure of sample accuracy 0.501. The Chi square value is 49.925 is statistical significance of 5% level. The 7 variables of motivation explained 52.272% of variance with three components and Eigen values are 1.320,1.194 &1.145 Individually the 3 factors explained 18.863%, 17.052%

&16.357% respectively. This really shows that 7 variables are suitable for the application of factor analysis with high variance of opinion of women entrepreneur. It further implies the women entrepreneur vary in their opinion about Social psychological factors which influence them to start their own business for women entrepreneur. The 7 variables are converted into 3 components with following loadings.

Table IV(c) Rotated Component Matrix

Ranking	Component		
	1	2	3
Social factor	-.795		
Children	.750		
Family support		.701	
Financial factor		-.643	
Motivate		.506	
Mental ability			.822
Workers			.680

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 5 iterations.

Interpretation

Hence the factor which analysis the social- cultural-psychological factor which affect women entrepreneur in the major sources like social and children with the variables of 0.795, & 0.750 respectively they were called as 'Cultural impediment'. The other factor of like family support, financial and motivation from others with the variables of 0.701, -0.643 & 0.506 can be named as 'Economic Motivation'. The final factors like mental ability and Labour with the variables like .822, & .680 respectively can be named as 'Potentiality'.

The factor analyses focus on the 7 variables which affect the mental attitude of women entrepreneur. Such factor is collectively named as intellectual factor that is the internal and external pressure which frustrates the women to concentrate in business.

5. Level of Risk Involved In Women Entrepreneurs' During the Business Venture:

In India, it's mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only¹. In the case of family women entrepreneurship has to strike a fine balance between her business and family. Support approval from her family leaves little or no energy and tome to devote for business. Women entrepreneurs have lead to protected life. They are less educated and economically not self-dependent. All

these reduce their ability to bear risk involved in running an enterprise. Risk bearing is the essential requisite of a successful entrepreneur. In addition to above problems, inadequate infrastructural facilities, shortage of power, high cost of production, social attitude, mental problems, low need for achievement and social economic constraints also hold

the women entrepreneurship back form entering into business.

One sample T test

This test was applied for the 8 factor by using five scale measures the following measures are obtained from the below table:

Table V(a): Level of risk involved in women entrepreneurs' during the business venture:

Particulars	N	Mean	Std. Deviation	Std. Error Mean
Family support	239	2.0921	1.28987	.08343
Financial factor	240	3.2083	.90924	.05869
Children	240	2.2417	1.32245	.08536
Social factor	240	2.8083	1.08467	.07001
Mental ability	240	3.1458	1.12391	.07255
Workers factor	240	3.0667	1.12954	.07291
Motivation	240	3.1958	1.06247	.06858

Source: Primary data

Table V(b):One-Sample Test

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
Family support	-10.882	238	.000	-.90795	-1.0723	-.7436
Financial factor	3.550	239	.000	.20833	.0927	.3240
Children	-8.884	239	.000	-.75833	-.9265	-.5902
Social factor	-2.738	239	.007	-.19167	-.3296	-.0537
Mental ability	2.010	239	.046	.14583	.0029	.2887
Workers factor	.914	239	.361	.06667	-.0770	.2103
Motivation	2.855	239	.005	.19583	.0607	.3309

Interpretation

The women entrepreneurship feels moderate risk of the mean value of 2.0921 in family support, children & social support. While running their business venture and they feel average risk in finance, mental ability, workers factor and motivation.

6. Influence With The Risk In Starting Industry With Initial Investments**Table VI: ANOVA table showing that there is risk in starting industry with initial investment:**

		Sum of Squares	Degrees of freedom	Mean Square	F	Sig.
Building	Between Groups	11.903	4	2.976	2.840	.025
	Within Groups	232.599	222	1.048		
	Total	244.502	226			

Source: Primary data

Interpretation:

From the above table shows that there is the risk in building (F = 2.840, P 0.025) differ significantly with initial investments. The application means wise comparison of building and high risk in starting their industry with greater 10 lakhs (2.3636) and greater than 1 crore have less risk in starting their industry of (4.000).

Conclusion

It is conclude that the convenient building structure for the industry causes the major risk in starting the industry.

Suggestion:

- The study describes that the special women entrepreneurial development cell should be organized by the government to promote counseling in certain areas to remove the frustration based on the social-cultural – psychological factors that affect the entrepreneur.
- The NGOs, psychologists, managerial experts and technical personnel should be provided assistance to induce the self-confidence and lack of success in existing and emerging women entrepreneurs.
- The majority of women entrepreneur were feel risk in the changes in the organization factor like expansion and diversification. The women entrepreneur cell should come forward to motive the them and remove the frustration to shine in the business.

6. CONCLUSIONS

In summary, the literature has adopted a cross-disciplinary approach to risk and research and has tended to focus on a particular aspect of risk, e.g. propensity rather than taking a holistic view of risk. The relationship between preparedness, propensity and perception has not been given sufficient attention in the literature generally and even less in the context of women and risk. It would therefore be wrong to treat

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The women entrepreneur influences the risk of starting of industries with the initial investment to start their business venture. The result of one way analysis of variance is presented below:

women entrepreneurs as a homogenous group. Perceptions may be influenced by the self-confidence levels of the individuals involved in the entrepreneurial venture. If an individual is confident the situation or decision may be seen as less risky but if the individual lacks confidence then they may perceive more barriers and anticipate the decision to be more risky

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