



## An Empirical Study on Women Entrepreneurs and Growth Factors

Ms. Sulochana Mure<sup>1</sup>, Dr.B.Kuberudu<sup>2</sup>

<sup>1</sup>Research Scholar, Mewar University, Rajasthan

<sup>2</sup>Research Supervisor, Mewar University, Rajasthan

**Abstract:** Women entrepreneurship has been recognized as a very important supply of economic growth. However, they still represent a minority of all entrepreneurs. trying into the rationale of the minority illustration, this study aims at decisive the factors poignant the expansion of women Entrepreneurs. The study is descriptive in nature, Analysis of Variance, Co-Variance and correlational analysis was accustomed determine numerous determinants influencing the success of women Entrepreneurs of Nalgonda District, Telangana State and results of the correlational analysis were place through the Cronbach's Alpha reliability test. The analysis indicates that economic issue is that the principal factors affecting the growth of women entrepreneurs, the findings of the study can provide right direction to Government and alternative Institutional networks and support agencies to style effective programmes and policies to assist these women entrepreneurs flourish in future.

**Keywords:** Women Entrepreneurs, Factors effecting growth, Telangana State, Nalgonda District, Public Policies

### I. Introduction

Women entrepreneurship is one of the characteristic features of the ongoing structural transformation that had been taking place in the developing economies under the aegis of globalization. Women constitute nearly 50 per cent of nation's population and form a very important segment of the human resource in the development of a Nation. The Participation of women in the sphere of economic activities on par with men is therefore very necessary for the development of mankind. As of now, the growth of the unemployed women had been outpacing the growth of the unemployed men all the world over. To mitigate the negative effects of the structural reforms, women in developing countries had judiciously seized the opportunity to translate the threat of

being unemployed into the risk-taking entrepreneurship activity whereby they had become la-providers rather than remain as job-seekers.

In entrepreneurship too, there the gender segregation had been in existence. It was not a new phenomenon as even, historically the labour Market had been a sex-segregated market, knowledge was also segregated and hence the potential to start a successful business venture ought to differ between the male entrepreneurs and the female entrepreneurs. Hence, women had all along been under-represented in entrepreneurship ventures, partly because they had been occupying fewer managerial positions than men; compared to men they had less start-up capital and above all they had been taking up the primary responsibility of



looking after their home and their children. Despite these obstacles, women have been increasingly entering into the risk-taking activity of undertaking entrepreneurship rather than merely seeking jobs in the Labour Market. Viewed in this perspective, women entrepreneurship has emerged recently as a positive motivator of growth and job creation. To understand the situation of women entrepreneurship in the developing countries in a better way, it would be necessary to analyze and comprehend the employment and the social structures in which women entrepreneurship could develop and grow. In Asian countries like India, the social structures did not allow women to participate in activities outside their homes and hence they did not generally get themselves involved in decision-making relating to non-household outside activities. In recent times however, female literacy, female unemployment and female poverty conditions have encouraged women to venture into entrepreneurial activity. In India, women entrepreneurs constitute nearly 20 per cent of the total number of entrepreneurs in the country as against 25 per cent in the OECD (Organization of Economic Co-operation and Development) countries and more than 33 per cent of the number of the entrepreneurs in the United States of America. The existing literature has revealed that unemployment, feminization of poverty and government's special programmes for motivating women entrepreneurs by way of providing training, financial assistance and marketing facilities for the development of women entrepreneurship had been the forces behind promoting entrepreneurship among women for

making them economically active and socially responsible.

Rurality is viewed as a dynamic entrepreneurial resource that shapes both opportunities and constraints. Location, natural resources, and the landscape, social capital, rural governance, business and social networks, as well as information and communication technologies, exert dynamic and complex influences on entrepreneurial activity in rural areas. It is one of the newest areas of research in the entrepreneurship field and has become one of the significant supportive factors for rural economic development.

The status of women in India has long been paradoxical. They have had access to professions such as medicine, teaching, and politics and have the right to own property. Among some social classes, women are extremely powerful. Women have been taking increasing interest in recent years in income generating activities, self-employment, and entrepreneurship. This is seen in respect of all kinds of women both in urban and rural areas. Women are taking up both traditional activities (knitting, pickle making, toy making, jam and jelly), and also non-traditional activities (like computer training, catering services, beauty parlor, gym. etc.).

The economic, social, religious, cultural, and psychological factors affect origination and success of women entrepreneurs. The reasons and motivations for starting business or economic activities by the rural women are enormous. The important reasons are earning money or attractive source of income, enjoying better life, availability of loans, favorable government policy,



influence of success stories, personal satisfaction, desire to utilize own skill and talents, unfavorable present working environment, self-employment and employment of others, assurance of career and family security, fulfillment of creative urge of the borrowers' experience in family business, self-confidence, non-ability to find suitable job or work, encouragement and advice of the family members, economic necessity, and so on.

## II. Review of Literature

Cohoon, Wadhwa & Mitchell, (2010), present a detailed exploration of men & women entrepreneur's motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. Some interesting facts which came out from this report are less educated women entrepreneurs are engaged in micro enterprises, have husband & children but have no help at home. Most of the women establish enterprises before the age of 35, after gaining some experience as an employee somewhere else. The motivational factors were desire for control & freedom to take their own decision as well as earning handsome amount of money. Dedication of more than 48 hours in a week with the family support to their enterprises gave them a sense of self confidence. However, to maintain balance between family & work life is a major challenge before women entrepreneurs especially for those who have children & working husband.

Tambunan, (2009), made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Singh, (2008), identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.



Lall & Sahai, (2008), conduct a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self-perception self-esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study 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.

Greene et.al., (2003), evaluate the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives.

### SCOPE OF THE STUDY

The study is limited to India nation. In any case, survey of writing and optional information has been exhibited in the national point of view. Once more, investigation of an article in light of optional information and applicable writing is given in the national point of view alongside interstate examination.

The study is restricted because of constrained utilization of measurable apparatuses.

### OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

- 1) To examine the growth and development women entrepreneurs in India;
- 2) To investigate the impact of micro-credit on socioeconomic of women entrepreneurs
- 3) To study on public policy measures for women entrepreneurs.
- 4) To study on the operational challenges for women entrepreneurs

### HYPOTHESIS

H1: There is no significant relationship between women entrepreneurs and their contribution to economic growth

H2: There is no significant relationship between women entrepreneurs and operational challenges.

H3: There is no significant relationship between Public Policies and women entrepreneurs to overcome operational challenges

### METHODOLOGY

Designing a suitable methodology and the selection of appropriate and suitable analytical tools were very important for carrying out a meaningful analysis of any chosen research problem. For the present study, the methodology adopted had been taken to include the choice of the study area, the sampling design, the collection of data, the period of study, the method of analysis and the tools of analysis.



### III. CHOICE OF THE STUDY AREA

Nalgonda District is one of the major districts in Telangana and a vast majority of the working population in the district had depended on agriculture. The Government of India had declared almost the entire district as an backward area. Hence, incentives and subsidies were being granted to entrepreneurs encourage the starting of new industries by them in this district.

### IV. SAMPLE DESIGN

In order to evaluate the economic performance of the women entrepreneurs in the Small-Scale Industries in the Nalgonda District, 300 sample women entrepreneurs had been selected by adopting the simple Random Sampling Method. A total Number of 3750 women entrepreneurs had registered themselves in the District Industries Centre, Nalgonda as in June 2011. The list was collected from the District Industries Centre, Nalgonda . The Random Numbers were allotted to the entire list of the women entrepreneurs. Based on the Random Number Table, a sample of 300 respondents had been chosen.

### V. Period of Study

The field survey was conducted during the period Oct 2016 to Mar 2017 for the purpose of collecting primary data.

### VI. FINDINGS OF THE STUDY

**H1: There is no significant relationship between women entrepreneurs and their contribution to economic growth**

These 300 respondents were again classified on the basis of their Registration with the District Industries Centre for a particular nature of the enterprise.

The present study had been based on primary as well as secondary data. The personal interview method was adopted for collecting primary data from the sample respondents. For this, a well-designed and pre-tested interview schedule was prepared to enable the collection of the information required for the study by the researcher. Further, the researcher had held preliminary discussions with the officials of the District Industries Centre and a few well informed women entrepreneurs of the small-scale industries units registered with the DIC, Nalgonda. In the light of the information gathered, the researcher had prepared the interview schedule. A pilot study was conducted and on the basis of the experience gained through the pilot study, the final schedule was drafted. The secondary data were collected from published as well as unpublished reports, Hand books, Action plans and pamphlets of the office of the directorate of industries and commerce, District Industries Centre, Nalgonda.



**TABLE: 1 - WOMEN ENTREPRENEURSHIP AND ECONOMIC GROWTH**

Contribution	Rating scale of respondents				
	5	4	3	2	1
Starting new business	1	10	13	16	20
Community/social development	9	11	13	10	17
Tax Payment	17	15	10	7	11
Employment	19	17	12	8	4
Wealth creation	20	14	20	2	4

**TABLE: 2 - TEST OF SIGNIFICANCE - ECONOMIC GROWTH**

S.No	Variables	Group 1		Group 2		Group 3	
		Very High		High		Average	
		X1	X12	X1	X12	X1	X12
1	Starting a New Business	1	1	10	100	13	169
2	Community/Social Development	9	81	11	121	13	169
3	Tax Payment	17	289	15	225	10	100
4	Employment	19	361	17	289	12	144
5	Wealth Creation	20	400	14	196	20	400
		66	1132	67	931	68	982
		13.2		13.4		13.6	

**TABLE 3 - ANALYSIS OF VARIANCE**

Source of variation		sum of squares	d.f.	mean squares	F	p
Between	0.4	2	0.2	0.0068	6.8337	
error	351.2	12	29.27			
Total	351.6	14				

**Analysis:** F-ratio value calculated is 0.0068 which is lower than tabulated value of 3.89 at 0.05 level with 2 and 12

degrees of freedom. The dependent variable economic growth does not have any significance. The analysed test result



suggests women entrepreneurs have not contributed significantly to economic growth. The impact of women

entrepreneurs can be explained by the weak effect it has on economic growth.

**H2: There is no significant relationship between women entrepreneurs and operational challenges.**

**TABLE : 4 - OPERATIONAL CHALLENGES OF WOMEN ENTREPRENEURS**

Challenges	Rating Scale of Respondents					Total
	5	4	3	2	1	
Finance	12	4	2	0	0	18
Infrastructure	4	1	2	0	0	7
Source of Raw Material	0	2	1	1	0	4
Multiple Levies/Taxes	6	3	1	1	1	12
Gender Inequality	3	4	2	1	0	10
Market Products/Services	0	1	2	0	0	3
Lack of Skilled Employee	3	1	0	0	0	4
Family Problems	2	0	0	0	0	2
Total	30	16	10	3	1	60

**TABLE : 5 SECONDARY AND TERTIARY CAUSES**

S.No.	Challenges	Av. Contributions	Challenges	Av. Contributions
	X1	Y1	X2	Y2
1	30	8	900	64
2	16	11	256	121
3	10	14	100	196
4	3	16	9	256
5	1	18	1	324

**TABLE 6: ANCOVA RESULTS**

Source	SS	DF	MS	F	P
Adjusted Means	110187.19	1	110187.19	62.7	0.000087
Adjusted Error	11889.38	7	1698.48		
Adjusted Total	122076.57	8			



**ANALYSIS:** The dependent variables of operational challenges facing women entrepreneurs had calculated F-ratio value of 62.7 higher than initial (tabulated) F-ratio of 12.2 at 0.5 level indicates that encountering challenges in their business operations is significant. The women entrepreneurs have been encountering operational challenges over the years.

**TABLE 7: TEST FOR HOMOGENEITY OF REGRESSIONS**

Source	SS	DF	MS	F	P
Between Regressions	5033	1	5.33	0	1.000000
Remainder	11884.05	6	1980.68		
Adjusted Error	1889.38	7			

**H3: There is no significant relationship between Public Policies and women entrepreneurs to overcome operational challenges.**

**Table 8: Public policies to overcome operational challenges**

Response	Number of Respondents	Percentage%
Strongly Agree	2	3.33
Agree	6	10.00
Disagree	14	23.34
Strongly DisAgree	18	30.00
Not Sure	20	33.33
Total	60	100

**Table 9: Independent and Dependent Variables**

S.No	X	Y	X <sup>2</sup>	Y <sup>2</sup>	XY
1	6	11	36	121	66
2	10	16	100	196	160
3	12	8	144	64	96
4	14	14	196	196	196
5	18	18	324	324	324
Total	60	67	800	901	842





**TABLE 10: CORRELATION AND REGRESSION RESULTS**

R	r <sup>2</sup>	slope	Y intercept	Std. Err. Of Estimate
0.534	0.286	0.475	7.7	3.8794
T 1.095	dt 3	P	One-tailed	0.1768
			Two-tailed	0.3535

**ANALYSIS:**

The independent variable of public policies support by government revealed a coefficient value of 0.534. The test value of 1.095 is lower than tabulated ratio of 3.182, that is, the public policies put in place by the government to support women entrepreneurs to overcome their operation challenges experienced over the years have not worked.

**TABLE 11: RELIABILITY TEST ANALYSIS**

Level	Lower limit	Upper limit
0.95	-0.658	0.962
0.99	-0.841	0.984

**DESCRIPTIVE STATISTICS AND ANALYSIS**

The findings showed that most of the respondents were between 25-35 years were 41.67%, 33.33% were between ages of 36-45 years and 25% were 46 years and above. The educational background of women entrepreneurs showed 8.33% had school leaving certificate, 50% had either secondary school certificate or diploma certificate. 41.67% had graduate degree or its equivalent. On the other hand, 16.67% were married and 16.67% widowed. The majority of women entrepreneur have stayed long in their entrepreneurial endeavours. 1.1% of respondents are less than two years in the business while 73.3% were 2-4 years, 22.2% 4-6years while 3.3% were above 6 years.

**CONCLUSION AND FUTURE RECOMMENDATIONS**

The relationship tested underscores the assortment of the elements which impact the operations of women entrepreneur. The study demonstrated that women entrepreneur have not contributed essentially to the financial development because of various operational difficulties experienced throughout the years. The public policy strategies bolster set up has not helped them either to overcome or vanquish these difficulties.

Women entrepreneur have capabilities to produce and create job opportunities, generate wealth and for the most part develop the economy. In the district the women population constitutes half of the population. Consequently when the financial status of women is enhanced



through entrepreneurial improvement, the financial prosperity will be achieved.

The analysis of the study gives standardizing arrangement plot that points women entrepreneur advancement; capability building programs on expert administration for women entrepreneur. Corporate Networks, NGOs et cetera can give recommendations, advices, guiding and lead preparing programs for women entrepreneur. Better microcredit projects to be set up by government to help women entrepreneur get to credit offices; Government to forcefully seek after arrangement of foundations for working together.

The three levels of government ought to give assess diminish to ladies business people in type of tax reduction or duty discount to help decrease different taxation rate.

Government ought to set up enactment that delivers women's entitlement to responsibility for property and other oppressive practices that constitute operational hurdles to women entrepreneurs.

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