



Women Entrepreneurs: Driving Factors and Growth – A Study in Coimbatore District

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Introduction

The position of women and their status in any society is an index of its civilization. Women are to be considered as equal partners in the process of development. But, because of centuries of exploitation and subjugation, Indian women have remained at the receiving end. Women in India have been the neglected lot. They have not been actively involved in the mainstream of development even though they represent equal proportion of the population and labor force. Primarily women are the means of survival of their families, but are generally unrecognized and undervalued, being placed at the bottom of the pile. Women as an independent target group, account for 495.74 million and represent 48.3% of the country's population, as per the 2001 census. No country can achieve its potential without adequately investing in and developing the capabilities of women. In the interest of long-term development it is necessary to facilitate their empowerment. In many developing countries, including India, women have much less access to education, jobs, income and power than men. Even after five and half decades of planned development Indian women have not achieved expected success in the mainstream of life. Our country will be unable to

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have a competitive edge over others until and unless the status and role of women is improved.

Women are almost one half of the world's population having enormous potential but being underutilized or unutilized for the economic development of the nation. There is need to strengthen and streamline the role of women in the development of various sectors by harnessing their power towards nation building and to attain accelerated economic growth. Majority of women do not undertake entrepreneurial ventures. Entrepreneurship is a key to economic development of a country. History is full of instances of individual entrepreneurs whose creativity had led to the industrialization of many nations. Small Scale Industries (SSI) plays a key role in the industrialization of the country. It is considered as an important means for checking concentration of economic power in the few hands and bringing about economic dispersal and more equitable distribution of national income. It is the vehicle of generating additional employment through low capital investment, would help dispersal of industry to rural areas.

Review of Literature

(Spinder Dhaliwal, 2000). This article features interview evidence gathered from both Asian women entrepreneurs in their own right and Asian women working in family enterprises, and seeks to provide a clearer picture of the roles, responsibilities and relationships of these two groups. In addition, the study is methodologically novel in so far as the researcher has taken care to observe the cultural proprieties often noted within this particular group.

Sandra L. Fielden (2003) aims to investigate the barriers preventing women from entering into growth businesses in the North West. The research included discussions with 12 service providers as well as in-depth interviews and focus groups with 99 potential and established female business owners. The main barriers blocking women's ownership of small businesses involved the widely held stereotype of business owners as "white, middle class, males", cultural differences, a shortage of premises for new businesses and the lack of appropriate childcare.

(Sindhu S. Narayan, 2003) The present study was undertaken to assess the success rate of women entrepreneurs. An entrepreneurial success index (ESI) was developed for the study and it was used to understand the extent of success of entrepreneurs. The percentage of women entrepreneurs falling in the high and medium level success was 26.67 per cent and that of very high and low were 21.67 and 25.01 per cent respectively. Majority of the respondents were formal entrepreneurs as they (83.00%) had registered their enterprises. In case of informal entrepreneurs, 50.0 per cent of

them were with low level of success and only 10.0 per cent had very high level of success.

(Emma McClelland, 2005). This paper aims to address key themes such as motivation to start-up, growing the business, gender issues and the challenges faced by women. Initial findings demonstrate threads of commonality between female entrepreneurs in different countries. It also highlights differences in the experiences of these women, not only across countries but also within certain countries.

Babu.T.D, (2007) analyzed and explored the characteristics of successful entrepreneurs and probes into further whether there is difference in the skills due to type of business and the level of education. 21 small scale women entrepreneurs of Andhra Pradesh were selected as sample. 43% of the entrepreneurs are from garments, 62% have related qualification to their business. In garments and related business most of them have production of fashionable garments qualification, possess the skills like clear objective, ability to motivate and future orientation. The Entrepreneurial skills inventory varies on the part of successful women entrepreneurs among type of business or venture that take up and the level of education.

(Sabha Rani B, 2007). The article discusses the initiatives taken by the government at national and state level and the role of women specific associations and analyzes the main aspects of women entrepreneurship. Participation of women in entrepreneurial activities can only be triggered by the initiatives taken by the country's government as well as through an increase of normative support for women entrepreneurship. Some of the dominant characteristics required for the success of an enterprise are, self-confidence, drive and energy, taking initiative and seeking personal responsibility, positive outlook and long-term involvement in a sustained manner.

Shanmukha Rao Padala (2007) conducted a study to find out the socio economic profile and to evaluate the performance of business enterprises. 130 DWCRA members were selected as sample from Srikakulam District. There is an increase in the income levels in the case of 77.69% of the respondents, 73.64% are doing dairy business; raw material availability and demand for finished goods are the main reasons for choosing the present business. 76.9% of the respondents started their business with their own funds and borrowed funds and all most all the respondents are punctual in respect of repayment of loans. Majority of the women entrepreneurs are taking business decision by themselves. The net profit earned by 40% of the respondents is between Rs. 500 to Rs. 600 per month.

Mathivannan.S et al (2008) has conducted study to analyze socio-economic background and status of women entrepreneurs in small scale industries by conducting a survey among 200 sample women entrepreneurs in Virudhunagar District. 72% of

the women entrepreneurs were from backward community had education up to school level and had nuclear families, 39% of them controlled the units by themselves, and 49.5% took decision in consultation with their family members. With regard to the enterprise 61.5% of women entrepreneurs had their firms in rural area, 49% nearer to residence, 82% of the units are manufacturing units, and 74% of the units are functioning as sole proprietorship. 58% of the units were newly started.

(Poonam Pathar, 2008). The present investigation was carried out in Jammu district of Jammu & Kashmir State to know the impact of motivational factors and role stress on women entrepreneurs. Total 240 respondents were interviewed with the help of pre-tested structured interview questionnaire. It was found that "Liking for having an independent occupation" (82.5%) ranked first amongst personal motivational factors followed by "Monotony of house work" (77.01%). "Existence of business already in the family" (97.5%) ranked first amongst non-personal motivational factors followed by "need to get over financial difficulty" (92.08%). Women were subjected to a greater stress as the demands of home and career at times caused conflict. Though the conflict existed, women had realized the advantage of being businesswomen. The respondents adopted various strategies in resolving their conflict stress. They mostly resolved their conflict by "working on priorities" (55%). The next factor "by working harder" does not indicate a very healthy mechanism to cope up with stress (27%). The remaining respondents accepted the situation (11%), which in fact is a positive mechanism and 7 per cent, depended on their faith in God.

Shobana Nelasco (2008) has conducted case study of women entrepreneurs in Madurai with a sample of 100 with the objective to study the type of enterprising and the forms of ownership. 45% of women are involved in trading and 40% in servicing sector. 75% belonged to the backward class, majority of them having secondary or higher secondary education. 34% of the women entrepreneurs have started their business by their own funding. The main factor motivating their entrepreneurial attitude is earning money ranked first followed by family encouragement education and training received.

Venkata Ramana.C (2008) explored the major aspects pertaining to entrepreneurship by conducting a study in four districts of Andhra Pradesh with a sample size of 200 SMEs, and measured the entrepreneurial success using financial and non-financial parameters. None of the four entrepreneurial attributes is Industry Knowledge (IK), Street Smartness (SS), Tolerance from Ambiguity (TFA) and impact of personal selling on start-up success (IPSs) are positively associated with entrepreneurial success. There is a negative correlation between industry knowledge

and entrepreneurial success. In the moderately successful category of entrepreneurs, TFA and IPSs have contributed to a little extent for the success of the firms.

The present study of women entrepreneurs has been undertaken at a crucial period when the question of women's contribution to development is being discussed at national level and attempts are being made to make women economically and socially independent. The specific **objectives** of this study are the following:

- To investigate the educational, religious, familial, and social background of the Entrepreneurs.
- To find out the reason and motivating factor for starting their own enterprise
- To assess the growth of their business

The study was in Coimbatore District. Random sampling technique was adopted for the selection of women entrepreneurs. A sample of 150 women entrepreneurs was taken on the basis of criterion that they should be running their own enterprise. Tools applied are Percentage Analysis, Friedman Rank Test, Chi square Analysis and Correlation. The findings of the study are presented in the following paragraphs.

General Profile

It can be inferred from Table 1 that 52% of the respondents are in the age group of 25 to 35 years, 60% of them belong to the backward community and 42.7% of them are graduates. Majority (81.3%) of the respondents are married, 77.3% have nuclear type of family and 37.3% have four members in their family.

Business Profile

Table 2 shows that among the 150 respondents, 41.3% of them are in service industry, 69.3% are sole traders, 62.7% have started a new business and 34.7% of them have inherited family business. Tailoring units (22.7%) is the preferred business, followed by the handloom units. 33.3% of them have their business near to their residence and 30.7% do home based business. Majority (88%) of the women entrepreneurs do their business within the state. 53.3% of the respondents have started their business out of own investment and 36% have obtained bank loan.

Ranking of Motivational Factors

The respondents were asked to rank the motivational factors to start their own enterprise and are presented in Table 3. The respondents (40%) have given Rank 1 to contribute to family income, followed by use of spare time as rank 2(22.7%), and self owing / independent as rank 3 (32%).

The Friedman test, frequently called as two-way analysis on ranks, was carried out at 1% level of significance, to determine whether there are any significant differences between the rankings.

Hypothesis: “The rankings of the respondents regarding the motivational factors to start a business does not differs”

With the significant value of .000 (Table 4), it is clear that ranking of the respondents regarding the motivational factors to start a business differs at 1% level of significance. Hence the hypothesis is rejected.

Performance Evaluation

The Table 5 shows the performance level of the women entrepreneurs. 96% of the respondents have reported increase in sales, 52% have informed that there is an increase in the number of employees, 66.7% have reported increase in value of assets and 92% say there is an increase in profit. Most of the respondents (46.7%) have gone for diversification and 94.7% have increase in the customers. Majority of the respondents have informed that there is an increase in all the factors when compared to the year of starting.

Chi-Square Analysis

Hypothesis 1

The personal factors of the respondents do not have significant difference on the type of enterprise.

The chi-square test was carried out at 5% level of significance and the results are presented in the Table 6. The personal factors like community, education qualification, type of family and family size shows a significant difference on the type of enterprise. Hence, the hypothesis is rejected in these cases. Age and marital status do not have significant difference on the type of enterprise.

Hypothesis 2

There is no significant difference between the personal factors and the type of organization.

It can be inferred from Table 7 that the personal factors age, community, marital status and family size of the respondents have a significant difference on the type of organization and the hypothesis is rejected in these cases. The hypothesis is accepted in case of educational qualification and type of family. These factors do not have any difference on the type of organization.

Hypothesis 3

There is no significant difference between the personal factors and the nature of business.

Chi-square test was carried out at 5% level of significance. The Table 8 shows that all the personal factor has a significant difference on the nature of business. Hence the hypothesis is rejected for all the personal factors.

Correlation - Type Of Enterprise And Performance

Hypothesis 1: There is no correlation between the type of enterprise and increase in sales.

Table 9 summarizes the correlation coefficient which has been used to workout the association between type of enterprise and increase in sales by the respondents. With the significance value of 0.446 and the 'r' value at 0.063, it is concluded that type of enterprise has not been correlated with the increase in sales at 1% as well as 5% level of significance and hence the hypothesis is accepted.

Hypothesis 2: There is no correlation between the type of enterprise and increase in employees

It can be inferred from Table 10 that with the significance value of 0.204 and the 'r' value at -.104, it is concluded that type of enterprise is negatively correlated with the increase in employees at 1% as well as 5% level of significance and hence the hypothesis is accepted.

Hypothesis 3: There is no correlation between the type of enterprise and increase in value of asset

Table 11 shows that with the significance value of 0.291 and the 'r' value at -.087, it is concluded that type of enterprise negatively correlated with the increase in value of asset at 1% as well as 5% level of significance and hence the hypothesis is accepted.

Hypothesis 4: There is no correlation between the type of enterprise and increase in profit.

It can be inferred from Table 12 with the significance value of 0.271 and the 'r' value at .090, it is concluded that type of enterprise is not correlated with the increase in profit at 1% as well as 5% level of significance and hence the hypothesis is accepted.

Hypothesis 5: There is no correlation between the type of enterprise and diversification

Table 13 summarizes that with the significance value of 0.383 and the 'r' value at .072, it is concluded that type of enterprise is not correlated with diversification at 1% as well as 5% level of significance and hence the hypothesis is accepted.

Hypothesis 6: There is no correlation between the type of enterprise and increase in customers.

With the significance value of 0.543 (Table 14) and the 'r' value at .050, it is concluded that type of enterprise is not correlated with increase in customers at 1% as well as 5% level of significance and hence the hypothesis is accepted.

Conclusion

Entrepreneurship among women, no doubt improves the wealth of the nation in general and the family in particular. Women today are more willing to take up activities that were considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of economy. They have realized the advantage of being businesswomen. According to the study it is proved that majority of the women entrepreneurs who belonged to backward community have started a new business out of their own investment. Family members to certain extent had an influence in all the business matters. The performance level indicates that there is all round development in their business like increase in sales, asset value, and customers when compared to the year of starting. Contribution to family income is the main motivational factor to start a followed by use of spare time. The personal factors like community, education qualification, type of family and family size shows a significant influence on the type of enterprise and the nature of business. Resurgence of entrepreneurship is the need of the hour. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trend and challenging global scenario.

Table 1 – General Profile

Personal factor	Classification	No. of respondents	Percentage
Age group	25-35 yrs	78	52.0
	36-45 yrs	56	37.3
	46-55 yrs	12	8.0
	Above 55 yrs	4	2.7
Community	OC	46	30.7
	BC	90	60.0
	MBC	12	8.0
	Professional	4	2.7
Marital status	Married	122	81.3
	Up to School level	46	30.7
Educational qualification	Unmarried	28	18.7
	Graduate	64	42.7
	Post graduate	34	22.3
Type of family	Joint	32	21.3
	Diploma	116	72.3

Family size	2	6	4.0
	3	52	34.7
	4	56	37.3
	Above 4	36	24.0

Table 2 – Business Profile

Business Profile	Classification	No. of respondents	Percentage
Type of Enterprise	Manufacturing	52	34.7
	Trading	36	24.0
	Servicing	62	41.3
Type of Organization	Sole proprietorship	104	69.3
	Partnership	38	25.3
	Private limited	8	5.3
	Newly started enterprise	94	62.7

	Inherited family business	52	34.7
	Purchased existing unit	4	2.7
Nature of business	Boutiques	8	5.3
	Beauty Parlors	20	13.3
	Handloom units	22	14.7
	Tailoring units	34	22.7
	General stores	28	18.7
	others	38	25.3
Place of operation	Nearer to residence	50	33.3
	Home based	46	30.7
	Residential area	42	28.0
	Industrial area	12	8.0
Area of Trading	Within state	132	88.0
	To different states	14	9.3
	To different countries	4	2.7
Source of Capital	Own investment	80	53.3
	Bank loan	54	36.0
	Friends and relatives	14	9.3
	Money lenders	2	1.3

Table 3 - Ranking of Motivational Factors

Motivational Factors	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8
Use Spare Time	28 (18.7)	34 (22.7)	16 (10.7)	22 (14.7)	10 (6.7)	18 (12)	4 (2.7)	18 (12)
Self Owning / independent	12 (8)	28 (18.7)	48 (32)	24 (16)	22 (14.7)	10 (6.7)	6 (4)	-
Utilize technique / know how	8 (5.3)	34 (22.7)	10 (6.7)	34 (22.7)	12 (8)	14 (9.3)	28 (18.7)	10 (6.7)
Contribution to family income	60 (40)	10 (6.7)	20 (13.3)	18 (12)	24 (16)	8 (5.3)	6 (4)	4 (2.7)
Overcome unemployment	8 (5.3)	10 (6.7)	10 (6.7)	16 (10.7)	52 (34.7)	16 (10.7)	22 (14.7)	16 (10.7)
Need to be my own boss	14 (9.3)	18 (12)	28 (18.7)	12 (8)	12 (8)	24 (16)	28 (18.7)	14 (9.3)
Service to public	8 (5.3)	8 (5.3)	12 (8)	14 (9.3)	16 (10.7)	40 (26.7)	28 (18.7)	24 (16)
Inherited family business	12 (8)	8 (5.3)	6 (4)	10 (6.7)	2 (1.3)	20 (13.3)	28 (18.7)	64 (42.7)

Note: Figures in the brackets indicate percentage.

Table 4 – Friedman test

Motivational Factors	Mean Rank	Rank
Use spare time	3.75	III
Self owning, Independent	3.47	II
Utilize technique know-how	4.41	IV
Contribute to family income	3.03	I
Overcome unemployment	5.07	VI
Need to be my own boss	4.63	V
Service to public	5.49	VII
Inherited family business	6.16	VIII

Test Statistics

N	150
Chi-Square	197.324
df	7
Asymp. Sig.	.000

a Friedman Test

Table 5 – Performance Evaluation

PERFORMANCE	YES	NO
Increase in sales	144 (96)	6 (4)
Increase in employee	78 (52)	72 (48)
Increase in value of asset	100 (66.7)	50 (33.3)
Increase in profit	138 (92)	12 (8)
Diversification	70 (46.7)	80 (53.3)
Increase in customers	142 (94.7)	8 (5.3)

Note: Figures in the brackets indicate percentage.

Table 6 - Personal factors and Type of Enterprise

Personal factor	Chi-square value	df	Asymp. Sig.	Significant/ Not Significant
Age	9.843	6	.131	Not Significant
Community	33.185	6	.000	Significant
Educational Qualification	34.436	8	.000	Significant
Marital status	.125	2	.939	Not Significant

Type of family	13.462	2	.001	Significant
Family size	36.876	6	.000	Significant

Table 7 - Personal factors and Type of organization

Personal factor	Chi-square value	df	Asymp. Sig.	Significant/ Not Significant
Age	22.148	6	.001	Significant
Community	18.846	6	.004	Significant
Educational Qualification	9.120	6	.332	Not Significant
Martial status	8.494	2	.014	Significant
Type of family	4.445	2	.108	Not Significant
Family size	17.456	6	.008	Significant

Table 8 – Personal Factor and Nature of Business

Personal factor	Chi-square value	df	Asymp. Sig.	Significant/ Not Significant
Age	29.971	15	.012	Significant
Community	48.436	15	.000	Significant
Educational Qualification	47.207	20	.001	Significant
Martial status	12.790	5	.025	Significant
Type of family	24.265	5	.000	Significant
Family size	44.789	15	.000	Significant

Table 9 – Type of Enterprise and increase in sales

		Type of Enterprise	Increase in sales
Type of Enterprise	Pearson Correlation	1	.063
	Sig. (2-tailed)	.	.446
	N	150	150
Increase in sales	Pearson Correlation	.063	1
	Sig. (2-tailed)	.446	.

	N	150	150
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Table 10 – Type of Enterprise and increase in employees

		Type of Enterprise	Increase in employee
Type of Enterprise	Pearson Correlation	1	-.104
	Sig. (2-tailed)	.	.204
	N	150	150
Increase in employee	Pearson Correlation	-.104	1
	Sig. (2-tailed)	.204	.
	N	150	150

Table 11 – Type of Enterprise and increase in value of asset

		Type of Enterprise	Increase in value of asset
Type of Enterprise	Pearson Correlation	1	-.087
	Sig. (2-tailed)	.	.291
	N	150	150
Increase in value of asset	Pearson Correlation	-.087	1
	Sig. (2-tailed)	.291	.
	N	150	150

Table 12 – Type of Enterprise and increase in profit

		Type of Enterprise	Increase in profit
Type of Enterprise	Pearson Correlation	1	.090
	Sig. (2-tailed)	.	.271
	N	150	150
Increase in profit	Pearson Correlation	.090	1
	Sig. (2-tailed)	.271	.
	N	150	150

Table 13 – Type of Enterprise and Diversification

		Type of Enterprise	Diversification
Type of Enterprise	Pearson Correlation	1	.072
	Sig. (2-tailed)	.	.383
	N	150	150
Diversification	Pearson Correlation	.072	1
	Sig. (2-tailed)	.383	.
	N	150	150

Table 14 – Type of Enterprise and increase in customers

		Type of	Increase in

		Enterprise	customers
Type of Enterprise	Pearson Correlation	1	.050
	Sig. (2-tailed)	.	.543
	N	150	150
Increase in customers	Pearson Correlation	.050	1
	Sig. (2-tailed)	.543	.
	N	150	150

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