

Factors Influencing the Growth of Women Entrepreneurs in Kanyakumari District

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Abstract

Modern India is in need of substantial growth of the industrial sectors for her march towards a global power and to successfully meet the social obligations such as poverty alleviation, raising the standard of living, and meaningful employment to all. "A Women entrepreneur is defined as an enterprise owned and controlled by women having a minimum financial interest of 51 percent of the capital and giving at least 5 percent of employment generated in the enterprise to women". Women entrepreneurship can be expected to play a significant role in the economic development and social progress of the kanniyakumari district. This study is useful for the women entrepreneurs of Kanniyakumari district to improve the factors in which they are lagging behind and by improving them the women entrepreneurs can satisfy the expectation of the public. The present study has been undertaken to measure and evaluate the various factors of women entrepreneurs that promote industrial development in Kanyakumari district. It is undertaken by reviewing and analyzing the factors by using three aspects, such as manufacturing, trading and services.

Keywords: *Women Entrepreneurs, SHGs, Women in Business*

INTRODUCTION

Women entrepreneurs may be defined as a woman or a group of women who initiate, organize and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called women entrepreneurs. Women constitute around half of the total world population. In India, in traditional societies, they were confined to the four walls of houses performing household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. The global evidence buttress that women have been performing exceedingly well in different spheres of activities like academics, politics, administration, social work and so on. Now, they have started plunging into industry also and running their enterprises successfully. Therefore, while discussing entrepreneurial development, it seems it is suitable on the context to study about the development of women entrepreneurs in the country. Poverty and unemployment are the major problems of under-developed countries to which India is no exception.

Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services. The government of India has defined Women Entrepreneurs based on women participation in

equity and employment of business enterprise. Accordingly, women entrepreneurs is defined as “those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake the risk and handle economic uncertainty involved in running a business enterprise” It is estimated that women entrepreneurs presently comprise about 10 percent of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20 percent of the entrepreneurial force. Even though women own around 10 percent of the total enterprises in the small sector, the gross output of these units is just 3.5 percent of the total output of the SSI sector. In contrast, in developed countries such as United States, women own nearly 91 lakh small businesses and the number of women-owned start-ups is nearly twice the rate of their male counterparts. India has 397 million workers, 123.9 million are women, 106 million are in rural areas, 18 million are in urban areas. Only 7 percent of India’s labour force is in the organized sector; 93 percent is in the unorganized sector. ‘Push’ and ‘Pull’ factors are responsible for motivating women to become entrepreneurs and these factors are relatively important according to choice and necessity. Push factors are elements of necessity (Desk letters) such as insufficient family income, dissatisfaction with a salaried job, difficulty in finding work and a need for flexible work schedule because of family responsibilities. These factors may have more importance for women than men. Women still has to act as care taker and nurturer. Flexible work schedules in entrepreneurship act as a means for accommodating work and their child rearing role simultaneously.

Lack of evolutionary prospect and dissatisfaction from previous employment may also help women in identifying entrepreneurial activities. Reluctance to look for a job because of age or fear of not finding an equivalent position forces women to quit their jobs and start their own business. Flexible work schedules motivate women who are more prone to start home based business or part time business. The interaction between male dominations and ‘push factors’ helps in the growth of women entrepreneurs. In India, a low education level or training such as clerical work or nursing has an orientation for dominating women and such type of education does not have a real impact on motivations of a person. The person’s activities showing a level of achievement and originality generate either from environmental influence or individual motivations.

‘Pull factors’ that work as entrepreneurial factors relate to independence, self-fulfillment, entrepreneurial drive and desire for wealth, power and social status, co-operation and support of family members and a strong network of contacts. The most prominent factor is ‘self achievement’ expressed in terms of challenge which helps women to start, run their own business and turn it into a profitable venture. When a strong need for achievement could not be fulfilled through a salaried position or when there was a desire to transform a perceived opportunity into a markable idea, then these factors work as pull factors for a person to start his own venture. Women entrepreneurs create their business, inculcate their ideas as innovators and do not allow someone else to capture the fruits of their efforts. ‘Women’s identity’ approach also works as a pull factor. Encouragement and support from the close environment directly or indirectly leads women to a new professional orientation i.e, entrepreneurship. Women entrepreneur networks have proved to be valuable tools for the development and promotion of women entrepreneurship. Therefore, push factor works as necessity where as pull factor attracts women to become entrepreneurs. That is why women entrepreneurs have an important impact on the economy, both in their ability to create jobs for themselves and to create jobs for others.

If a business or organization is started by a woman or group of women it comes in the category of women entrepreneurs. This means the initialization is by women. The employees, later on, could be

combination of men and women. The Government of India has given a different and broader definition to the concept wherein there is a level of equal participation and employment of women.

STATEMENT OF THE PROBLEM

In kanniyakumari district literacy level among the female population has gone up over the decades, a little faster than the males. As more and more women were educated, they turned up to seek employment. In course of time, they compete with men folk in education and training and staked their claim for equal jobs. Due to acute shortage of job opportunities and stiff competition prevailing, more and more women have opted for entrepreneurship and set up their own ventures. Moreover emergence of nucleus family, non availability of reliable servants and lack of proper hygienic crèches force many a woman to leave their jobs and start their own business. As the number of women entrepreneurs are increasing every year, the Govt. is also keen in giving a helping hand to these entrepreneurs. A preferential allotment of sheds for women in Industrial estates, concessional rates of loan, interest, subsidy for women who set up small-scale industrial units, capital subsidy in backward areas, marketing services, streamlining the availability of term loan and working capital and the like are the main assistances offered by the Govt. The present study focuses mainly on factors influencing the growth of women entrepreneurs in kanniyakumari district.

OBJECTIVES

The main objective of the study is to identify the factors influencing the growth of women entrepreneurs in Kanyakumari district.

METHODOLOGY

The present study is empirical in nature based on both primary and secondary data. Primary data were collected from the sample respondents of Women Entrepreneurs through personal interview with the help of pretested interview schedule. Efforts were made to contact the respondents personally in order to explain the objectives of the study so as to get proper response and co-operation from them. Secondary data have been collected from NGO publication and published reports, websites of banks, magazines, documents and statements maintained by the SHGs. More information was collected from annual credit plan report. The researcher has selected 5 blocks of top business done by SHGs. Totally, there are 1147 groups in 5 blocks. In each block, the researcher selected a 10 percent sample (114.7) that means 115 groups. In each group, the researcher selected 6 samples and totally 600 samples were selected.

FACTOR ANALYSIS

Factor analysis has been applied to find out the important factors that inspired the women entrepreneurs to involve themselves into entrepreneurship and to find out their expectations for effective and efficient functioning of their venture.

ROTATED FACTOR MATRIX

The researcher carried out factors analysis and made an attempt to extract specific factors and define the variables which constitute each factor based on the strength and direction of factors loading in motivating women entrepreneur. Table 1 shows the rotated factor matrix for the variables of the factors motivating the women entrepreneurs.

Table 1

ROTATED COMPONENT MATRIXES FOR THE VARIABLES OF THE FACTORS MOTIVATING WOMEN ENTREPRENEURS

Components

Variables	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
Idea from self/relatives/friends	.784	.151	.173	.208	.130	.151
I want to become economically independent	.783	.165	.092	.023	-.021	.041
Necessity arising out of the family's financial condition or death of husband/father	.775	-.276	.061	.139	-.065	-.022
I want to stand on my own legs	.620	-.122	-.234	-.338	.107	.362
To achieve something new	.583	.360	-.162	-.102	.040	.128
To earn income through business	-.046	.829	-.056	-.040	.012	.026
Lack of employment opportunity	.075	.777	-.178	-.105	-.002	.045
Leadership desire	.205	.736	-.210	.157	-.037	.197
Attractiveness of government schemes for promoting SHG	-.005	-.093	.794	-.121	-.111	-.029
Cultivate saving habits	.017	-.070	.782	-.017	-.181	.248
Directing	.089	-.208	.732	.051	.075	.196
Resourcefulness	.147	.026	-.058	.866	.179	.008
There is good source of marketing	-.098	.025	.035	.857	.120	.014
To utilize leisure time	.169	-.418	-.197	.569	.043	.118
To make use of existing infrastructure facility in our area	.002	.054	-.039	.153	.879	-.084

Easy to set up	-.034	.026	-.289	.063	.686	-.150
No difficulty in searching machinery, material and skilled workers	.189	-.206	.127	.154	.675	.350
Previous employment in related trade	-.007	.069	.023	.160	-.086	.811
No competition	-.008	.050	.248	-.081	.097	.665
No difficulty in searching technical know-how existence of similar industry in the neighborhood	.134	.393	.202	-.013	-.150	.531

Source: Primary data

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 7 iteration.

Table 1 exhibits the rotated factor matrix for the fifteen variables motivating of women entrepreneurs. All the fifteen statements have been converted into six factors.

Table 2

Factors that motivate Women Entrepreneur to Venture in to Entrepreneurship

SI. No	Factors	Eigen Value	Percentage of Variance	Cum.percentage of Variance
1	Status	3.165	15.824	15.82
2	Economic Independence	2.871	14.356	30.18
3	Un-employment	2.801	14.007	44.19
4	Innovativeness	1.913	9.563	53.75
5	Government Encouragement	1.430	7.152	60.90

6	Resourcefulness	1.195	5.973	66.88
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Source: Primary data

- * Kaiser – Meyer – Olkin measure of Sampling Adequacy : 0.745
- * Bartlett’s Test of Sphericity Chi-Square : 4924.646
- Degrees of freedom : 190
- Significance : 0.000

It is observed from table - 2 that the six factors “status”, “economic independence”, “unemployment”, “innovativeness”, “government encouragement”, and “resourcefulness” are extracted out of twenty variables. These factors account for about 66.88 percent of variance in the data. Eigen value for the first factor “status” is 3.165 with 15.824 percent variance which indicates that the factors contain very high information than the other factors.

The first factor “Status” provides the maximum insight of motivational factor for women entrepreneurs in Kanyakumari district. It is a very important factor because before women entrepreneurs, the respondent farmers considered Idea from self/ relatives/friends, to achieve something new, Leadership desire, Easy to set up and to utilize leisure time.

The second important factor is economic independent for 14.356 percent variance. The Eigen value of this factor is 2.871. It explains that there is a possibility of variable “I want to become economically independent, Necessity arising out of the family’s financial condition or death of husband /father, I want to stand on my own legs”.

The third factor, unemployment accounts for 14.007 percent variance with the Eigen value is 2.801. It indicates that women entrepreneurs are motivated by To earn income through business, Lack of Employment opportunity and Previous employment in related trade”.

The fourth factor “Innovativeness” accounts for 9.563 percent variance with Eigen value of 1.913. It shows that women entrepreneurs are motivated only “There is good source of marketing, No competition and To make use of existing infrastructure facility in our area”.

Fifth factor, “Government encouragement” accounts for 7.152 percent variance with Eigen value of 1.430. It shows that women entrepreneurs are motivated by “Attractiveness of government schemes for promoting SHG, Cultivate saving habit and Directing”.

Sixth factor, “resourcefulness” accounts for 5.973 percent variance with Eigen value of 1.195. It shows that women entrepreneurs are motivated by “Resourcefulness, No difficulty in searching machinery, material and skilled workers, No difficulty in searching technical know-how existence of similar industry in the neighborhood”.

Value of Kaiser – Meyer-Olkin measure of sampling adequacy is 0.745, which indicates the correlation between the pairs of variables explained by other variables and thus factor analysis is considered to be appropriate in this model.

Table - 3

Factors influencing the Women Entrepreneurs to venture into Entrepreneurship

SI. No	Independent Variables	Regression co-efficient in		
		Manufacturing	Trading	Service
1	Constant	5.228**	3.416**	2.060**
2	Status	0.783**	0.529**	0.643**
3	Economic Independence	0.090 ^{NS}	0.216*	0.345**
4	Un-employment	0.194*	0.149 ^{NS}	0.258 ^{NS}
5	Innovativeness	0.232*	0.351**	0.711**
6	Government Encouragement	-0.179 ^{NS}	0.220 ^{NS}	-0.187 ^{NS}
7	Resourcefulness	0.727**	0.499**	0.314**
	R ²	0.710	0.731	0.613
	F-test	78.697**	87.412**	48.840**

Source: Primary Source

** Significant at one percent level

* Significant at five percent level

N.S – Not Significant

The regression analysis for manufacturing sector reveals the R2 value of 0.710. This implies that 70.0 percent of variation in the earnings of the women entrepreneurs has been explained by all the six independent variables included in the regression model. The F-value is significant at one percent level indicating that the model is for analytical interpretation.

The significantly influencing important motivating factors of manufacturing sector on the earnings of the women entrepreneurs in manufacturing sector is Un-employment, Innovativeness. Since their respective regression coefficient are significant at five percent level. One percent increase on the

above said women entrepreneurs motivating factors results in a decline by 0.783, 0.727 percent respectively from its mean level.

In the case of trading sector women entrepreneurs, the analysis points out that regression coefficient of status, economic independence, unemployment, innovativeness, government encouragement and resourcefulness have been negative and statistically significant. This implies that one percent increase in the above said, status, innovativeness and resourcefulness result decrease in the motivational factors of the women entrepreneurs by 0.529 percent, 0.351 percent and 0.499 percent respectively from the mean level. The change in perception on women entrepreneurs explains the changes in the motivational factors of the trading sector of business to the extent of 73.1 percent since its R² is 0.731.

Among the service sector business, the significantly influencing independent variables are women entrepreneur's motivational factors. One percent increase in the above variables will result a decrease in status, economic independence, innovativeness and resourcefulness. Among the service sector business by 0.643 percent, 0.345 percent, 0.711 percent and 0.314 percent respectively from its mean level. The changes in perception on motivational factors of women entrepreneur's explain the changes in the factors of service sector business to the extent of 61.3 percent since its coefficient of determination is 0.613.

6.2 RECOMMENDATIONS

- Finance is the first major problem for women. The banks and other financial institutions should provide loan to women who are willing to do business, without lengthy procedures. Hence, the government can provide interest-free loans, capital subsidy, power tariff subsidy, tax concessions and marketing assistance to encourage women entrepreneurship.
- Most of the women entrepreneurs are of the opinion that because of lack of adequate training they find difficulty in surviving in the market. Hence, the government should conduct frequent training programmes with regard to new production technique and sales techniques. This training should be made compulsory for women entrepreneurs.
- National commission for self employed women recommended that where raw materials are not easily accessible, alternative channels should be indentified through which good quality of raw material would be procured at reasonable prices.
- Women entrepreneurs are not having efficient knowledge of managing finance in an effective manner. They also lack sales techniques and production techniques. To improve their efficiency in all these regards, frequent seminars/workshops should be conducted by the Government and these seminars/workshops should be made compulsory.
- Most of the women have entered into entrepreneurship only after their marriage. Unmarried women can be more successful than married women, in entrepreneurship if they are properly trained. Hence, the Government can conduct entrepreneurial training programmes in colleges at least once in a month. This will motivate more young women to enter into business of their own.
- The awareness of various sources of schemes is low among women entrepreneurs. There is a need to increase the level of awareness. Modern communication media should be utilized to increase the level of awareness. Entrepreneurial awareness may be created among women through seminars, symposiums and workshops. Non-Government Organizations and Government-run training institutions should take greater interest in providing information and running training programmes for women entrepreneurs and increase productivity and performance level.

- Number of schemes and programmes should be introduced and implemented for the socio-economic emancipation of women at various levels irrespective of caste, race, place, affluence class and indigence. But, these provisions and facilities are to be known to majority of women who are to be the beneficiaries.
- The State Government should also offer range of incentives by way of providing land and developed plots/sheds on concessional terms, industrial infrastructure facilities, subsidy on investment and water supply, at reduced rates for setting up of units.
- The entrepreneurship development process is maximum among the age group of 30 to 40, but this happens mostly due to mid life crisis especially due to economic crisis. It becomes very essential that the organizations and institutions work with women at a closer level and educate women with importance of entrepreneurship and economic independence. The institutions and organizations should classify their Target groups, educate them before the women can enter into a mid married phase of life and work only for money, keeping short term benefit in mind.
- Government and Non-Governments Organization can arrange conferences to women entrepreneurs on how to develop their leadership quality, decision making and motivational skill over their business.
- It is suggested that it will be more useful if the repayment duration of the loan provided in self-help programme is increased, interest rate of the loan is reduced and the subsidiary amount of the loan is hiked.
- Government and Non-Government Organizations help the women entrepreneurs to improve their new products by launching advanced methods and make awareness of it.
- Policies need to be reviewed and reframed considering the challenges of women entrepreneurs to improve and speed up the finance generation processes. More avenues and platforms need to be introduced by Non Government Organizations, Commercial Banks, and other financial institutions to encourage women entrepreneurs to join as business startups in the economic activity of a country. Education is a positive booster in motivating women to venture into entrepreneurship .With education, women can have self confidence and become more capable of recognizing their strength.
- The Government can provide electricity charges at low cost without power failure which will make women entrepreneurs to gain more in their business.
- Counseling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.
- Involvement of academicians for the change process along with government and non-government organizations is recommended to see a new rural Kanyakumari district.

CONCLUSION

It can be concluded that the role of women entrepreneurs in promoting industrial development is also being recognized and steps are being taken to promote women entrepreneurship. Making them realize their strengths and important position in the society and the greatest contribution they can make for the manufacturing, trading and service industries as well as the entire economy. Apart from these Women's participation in economic development calls for arrangements that would lighten their domestic work load and release them for other economic and socially productive work. Though women entrepreneurs face many problems and challenges in their path to become a successful entrepreneur the

government has taken many initiatives for the growth of women entrepreneurs. Finally, the researcher has given appropriate suggestions to overcome the problem of women entrepreneurs. If the financial institutions, government and non-government organizations follow the suggestions, it will help to increase the growth of Indian economy.

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