

## A Study on Business Women in Micro Enterprises

T.Sarathy and C.Silambarasan

PRIMS, Periyar University, Salem, Tamilnadu, India.

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### ABSTRACT

The early history of entrepreneurship in India reflects from the culture, customs and tradition of the Indian people. Entrepreneurship has its heredity in the occupational pursuits opted by the individual under the caste system in India. Entrepreneurship plays an important role in the economic growth and development of the nation. It is a purposeful activity which includes an initiation, promotion and distribution of wealth and service. An entrepreneur is a critical factor in economic development and an integral part of the socioeconomic transformation. The entrepreneurial career can not be developed over night. It is a risk taking activity and challenging task, needs utmost devotion, total commitment and greater sincerity with fullest involvement for his/ her personal growth and personality. Further if such activities are taken up by women, they need to put double the effort compared to men. A survey of women entrepreneurs owning different micro enterprises is initiated to understand motivational factors behind their entry into entrepreneurship. The study also focuses on the problems and challenges that emerge in women entrepreneurship. Entry of women in this male dominated field gives them a real empowerment in terms of economic independence and decision role.

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### Introduction

In traditional India, most of the women were homebound. But the scenario is gradually changing and now all most all the fields are women inclusive. Business domain could not stand as an exception to this fact. Globalization and liberalization brought a sea change in the roles played by women. They carved a niche for themselves in the male dominated world. ([www.indiatogether.org](http://www.indiatogether.org)) Almost all countries have seen an upsurge in Women owned businesses over the last few decades. The veiled entrepreneurial abilities of women in India have witnessed steady alterations with the increasing sensitivity to her role and economic standing in the society. The modern women are fast growing from job aspirants to job creators. They are making their marks as interior decorators, publishers, garment manufacturers, fashion designers, etc and are equally and significantly contributing in the nation's economy. The primary motive for the women to enter the entrepreneurship is for engaging in some economically gainful activity, making money/ more money to support the family and a desire for gainful time structuring (Bharathi Kollan and Indira J Parekh, 2005). Spread of education, growth in financial institutions and banks and their encouragement to women with special training cells and schemes also helped in the increased women entrepreneurship activity.

The Government of India has defined a woman entrepreneurship as "an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women". According to the Centre for Women's Business Research (2008), 10.1 million firms are owned by women (40% of privately owned businesses), employing more than 13mn people and generating \$1.9 trillion turnover in United States (Paramjit Mahli, 2008). In India, women constitute

around 48 percent of the population but their participation in the economic activities is only 34 percent. As per the Human Development Report (2007), India ranks 96th on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. Women need to be acknowledged for their unrelenting efforts in keeping their work and family life balanced. Early 50's saw the women entering the businesses only when they had to earn for the family. But the 21st century women enter into the businesses to prove their competencies and expertise, to be self reliant, economically independent and to enjoy the decision making powers. Women entrepreneur is defined as an individual who undertake exigent role to fulfill her personal requirements and in the process become financially self-sufficient. A women entrepreneur always aspire to do something fruitful and positive in the field of business besides bestowing values to family and social life (Business Ideas for women, 2010). In this process it is essential for the women to keep themselves motivated to face the challenges which emerge in all the domains where they are working.

#### Objectives of the study:

The present study is empirical in nature and makes an attempt to examine the factors which motivate the women to be entrepreneurs. The study also focuses on the problems and challenges that emerge in women entrepreneurship.

#### Research Methodology:

The study is based on both primary and secondary sources of data. The primary data has been collected through a questionnaire administered to thirty women entrepreneurs located in and around Salem city chosen on a convenience basis. These women are managing micro business enterprises. The data

collected from secondary source include District industries centers, news paper reports, articles published in journals and websites.

#### Profile Characteristics of Women Entrepreneurs:

The business women represent various demographic features. They differ in the nature of businesses, size of the business, leadership style and form of ownership. Therefore it is essential to map out their socio economic profile. Businesses do not have any gender discrimination.

#### Profile of Business Women

Table-1

| Characteristic  | Number | Percentage |
|---|--------|------------|
| Nature of the Business  |        |            |
| Service   | 12     | 40         |
| Retail  | 11     | 37         |
| Fashion Designing and Toy making                                    | 7      | 23         |
| Education Levels  |        |            |
| Below Intermediate  | 17     | 57         |
| Up to PG  | 13     | 43         |
| Experience as Entrepreneurs (Years)                                 |        |            |
| Less than 2   | 5      | 17         |
| 2-6   | 10     | 33         |
| 6-10  | 4      | 13         |
| More than 10  | 11     | 37         |
| Hours Dedicated to the Business per day : 9 hours                   |        |            |
| Average Age : 39 Years  |        |            |
| Average Turnover : Rs. 3.75 Lakhs                                   |        |            |
| Capital Investment : < Rs.5 Lakhs (90%), Rs5lakhs to 20 lakhs (10%) |        |            |

Source: Primary data

The skills required differ from one business to another. Entrepreneurs start a business depending on their skills, abilities and qualifications. Many studies concluded that women mostly operate in women oriented businesses such as beauty care, tailoring, fashion designing, pickle making, textile selling and so on. Majority of the entrepreneurs under study opted to operate in service sector which included beauty care, finance, travels, schools, marriage bureau and gas agency. The retailing sector is also equally appealing to business women where businesses like pharmacy, jaggery trading, textiles, retail stores and sale of Tupperware are being adopted by them.

Toy Making, fashion designing are generally women oriented businesses which require aptitude, creativity and interest towards them rather than educational background. Education gives technical skills and problem solving skills. However, certain businesses do not require the educational support. It is observed that women with lower education i.e., below intermediate are equally competing with those with higher qualifications. The enterprises under study are basically micro in nature with capital investment ranging from Rs.2 lakhs to Rs.20 lakhs. A majority of the entrepreneurs (90%) are maintaining an average turnover of below 5 lakhs with others in the range of Rs. 5 lakhs to Rs.30 lakhs. These enterprises are generating employment to a minimum of three and maximum of five. They are managed by married women. The average age of the respondents is calculated at 39 years. Their experience as business women varies from less than 2 years to more than 10 years. 83% of the entrepreneurs are found to have more than 2 years of experience. They add value to family as well as business by being devoted to business for an average time of 9 hours daily.

#### Source of Motivation:

There are certain driving forces which decide the decision making patterns of people. Entering into business is a risky decision which needs an aptitude, courage and determination. These attributes are either internally cultivated or groomed by other motivating personalities.

Table-2  
Source of motivation

| Source   | Number | Percentage |
|----------|--------|------------|
| Family   | 5      | 21         |
| Friends  | 3      | 12         |
| Self     | 15     | 63         |
| Training | 1      | 5          |
| Total    | 24     | 100        |

Source: Primary data

It can be noted that only 24 women revealed their source of inspiration. It is really a noteworthy finding that 63% of them are self motivated followed by getting motivated by family (21%) and friends (12%). Some times the training also helps the people to establish businesses.

#### Factors of Motivation:

Motivation is the driving force which causes people to achieve goals. Motivation is said to be intrinsic or extrinsic. Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on any external pressure. Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment. The women entrepreneurs were asked to rank their preferences for entering into the business to find out the driving forces which pushed them into entrepreneurship. The various factors identified are decision making power, women empowerment, social conditions, education, economic conditions, business idea, enterprise creation, family business, being independent, self employment, extra income for the family, family business, pass leisure time, to establish women's rights, eradicate gender discrimination and creating opportunity for others. Some of the motivational factors are intrinsic and some others are extrinsic in nature. Decision making power, women empowerment, education, business idea, enterprise creation, establishing women's rights, eradicating gender discrimination and creating opportunity for others are the factors that are considered as intrinsic motivational factors. Family business, earning extra income, structuring leisure time etc. are considered as extrinsic motivational factors. The weighted average method is used to find out the important motivational factors. The perception of business women are shown in Table 3

It can be observed from the Table that earning income/more income are priority followed by business idea, decision making power and economic independency which inspired the women to enter into business. Extrinsic motivational factors play a greater role in the entry of women into business.

#### Problems of Women Entrepreneurs:

Entrepreneurs generally face different kinds of problems such as finance, management, technical, entrepreneurial, marketing and accounting. These problems assume more seriousness in case of women entrepreneurs as they face gender discrimination while solving them. In addition, women have to face social barriers and family problems.

### Motivational Factors

| S.No. | Motivational Factors                      | Weighted Mean |
|-------|---|---------------|
| 1.    | Self Employment                           | 6.56          |
| 2.    | Extra Income For the Family               | 6.53          |
| 3.    | Business Idea                             | 4.98          |
| 4.    | Decision Making Power                     | 4.76          |
| 5.    | Economic Conditions and Being Independent | 4.48          |
| 6.    | Social Conditions                         | 3.66          |
| 7.    | Structuring Leisure Time                  | 3.63          |
| 8.    | Creating Opportunity for Others           | 3.59          |
| 9.    | Women Empowerment                         | 3.57          |
| 10.   | Education                                 | 3.53          |
| 11.   | Eradicate Gender Discrimination           | 2.78          |
| 12.   | Enterprise Creation                       | 2.71          |
| 13.   | Establish Women's Rights                  | 2.68          |
| 14.   | Family Business                           | 2.19          |

Source: Primary data

### I. Financial Problems:

It is observed that 86% have reported facing financial problems. The problems identified under this category are working capital, sanctioning of loan, disbursement of loan, management of finance, complicated procedure of bank loan, and delay in getting loan, reimbursement of loan and lack of guarantee. Inadequate working capital is reported by majority (30%) of them followed by complicated procedure of bank loan.

### II. Management problems:

The management problems generally faced by entrepreneurs are planning, organizing, coordinating, and controlling. Ninety percent of the entrepreneurs reported to have faced all most all these problems. The major problems identified are planning the business (24%), organizing the business (22%) and coordinating and controlling (20%).

### III. Technical problems:

The technical problems of the entrepreneurs include old and obsolete method of production, lack of adequate training, upgrading of the skills, little designing skills, lack of skilled workers, modern machineries, ideas and time to develop the product, research facilities and low budgets on research development. The respondents reported that getting skilled workers and upgrading their own skills are major problems.

### IV. Entrepreneurial problems:

Entrepreneurial problems include lack of experience, lack of training, inconvenience in procuring raw material, low profits, financial problem, low risk taking attitude, complicated trade license procedures, lower participation in trade fair, no access to bank loans and financial institutions, no membership with the chamber of commerce, missed profitable orders and buyers, inaccessibility to export and import related sectors. Twenty four percent of women expressed that they face the export and import related problems. Low risk taking attitude (16%) and financial problems (12%) are identified as entrepreneurial risks.

### V. Government support:

Government extends support to women entrepreneurs in the form of priority loan lending, concessional interest, specially designed schemes, training facilities, tax concessions and so on. Majority of the entrepreneurs (82%) reported lack of government support as a problem while 44% of the entrepreneurs expressed that they lack knowledge about concessions offered by the government where as 23% reported that they do not know any information about tax concessions.

### VI. Marketing Problems:

Acceptance of product, lack of bargaining skills, publicity, market information, supportive network and proper training, no accessibility to foreign market are major marketing problems. All the entrepreneurs felt that marketing is the major problem. 31% reported that lack of publicity is causing great problem, 18% complained that right price is not received by them because of their lack of bargaining skills while selling and purchasing.

### VII. Social Barriers:

Family restrictions and religious belief and traditional customs are the social barriers. The study reveals that 50% of women entrepreneurs do not face any social barriers. However, it is found that 30% of them suffer from family restrictions and 20% reported problems on account of religious beliefs and traditional customs.

### VIII. Accounting Problems:

Maintaining books of accounts, computerization of accounting, lack of knowledge and approach to a professional accountant are the accounting problems. 87% of the women entrepreneurs felt that maintaining books of accounts is the biggest problem while 36% reported that they do not have knowledge of accounting and 11% felt that non computerization of accounts has become a problem.

### IX. Family problems:

Less time for the family, children education and personal hobbies, lack of support from family members are the major family problems faced by women entrepreneurs. 93% women entrepreneurs reported that family life and work life blend becomes a problem. They felt that they are not able to spend enough time with family (39%), concentrate on children's education (30%) and have lack of support from family (11%) and less time for personal hobbies and relations (7%).

### X. Discrimination:

Discrimination in business may arise due to gender, caste and education, etc. It is observed that only 42% of women entrepreneurs reported discrimination. Further, it is observed that discrimination on account of education is faced by 19% followed by gender (16%) and caste (6%). It can be concluded that gender discrimination is not a major problem and women can overcome it very easily.

### Advice or Consultancy and Support:

A question was posed to women entrepreneurs whether they require any consultancy in the area of finance, taxation, technical, legal or accounting. It was found that 10% do not require any consultancy whereas 50% of them wanted financial advice. Technical advice is sought by 25%, whereas 10% require legal advice. Therefore government should create a single window through which the entrepreneurs are given consultancy in various areas while entering into business and even during the running of business. All women entrepreneurs unanimously agreed that their organizations will be successful only then they get support from government, financial institutions, training institutions, trade associations and family.

### Emerging challenges in women entrepreneurship:

Various challenges emerge in entrepreneurship and the art of entrepreneurship lies in managing them. The respondents identified competition (19%), lack of capital (14%), accessibility to market (20%), lack of specific information and high cost of production (6%) as major challenges.

### Conclusion:

Irrespective of the problems and challenges that emerge in the process of entrepreneurship, women are going ahead in the

business domain. Their entry into this male dominated world is definitely bringing a fresh air as they can add valuable innovation to entrepreneurship. Their innate mental flexibility, vision for long-term planning, patient attitude, sincerity and the ability to tolerate ambiguity and changes are a valuable asset for business ventures. The Government and other financial institutions should enhance support lending activities to these women thorough single window schemes. More awareness camps have to be conducted. Educational institutes too need to inculcate the entrepreneurial skills in the women. All the players in the field should understand that motivation and environmental demography plays a crucial role in the increased women entrepreneurship activity.

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