

WOMEN ENTREPRENEURIAL DEVELOPMENT IN MSME

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Abstract

Promotion of Women Entrepreneurship is a vital issue for several countries including India. Micro, Small and Medium Enterprises (MSMEs) play a vital role in the development of Women entrepreneurs. This paper focus on the role played by MSMEs in encouraging and developing women as entrepreneurs. MSMEs aims to enhance competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation for building women entrepreneur. The study throws lights to the problems faced by the women and how MSMEs helps them to overcome those problems. Sample sizes of 50 respondents were selected for the study. The findings of the study shows that increased participation of MSMEs help to women entrepreneur to overcome the problems faced by them.

Key words: Women Entrepreneurial Development, Micro Small and Medium Scale Enterprises, Problems of Women Entrepreneurs.

Introduction

The micro, small and medium scale enterprises (MSMEs) have been generally acknowledged as the bedrock of the industrial development of any country. The micro, small and medium enterprises (MSMEs) sector in India has a very pivotal role to play in the development of the country. In India, MSMEs are the second largest source of employment after agriculture. They account for almost 40 per cent of industrial production, 95 per cent of the industrial units, 34 percent of the exports and manufacture over 6000 products. This sector produces a mélange of industrial **products** such as food products, beverage, tobacco and goods produced from it, cotton textiles and wool, silk, synthetic products, jute and jute products, wood and wood products, furniture and fixtures, paper and goods produced from it. Other services also include machinery, apparatus, appliances and electrical machinery. This sector also has a large number of growing service industries.

Women Entrepreneurs: Current Scenario

Entrepreneurship amongst women has been a recent concern. Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting

new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and providing effective leadership in all aspects of business

Categories of Women Entrepreneurs

There are three categories of women entrepreneurs, i.e. “chance”, “forced” and “created” entrepreneurs . These different categories are based on how their businesses got started, or what are their main reasons or motivations to open their own businesses.

- Chance entrepreneurs are those who start a business without any clear goals or plans. Their businesses probably evolved from hobbies to economic enterprises over time.
- Forced entrepreneurs are those who were compelled by circumstances (e.g., death of a spouse, the family facing financial difficulties) to start a business, their primary motivation, hence, tend to be financial.
- Created entrepreneurs are those who are “located, motivated, encouraged and developed through, for instance, entrepreneurship development programs .

Role of Micro Small Medium Enterprise

In order to develop the women entrepreneur in micro small and medium enterprises (MSME). The government provides several schemes to women entrepreneur such as Trade Related Entrepreneurship Assistance and development scheme for women (TREAD), Micro & Small Enterprises Cluster Development Programme (MSE – CDP), Credit Guarantee Fund Scheme, Entrepreneurship Development Programme (EDPs), Technology Up gradation and Marketing development Export promotion.

Statement Of The Problem

Women’s skills, knowledge, their talents and abilities in doing business and a compelling desire of wanting to do something positive and innovative are some of the reasons for the women entrepreneurs to organize industries. According to World Bank, investing more in business of women rather in men leads to greater development of a nation. Entrepreneurship plays an important role in developing society Empowering women in entrepreneurship leads to break the inequalities and reduces the poverty. Emergence of women as entrepreneur has given a new status to their life in the society. At present women’s are not “jobseekers” but they are “job providers”. The government has realized the importance of women entrepreneurship. Today with the growth of MSME, many women have plunged into entrepreneurship and are also running their enterprises successfully. With the relevant education, work experience, improved economic condition and financial opportunities more women are venturing into business. Accordingly this study examines the following research questions:

- What are the problems faced by women Entrepreneur in developing a business?
- What is the role played by MSME in women Entrepreneurial Development?

OBJECTIVES OF THE STUDY

1. To identify the problems faced by women entrepreneur
2. To Study the role played by MSMEs in women Entrepreneurial Development

HYPOTHESIS

H₀: There is no significant relation between the problems faced by women entrepreneurs and role MSMEs in Women Entrepreneur development

H1: There is significant relation between the problems faced by women entrepreneurs and role MSMEs in Women Entrepreneur development

Methodology

The study is based on both primary and secondary data. Secondary data was collected from various sources like magazines, journals, Government reports, periodicals and internet etc. Primary data was collected from sample respondent using a structured interview schedule from 50 Women Entrepreneur in Ernakulum, Trissur district. The respondents were identified through convenient sampling. Responses on the various measures used in the study were obtained on a five point scale as strongly agree (5), agree (4), neither agree nor disagree (3), disagree (2) and strongly disagree (1). The collected data was analyzed using appropriate mathematical and statistical tools like simple percentages, mean and correlation using SPSS(Statistical Package for Social Sciences) software.

Results and discussions

Most of the respondents come under the age group of 35-45. Marital status shows that most of the respondents come under the category of married women's, marital status are very important factor to determine the women entrepreneurs. Majority of the respondents are belonging to higher secondary level of the entrepreneur. It has observed that more than half of the respondents are belonging to 10,000 to 20,000 incomes of families. Majority of the respondents are engaged in manufacturing types of business than service type of business. Most of them are engaged in small scale business and their investments are below one lakh rupees.

- **Problems Faced By Women Entrepreneurs**

Setting up an enterprise is not an easy job for women entrepreneurs and at the same time running the enterprise is a greater task. A challenge is always there for these women entrepreneurs to run their enterprise successfully earning profit and ensuring the growth of the enterprises which will severely test their entrepreneurial skill and survival of the unit. Despite various odds against them, several women are off to run their own enterprises. Even though there has been a considerable increased in the number of women entering in entrepreneurial activity, they are being introduced to many constraints and difficulties with regard to control and decision making, social status and enthusiasm in the product or serviced in which they are dealing. It is found that women are entering more in this venture as compared to man to start their own business to make social contribution in addition to desire of exploring their inner self and fulfilling their means of livelihood. Following six factors are identified, which affect women entrepreneurs. The problem faced by women entrepreneurs were measured in six variables which are listed in table 1. In order to draw meaning from collected data, the mean scores and standard deviations were calculated. Rating scale adopted here is 5 for "Strongly Agree", 4 for "Agree", 3 for "Neutral", 2 for "Disagree" and 1 for "Strongly Disagree".

Tables 1
Problems faced by women entrepreneurs:-

Items	Mean	Standard deviations
Access to finance	4.2	.639
Access to training	3.0	.547
Access to market	2.8	.512
Support from families	2.2	.508
Access to networks	3.4	.535
Lack of skills	4.4	.678
Overall	3.3	.569

Source: Primary Data. N=50

From the above table we can say that lack of skills constitute a mean of 4.2 and standard deviation 0.678, means many women entrepreneur lack communication, leadership and decision making skills. Access to finance is above 4 which show that it is very difficult to get funds and credit facilities for them. These are two a major factor that act as an obstacle in women entrepreneur development. From the data it is clear that they are getting a good support from family members in setting up of business. Access to networks and training is average it is below 3.5 and above 2.5 which means they lack access to new information and experience on how to participate in market place and unable to find a good market place for their products. The overall mean is above 3, which shows the above identified factors acts as a barrier for their development.

• **Role of MSME's in Women Entrepreneurial Development**

The micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. The major advantage of the sector is its employment potential at low capital cost. The labor intensity of the MSME

Sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India too, the MSMEs play a vital role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. The role of MSMEs is to enhance competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. For the budding women entrepreneur, MSME provides Trade Related Entrepreneurship assistance and development schemes for women (TREAD), Entrepreneurship development Programme (EDP) and other schemes for setting up their own venture, capital investment, educational skills and ability to run the business. MSME is providing Credit linked Capital Subsidy Scheme (CLCSS) for Technology Up gradation. The paper throws light on the available schemes and subsidy of special benefits to women and also creates awareness of these schemes to women entrepreneurs. The Role of MSME's in Women Entrepreneurial Development were measured in five variables which are listed in table 2. In order to draw meaning from collected data, the mean scores and standard deviations were calculated. Rating scale adopted here is 5 for "Strongly Agree", 4 for "Agree", 3 for "Neutral", 2 for "Disagree" and 1 for "Strongly Disagree".

Table 2
Role of MSME's in Women Entrepreneurial Development

Items	Mean	Standard deviation
Skill development programme	4.68	.674
Marketing Assistance and export promotion scheme	3.56	.539
Credit Guarantee fund scheme	4.45	.648
Infrastructural Development	3.88	.545
Training programme	4.15	.611
Overall	4.14	.603

Source: Primary Data. N=50

From the above table we can say the role played by MSMEs in Women Entrepreneur development is very vital. They are concentrating more on skill development programmes like leadership qualities, decision making, idea generation and building more confidence. Credit guarantee fund scheme whose mean is above 4 which proves that the respondent are very much satisfied with the fund providing scheme. MSME provides access to finance and also able to get credit at lower interest rates. They have introduced schemes namely known as TREAD (Tread related entrepreneurship assistance and development). MahilaVikasNidhi, offers development assistance in pursuit of income generating women activity. SIDBI has taken steps to provide credit and training for credit utilization programmes. Training programs provided by MSMEs are good as it is clear from the table. Their Role is least in the area of marketing and export promotion scheme. It constitutes only 3.56 of mean. But Overall mean is above 4 so it is identifiable that the role played by MSMEs in development and empowerment of women as entrepreneur is very crucial.

• Correlation Analysis and Hypotheses Testing

Correlation refers to a technique used to measure the relationship between two or more variables. Here we test whether the MSME Role in entrepreneurship development has any significant relation to the problems faced by Women entrepreneurs. Positive correlation means that high score on one are associated with high score on others, and that low scores on are associated with low scores on the other. Negative correlation is vice-versa. Correlation Coefficient is measured to show the extent of relation, it varies from 1 to -1. Table 3 shows the test results

Table 3
Correlation Test

Role of MSME's in entrepreneurship development on problems faced by Women entrepreneurs	Statistics
Pearson Correlation	-0.576**
Sig. (2-tailed) P- Value	.001
N	50

**Significant at 1 percent

Source Compiled by Researcher

From the above table since P- Value is below 0.01 we **reject the (H_0)** null hypothesis at 1 percent significance level and accept the alternative hypothesis, which means there is significant relation between the problems faced by women entrepreneurs and role MSMEs in Women Entrepreneur development. Correlation Coefficient is -0.576 mean that there exists a negative correlation. Which in general means higher the Role of MSME's in entrepreneurship development lesser will be the problems faced by Women entrepreneurs. So it can be concluded that MSME's Plays a vital role in development of Women entrepreneurship.

The major findings of the study are summarised here under.

1. Majority of the respondents are above 35 years. More than 60% of them are married and engaged in small scale business.
2. From the study it was found that access to finance and lack of skills are the very serious problems faced by women entrepreneur. Most of women entrepreneurs are getting good support and motivation from their families.
3. The role played by MSMEs is very important in overcoming the barriers faced by the women entrepreneurs. The role of MSMEs is more on skill development and providing credit facilities and gives least focus on marketing and export promotion activities.
4. The Correlation Coefficient is -0.576 mean that there exists a negative correlation; this shows that higher the Role of MSME's in entrepreneurship development lesser will be the problems faced by Women entrepreneurs.

Concluding Remark

Women Entrepreneurship plays a prime role in industrial development. It has played very vital role in fulfilling the socio-economic objectives of the nation. Thus MSME is playing remarkable role in widening the base of industrial entrepreneurship. The contribution of the women entrepreneurs with the help of MSME to our national economy cannot be understood. From the study it is observed that when the role of MSMEs is increasing the barriers faced by women entrepreneur is decreasing. It means that the relationship between the role of MSMEs and problems faced by them women entrepreneurs are inversely related. Thus, MSME's Plays a vital role in development of Women entrepreneurship.

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