

# Aspiration and performance of Women entrepreneurship – A case study of Tamil Nadu

## Abstract

*Women perform an important role in building the real backbone of a nation's economy. There is considerable entrepreneurial talent among women. Many women's domestic skills such as people and time management and household budgeting are directly transferable in the business context. Women have the ability to balance different tasks and priorities and tend to find satisfaction and success in and from building relationships with customers and employees, in having control of their own destiny, and in doing something that they consider worthwhile. They have the potential and the will to establish and manage enterprises of their own. The present study made an attempt to examine the women entrepreneurship in Tamil Nadu and its Achievements and challenges. The study found that prospective for women entrepreneurship is relatively higher in Tamil Nadu still present women entrepreneurs have been encountering several financial, cultural and operational constraints to run the business.*

## Introduction

Women constitute half of the world's population, work two third of the world's working hours, earn one tenth of the world's income and own less than one tenth of the world's property. Women play an important role in the development of human society. According to Census of India 2011, women constitute 48.2 percent of the total population and the women workers constitute 25.68 percent of the total workforce in the country. According to National Perspective Plan, only 14 percent of women are in full employment, nearly 90 percent of these are in unorganized sector, of these 83 percent are in agriculture and construction work. Below 8 percent are in organized sector. The history of women's participation in gainful employment is a recent one. After the Industrial Revolution, the social situations changed throughout the world and so in India. The family no more remained a centre of production. Due to industrialization and urbanization new social norms and values emerged. Job opportunities, economic hardship and favorable cultural and social situation encouraged women to seek employment outside the homes. Women constitute a growing proportion of labour forces throughout the world.

## Women and Business

Women have been performing exceedingly well in different spheres of activities like academics, politics, administration, social work and so on. They have started plunging into industry also and running their enterprise successfully. Now women have emerged as an important part of industrial growth. To achieve equal status with men, women have to come out of their traditional roles and responsibilities and have to create an identity for themselves, assuming a variety of functions. The participation of women in the economic development process can be mainly categorized into different segments namely as rural or urban employment with organized sector or unorganized sector, self-employment in rural or urban, entrepreneurs in rural or urban areas.

The women employed in unorganised and organized sectors are predominantly in unskilled and semi-skilled categories. Even the newer industries like engineering, electronics, chemical, education, medical, IT based and pharmaceuticals which are increasingly employing educated women as skilled workers, tend to limit their participation to a few processes where the job involves dexterity of fingers or is repetitive and monotonous in nature.

Over the last few decades, only a few women have come forward to establish their own enterprises. More recently, a new trend has emerged where women are venturing as entrepreneurs and contributing to the economic development. Their skill and knowledge, their interest in business and a pushing desire to do something positive are among the reasons for women to establish and manage organized industries and take up challenging ventures.

Emergence of entrepreneurship is considered to be closely linked to social, cultural, religious and psychological variables and these changes seem to have become acceptable norms in the context of women at work in the Indian situation today with more and more women participating in the economic development. Many factors like urbanization, technical progress, women education etc., have profoundly changed the traditional conditions even in a developing country like India.

The GEM (Global Entrepreneurship Monitor) research is an annual worldwide assessment of entrepreneurial activity initiated in 1999 with 10 countries, it expanded to 60 countries in 2012 have been the members of the particular research GEM project. In that report overall female entrepreneurial rate is more in Thailand (45.42%) and it comes first. Peru is in the second place which is having 38.46% of women entrepreneurs. In India, the prevalence of women entrepreneurial rate is only 9.66% Women's Entrepreneurship matters-women are creating and running business around the world, contributing to economies that represent more than 70% of the world's population and 93% of global GDP (2011). Women's entrepreneurship is a key contributor to economic growth in low/middle income countries, particularly in Latin America and the Caribbean.

### **Women Owned Small Scale Industrial Units in India and Tamil Nadu**

Women entrepreneurs are mainly concentrated in the Small Scale Industries (SSIs). Among the small scale industrial units owned by women entrepreneurs in India, Kerala tops the list with 139,225 units, followed by Tamil Nadu with 129808 units. Tamilnadu ranks second in the total number of small - scale units owned by women entrepreneurs in India. Lakshadweep has the lowest number of small - scale units i.e. 67 units owned by women entrepreneurs, In Tamil Nadu though over the years there has been a slight increase in the total female population (995 for 1000 males in 2011 from 984 for 1000 males in 2001), yet demographic imbalances between women and men continue to exist till date. There is strong preference for the male child in India as well as in Tamil Nadu, as sons are perceived to be the future bread earners and also the old age security for parents. Yet it is a surprising fact that in Tamil Nadu 129,808 (12.20%) units are owned by female entrepreneurs and stood second in the rank list.

### **Objectives of the study**

- To analyze and interpret the conditions of the women entrepreneurs in the Thiruvallur district.
- To identify the constraints encountered by the women entrepreneurs.

## Methodology of Study

“Research is simply the process of finding solutions to a problem after a thorough study and analysis of the situational factors”

## Data Collection Method

Both primary and secondary data would be collected. The research instrument for primary data collection would be interview schedule. The secondary data would be collected from books, journals, reports from Government records and from various institutions like Tamil Nadu Corporation for Development of Women Ltd (TNCDW), Vellore, Tamil Nadu; State Non-Governmental Organizations and Volunteer Resources Centre (TNVRC), Thiruvallur ; District Industries Centre, Lead Bank and from relevant websites.

## Results and discussion

About 42 percent of the respondents stated that their annual household income below 1 lakh and 23 percent reported an annual household income between 1 to 2 lakhs. Majority workers (68%) were between the ages of 31 and 40. Majority of the respondents (81.3%) indicated that they have undergone the constraints in business. Nearly 80.5 percent have undergone several discrimination, 78 percent stated inadequate the financial and institutional support inhibited them to work more effectively, 67 percent had more mental torture, 78 percent have not satisfied with the loan procedures of the banks, 78 percent dissatisfied with officials attitude, 73 percent and 76 percent were dissatisfied with the provision of business options and the cartels respectively. The final model specification of was statistically significant ( $\chi^2 = 85.817$ ;  $p < 0.0001$ ). From the results of the multinomial logistic regression analysis in the model, incentives, discrimination, in adequate development measures and amenities had strong influence on women entrepreneurship in the study area.

**Table:1. Results of the Multinomial Logistic Regression**

Variables	Coefficient	S.E.	Wald	Df	Sig.	Exp(B)
<b>Challenges of Women Entrepreneur</b>	2.3049	80.73	1.4976	1	0.0045	0.1008
<b>Financial problem</b>	0.8928	5.1741	0.9189	1	0.0018	1.9665
<b>Production problems</b>	1.7208	1.4751	2.6343	1	0.0009	1.2978
<b>Labour problems</b>	2.5587	4.4262	3.4362	1	0.0027	0.1917
<b>Marketing problems</b>	2.1618	3.6639	2.5722	1	0.0702	0.0099
<b>Gender discrimination</b>	2.4066	7.3332	1.1178	1	0.0648	1.395
<b>Attitude of employees/workers</b>	0.0585	0.0297	1.7811	1	0.0027	0.9612
<b>Low productivity</b>	0.0153	0.0081	2.2239	1	0.0018	0.9153
<b>Gender discrimination in bank loans</b>	0.009	0.0063	1.0323	1	0.1287	0.891
<b>Male entrepreneurs cartels</b>	0.1287	1.3869	1.512	1	0.0045	1.44
<b>Lack of Support of family</b>	0.8685	2.2302	1.8045	1	0.0045	0.5508

Multinomial Logistic regression analysis revealed clear pattern of presence grids for each explanatory variable involved in model. Enter method was applied for all ten variables, the variables which were strongly correlated ( $P > 0.6$ ). Based on quality of information, ten variables were utilized to develop a better model fit and also for development of final equation for character farming. The -2 Log Likelihood value and Nagelkerke  $R^2$  were 71.29 and 0.519 respectively, indicating improvement of model fit with inclusion of the above variables and a combined effect of the variables in predicting probability of occurrence. Hosmer and Lemeshow goodness-of-fit test indicated that the obtained model did not differ significantly from null model or expected fit ( $\chi^2 = 6.511$ ,  $p = 0.21$ ). Overall correct prediction rate of the model was 74.2%. Prediction rate for true positives (presence - 1) was 80.2 and it was 58.5% for true negatives (not present - 0). The best cut-off level that optimized sensitivity and specificity was at 0.5. Final analysis at this cut-off point had ten explanatory variables were used to develop final equation. The explanatory variables used in the final equation collectively accounted for 82% for the explained variables for character framing ( $R^2 = 0.829$ )

To better understand challenges of the women entrepreneur, this study used predictors such as specialization, socio-demographic, and constraint variables. Among them, recreation specialization was expected to be an important factor to affect recreationists' future behavior in outdoor recreation research as well as management issues. As such, this study examined the relationship between women entrepreneurs challenges and three kinds of recreation specialization dimensions, which were divided into behavioral (behavior), cognitive (skill/knowledge), and affective (commitment). As shown in this study, resource substitutability by challenges can be measured by the level of a willingness to substitute the attitude and operation. Results showed that the challenges of women in being largely influenced by various factors viz production constraints, co-operation of the fellow workers and entrepreneurs and environmental and cultural issues. The multinomial logistic regression model provided sufficient evidence that various independent variables strongly associated with the challenges of the women entrepreneur. The results showed how much specialization, constraints, and demographic variables are related to challenges and attainments. The multinomial logistic regression using a classification method for the dependent variable would provide a more satisfactory solution compared to other analysis techniques because it not only requires strict assumptions, but enables a direct interpretation of the relationship between independent variables and the dependent variable (Press & Wilson 1978).

## Conclusion

Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. In the dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress. There has been a rapid increase in the efforts to encourage women entrepreneurship in developing countries with the adoption of concrete industrial development goals and strategies. The role of women entrepreneurs is undergoing profound changes in the wake of technological innovations which have brought fresh opportunities to consolidate, enhance and derive the benefits reaped in promoting women entrepreneurship, thus the outcome of the present study unleash some of the suggestions which would promote the women entrepreneurship in Tamil Nadu in more effective

way, Start Training Centre in Every District as Training is found to be the best method to encourage women entrepreneurship, to develop the personality traits of women entrepreneurs, to face different problems daringly, to have more access to information and communication technology and to encourage women to undertake risky ventures. Set up District Women Entrepreneurship Promotion Cell which would facilitate to monitor and review the functioning of the women SSI units and this may also help to avoid or reduce the incidence of sickness. Conduct Periodical Meeting of the Women Entrepreneurs organized at the block and district level by the Government agencies would enable the women entrepreneurs to get clear ideas about the various Government agencies, financial institutions and their current schemes. Also it provides a forum for expressing their needs and grievances. Improve the Quality of Service of the Government Agencies and Financial Institutions which would facilitate the agencies by retaining customer-friendly Government /bank staff, especially in rural areas, for assisting genuine the women entrepreneurs. Formulate Liberalized Loan Schemes to Women Entrepreneurs Further, they should be provided with adequate credit not only at the initial stage but also subsequently for expansion, diversification and modernization. Introduction of credit guarantee schemes for the women entrepreneurs by the Government would also enable the genuine women entrepreneurs to utilize required credit from banks without any collateral. Open Women SSI Bank Branch in Every District Tamil Nadu to carry out their banking activities freely. Constitute Separate Section for Women Entrepreneurs in DICs as the maintenance of a separate section for women entrepreneurs in DICs to deal with all matters relating women, viz. promotion of women entrepreneurship, maintenance of separate data for women SSI units, organization of women entrepreneurship development programmes, guidance, redress of grievances, etc. would make it easier for the Government and other agencies to effectively implement their policies and programmes for the promotion of women entrepreneurship.

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