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## AN ECONOMIC STUDY ON WOMEN ENTREPRENEURS IN RAJAPALAYAM TALUK, VIRUDHUNAGAR DISTRICT OF TAMILNADU

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### ABSTRACT



“When Women Moves Forward, the Family Moves, the Village Moves and the Country Moves”. Entrepreneurship plays an important imperative role in the growth of any society. Development of entrepreneurship culture and qualitative business development services are the major requirements for industrial growth. Entrepreneurship emerges from an individual creative spirit into long-term business ownership, employment creation, capital formation and economic security. Entrepreneurial skills are essential for industrialization and for alleviation of mass unemployment and poverty. Entrepreneurship is an economic activity which is undertaken by an individual or group of individuals. Entrepreneurship can be defined as the making of a new combination of already existing materials and forces; that entrepreneurship throws up as innovations, as opposed to invention and that no one is entrepreneur forever, only when he or she is actually doing the innovative activities.

**KEY WORDS:** Entrepreneurship Fractured Market, Women Folk, Wealth, Exploitation.

## INTRODUCTION

Women's are creative, innovative and incentive as entrepreneurs in the global arena, have been the source of great development in industrial, manufacturing and service. Their role is explained as the engine of economic development, national heroes and industrial development, stimulating and encouraging investment, job creation factor, the main options and the technology transfer agent, and removing bottlenecks fractured market.

Women entrepreneurship is the process where women organize all the factors of production, undertake risks, and provide employment to others. The definition of women entrepreneurship has been differentiated on the basis of sex and hence could be extended to women entrepreneurs without any restrictions. Thus, a women entrepreneur is one who starts a business and manages it independently and tactfully, takes all the risks, faces the challenges boldly with an iron will to succeed.

Women entrepreneurship is an economic activity of those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise.

The development of an economy depends, to a great extent, upon the highly motivated people termed as 'entrepreneur' who are willing to take risks to achieve tangible growth. The high rate of growth and success of entrepreneurs in the developed economies is illustrative of this. A glimpse into the history of India shows that Indian enterprises and entrepreneurial zeal were curtailed by the colonial British Empire. The mere destruction of the Indian

handicrafts and village industries during the British rule pushed back the wheels of progress.

## 'ENTREPRENEUR' AND 'ENTREPRENEURSHIP'

The term 'entrepreneur' has been derived from the French word 'entrepreneur' which means 'to undertake'. The term was initially used to indicate the persons engaged in military expeditions. In the 17<sup>th</sup> century, the term was used to denote individuals engaged in civil engineering activities. Physiocrats then used the term to identify cultivators. According to Quesnay, an entrepreneur is a rich farmer who makes his business by using his intelligence and wealth. Conceptualizes the term in a systematic way. He regards an entrepreneur as the bearer of risk and uncertainty. He calls any person engaged in economic activity an entrepreneur. According to entrepreneur are business who undertake risks. Restricts the use of the term to the carriers of risk and uncertainty.

## ENTREPRENEURSHIP IN INDIA

Earlier women concentrated on their traditional activities. But with the pace of time, they have joined their hands with men and contributing to a great extent not only their family but also in the business activities. The government has also encouraged them through it various schemes for their Self-Employment along with the employment of other associated with these schemes of entrepreneurship. In this regard a number of women entrepreneurs have proved their potential and performing better than men in the country.

An entrepreneur is a dynamic agent of change, who is instrumental in

transforming physical, natural and human resources into value added products and services. The entrepreneur is to be successful, the environment must be conducive and the individual must have an interest, initiative and drive in grasping the essential facts. About 50 percent of total population constitute only 16 percent of the total population. Out of this 16 percent, 80 percent remains engaged in unorganized sectors. Entrepreneurship among women is a recent phenomenon. Entrepreneurship calls for all those personal abilities and characteristics which could be developed in women folk.

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 and women in India have been neglecting a lot. They have not been actively involved in the mainstream of development even though they represent equal proportion of the population and labour 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 ENTREPRENEURS

Necessity is the mother of invention. One woman becomes entrepreneur only where the head of the family passed away or left the house in distress out of compulsion, she will take up the responsibility of running the institution after her husband. Now the situation is changed, due to the education and the social compulsion. Hence, women entrepreneurs are coming to the forefront and contributing

their share in the development of the economy also in general, particularly in India. In the early days, women were confined to the four walls of houses and led a protected life. In the modern society they have come out of the four walls and take part in all forms of activities competing successfully with men. It is estimated that presently, women entrepreneur comprise about 10 percent of the total entrepreneur in India. The roll of entrepreneur helps to solve the problem of unemployment and poverty. It also changes the position of women from being a job seeker to job giver.

### WOMEN ENTREPRENEURS IN INDIA

Women owned businesses are highly increasing in the economics of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures. 'Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations.

The challenges and opportunities provided to the women to the women of digital era are growing rapidly that the job seekers are turning into job creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. In India, although women constitute the majority of the total population, the entrepreneurial

world is still a male dominated one. Women in advanced nations are recognized and are more prominent in the business world.

### **WOMEN ENTREPRENEURS IN TAMIL NADU**

The entrepreneurs in Tamil Nadu have a fairly good background with the majority if them not being the first in their families to become manufactures. These units not only take occupational opportunity for people. Below the top level units were the smaller firms which provide ample scope for increasing business and income. The entrepreneurs who have started a business on their own were either forced by economic necessity to become entrepreneurs or had the natural desire for it.

### **PERFORMANCE OF WOMEN ENTREPRENEURS**

The entrepreneurial performance of a business person can be evaluated based either on the financial performance or on the operational performance of her enterprise. The financial performance is generally considered to be better criteria of evaluating the entrepreneurial performance in India women economically active age group of 15 to 59 years, constitute 58.4 per cent of the total women population. This group needs to target mainly, why because if a woman is economically empowered it become much easier for her to become socially empowered. These women need to take part actively in all functional areas including entrepreneurship.

In India, there has been a slight increase in the female work participation rate from 19.7 per cent in 1981 to over 25 per cent in 2001. This increase is very low and it required rapid increase. Further, it is another noteworthy point that female in

India headed only 10 per cent of the total households and other properties. But on the contrary, the participation of women in income generating avenues for the family has been increasing over time. The striking feature is that women entrepreneurship is not only brings properly to family but also assures economic independence of women in the society.

### **ROLE OF ENTREPRENEUR IN ECONOMIC DEVELOPMENT**

In a country like India state and private entrepreneurs exist side by side. The need for broad-based entrepreneurial class in India arises from the need to speed up the process of activating the factors of production, leading to a higher rate of economic growth, dispersal of economic activities, development of the background and tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and involvement of all sections of the society in the process of growth. Only if a conducive environment is created, there is a possibility for new persons to venture into business. The entrepreneur works as a catalyst, opening up new vistas, creating wealth, fostering development in other sectors of the economy.

A woman entrepreneur is economically powerful than any other kind of participations. Still, entrepreneurship is a complex and multi-faced phenomena and considered as necessity entrepreneurship rather than opportunity entrepreneur. However, the women entrepreneurship has led to several positive impacts mainly in the form of following.

1. Enhancing esteem and self-confidence of women.



2. Building a positive image of the women in the society.
3. Developing the ability to think constructively.
4. Foresting decision making and action through a collective process.
5. Ensuring participation with equal socking in all the spheres of life.

### STATEMENT OF THE PROBLEM

Women entrepreneurship needs to be studied separately for two main reasons. The first reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organizational and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus, there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs.

### OBJECTIVES OF THE STUDY

The following are the Objectives of the present study:

- ⊙ To study the socio-economic background of the women entrepreneurs in the study area.
- ⊙ To examine the factors which influence the performance of women entrepreneurs in the study area.
- ⊙ To study the problems faced by the women as an entrepreneur in the study area.

### NEED FOR THE STUDY

In olden days Women were taken the entrepreneurial activities only by compulsion not by willingness. Now-a-days women take part in all the fields where men are employed and achieved a lot. In the modern world the women folk are ready to compete with the men and they are doing better than men. Economic development of any country depends upon the entrepreneurial development and number at entrepreneurs comes forward to start a new business. Entrepreneurs are the term not only meant for men entrepreneurs, it is too to the women also.

### SCOPE OF THE STUDY

Entrepreneur the term not only meant for men, but also for women. Since the economic development of a country depends upon the entrepreneurial development and the number of entrepreneurs come forward to start a new business. There are many problems are easily tackled by the women and they sign in their life. The reason is motivated to the researcher to undertake the performance appraisal of women entrepreneurs in Rajapalayam block of Virudhunagar district of Tamil Nadu. Considering the above grounds, the study tries to analyze the factors which influencing women entrepreneurs and the problems faced by them in the study area.

### METHODOLOGY

Designing a suitable methodology and selection of analytical tools are important for meaningful analysis of any research problem. This section devoted to a description of the methodology, which includes, sampling procedure, a period of study, collection of data and tools of analysis.

## NATURE OF THE STUDY

The present Study is descriptive in nature, consisting variety of qualitative and quantitative data relating to the factors influencing women to become an entrepreneur and the problem that is faced by women, particularly as an entrepreneur in the study area.

## SAMPLING PROCEDURE

The total sample for the present study is 50. By using the Snowball sampling method the samples were selected.

### Collection of Data:-

This study is mainly based on primary data, collected by personal interview method from the women entrepreneurs. A detailed questionnaire was designed to collect specific information regarding age, occupational structure etc.

### Tools of Analysis:-

Simple percentage analysis has been used to study the socio-economic condition of women entrepreneur. Multidimensional scaling has been used for analyzing problems and motivation of women entrepreneur.

### Period of Study:-

The required data for the study were collected from all the selected small scale industries during December 2012 to February 2013.

## MOTIVATIONAL FACTORS AND PROBLEMS FACING BY THE WOMEN ENTREPRENEURS

Multidimensional Scaling (MDS) is an important analytical tool for the purpose of grouping. In general, the goal of the analysis is to detect meaningful underlying dimensions that allow the researcher to

explain observed similarities or dissimilarities (distances) between the investigated objects. With MDS one may analyze any kind of similarity or dissimilarity matrix.

MDS is a procedure to "rearrange" objects in an efficient manner, so as to arrive at a configuration that best approximate the observed distances. It actually moves objects around in the space defined by the requested number of dimensions, and checks how well the distances between objects can reproduce by the new configuration. In more technical terms, it uses a function minimization algorithm that evaluates different configurations with the goal maximizing the goodness-of-fit (or minimizing "lack of fit"). The most common measure that is used to evaluate how well (or poorly) a particular configuration reproduces the observed distance matrix is the stress measure. The raw stress value Phi of a configuration is defined by:

$$\text{Phi} = \sum [d_{ij} - f(\delta_{ij})]^2$$

In the formula,  $d_{ij}$  stands for the reproduced distances, given the respective number of dimensions, and " $\delta_{ij}$ " stands for the input data (i.e., observed distances). The expression " $f(\delta_{ij})$ " indicates a non-metric, monotone transformation of the observed input data (distances). Thus, it will attempt to reproduce the general rank ordering of distances between the objects in the analysis.

## INTERPRETING THE DIMENSIONS

In this research, an attempt is made to find out that who has motivated to start the business according to their inhabitant area. "Necessity is the Mother of invention" personal experience and necessity have motivated the women entrepreneurs to enter this business. An opportunity to stand on their own legs.

The interpretation usually represents the final step of the analysis. As mentioned earlier, the actual orientations of the axes from the MDS analysis are arbitrary, and can be rotated in any direction. Two-dimensional solutions can be illustrated graphically. In this study a list of 17 perceptual factors of work life balance issues, which are weighted in five point scale were taken for MDS analysis.

The respondents have a lot of motivational factors, by women entrepreneurs in starting and running their business. They have been asked to rate a motivation factor normally encountered by all the entrepreneurs on a five point rating scale. The scale items were 'Strongly agree', 'agree', 'neutral', 'disagree', 'strongly disagree'. The scaling items were given weightage of 5,4,3,2 and 1 respectively and weighted average is obtained to rank the rating of the respondents is shown in table.

#### List of Motivational factors taken for analysis:-

Factors	Variables
Q1	Education and Training Received
Q2	Parent Encouragement
Q3	Friends and Relatives in the Field
Q4	Encourage by Family Members
Q5	Government Incentives and Concession
Q6	To be Independent
Q7	Personal Enthusiasm in the Activity
Q8	Availability of Time
Q9	Managerial and Communication Skill
Q10	To Prove one Self
Q11	Desire to Compete with other Companies
Q12	To Gain Economic Status
Q13	To do something Creative
Q14	Inspiration from Successful Entrepreneur
Q15	Frustration
Q16	Not willing to anywhere
Q17	Self-Confidence

The results of the analysis can be extracted from the Euclidean model in the two dimensional graph. On observation of the two dimensional graph it could be inferred that the variables Highest influence the Women Entrepreneurs like Encourage by Family Members (Q4), To Gain Economic Status (Q12), Government Incentives and Concession (Q5). The above influence factors are compared to these minimum levels of influenced like To Prove one Self (Q10), Education and Training Received (Q1),

Parent Encouragement (Q2), Managerial skill and Communication (Q9), Self Confidence (Q17), Inspiration from Successful Entrepreneur (Q14), To Be Something Creative (Q13), Frustration (Q15), To Be Independent (Q6), Personal Enthusiasm in the activity (Q7). The last influence factors are at least level influenced by the Women Entrepreneurs like Desire to compete with other companies (Q11), Not Willing to work anywhere (q16), Friends and Relatives in the field (Q3), Availability if Time (Q8).

## INTERPRETING THE DIMENSIONS

There are several problems faced by the women entrepreneurs in establishing and running their business ventures. The problem ranges from mobilizing various resources, including capital, inputs. This section describes the problems faced by the respondents of the study.

The interpretation of dimensions usually represents the final step of the analysis. As mentioned earlier, the actual orientations of the axes from the MDS analysis are arbitrary, and can be rotated in any direction. Two-dimensional solutions can be illustrated graphically. In this study

a list of 19 perceptual factors of work life balance issues, which are weighted in five point scales were taken for MDS analysis.

The respondents have a lot of problems faced by women entrepreneurs in starting and running their business. They have been asked to rate a problem factors normally encountered by all the entrepreneurs on a five point rating scale. The scale items were 'Strongly agree', 'agree', 'neutral', 'disagree', 'strongly disagree'. The scaling items were given weightage of 5,4,3,2 and 1 respectively and weighted average is obtained to rank the rating of the respondents is shown in table.

### List of Problem factors taken for analysis:-

Factors	Variables
Q1	Lack of Self-Confidence
Q2	No Equal Status in Business
Q3	Lack of Encouragement from Family and Society
Q4	Conflicts due to Dual Responsibilities
Q5	Non-Co-operative attitude of Husband and Family Members
Q6	Less Chance of Mobility for Women
Q7	Society Lacks Confidence in Women's ability
Q8	Problem of Public Relations
Q9	Lack of Financial Support
Q10	Lack of Information and Advice
Q11	Finding the Right Contact
Q12	Business Advice, Information, Counselling
Q13	No time for training/ Upgrading Skills/ knowledge
Q14	Lack of Education
Q15	Suitable Business Premises
Q16	Lack of Marketing Support
Q17	Lack of Computer Knowledge and Internet Services
Q18	Lack of Technical support
Q19	Lack of Recognition and appreciation of the member of the Family

The results of the analysis can be extracted from the Euclidean model in the two dimensional graph. On observation of the two dimensional graph it could be inferred that the variables highest problems faced by the Women Entrepreneurs like Suitable Business Premises (Q15), No Equal

Status in Business (Q2), Lack of Recognition and Appreciation from the Member of the Family (Q19), No time for Training and Upgrading Skills and Knowledge (Q13), Conflicts due to dual Responsibilities (Q4). The compared to above factors minimum level of problems faced by the Women



Entrepreneurs like Lack of Computer Knowledge and Internet Services(Q17), Lack of Technical Support(Q18), Lack of Encouragement from family and Society(Q3), Society lacks Confidence in women's ability(Q7), Problem of Public relations(Q8), Finding the Right contact(Q11) Business Advice, Information, Counselling, Lack of Education(Q14), Lack of Self Confidence(Q1), Business Advice, Information Counselling(Q12). The least level of problems faced by the Women Entrepreneurs are variables like Lack of Information and advice(Q10), Lack of Marketing Support(Q16), Lack of Financial Support(Q9), Less chance of Mobility for Women(Q6), Non-Co-operative attitude of Husband and Family Members(Q5).

### SUGGESTIONS

Based on the findings the following suggestion has been made:

\*It is better to give counseling from experts for the women entrepreneur. A better attitude, better perception of the problems at hand may help to lesser the tension. At least this would help to get out of the guilty consciousness, they do confess they have, as they could not attend to this family as they wish to do. Counseling for the whole family, if possible, can be arranged. So that members of the family may not fully depend on the women entrepreneur.

\*Since the women depend on the money lenders for the financial requirements, the government has to draw attention on the extending of financial assistance to women by extending to the banks in the areas.

### CONCLUSION

In order to achieve the objective of social justice, it is necessary to harness the

latent skill and potentials of women. The successful entrepreneur of women not only depends on education, skill and training, but also external and internal environment should support them to gain the empowerment.

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