



## A EMPIRICAL INVESTIGATION ON KEY DRIVING FORCES FOR THE ENTREPRENEURSHIP AMONG THE BACKWARD CLASS WOMEN

Satish Shivappa Kattimani<sup>1</sup> and Dr. Shivashankar<sup>2</sup>

<sup>1</sup>Research Scholar , Karnataka Folklore University.

<sup>2</sup>Associate Professor & Special Officer.

### ABSTRACT :

The term Women Entrepreneurship mean, an act of business ownership and business creation that empowers women economically, increases their economic strength as well as position in society. Entrepreneurship amongst women has been a matter of concern. Those women who start or assist any business in its functioning are known as women entrepreneurs. Challenging roles are being accepted by females, as they desire to be financially independent along with taking care of their families and loved ones. Women owned businesses are highly increasing. The main



objective of the study has been to understand the socioeconomic back-ground of women entrepreneurs, and their problems & reasons in running their enterprises efficiently and profitably. The present research study has been conducted to study the problems of women entrepreneurs of the backward class with special reference to some selected places in selected businesses of North Karnataka with the respondent size of 50 involving women from business like petty shops, hotels, vegetable selling & beauty parlors. The need for additional income and family business carried on are the major reasons behind women getting them involved in entrepreneurial activities and the major reasons identified creating problems for taking up self employment are family responsibilities, competition and lack of self-confidence.

**KEYWORDS :** Entrepreneur, Women Entrepreneur, motivation, finance, education, government.

### INTRODUCTION

The word 'entrepreneur' derives from the French word *Entreprendre* (to undertake). In the early 16th century it was applied to persons engaged in military expeditions, and extended to cover construction and civil engineering activities in the 17th century; but during the 18th century, the word 'entrepreneur' was used to refer to economic activities. Many authors have defined 'entrepreneur' differently. Generally, an entrepreneur is a person who combines capital and labor for production. An entrepreneur is more of a coach than a captain. It is not just that one big cup; it is about achieving success match after match, season after season, across the years says Gaurav Mayra, chairman, Franchise India. Society now allows a woman to get the best education, but we still do not actively encourage and support women as innovators and entrepreneurs. To innovate, you have to think 'out of the box'; you have to question what exists. Women are taught to never question the status quo, to be submissive, to maintain harmony in the family. Even the most elite and educated families convey this message in unspoken and unwritten ways. A book, *Follow Every Rainbow*, tells the stories of how 25 women entrepreneurs built their businesses. Malvika Rai, FLO president, says a questionnaire-based study conducted by the organization earlier this year found that among the top hurdles women entrepreneurs face are arrangement of finances, shortage of raw materials, lack of technical know-how

and education, and family problems. The male dominated. In India it has been increasing continuously. In 1970-71 the percentage of women work participation in India was 14.2%, it increased to 31.6 in 2010-11. But it is still less in comparison to other countries. In Sri Lanka and Brazil the percentage of women work participation is 35%, France 38%, Indonesia 40%, Canada 42%, UK 43% and highest in USA 45%. The role of women entrepreneurs is especially relevant in the situation of large scale unemployment that the country faces. The modern large scale industry cannot absorb much of labour as it is capital intensive. The small scale industry plays an important role absorbing around 80% of the employment.

The myth that women cannot engage in productive employment needs to be dispelled. They can be encouraged to set up small and medium scale industries on their own initiative. Entrepreneurship development for women is an important factor in economic development of India. Rural women can be encouraged to start cottage industries. Rural based micro enterprises have been encouraged by the government by various schemes-such as Integrated Rural Development Program (IRDP), Training of Rural Youth for Self Employment (TRYSEM), and Development of Women and Children in Rural Areas (DWCRA). The aim is to remove poverty through entrepreneurial programs. Women's contribution to development is seriously underestimated and thus their social recognition is limited. The full visibility of the type, extent and distribution of this unremunerated work will also contribute to a better sharing of responsibilities between men and women. Lack of employment in the private sector and reductions in public services and public service jobs have affected women disproportionately. In some cases, employment creation strategies have not paid much attention to occupations and sectors where women predominate; nor have they adequately promoted the access of women to those occupations and sectors that are traditionally male. Taking, this in consideration, entrepreneurship among women is an area which can help in employment generation and income generation.

Around 50 per cent of India's population is women, yet business spheres such as trade, commerce and industry is still considered a male preserve. Entrepreneurial work has also been predominantly a man's world in India. Among the states, Gujarat, Maharashtra and Karnataka have more women entrepreneurs. Indian women are in no way inferior to men in all walks of life and they can be good entrepreneurs as men in the country. Therefore, it is essential to exploit the potential of Indian women. Women's participation in trade, industry and commerce, requiring entrepreneurship is still poor, mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment of women poses a challenge to the government, funding agencies and non-government organizations. It is important for these people on the limitations faced by the women and to plan supporting systems to enhance the women entrepreneurship in India. There was a time when women were only limited to household chores and giving birth to a child. But the scenario is totally different as she is now accepted as a leader. But this status did not come that easily as women had to go the extra mile to prove that she is in no way inferior to the males. Still there is a long way to go as women are still considered as the human beings solely responsible in bringing up a child, the house and the man. According to the recent study, companies with women managers are performing well than the companies with men managers. Fortune 500 companies with most women managers or in the top level management have proved with nearly 35% return on investment to the shareholders and those with 3 or more women executives have recorded 83% higher returns & on the other side there are employees who are striving for the capital, who are lagging behind in marketing their products/services. For these women, poverty leads to more unmanageable living conditions like denied rights, suppressed opportunities and curtailed opinions. The major concerns female entrepreneurs are facing are,

1. Social interaction
2. Market trends
3. Access and control over resources
4. Decision making and exercising full control

Violence against women is a major concern. One out of every three women around the world has been beaten or abused by her intimate partner in her lifetime. Reduction in gender based violence is, therefore, a top priority. The various types of women entrepreneurs are:

1. Women entrepreneurs in organized & unorganized sector

Women entrepreneurs in traditional & modern industries

**Obstacles for women entrepreneurship**

The entrepreneurial process is same for men and women.

Successful men and women entrepreneurs undergo similar motivations and thus achieve success in largely same way under similar challenges. They are also found to have access to fund from the same sources. The same condition both men and women can be successful entrepreneurs. (Cohon et.al. 2010).

**Problem faced by women entrepreneurs are briefly analyzed below:**

- Start up finance
- Working capital management
- Marketing skills
- Access to technology
- Regulatory requirements
- Management skills
- Lack of confidence.
- Access to start-up finance is the greatest single issue faced by women entrepreneurs. It is observed that women entrepreneurs face greater problems in this regard than small business in general. As family members are not in favor of supporting their ladies to take up the business in which they have skills, naturally they will be unwilling to support with the finance required for starting a business unit. Men are not willing to stand as surety to the loan granted by financial agencies. Women are not in a position to start the business with own capital. External finance is not so easily coming forward, and self financing is very meager. This is the greatest hurdle for the development of women entrepreneurs.
- Another key disturbing factor is managing the working capital. Working capital is required for maintaining finished stock to meet the market demand, for production, and for meeting marketing and other administrative expenses. It will be very difficult for women entrepreneurs to avail such loan facilities from financial institutions as they are unable to provide security. Although financial institutions have liberalized lending schemes, women entrepreneurs are not in a position to avail required finance, as family members in most of the cases do not support to raise heavy capital.
- Regarding marketing skills, women entrepreneurs have the problem of access to markets as their marketing skills are weak compared to male entrepreneurs. This is a major barrier for them to expand business or enter into business. Maintaining existing business and access to fresh business requires strategic marketing skills. This is the most commonly repeated problem faced by women entrepreneurs after finance. Therefore, marketing skills, management skills and technology skills have to be improved in female owned businesses. This encourages other women to enter into self-employment.
- Access to technology and adopt it in production process, poses certain problems. Co-coordinating factors of production is really a challenge to women entrepreneurs. To compete with producers, they need guts. Women entrepreneurs cannot easily co-ordinate the production process-particularly with the ever changing technology. Very few women can sustain such production onslaughts. Women who aspire to become entrepreneurs cannot keep pace with technology advancement. This

puts down their initiative to become entrepreneurs. Even they feel that women are discriminated by finance providers to a greater or significantly greater extent to upgrade the technology. Whilst many small businesses face difficulties for the finance that they need, organizations specializing in providing support for female entrepreneurs clearly feel that this is one area where their clients face greater difficulties than their male counterparts.

- Regarding administrative and regulatory requirements, many feel that this is a significantly greater problem for women entrepreneurs than their male counterparts. Micro enterprises of every type experience these problems. It is because of the disproportionate effect of compliance costs on small companies compared with large firms. In spite of this, women entrepreneurs do not feel that it is a major issue. But still this is a factor to reckon with.
- Another vital problem encountered by women entrepreneurs is lack of management skills. In majority of the cases, women entrepreneurs lacked management skills. Although this is common to all entrepreneurs, women are particularly disadvantaged in this respect. Because they have lower propensity of previous business experience. Besides this, support providers discriminate against women entrepreneurs to a greater extent in providing these skills. Skills are concerned with and ranged from day to day management to long-term strategic development. As external support to develop managerial skills is not that encouraging. Women entrepreneurs have to develop their own seminars and workshops to equip in this area.
- Other problems like society's attitude towards women entrepreneurs, unequal opportunities between men and women and very important amongst all the Lack of Confidence in women are also haunting women entrepreneurs.

### **Women entrepreneur associations in India**

Following are some associations who are striving towards promoting women entrepreneurship in terms of support & finance and also creating awareness in the society.

Today, when businesses are facing a severe crunch in entrepreneurial talent, if women don't play a meaningful role in business, then half of the country's potential talent pool will remain under-utilized.

One cannot also ignore the impact of family and society on women in India during their formative years. Socialization of girls in the Indian society continues to have elements of repressive methods of upbringing of the girl child, thereby impacting the aspirations of women. Young girls are seldom encouraged to take up higher

### **NEED FOR THE STUDY**

Mass poverty and widespread unemployment are the two most pervasive problems faced by women entrepreneurs in rural areas especially backward class people. India is no exception from this. India is a land of villages with 76.7 percent of her population living in villages that carry the bulk of the poor.

### **OBJECTIVES OF STUDY**

To understand the various driving forces of backward class women of being entrepreneurs.

### **RESEARCH METHODOLOGY**

The research is based on secondary & primary data. It's an exploratory & descriptive in nature. The secondary data is collected from review of past researches and other reports. Primary data has been collected with interview as some of the respondents were illiterate. For the purpose of study, well structured questionnaire was used as an instrument to collect the data from the women entrepreneurs in North Karnataka. The sample size is 50. The respondents were women entrepreneurs chosen from various categories - Such as petty shop units, tailoring shops units, hotel units, and vegetable shops.

**Data analysis & interpretation**

**Toearn Livelihood**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Neutral	3	6.0	6.0	6.0
Valid Agree	44	88.0	88.0	94.0
Valid Strongly Agree	3	6.0	6.0	100.0
Total	50	100.0	100.0	

The above table shows the reasons as to earn the livelihood the women of backward class started the business venture and became an entrepreneur and majority of the respondents 88% agreed on the fact that yes they started the business venture and became an entrepreneur to earn their livelihood.

**Needformoney**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	2	4.0	4.0	4.0
Valid Neutral	13	26.0	26.0	30.0
Valid Agree	8	16.0	16.0	46.0
Valid Strongly Agree	27	54.0	54.0	100.0
Total	50	100.0	100.0	

The above table shows the reasons as need for money the women of backward class started the business venture and became an entrepreneur and majority of the respondents 54% strongly agreed on the fact that yes they started the business venture and became an entrepreneur as they had need for money.

**Breadwinneroffamily**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	4	8.0	8.0	8.0
Valid Disagree	5	10.0	10.0	18.0
Valid Neutral	8	16.0	16.0	34.0
Valid Agree	12	24.0	24.0	58.0
Valid Strongly Agree	21	42.0	42.0	100.0
Total	50	100.0	100.0	

The above table shows the reasons as bread winner of the family the women of backward class started the business venture and became an entrepreneur and majority of the respondents 42% strongly agreed on the fact that yes they started the business venture and became an entrepreneur as they were the bread winner of the family.

**To become independent**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	1	2.0	2.0	2.0
Disagree	2	4.0	4.0	6.0
Neutral	3	6.0	6.0	12.0
Agree	35	70.0	70.0	82.0
Strongly Agree	9	18.0	18.0	100.0
Total	50	100.0	100.0	

The above table shows the reasons as to be independent the women of backward class started the business venture and became an entrepreneur and majority of the respondents 70% agreed on the fact that yes they started the business venture and became an entrepreneur as they wanted to be independent.

**To have social identity and status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	4	8.0	8.0	8.0
Disagree	23	46.0	46.0	54.0
Neutral	4	8.0	8.0	62.0
Agree	7	14.0	14.0	76.0
Strongly Agree	12	24.0	24.0	100.0
Total	50	100.0	100.0	

The above table shows the reasons as to have social identity and status the women of backward class started the business venture and became an entrepreneur and majority of the respondents 46% disagreed on the fact that they started the business venture and became an entrepreneur as they wanted social identity and status.



**Supporttofamilymembers**

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly disagree	2	4.0	4.0	4.0
	Disagree	2	4.0	4.0	8.0
	Neutral	7	14.0	14.0	22.0
	Agree	27	54.0	54.0	76.0
	Strongly Agree	12	24.0	24.0	100.0
	Total	50	100.0	100.0	

The above table shows the reasons as support to family the women of backward class started the business venture and became an entrepreneur and majority of the respondents 54% agreed on the fact that yes they started the business venture and became an entrepreneur as they wanted support the family members.

**Influenceofothers**

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly disagree	6	12.0	12.0	12.0
	Disagree	17	34.0	34.0	46.0
	Neutral	7	14.0	14.0	60.0
	Agree	11	22.0	22.0	82.0
	Strongly Agree	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

The above table shows the reasons as influence of others the women of backward class started the business venture and became an entrepreneur and majority of the respondents 34% disagreed on the fact that they started the business venture and became an entrepreneur as influence of others.

**Innovativethinkingandprovideemployment**

	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Strongly disagree	16	32.0	32.0	32.0
	Disagree	17	34.0	34.0	66.0
	Neutral	2	4.0	4.0	70.0
	Agree	9	18.0	18.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

The above table shows the reasons as innovative thinking and provide employment opportunity the women of backward class started the business venture and became an entrepreneur and majority of the respondents 34% disagreed on the fact that they started the business venture and became an

entrepreneur as they had innovative thoughts and wanted to provide the employment opportunity to others.

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
To earn Livelihood	50	3	5	4	0.35
Need for money	50	2	5	4.2	0.969
Social status	50	2	5	3.3	1.074
Bread winner of family	50	1	5	3.82	1.304
To become independent	50	1	5	3.98	0.769
To have Social identity and status	50	1	5	3	1.385
Support to family members	50	1	5	3.9	0.953
Influence of others	50	1	5	3	1.34
Innovative thinking and provide employment	50	1	5	2.44	1.417
Valid N (listwise)	50				

**ANOVA TABLE**

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
To earn Livelihood	140.949	149	.000	4.000	3.94	4.06
Need for money	53.450	149	.000	4.200	4.04	4.36
Social status	60.808	149	.000	3.860	3.73	3.99
Bread winner of family	36.109	149	.000	3.820	3.61	4.03
To become independent	63.813	149	.000	3.980	3.86	4.10
To have Social identity and status	37.204	149	.000	4.020	3.81	4.23
Support to family members	50.462	149	.000	3.900	3.75	4.05
Influence of others	41.975	149	.000	3.980	3.79	4.17
Innovative thinking and provide employment	54.665	149	.000	3.800	3.66	3.94

It is very clear from the both the table that is descriptive statistics and ANOVA table that with the mean value of 4.00 which clearly indicates that majority of the women entrepreneurs of backward class started their business to earn their livelihood followed by additional need for money etc.

**SUMMARY OF FINDINGS AND CONCLUSION:**

It can be concluded that women entrepreneurs of backward class have opted for the entrepreneurship by chance and not by choice as they faced multiple problems among the problems socio economic problem are main which included poverty, ignorance, etc. It can be said that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at considerable rate, but efforts are still to be taken as we still lack compared to other countries at global level. This is mainly because of attitude change, conservative mind-set of society, less daring and risk-taking abilities of women, lack of support and cooperation by society members. There is a need for support from all aspects from government and society.



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