AN ANALYTICAL STUDY OF SOCIO-ECONOMIC INFLUENCE ON WOMEN ENTREPRENEURS

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Abstract
Down the ages, the potentials of women were suppressed and they were treated as secondary citizens in all the cultures. Women today attempt erasing such mark through creating a significant achievement in the economic development of the country; giving a solution to the problems of unemployment and poverty. Though representing a substantial work force of the nation, women entrepreneurs in India lack access to and control over resources and are influenced by some fundamental and practical factors that either motivate or inhibit their survival in this field and a few of them result in lack of decision making power.. Based on the empirical data collected from 200 women entrepreneurs registered with MSMEs of Hyderabad and Rangareddy districts of Andhra Pradesh in India, the study tries to analyze the influence of social and economic factors on women entrepreneurs including motivational factors and other obstacles. The study evidentially proves the prevailing gender discrimination as the major constraint. Lack of external motivation, unfair attitude of officials, lack of confidence by others, lack of acceptance, social insecurity and also delay in the sanction of financial support are de-motivating factors which create obstacles to women entrepreneurs in their way.

Keywords: Women Entrepreneurship, Women Potentials, Decision making power, Socio-economic influence, unaccounted contribution.

Introduction
“I measure the progress of the community by the degree of progress which women have achieved” says Dr BR Ambedkar\(^1\). Accordingly, the status of women could be the best indicator of a nation’s progress. Women’s active role is regarded as an integral part of a progressive social system. Down the ages, the potentials of women were suppressed which are now being uplifted in the form of entrepreneurship development which has a very significant part in the national development. Through job creation, revenue generation, poverty reduction and wealth creation, entrepreneurship proceeds as an engine for the economic growth and became a central element in the theory of economic development (Schumpeter\(^2\) and Josiane\(^3\)).

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\(^1\) http://www.brainyquote.com/quotes/authors/b/b_r_ambedkar.html, 14 March 2013.
Women Entrepreneurs are that section of female population who venture out into industrial activities. They initiate, organize and operate a business enterprise. The Government of India (1988) defines women enterprise as an enterprise owned and controlled by a women entrepreneur within a minimum financial interest of 51% of the capital by her and giving at least 50% employment to women. The question why women do intend to become entrepreneurs has many answers like women possess aspiration to explore and analyze their talent, they have enthusiasm to face new challenges and create opportunities for self-fulfillment. They intend to prove themselves in innovative and creative jobs and finally, entrepreneurship is one of the economic activities where women can make significant contributions towards the society.

Women Entrepreneurship Development in India

In India, 1970s onwards the development of women entrepreneurship has been prioritized as an important aspect of the nation’s financial plans. Though India has great entrepreneurial potential, the entrepreneurial abilities of women have been untapped due to the lower status of women in the society.

Entrepreneurship amongst women has been a recent concern in India and the development of women entrepreneurship here is very low. Indian women are striking a balance between traditional and progressive values of the society in transition through playing dual responsibility at home and at the work place. Though women have realized their existence and their rights and increased their involvement in economic activities, only women of upper classes in urban cities do reach their goal in this field and women of middle class are not very much ready to alter their role in fright of social retaliation.

Table.1 clearly shows the development in number of women enterprises in India and the number of enterprises managed by women.

Industrial Sectors Where Indian Women Have Entered into…

Indian women have considerably entered into both traditional and non-traditional industries. Traditional industries include handicrafts, readymade garments, toy-making, nurseries, hotels and restaurants, crèches, dairy and poultry, education, canning, insurance, retail trade. Non-traditional industries include textile designing, fabrics and jewelers, engineering and electronics, printing, transport and repair services, leather and plastics products, chemicals, drugs and pharmacy, ceramics and many more.

Problems of Women Entrepreneurs in India

Women entrepreneurs in India face many problems to get ahead their life in business. The major problems faced by women entrepreneurs can be classified under social, financial, organizational, production, marketing and psychological etc. Social barriers to women entrepreneur include unjust social, economical and cultural system prevailing in the Indian society; discriminating treatment; lack of social acceptance; resistance and inhibition; inadequate encouragement and motivation; responsibility towards family; contribution

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4 3rd All India Census of Small Scale Industries for the Reference year 2001-02 by Government of India, Ministry of Small Scale Industries.
remain unaccounted i.e., lack of recognition and traditional Indian culture/social attitudes do not appreciate independence for women particularly in rural areas etc.

The other problems faced by women entrepreneurs include compliance of formalities; delay in getting power connection; delay in machinery supply; delay in getting loan amount; lack of adequate finance where large investments are required; discrimination against women in granting loans; lack of access to external funds because of lack of confidence shown by banks, suppliers and clients; biased assessment about their ability to repay loans; lower credit approvals having a question on the capabilities whether women can run the enterprise or not; shortage of working capital; shortage of funds for expansion; repayment of loan; non-availability of raw materials; shortage of skilled man power; power shortage; labour unrest / strikes; marketing problems; lack of demand for the product; warehousing problems; transport problems; shortage of technology and management problems etc.

Need For The Study
Woman is adversely reflected in sex ratio, literacy and social status. In spite of this scenario, today's woman is emerging to take-off from the dependency syndrome. This change is being accelerated with the women entering into the business field. Very few studies have been done in Andhra Pradesh, that too by the NGO’s who are providing entrepreneurship training to the poor women, there is no such study which is purely based on the social and economic influences on women entrepreneurship. Though women entrepreneurs possess good leadership qualities they do face many obstacles influenced by social and financial factors. Hence, the present study gives an analysis of those barriers and gives suggestions how to overcome

Review Of Literature

Jeanne Halladay Coughlin with Andrew R Thomas\(^5\) talks about the self-employed women in developing countries and women-owned business enterprises in developing countries. The authors discuss the Economic, social and personal motivations for female entrepreneurs, the challenges faced by female entrepreneurs, the tools and processes helping female entrepreneurs and gives entry-strategy analysis, monitoring and evaluation of programmes in support of women entrepreneurs. The authors provide female entrepreneurs’ resource guide. Their book also reviews some case studies of women entrepreneurs in the developing countries.

Bharti Kollan and Indira J Parikh\(^6\) focuses on the understanding of the history of Indian Women Entrepreneurs. They presented how transformation has occurred in the social roles of women in employment, entertainment and leadership. The author’s paper also talks about the problems faced by them when they start their venture in the competitive world of business environment.

Bhowmik Krishna\textsuperscript{7} analyses the need for women to enter into employment, various opportunities for employment and the attitude of their life partners towards the women’s employment. The author reveals the problems faced by women in their dual performance at home and outside home and analyses the marginalization of women by exploiting them and reviews the need for women empowerment and the related issues like ongoing approaches and strategies of the government and non-government organizations.

Shradha Shivani, S.K. Mukherjee and Raka Sharan\textsuperscript{8} presents the findings of an empirical study conducted in India to examine links between entrepreneurial success achieved by male and female entrepreneurs and socio-cultural variables like caste, religiosity, family structure and family support and suggests the required structural interventions for ensuring growth of entrepreneurship in this context.

Anil Kumar\textsuperscript{9} concentrates on discussing the social and financial structure of enterprises owned by women entrepreneurs and the obstacles faced by women in business. The author also enumerates the perception of women towards various entrepreneurship related issues and asks a question that to what extent the expectations of women entrepreneurs were fulfilled by the supporting agencies.

Piyali Ghosh, Cheruvalath and Reena\textsuperscript{10} presented a paper which is a theoretical study of the current status of female entrepreneurs in the country. It discusses the many challenges they face, focusing on their level of education and socio-cultural constraints. It also suggests some solutions to overcome such barriers. These include giving them proper training, developing an entrepreneurial attitude in them, 'attributional augmenting', understanding their entrepreneurial motivation, and, most importantly, removing the discriminating social customs imposed on them.

M. Jan and N Shar\textsuperscript{11} made an attempt to explore the economic opportunities for women, empower them through cooperative sector of economy, develop entrepreneurship skills among them and thereby improve their socio-economic status.

V S Ganesamurthy\textsuperscript{12} edited a book consisting of 35 papers authored by scholars working in the area of economic, social and political empowerment of women. The areas touched upon in the book include socio-economic status, women entrepreneurship, women in politics.

\textsuperscript{9} Anil Kumar, (2007) \textit{Women Entrepreneurship in India}, Regal Publications.
\textsuperscript{10} Ghosh, Piyali; Cheruvalath, Reena “Indian female entrepreneurs as catalysts for economic growth and development”, The International Journal of Entrepreneurship and Innovation, Volume 8, Number 2, May 2007 , pp. 139-148(10), IP Publishing Ltd.

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role of information and communication technology in empowering women, and domestic violence. It is important to emphasize that women require adequate security and protection to be self-reliant.

Maria Minniti\textsuperscript{13} in her monograph reviews the growing literature on female entrepreneurship and women-owned businesses across various disciplines (economics, psychology, sociology, anthropology, etc.) and issues related to the division of labor within families and their implications for the employment decisions of women. The author looks upon the macroeconomic implications of female entrepreneurship and reviews gender differences in management styles, financing, and networking and makes an attempt to identify gaps in the literature.

Ganesan S\textsuperscript{14} compiled an output of a scientific research which brings out the truth about entrepreneurship by women in India. The author has proved that the data available on the number of women entrepreneurs is totally wrong. It has been proved that most of the "women entrepreneurs" in the official list are not either women or entrepreneurs. The author revealed the reality by introducing the concepts of surrogate entrepreneurs and false entrepreneurship.

**Objectives**

The specific objectives of the study are aimed at:

1. To understand the socio-economic factors influencing women entrepreneurs.
2. To realize the influence of socio-economic factors on entrepreneurial activity of women.

**Research Methodology**

The present analytical study is based on Random sampling method of Probability Sampling Technique. The respondents were contacted through District Industries Centers and MSMEs of the sample districts, Commissioner of Industries, A.P, Industrial Development Associations, APSFC, NIMSME, FAPCCI, FLO, ALEAP and COWE. In the total number of 809 women entrepreneurs, the investigator could contact 640 respondents and received 200 responses in the form of filled in questionnaires. Thus, the sample size is 200.

**Sources and Collection of Data**

The source of primary data were women entrepreneurs of the sample districts and the sources of secondary data included various books, articles from various journals, magazines and various websites related to women entrepreneurship; brochures and reports of different organizations.

The secondary data was collected through literature survey and the primary data was collected from the women entrepreneurs through a well structured questionnaire. The questionnaire consisted of the questions related to their social and economic profile, social and economic issues, institutional support and change in their status.

**Analysis of the Data**

\textsuperscript{13} Maria Minniti, Gender Issues in Entrepreneurship, Now Publishers, 01-Dec-2009.

\textsuperscript{14} Ganesan S, (2003), Status of Women Entrepreneurs in India, Vedams eBooks (P) Ltd (India) Kanishka, New Delhi.
Data analysis has been done with the help of statistical software (SPSS, 20 version) by using the techniques including frequencies and percentages.

Scope Of The Study
Registered Women entrepreneurs of Hyderabad and Rangareddy districts in Andhra Pradesh are randomly selected for the study. The study provides a wide scope to understand the factual status of and treatment provided to women entrepreneurs in the present socio-economic environment.

Limitations Of The Study
1. The study being the sample study will have the limitation of generalization.
2. Most of the women entrepreneurs were not found in the addresses mentioned at the time of registration and many did not respond for the survey.
3. The sample respondents may fail to articulate their feelings; hence the error of inarticulation may creep into the study.

Profiles Of The Study Areas

Hyderabad District
Being a remarkable city and the capital of the State of Andhra Pradesh, Hyderabad is surrounded on all sides by Rangareddy District. The cosmopolitan culture in the Hyderabad district creates hospitable environment for growth and development of medium, small and tiny industries. It is an important marketing outlet for various products. Infrastructure facilities and its precious human resources are the potential pool of economy rather than in agriculture and mineral resources. Abundant power supply, regular telecommunications including internet connections, road, rail and air transport, banks, technology parks, various training institutes etc offer enough scope for the growth and development of MSMEs in the district.

The Hyderabad district has acquired plentiful of banking facilities with most of the banks’ regional offices located in the city. Other financing agencies include SIDBI, IDBI, APSFC, APMFC, ICICI, NABARD, NSIC etc. which provide ample financial assistance to the intended entrepreneurs. Other government corporations such as NIMSME, BC societies, SC and ST corporations, Women Finance Corporation, APITCO, NEDCAP and LIDCAP etc. also provide the required financial and technical assistance to the entrepreneurs.

Huge numbers of industries are located in the four Industrial Estates located and the district has investment opportunities in agro based industries, textile industry, horticulture based industries and mineral based industries and miscellaneous products etc. There are nearly 50 suppliers for machinery and equipment and 9 Research and Development Institutions. 14 Small Industry Associations exist in the district.

Rangareddy District
Placed very much close to the capital city of Hyderabad, Rangareddy district is industrially well developed and enjoys the advantages of good infrastructure, communication network, transport, market and human resources. The district is having variety of mineral resources and deposits. There are 31 Industrial Estates/Industrial Development Areas existing in the district which are all occupied and nine industrial parks subsist in the district. This district has a strong industrial base with public sector undertakings like BHEL (R&D), ECIL, HAL,
HMT Bearings, NFC, DRDO, DRDL, BDL, NRSA, etc. In Private sector Rangareddy district is leading in manufacturing of bulk drugs and pharmaceuticals formulations.

Both the districts offer extensive scope for establishment of resource-based, demand-based and labour intensive industries.

**Socio-Economic Environment And Its Influence On Women Entrepreneurs**

The economic development of any country can be achieved with the planned and persevering business activities facilitated. Entrepreneurship grasps all the opportunities for commercial exploitation through creating employment on one hand and earning profits on the other. In every business enterprise, different environmental variables exist internally and externally.

Thus the business environment consists of two sub-environments viz., internal (micro) environment and external (macro) environment including market environment. The business environment is the product of various dynamic factors, i.e., economic, social, political, geographical, religious and technological. Usually, business decisions are taken in the presence of these environmental factors and the business operations include the conditions, events, factors that influence the working of business. These environmental variables have either a positive or negative influence on the enterprise.

Despite the fact that women’s contribution towards the economic growth of the nation is explicit, their association remained unnoticed and unaccounted. Till recently women were kept away from holding decision making positions. Even now, when majority of the industry is managed by women, they do face sarcasm from the male society. And our development policies and programs tend not to view women as integral to the economic development process. Indian women no longer remain satisfied as housewives and they have entered into both traditional and non-traditional industries. In spite of the increasing number of women entrepreneurs, their participation remains inconsiderable and their share in the growth of national economy is significantly low, reason being the influence of rigid social attitudes and discriminating treatment towards women. Low mobility, high cost of production, low rate of achievement, shortage of finance, insufficient marketing facilities, shortage of raw materials and majorly the fulfillment of dual role at home and work place.

**Discussion On Findings Of The Study**

The findings of the study confirm the needs theory (Maslow\textsuperscript{15}) which states that the entrepreneurial motivation is determined by the social and economic needs of an individual (Astin\textsuperscript{16}). A few findings emphasized on individual, psychological or personality reasons, while some portray attention on social and economic constraints (Hughes\textsuperscript{17}).

The rigidness of Indian society resulting in backwardness of many classes reflects false socialization. Entrepreneurship is not an exemption. Same is the case with women entrepreneurship also. Figure.1 reveals that for about 74 percent of the women entrepreneurs belong to the general category where as the SC, ST and other backward classes were represented in too little numbers.

\textsuperscript{15} Maslow, A. (1948). Motivation and Personality, New York: Harper


\textsuperscript{17} Hughes, K. D.(2005). Female Enterprise in the New Economy. University of Toronto Press.

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Only 1/3rd of the respondents manage their enterprising units by own, receive and spend income out of their businesses. Figure.2 shows that most of the respondents’ spouses are in the same field which confirms takeover of those women enterprising units by men.

2/3rd of women entrepreneurs do not encompass control over the income out of the business(Fig.3). This implies the hijacked entrepreneurship of women raised out of the rigid attitude of male dominated society towards women’s capabilities. This patriarchal society compels women to take up the entire burden of family responsibilities on their shoulders.

Motivational factors of women entrepreneurs append the challenges in the entrepreneurial activity. Those who entered into the field because of push factors mostly had a negative influence and do face more problems such as lack of confidence and acceptance over them by the officials resulting in lack of access to resources including finance. Procedural, operational and marketing complications are the major constraints reported by women entrepreneurs.

2/3rd of the respondents spend less time on business reflecting lack of their commitment towards business. For about thirty percent of the women entrepreneurs do not get any kind of help from their family members.

The meager representation from agriculture reflects insufficient economic support for the class and second generation entrepreneurs do not have problem with pooling initial capital.

Conclusions
The conclusions are based on the analyses and assessment of the views of the respondents in the course of the study by applying various statistical tools and techniques. The present research study deliberated the personal background and business characteristics of sample respondents. The study also reviewed their intentions to start a business, family issues, access to capital and performance. The key findings of the study confirms the negative attitude of the rigid patriarchal character in the form of discrimination which is creating major impediments to women entrepreneurs in managing their units by exercising the control and authority over resources.

Recommendations
1) There should be a system to provide guidance for women throughout the activity of entrepreneurship, right from initiating the venture, getting finances, marketing the products etc.
2) Special Policies have to be formulated by the government for the scheduled and backward categories to take active participation in entrepreneurship.
3) Women Entrepreneurship development is to be made an exclusive part of curriculum at under graduate and professional education. Proper education, knowledge and exposure when imparted to women, their potentials will be proved to be the highest productive force.
4) Women could be motivated at a higher level to take up equal participation in manufacturing sectors also and they may be encouraged to enter into large scale industries in a great number.
References
4. 3rd All India Census of Small Scale Industries for the Reference year 2001-02 by Government of India, Ministry of Small Scale Industries.
Appendix-I: Tables

Table 1: MSME (Women) Sector in India

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</thead>
<tbody>
<tr>
<td>1</td>
<td>Women Enterprises</td>
<td>1.37</td>
<td>2.15</td>
<td>9.26</td>
<td>17.05</td>
<td>10.63</td>
<td>19.20</td>
</tr>
<tr>
<td>2</td>
<td>Enterprises managed by Women</td>
<td>1.14</td>
<td>1.57</td>
<td>8.80</td>
<td>N.A*</td>
<td>9.94</td>
<td>N.A*</td>
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N.A* = Not Available

Sources:
1. 3rd All India Census of Small Scale Industries (2001-2002)
2. 4th All India Census of Micro, Small & Medium Enterprises (2006-2007)

Appendix-II: Figures

**Figure 1** Women Entrepreneurs Representation by Social Category
(Source: Survey Analysis)

**Figure 2** Spouse Occupation
(Source: Survey Analysis)
Fig. 3  Management of the Units Owned by Women Entrepreneurs
(Source: Survey Analysis)