

AN ANALYSIS ON THE CONSTRAINTS OF WOMEN ENTREPRENEUR IN SMEs WITH REFERENCE TO CHENNAI CITY

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ABSTRACT

The Sixth economic census by the Ministry of Statistics and Programme implementation shows that only 13.76% of total entrepreneurs are Women. Out of 58.5 million entrepreneurs, it is only 8.05 million women entrepreneurship in India. Though there are a number of financial schemes and aids by the central and state government to the women entrepreneur, the rate of growth is less in India. Hence, this study made an attempt to find hindrances of women entrepreneurs in small and medium enterprises. The samples are the women entrepreneurs of small and medium enterprises with 182 numbers of respondents in Chennai city. The study has considered variables such as availability of government schemes, support from families, business environment, societal background, heredity, sufficient training, political stability, risk bearing capacity, etc. The study found that there are many constraints for women entrepreneurs on the aspects of financial, family and business. Further the study identifies family support, societal background, government schemes, etc helps the women entrepreneur to uplift their socio-economic development of our nation.

Keywords: women enterprises, constraints, SMEs.

Introduction

Every person wants to succeed in their life. Many of us prefer to be job creators instead of job seekers. To be a Job creator, a person supposed to be a successful entrepreneur. In recent days, all the people would like to start the business irrespective of gender discrimination and also women have equal rights in India. Both the government, Central and State are promoting startups among the youngsters. There are many schemes for the budding entrepreneurs to help them in business. Financial institutions also offer loans and other benefits to entrepreneurs. After the introduction of LPG (Liberalization, privatization and Globalization) in 1991, there is a great impact on Entrepreneurship in India. Most importantly, after LPG our India has entered into worldwide competition. There is also more liberalization in trade for our nation in WTO, etc. In spite of many incentives and benefits, entrepreneurship success is questionable.

Our nation is rich in tradition and culture. In the early 20th century, there was great gender discrimination in India. The women were not permitted to go for work or own business. The women were the home ministers alone and did not get any of the opportunity to settle their career. In The Late 20th century, the government passed many laws to protect and to promote women in entrepreneurship. There are many self help groups started by the central and state governments to promote the tiny business. SHGs are one of the booms for women in India. Though there are many relaxations provided by the government also, there are still some of the constraints faced by the women especially in business. This barrier for women is analyzed by Peter Drucker (1909-2005), describing the women entrepreneur as someone who really needs a change in the society and to exploit the change as an opportunity. Women entrepreneurship is an essential ingredient for the growth of the nation and for increasing employment. Women entrepreneurship is one of the primary sources for job creation, reduction of poverty and growth of per capita income. The government supports women entrepreneurship which is a crucial strategy for economic growth.

The National Association of Software and Service companies (NASSCOM) reported 18% of the startups led by at least one Women in India which is comparatively low compared to worldwide. Hence this study, made an attempt to study on the major barriers of women entrepreneurs.

- **Lack of self Confidence**

Most of the women lack confidence in doing business. They have the mental belief that the business is meant for male gender. They too believe that society will not accept women entrepreneurs. The women have a thought that they cannot manage their day and day life in par with trade businesses.

- **Family background and practical experience**

From the genesis of the world, every woman has the responsibility of taking care of their families where men are not. Women have much responsibility in taking care of the children, cooking, and other household works. The experience of the women also will be less compared to men in the business industry.

- **Lack of educational knowledge**

In the early 1950s, the education for the girl children was totally denied. The education for female children came to force only from the end of the 1990 and till today we can find that in most of the places, the female children are not given proper education.

- **Lack of easy access to financing.**
Trust on women is less compared to men in society. It will not be easy for women to get the sanction of loan. The surety for the women cannot be easily obtained from anyone as the confidence on the women in repayment will not be effective.
- **Lack of industrial and social infrastructure.**
Women are not exposed to outside environments. The experience in industry is comparatively low in our nation. Women have to overcome all the struggles in all the industries as the opportunities will be provided at the end.
- **Lack of adequate overhead facilities.**
The working capital for the business should be sufficient for smooth running of business. If not that affects the day to day activities of business. It is difficult for the women to maintain the day to day fund for overhead charges.
- **Lack of risk bearing**
Women always hesitate to accept the risk. As the risk in business is heavy, it is difficult for the women to manage and come out of the loss.
- **Non-availability of Lab and skills**
Training on skills oriented programmes is not given for the women. Availability of Lab is also not sufficient for the women in India.
- **Lack of technical knowledge**
Technical knowledge is more required in a skill programme and for a woman it is essential to impart the technical skill on the particular industry they choose to start their business. The time for acquiring knowledge is comparatively less for women.
- **Political stability and Government's policy**
The government will not be stable as the policy also changes very often. The government intervenes very often whenever there is a shift in government that necessitates the business to change according to the regulation.

Review of Literature

There are several researchers for the last few decades that have examined the motivations of women to begin endeavor (Birley & Westhead 1994; Cooper & Dunkelberg 1981; Denison & Alexander 1986; Dubini 1988; Hisrich & Brush, 1985; Scheinberg & MacMillan 1988; Shane 1991; Shapero 1975). However, some studies on women entrepreneurs such as reasons which makes women depart the business world to become entrepreneurs (Nguyen, 2005), and problems faced by women entrepreneurs to start up their businesses (Brown, 1997; Chandralekha 1995; Gundry 2002; Helmi's, 1997; Hamilton, 1993; Stoner 1990; Winn, 2005). According to Nguyen (2005) shows women begin the startup for additional flexibility and the work life balance of their traditional responsibilities. Though there are many struggles for women, there are more success stories of women entrepreneurs who really make their world very big. Hence, this study focused on analyzing the barriers of women entrepreneurs.

According to Paige and Littrell (2002) business achievement is classified into two; such as intrinsic and extrinsic. The intrinsic is freedom and liberty and also controlling the person's future while the extrinsic are the returns on investment, increases in personal income and improvement on wealth, etc. The other research by Masuo (2001) reveals that the business environment is connoted as ROA (Return on assets, profit of business, employee benefits, survival rate of business and non-pecuniary measures of satisfaction, personality development and career achievement.

Buttner and Moore (1997) analyzed the performance of business and it can be found from the growth of the economic perspectives such as sales and employees as well as increase in profits. Most of the people would like to generate their income. It is well accepted that the profit is the measurement tool of success and only money or wealth are considered in the world. It is also noted that the women entrepreneur may be succeeded but slower in growth at all places. Once the income is generated through running the business and contribution to the family is satisfactorily achieved, is the success of the women entrepreneur.

Aim of the study: The main aim of this study is to concentrate on the difficulties and challenges of women entrepreneurs. It was more complicated to discover women's obstruction because women have many roles to play in their day to day.

Objectives of the Study

1. To study conceptual about hindrance faced by women entrepreneurs.
2. To analyze the barriers of women entrepreneurs in the business environment.
3. To reveal the various factors affecting the women entrepreneur.
4. To find out the most influential variables that affect women entrepreneurs.

Limitations of the Study

1. The study was conducted only in the metropolitan city Chennai.
2. The study did not approach any of the business approaches and is based only on the constraints.
3. The study had not covered any of the technical aspects of the business.

Research Methodology

Data Collection Method: The study used Primary data which has been collected from the women entrepreneur with the use of a well - structured Questionnaire. The secondary data of the study is also collected wherever it is necessary in order to prove the research. The secondary is gathered from SMEs magazines, newspapers, reports, study of existing literature of various authors in the related study etc. The sample of the size of the study is to be 82. The study conducted the pilot survey to prove the questionnaire reliability. It is taken 10% of the sample of the study and proved the alpha cronbach value 0.762.

Data Analysis

The information collected through the questionnaire was analyzed using SPSS. The study used correlation to find the variation in one factor related with variation in another factor. The coefficient of correlation is also used to examine the relationship between the dependent variables and independent variables.

Statistical Tools Used

For measuring various barriers of women entrepreneurs and to analyze the data the study used Statistical Package for Social Sciences (SPSS) in order to derive the conclusions and offer the suggestions further. The study made an attempt on the collection using reliability statistics, factor analysis and corrections to achieve the objective.

Measuring Scale

A five point-Likert scale is used ranging from “strongly agree” to “strongly disagree” to measure the response.

Reliability Coefficients

The number of samples of the study is 82 and 10% of the sample size is taken to validate the questionnaire. The alpha cronbach value is 0.762. It is commonly accepted that the cronbach value which is above 0.7 is acceptable. Hence, this study is highly reliable and valid.

Factor Analysis

The responses from the samples were scrutinized and considered for analysis. The women entrepreneur barriers towards entrepreneurship were analyzed with the help of factor analysis, using the variables of demographic variables.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.742	
Bartlett's Test of Sphericity	Approx. Chi-Square	323
	df	70
	Sig.	.000

Table No. 1 Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity

The significance (0.000) is lesser than assumed value (0.05). This shows that the factor analysis is authenticated. The above table also reveals that the Kaiser-Meyer-Olkin (KMO) coefficient (0.742) where the value is more than 0.5. So, this reveals that the factor analysis for data reduction is valid. Bartlett's test of sphericity is used to inspect the hypothesis that the variables are correlated. This result, < 0.001 is good, and is a hint that can continue with the factor analysis. The chi-square test transformation of the determinant of correlation matrix. The chi-square test of Bartlett's test of sphericity is 323.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loading		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.815	31.420	31.420	3.815	33.440	33.440
2	1.571	12.730	44.150	1.561	14.761	48.201
3	1.349	11.680	55.830	1.358	10.626	58.827
4	1.139	8.782	64.612	1.139	8.865	67.692
5	.887	7.153	71.765			
6	.772	6.517	78.282			
7	.634	5.127	83.409			
8	.552	4.561	87.970			
9	.456	3.729	91.699			
10	.414	3.701	95.400			
11	.272	3.481	98.881			
12	.254	1.119	100.000			

Table No. 2 Total Variance Explained
Extraction Method: Principal Component Analysis.

The above tables clarify the 12 variables that affect the women entrepreneur barriers. There are four variables that highly influence women entrepreneurship. The independent variables such as age, educational qualification, annual income and business category are highly influenced in this study. The independent variable age alone is the highly influential variable that has an impact of 3.815 in the study, 47% of samples between the age group of 36-45 preferred to have their own business.

Correlations							
Control Variables			R1	R2	R3	R4	R5
D E M O G R A P H I C	R1	Correlation	1.000	.209	.236*	.278*	.143
	R2	Correlation	.209	1.000	.482**	.565**	.492**
	R3	Correlation	.236*	.491**	1.000	.562**	.483**
	R4	Correlation	.278*	.565**	.562**	1.000	.454**
	R5	Correlation	.143	.492**	.483**	.454**	1.000
*. Correlation is significant at 0.05 level							
**. Correlation is significant at 0.01 level							

Table No. 3 Karl Pearson's Correlation

The above table reveals the correlation between the independent variable and the barriers of women entrepreneurship.

R2 (support from friends) correlated with R4 (fund from government/non-government institutions) has positive correlation and the result is 0.565. The results that have a nearer value of 'zero' has no relationship between the barriers of women entrepreneurs.

Findings

1. The independent characteristics of 82 women entrepreneurs are selected as samples of this study. The female respondents of (47%) belong to the age group of 36-40 having their own startup business.
2. Married women also possess their startup business with the help of their family financial support.
3. Insufficient funds to invest in capital is faced by the Female entrepreneur, generally.
4. The results of Factor analysis proves the Kaiser-Meyer-Olkin (KMO) coefficient (0.742) the value is more than 0.5. Further the study also used Bartlett's test of sphericity to examine the hypotheses that are correlated in the study.

Conclusion

Women entrepreneurs show their interest and willingness towards having their own business setup. The study analyzed three key factors such as success, failures and challenges faced by the women entrepreneur. The women get funds through their friends and families in support of their business. At the same time, the women have a lot of schemes (loans) from the government to start their business. The age group of 36 to 40 respondents preferred to start the business. Further, the study found that the family members' cooperation is very less for the women entrepreneur. Some of the women entrepreneurs are entrepreneurs along with their spouse. The major threat of the women entrepreneur is family commitments. If the attempt in removing the constraints of the women entrepreneur is not taken which will not lead to economic development. The economic development of a country is the increase in the per capita income of the country that takes the nation upward in the global scenario. The study also encourages the technical skills for the women entrepreneur to improvise their knowledge in their industry. Though there are many barriers in society also, most of the women are generating employment and resolving the economic issues. There is more government support for the women startup where the NASSP encourages to have one women entrepreneur in the startup of India.

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