



## A STUDY ON PROBLEMS AND PROSPECTS OF WOMEN ENTREPRENEURS IN CHENNAI CITY

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### ABSTRACT

*Though women constitute almost half the population in India, only 10 per cent of them own and operate a business. In USA about 50 per cent women entrepreneurs are found while in Japan it is 23 per cent and in Germany, France and Britain it is 30 per cent. This shows that entrepreneurial activities in India are lagging behind compared to other countries. Women in India plunged into business for both Pull and Push Factors. Pull factors are those which encourage women to become entrepreneurs. Push factors are those which compel women to become entrepreneurs. However the influence of Push factor on women in becoming entrepreneur is lower than the Pull factor*

*Indian Women Entrepreneurs are mostly engaged in Agriculture, horticulture, sericulture, dairying, home based industries like handicraft, beedi-making, agarbathi-making, tailoring, etc. In India majority of the women entrepreneurs are engaged in service based activities which contributes large share in GDP. The share of service sector in GDP increased from 29.6% to 57% from 1950-51 to 2010-11. Objectives of the study are to explore the reasons for the entry of women entrepreneur into business, identify the problems of starting and running the business and to overcome the problems. To study the above said objectives Chennai has been taken as study area for primary data. The secondary data was gathered from journals, articles, Government sources and libraries.*

**Key Words:** Women Entrepreneurs, Education, Training, Success of Business

## **Introduction:**

‘Women Entrepreneur’ is a person who initiates, organizes and operates a business enterprise and she is the one who accepts challenging role to meet her personal needs and become economically independent. According to Government of India, a Women Entrepreneur is defined as “an enterprise owned and controlled by a woman and having a minimum financial interest of 51% of capital giving at least 51% of the employment generated in the enterprise to women”. Though women constitute almost half the population in India, only 10 per cent of them own and operate a business. In USA about 50 per cent women entrepreneurs are found while in Japan it is 23 per cent and in Germany, France and Britain it is 30 per cent. This shows that entrepreneurial activities in India are lagging behind compared to other countries.

## **Factors Influencing Women Entrepreneurs in India:**

Women in India plunged into business for both Pull and Push Factors. Pull factors are those which encourage women to become entrepreneurs. For example desire to do something new in life, need for independence, availability of finance concessions and subsidies from the Government etc. Push factors are those which compel women to become entrepreneurs. They include financial difficulties, responsibilities in the family, unfortunate family circumstances like death of husband or father etc. However the influence of Push factor on women in becoming entrepreneur is lower than the Pull factor.

## **Business Opportunities to Women Entrepreneurs:**

Agriculture, horticulture, sericulture, dairying, home based industries like handicraft, beedi-making, agarbathi-making, tailoring, etc. In India majority of the women entrepreneurs are engaged in service based activities which contributes large share in GDP. The share of service sector in GDP increased from 29.6% to 57% from 1950-51 to 2010-11.

## **Objectives of the Study:**

- To explore the reasons for the entry of women entrepreneur into business.
- To identify the problems while starting and running the business.
- To find out various steps taken by the women entrepreneur to overcome the problems.

## **HYPOTHESES:**

1. There is a relationship between education of the respondent and the success of business.
2. There is a positive relationship between family support and success of business.

3. There is a relationship between time spent for the business and success of the business.

### **Methodology:**

To study the above said objectives Chennai has been taken as base. A sample of 56 women entrepreneurs involved in beauty parlours are selected as sample units. Questionnaire schedule method is adapted to collect the necessary data. The tools used to analyze the collected data are Chi-square test, mean and simple percentage method. The secondary data was gathered from journals, articles, Government sources and libraries.

**TABLE 1 - REASONS FOR THE ENTRY INTO BUSINESS:**

<b>Sl.No</b>	<b>Reasons of business</b>	<b>No.of respondents</b>	<b>Mean value</b>	<b>Rank</b>
1	Self achievement	42	0.75	I
2	Profit/money making	41	0.73	II
3	Education/ training	40	0.71	III
4	Social status	39	0.70	IV
5	Freedom to take own decision	22	0.39	V
6	others	10	0.18	VI

**Source: primary survey**

Table 1 shows the various reasons for which women have entered into business. Self achievement is the top motivational factor, followed by Profit making. The third reason is being the education and the training which they have undergone. Social status constitutes the fourth factor. Family circumstances due to unexpected incidents are also some of the factors which have led them to enter into business.

### **Problems faced by the respondents:**

- ❖ The first and the foremost challenge that the respondents are facing is the conflict between work and family. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and home.
- ❖ The next biggest problem of the respondents is the social attitude and the constraints in which they have to live and work. Despite constitutional equality, there is discrimination among women. Normally others take decisions for them. Therefore,

women are automatically made subordinates of others and indirectly prevented from becoming entrepreneurs.

- ❖ Low level risk taking attitude is another factor affecting the respondents to get into business. Investing money, maintaining the operations and ploughing back money requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that. Generally, women in India are confined to the four walls of the house. This reduces their risk bearing capability while running the enterprise.
- ❖ Education is important for a person to be aware of latest technology, business trends, market knowledge etc. This creates additional problem for the respondents in setting up and running business enterprises.
- ❖ Shortage of finance seems to be a problem of every entrepreneur; it is so immense in the case of beauticians. These entrepreneurs always suffer from inadequate financial resources and working capital. They are lacking access to external funds due to absence of tangible security. Women do not generally have properties in their names.
- ❖ According to the report by the United Nations Industrial Development Organization (UNIDO) women's loan repayment rates are higher than men's, women still face more difficulties in obtaining credit often due to discriminatory attitudes of banks and informal lending groups. The respondents rely often on personal savings and loans from family and friends. So they struggle with financial problems while setting up and running the business.
- ❖ These entrepreneurs find it difficult to procure the materials and other necessary inputs. Knowledge of alternative source of materials availability and high negotiation skills are the basic requirement to run a business, getting the materials from different source with discount prices determines profit margin. Lack of knowledge of availability of materials and low level negotiation and bargaining skill are the factors, which affect their business.

**TABLE 2 – PROBLEMS IN STARTING AND RUNNING THE BUSINESS**

Sl.No	Problems	Mean value	Rank
1	In starting the Business	0.59	I
2	In running the Business	0.56	II

**Source: primary survey**

Table 2 highlights the mean score of the problems in commencing and running the business. The problems in commencing the business are more intensive than the problems in running the business. This shows that once the business is started they put maximum effort for their success. In this study 75% of the respondents are successfully running their business even though they are encountered by large number of problems.

### **Testing of Hypotheses**

#### **Hypothesis one**

Ho: There is no relationship between education and success of business

**TABLE 3: EDUCATION VS SUCCESS OF BUSINESS**

		EDUCATION		STATISTICAL VALUES	
		Up to Higher secondary	Graduates	Row Total	Chi Square Value
<b>SUCCESS OF BUSINESS</b>	<b>Succeed</b>	5 10.4 11.1%	40 34.6 88.9%	45 80.4%	18.3
	<b>Not Succeed</b>	8 2.6 72.7%	3 8.4 27.3%	11 19.6%	
	<b>Column Total</b>	13 23.2%	43 76.8%	56 100%	

**Source: Computed data from primary survey**

Calculated Value= 18.

Table Value at 5% significance = 3.84

As the calculated value is greater than the table value we reject H<sub>0</sub>. Hence there is a positive relationship between education and the success of business. The table shows that the respondents who have finished their graduation are more successful than the respondents who are in the higher secondary level. The respondents who are more educated are able to easily follow and implement new techniques in their business. Hence they are more successful.

### Hypothesis Two

H<sub>0</sub>: There is no relationship between Family support and success of business

**TABLE 4: FAMILY SUPPORT VS SUCCESS OF BUSINESS**

		FAMILY SUPPORT		STATISTICAL VALUES	
		YES	NO	Row Total	Chi Square Value
SUCCESS OF BUSINESS	Succeed	40 35.3 87%	6 10.7 13%	46 82.14%	15.14
	Not Succeed	3 7.7 30%	7 2.3 70%	10 17.86%	
	Column Total	43 76.8%	13 23.2%	56 100%	

Source: Computed data from primary survey

Calculated Value=15.14      Table Value at 5% significance = 3.84

As the Calculated value is greater than the Table Value, H<sub>0</sub> is rejected. Hence, it is proved that there is a positive relationship between Family support and the Success of business. 40 respondents who had family support for their business succeeded while 7 of them did not succeed because they did not have any support from their family.

### Hypothesis Three

H<sub>0</sub>: There is no relationship between Time spent for business and the success of business

**TABLE 5: TIME SPENT FOR BUSINESS PER WEEK VS SUCCESS OF BUSINESS**

TIME SPENT FOR BUSINESS PER WEEK				STATISTICAL VALUES	
SUCCESS OF BUSINESS		<35 HOURS	>35 HOURS	Row Total	Chi Square Value
	Succeed	4	45	49	33.09
		9.6	39.4		
		8.2%	91.8%	87.5%	
	Not Succeed	7	0	7	
	1.4	5.6			
		100%	0%	12.5%	
	<b>Column Total</b>	11	45	56	
		19.6%	80.4%	100%	

**Source: Computed data from primary survey**

Calculated Value=15.14

Table Value at 5% significance = 3.84

As the Calculated value is greater than the Table value, H<sub>0</sub> is rejected. Hence the table proves that there is relationship between Time spent and the success of business. The respondents who spent more than 35 hours per week succeeded more than the respondents who spent less than 35 hours per week. More time spent for the business brings more success to them.

**TABLE - 6 STEPS TAKEN BY THE RESPONDENTS TO SOLVE THE PROBLEMS**

Sl.No	Steps taken by the respondent	No.of respondents	Mean value	Rank
1	Spend more time for business	30	0.53	I
2	Training undergone/upgrading skills	26	0.46	II
3	Self-confidence	24	0.43	III
4	Sort for family support	20	0.36	IV

**Source: primary survey**

Table 6 points out the steps taken by the respondents to successfully overcome the problems. More than half of the respondents spend some extra time for their business. They give second choice to training / upgrading their skills. Self confidence and family support stands III and IV choices respectively.

### **Remedies and Suggestions:**

One of the main problems faced by the beauticians is the problem of finance. Therefore, Government should promote more competent agencies and improve the credit delivery system to enable these women entrepreneurs to avail the required capital. The lengthy procedures need to be made simple and cost effective.

Awareness programmes should be started to make them aware about the new so that they can take maximum benefits out of these technologies. The family members need to be made aware of the potential of girls and their due role in society; unless the social attitudes are made positive much progress cannot be made by them.

Training helps to multiply the capabilities of a person and hence help them to take right decisions at the right time. Therefore such training programme should be developed that can increase self confidence among these women. Additional facilities like stipend, good hygienic crèches, transport facilities etc., should be offered to attract more and more women to the training centre.

Education is the only tool to bring confidence to every women entrepreneur, the central and state Government should make a policy to minimize the female children dropout rate in school level. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence to women entrepreneurs. The women entrepreneurs on their own part should follow three things for their development (i) be courageous for ever (ii) find and use external support and (iii) manage guild well.

### **Conclusion:**

Social attitudes and discrimination against women should be removed. Adequate facilities should be provided to widen the entrepreneurial base among Women. Moreover, women should also try to get updated with the latest technologies so that they can continue to be succeeding in the competitive world.

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