



## “A STUDY OF THE RELATIONSHIP BETWEEN ENTREPRENEURSHIP AND WOMEN”

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### ABSTRACT

*The ‘High potential’ women entrepreneurs are those who through job creation and widening of markets can boost economic growth. This spurt in female entrepreneurship is facilitated by education, work experience and role models. Despite rising incidence of entrepreneurship, female economic participation in India remains exceptionally low, holding down incomes and resulting in severe gender inequalities. India stands out with less than a third of working-age women in work. It is in the creation of more wealth, and the risk appetite for constant innovation from prevailing to the next best practices, that the significance and importance of Entrepreneurial development lies.*

*While studying the “Women Entrepreneurship” the purpose is to understand the qualities we need to augment amongst women and activities they need to deploy to be successful in their new ventures.*

*It is argued that characteristics and motivations strongly influence the existing small businesses. Overall the studies show similarities than differences among men and women in reason to start business; take risk and innovation. This research paper however draws attention to the disparity in the total number of women entrepreneurs by conducting a survey of 100 respondents. A desk research was also conducted to enumerate the reasons for the disparity.*

**Keywords:** Entrepreneurship, women entrepreneurship, entrepreneurial development, culture, competency.

## Introduction

Entrepreneurship is a more suitable profession for women than regular employment in public and private sectors since they have to fulfil dual roles. Women have been taking increasing interest in recent years in income generating activities, self-employment and entrepreneurship.

This is seen in respect of all kinds of women both in urban and rural areas. Women are taking up both traditional activities (knitting, pickle making, toy making, jam and jelly) and also non-traditional activities (like computer training, catering services, beauty parlour, gym etc.). It is clear that more and more women are coming forward to set up enterprises. Generally, women who initiate a micro-enterprise do it because of the factors which limit their capacity to start large ventures—low levels of self-confidence, little access to technical information, poor local market conditions, regulatory barriers and no access to capital. On the other hand, for some micro enterprises offers a meaningful source of income and satisfaction. Women who try to enter an industry, either in managerial or in entrepreneurial role are generally exposed to various environmental constraints. Starting and operating business involves considerable risk and effort on the part of the entrepreneur, particularly in the light of highest failure rate. Perhaps, this rate is even higher in the case of women entrepreneurs who have to face not only the usual business problems but also their family problems. This not only limits the scope of their contribution to the industrialization process, but also undermines the productive utilization of an available human resource, that is most needed in our country.

Development as entrepreneurs is a recently discovered phenomenon for women for which they need motivation, training and family support.

## Literature Review

When applying Theory of Planned Behaviour (TPB) to entrepreneurial career decisions, perceived behavioral control is a function of the *importance* weighted by the *power* of control beliefs towards starting up a company. (Langowitz & Minniti, M. 2007)<sup>ii</sup> suggest that women's propensity to start new businesses is positively related to both their alertness to existing opportunities and self-assessment of having adequate skills and knowledge.

The researchers found a significant lower score for women on entrepreneurial intentions and on feelings of internal control. Their measure of internal control included: being able to solve problems, making decisions, managing money, being creative, getting people to agree with you and being a leader. (Zhao, Seibert, & S. & Hills, 2005.)<sup>iii</sup> found a significant effect of gender on

entrepreneurial intentions but this was, however, not mediated via feelings of control (identifying new business opportunities, creating new products, thinking creatively and commercializing an idea or new development).

Finally, (M.L. & Walstad, 1998)<sup>iv</sup> indicated that whereas both male and female students exhibit a low level of entrepreneurship knowledge, female students were more aware of these deficiencies, lowering their internal feelings of control. Based on these results, we expect that female aspiring entrepreneurs will place more value on internal feelings of control such as having sufficient know-how, abilities in opportunity recognition and being creative in their evaluation of the feasibility of becoming an entrepreneur. The researchers suggest that in certain contexts women may be more strongly driven by social pressures than their male counterparts. (Hartman & Hartman, 2008.)<sup>v</sup>found that strong role-models are more important in influencing the occupational intentions of women in a male-dominated profession such as engineering. In deciding whether or not to become an entrepreneur a female will value the opinion of the environment.

### **Objective of study**

1. To analyze if there is a significant relationship between being an entrepreneur and the gender of the person.
2. To identify approaches for successful women entrepreneurship.

### **Hypothesis**

**H1: There is a significant relationship between being an entrepreneur and the gender.**

### **Research Methodology**

RESEARCH METHOD –Survey Method

SAMPLING TECHNIQUE - Simple random sampling technique is used for the sample of respondents where the strata are the subgroups representing the different business sectors and or sizes. Entrepreneurs are selected from Pune region.

SAMPLE – 100 respondents

The sample population was almost entirely composed of professionals in corporate and entrepreneurs.

A total of 122 responses to the survey were achieved, of which only 100 respondents had completed the entire survey. The 22 respondents who did not complete the survey were dropped from the data set in order to maintain accuracy in the data analysis and tests.

This research takes the opinion that considers owner manager of a business as an entrepreneur thus not limiting the definition of an entrepreneur to new ventures.

#### **INSTRUMENT – QUESTIONNAIRE**

In the survey the respondents were asked 30 questions that pertained to their level of entrepreneurial competencies. Each question belonged to one of the competencies. The questions were in the form of statements. The personal traits context questions were given on ordinal scale thus used to classify data into distinct categories which can then be ranked. The questionnaire administered had self-context questions as well as personal traits context questions.

#### **SCALES**

A five point Likert scale was used where 1 is “Strongly Disagree”, 2 is “Disagree”, 4 is “Agree” and 5 is “Strongly Agree” with 3 being “Neutral”. The respondent was required to select one of the options for each question in this closed ended questionnaire. The degree of agreement or disagreement to each of the 30 statements would then be given by the answers. The answers were then aggregated to the competency it belonged to in order to determine an overall score for each of the six competencies.

#### **Data analysis – Distribution of Gender of respondents in workforce**

The majority of respondents i.e. 87% were male and 17% female.

Having identified the respondents for being entrepreneurs or holding responsible position the reason for the majority of the respondents being male may be because in India the percentage of male members in the workforce is also more as compared to their female counterparts and it increases in the leadership positions.

Among the employees majority were male with 83.3% of respondents being male and 16.7% female.

The majority of entrepreneurs were male with 92.5% of respondents being male and 7.5% female.

This shows women starting their own business are yet lesser as compared to those getting employed.

**Table 1: Gender of respondents**

<b>Gender</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Male	87	87	87	87
Female	13	13	13	100
Total	100	100	100	

**Figure 1: Gender of respondents**



As per Census 2001, the number of workers in the urban areas is 92.28 million of which only 16.10 million are females. In rural areas, out of 310 million workers, 111 million are females. 42.95% of the rural female working population is involved as agricultural labour (not in cultivation). Women constitute 90 per cent of the total marginal workers of the country. As per NSS 64<sup>th</sup> Round, 2007-08, the workforce participation rate of females in rural sector was 28.9 while that for males was 54.8. In Urban sector, it was 13.8 for females and 55.4 for males. According to Quarterly Employment Review, Ministry of Labour, the total employment of women in organized sector was 19.5% in 2007. As such the data also matches the data of the above mentioned survey.

### **NULL HYPOTHESIS**

H<sub>0</sub>: There is no relationship between being an “Entrepreneur” and the “Gender”.

### **ALTERNATE HYPOTHESIS**

H<sub>1</sub>: There is a significant relationship between being an “Entrepreneur” and the “Gender”.

## STATISTICAL TEST

Chi-square test of contingency

## LEVEL OF SIGNIFICANCE

$\alpha = 0.05$ .

**Table 2 Case Processing Summary for gender**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Being An Entrepreneur * Gender	100	100.0%	0	0.0%	100	100.0%

**Table 3 The number of respondents being an entrepreneur and the gender**

**Being An Entrepreneur \* Gender Crosstabulation**

Being An Entrepreneur * Gender Cross tabulation						
			Gender		Total	
			Male	Female		
Being An Entrepreneur	Employee	Count	50	10	60	
		Expected Count	52.2	7.8	60.0	
		% within Being An Entrepreneur	83.3%	16.7%	100.0%	
		% within Gender	57.5%	76.9%	60.0%	
		% of Total	50.0%	10.0%	60.0%	
	Entrepreneur	Count	37	3	40	
		Expected Count	34.8	5.2	40.0	
		% within Being An Entrepreneur	92.5%	7.5%	100.0%	
		% within Gender	42.5%	23.1%	40.0%	
		% of Total	37.0%	3.0%	40.0%	
Total		Count	87	13	100	
		Expected Count	87.0	13.0	100.0	
		% within Being An Entrepreneur	87.0%	13.0%	100.0%	
		% within Gender	100.0%	100.0%	100.0%	
		% of Total	87.0%	13.0%	100.0%	

Out of the 100 respondents surveyed 60 were employees and 40 were entrepreneurs.

Out of the 60 employees 50 were male and 10 were female.

Out of the 40 entrepreneurs 37 were male and 03 were female

**Table 4 Chi-Square Test results for gender**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1- sided)
Pearson Chi-Square	1.783 <sup>a</sup>	1	.182		
Continuity Correction <sup>b</sup>	1.065	1	.302		
Likelihood Ratio	1.899	1	.168		
Fisher's Exact Test				.233	.151
Linear-by-Linear Association	1.765	1	.184		
N of Valid Cases	100				

- a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.20.
- b. Computed only for a 2×2 table.

**Table 5 Contingency test results**

<b>Symmetric Measures</b>			
		<b>Value</b>	<b>Approx. Sig.</b>
Nominal by Nominal	Phi	-.134	.182
	Cramer's V	.134	.182
	Contingency Coefficient	.132	.182
N of Valid Cases		100	

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

## Table 6 Contingency test results

### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.134	.182
	Cramer's V	.134	.182
	Contingency Coefficient	.132	.182
N of Valid Cases		100	

- Not assuming the null hypothesis.
- Using the asymptotic standard error assuming the null hypothesis.

### OBSERVATION

$$\chi^2(1) = 1.783, p\text{-value} > 0.05$$

### INFERENCE

Since the p-value is more than 0.05 we fail to reject the Null. We conclude that there is no relationship between being an “Entrepreneur” and the “Gender”.

### NOTE

The assumption of “Expected Frequency” is tenable since no cell in the expected frequency table has a count less than 5. The minimum expected count is 5.20.

### DECISION

**Fail to Reject the Null Hypothesis: “There is no relationship between being an “Entrepreneur” and the “Gender”.**

### Case study

#### 1. KiranMazumdar-Shaw (1953) Biocon

In 1978, she joined BioconBiochemicals Limited, of Cork, Ireland as a Trainee Manager. In the same year she started Biocon in the garage of her rented house in Bangalore with a seed

capital of ₹ 10,000. Initially, she faced credibility challenges because of her youth, gender and her untested business model. Not only was funding a problem as no bank wanted to lend to her, but she also found it difficult to recruit people for her start-up. With single-minded determination she overcame these challenges only to be confronted with the technological challenges associated with trying to build a biotech business in a country facing infrastructural woes. Uninterrupted power, superior quality water, sterile labs, imported research equipment, and advanced scientific skills were not easily available in India during the time.

She is responsible for steering Biocon on a trajectory of growth and innovation over the years. Within a year of its inception, Biocon became the first Indian company to manufacture and export enzymes to USA and Europe. In 1989, Biocon became the first Indian biotech company to receive US funding for proprietary technologies. In 1990, she upgraded Biocon's in-house research program, based on a proprietary solid substrate fermentation technology. In the same year, she incorporated Biocon Biopharmaceuticals Private Limited to manufacture and market a select range of biotherapeutics in a joint venture with the Cuban Centre of Molecular Immunology. In 2004, she decided to access the capital markets to develop Biocon's pipeline of research programs. Biocon's IPO was oversubscribed 32 times and its first day at the bourses closed with a market value of \$1.11 billion, making Biocon only the second Indian company to cross the \$1-billion mark on the first day of listing. [She entered into more than 2,200 high-value R&D licensing and other deals within the pharmaceuticals and bio-pharmaceutical space between 2005 and 2010 and helped Biocon expand its global footprint to emerging and developed markets through acquisitions, partnerships and in-licensing. Her belief that healthcare needs can only be met with affordable innovation has been the driving philosophy that has helped Biocon manufacture and market drugs cost-effectively. In 2007-08, a leading US trade publication, Med Ad News, ranked Biocon as the 20th leading biotechnology companies in the world and the 7th largest biotech employer in the world. Biocon also received the 2009 BioSingapore Asia Pacific Biotechnology Award for Best Listed Company. Today, thanks to her leadership, Biocon is building cutting-edge capabilities, global credibility and global scale in its manufacturing and marketing activities. It has Asia's largest insulin and statin facilities also the largest perfusion-based antibody production facilities.

## **Conclusion**

The facts on the ground reveal the same truth. Even as the number of self-employed women (working in low-skilled jobs from home or as street vendors) has doubled to a crore over a 10-year period (2000-10), women entrepreneurs (job creators as distinct from self-employed) remain a rarity. The highest participation of women entrepreneurs (1.88 lakh) was in the service sector but the percentage has remained stagnant at 6%, states the Organisation for Economic Co-operation and Development in its recent India economic survey. This matches with the primary research, that among the employees majority were male with 83.3% of respondents being male and 16.7% female. The majority of entrepreneurs were male with 92.5% of respondents being male and 7.5% female. This shows that women starting their own business are yet lesser as compared to those getting employed.

The Literature Review revealed the association of competencies with the entrepreneurial context. The gaps between these observations and the primary data study are discussed here.

The researcher found a significant lower score for women on entrepreneurial intentions and on feelings of internal control. Their measure of internal control included: being able to solve problems, making decisions, managing money, being creative, getting people to agree with you and being a leader. (Zhao, Seibert, & S. & Hills, 2005. )<sup>vi</sup> found a significant effect of gender on entrepreneurial intentions but this was, however, not mediated via feelings of control (identifying new business opportunities, creating new products, thinking creatively and commercializing an idea or new development), whereas the Primary Study shows that there is no relationship between being an “Entrepreneur” and the “Gender”, since they show similar competencies in men and women.

The researcher further investigated to search the reason for disparity in the numbers and trends of women entrepreneurship.

A Karnataka-centric 2014 report<sup>vii</sup> titled 'Strengthening Her Enterprise' states over 90% women entrepreneurs have to rely on personal funding. Nearly 68% women entrepreneurs surveyed felt they had to put in more efforts to get bank loans. Lack of collateral is the main challenge in accessing bank loans (the reach of the Credit Guarantee Fund Scheme that offers collateral-free loans to MSMEs in general is limited) as preference is given to married women whose husbands can guarantee repayment.

The OECD survey points out that by narrowing the gender gap - including in entrepreneurial space - India can grow its GDP by two percentage points each year. But long-term, all-encompassing solutions are required to enable women to succeed.

### **Approaches for Successful women entrepreneurship**

India recommends reinforcement of the implementation of the many existing laws that provide for gender equality and women's rights, and removal of discriminatory legal measures. Specific recommendations include: expansion of the Aadhaar programme to enlarge women's opportunities by providing bank accounts for more women, raising the social protection, maternity benefits, as well as child and elderly care to free more women to enter the formal labour force and reinforcing the policies by the Ministry of Women and Child Development to promote training and access to credit to further increase entrepreneurship, including from home.

### **Bibliography**

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