

## A STUDY ON THE FACTORS MOTIVATING WOMEN TO BECOME ENTREPRENEURS IN SALEM DISTRICT

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**Abstract** - Entrepreneurship development is a key of economic development. In Tamilnadu some strata of the society excluded from the development have been identified, such as poor people, rural people, women and some marginalized groups like SC, ST, and OBC etc. To provide equal opportunities the central and state governments have taken initiative in the field of 'Entrepreneurial Finance' and 'Self-Employment' (motivation for entrepreneurial activity) especially for these excluded categories of the people. The MSME sector is the backbone of the economy, particularly in developing countries. The Organization for Economic Co-operation and Development (OECD) reports that, more than 95% of enterprises in the OECD area are MSMEs. These enterprises account for almost 60% of private sector employment, make a large contribution to innovation, and support regional development and social cohesion. In developing countries, the MSME sector makes a vital contribution to GDP and employment. Higher growth rate of MSME's has a direct effect on GDP growth due to increased output, value added and profits. MSME growth also impacts GDP indirectly, through increased innovation and macro-economic resilience of the overall economy. Tamilnadu which has been started to provide entrepreneurial finance for entrepreneurship development among scheduled castes. The present study has been undertaken to attempt the Entrepreneurship Development among Beneficiaries in Salem District.

**Keywords:** Entrepreneurship development, MSME, GDP.

### Introduction

Economic growth and development of the country is determined by human, physical and financial resources. An economy can move on to higher levels of growth either by acquiring a larger quantum of the factors of production or through technical progress. The objective of any planned development is to develop human resources to their brimming utilization. Therefore, industrialization is one of the ways of bringing about socioeconomic development in any country. The economic development of a nation is sparked largely by its enterprising spirit. The characteristic of enterprising emerges from the interplay of behavior and activity of a special segment of the population known as entrepreneurs. India's economy is today poised for a flourishing entrepreneurial activity. It is also known that a healthy business environment is an essential requirement of entrepreneurial growth. Since a high quality entrepreneurial skill tends to attain industrial growth, talent must come from within the environment for rapid and sustained growth of the economy.

A country may be rich in material resources and capital. But if entrepreneurship is lacking, the utilization of resources would not be as expected. The entrepreneurs are a part of industrial society and as such, he/she should be considered as an asset. The entrepreneur is responsible for not only earning his/her own livelihood, but also for creating avenues of employment for others and contributing to the gross national product.

Micro, Small and Medium Enterprises This Department was following six major organizations under its ambit.

- a. The Commissioner ate of Industries and Commerce
- b. The Tamil Nadu Small Industries Development Corporation Limited (SIDCO)
- c. The Tamil Nadu Small Industries Corporation Limited (TANSICL)
- The Entrepreneurship Development Institute (EDI)
- e. Tamil Nadu Small Tea Growers Industrial Cooperative Tea Factories Federation (INDCOSERVE)
- f. Salem Starch and Sago Manufacturers Service Industrial Cooperative Society Ltd.

### Statement of the Problem

Women were the first humans to taste bondage. She was a slave before slavery existed. Inferiority can largely be attributed to her sexual peculiarities. "Man has always played the role of a lord; as a result, his physical and mental development took place at a good pace befitting his occupation and field of interest. On the contrary, the overall growth of women remained stunted". By sheer custom even the most ignorant and worthless man have been enjoying superiority over women, which he does not deserve.

Women were denied the benefit of education. They had no opportunities to develop their natural capacities and became helpless, illiterate, narrow-minded and peevish. Of the world's one billion illiterate adults, two-third is women. Economically, women became completely dependent upon men. Since time immemorial, women have been discussed, and written about mainly as a decorative object. But when she has stepped out of this niche, by and large, the response has been one of cynicism and derision. Economic compulsions have let more and more young girls to take up employment. It is out of work experience, exposure to education and urbanization that the potential source of women entrepreneurs has emerged.

Women become entrepreneurs due to several factors which may be grouped under "Pull factors" and "Push factors". Pull factors refer to the urge in women to undertake ventures with an inclination to start a business. Women entering business, driven by financial need due to family circumstances are said to be influenced by push factors.

The secondary data relating to the number of registered, micro and small scale enterprises, employment and capital investment in Salem district have been collected from the District Industries Centre (DIC), Salem. Other statistics about the district have been collected from government published reports

The study which aims at understanding the entrepreneurial development among women highlights their existing status, and the factors encouraging the women to become entrepreneurs.

### **Review of Literature**

**Sexton and Kent (1981)** in their article, "Female Executives and Entrepreneurs: Preliminary Comparison", reported the results of a study comparing the characteristics of women entrepreneurs and executives. The results showed that women entrepreneurs were better educated. They tended to place a slightly higher emphasis on their job than with their family. The results further indicated that women entrepreneurs tended to be more similar than dissimilar.

Mayan Barua and Aparajeeta Burka Koty (2005) in their book, "Women Entrepreneurship", analyzed the impact generated by entrepreneurship development programs for women entrepreneurs in the state of Assam.

**S.Mathivanan and M.Selvakumar (2008)** in their article on "A study on Socio-Economic Background and Status of Women Entrepreneurs in Small Scale Industries", conducted a survey among 200 women entrepreneurs in small scale industrial units in Virudhunagar district and they analysed various socio-economic background factors and status of women entrepreneurs in small scale industries in Virudhunagar district, and they concluded that, the women should be allowed freely to undertake the business and the women entrepreneurship must be recognized, if it is recognized well then the country's economic growth will be flourished.

### **Scope of the Study**

This study is confined to the women entrepreneurs mainly engaged in five types of enterprises such as agro based and food industry, textiles and garments, forest based industry, chemical based industry and miscellaneous industries in Tirunelveli district. It provides the details of the status of women and the factors motivating women to become women entrepreneurs.

### **Objectives of the Study**

The objectives of the study are:

1. To examine the demographic profile of women entrepreneurs in Salem district.
2. To analyze the factors motivating women entrepreneurs in Salem district.
3. To offer suggestions based on the findings of the study.

### **Methodology area of the Study;**

For the purpose of the study, Salem district has been selected since this district has potential for entrepreneurship. Salem district has been endowed with several facilities for the conducive growth of women entrepreneurs when compared to other districts in Tamil Nadu. So, it is felt that this district is ideally suited for a study on women entrepreneurship.

### **Sources of Data**

The present study is based on both primary and secondary data. Primary data have been collected by conducting a survey among 300 sample women entrepreneurs in Salem district. Secondary data have been collected from books, journals, newspapers, periodicals, reports, internet, unpublished Ph.D theses, and unpublished records of District Industries Centre, Salem directorate of industries and commerce, Chennai, Tamil Nadu Industrial Investment Corporation Ltd.

### Tools of Analysis

To find out the factors motivating the respondents to become women entrepreneurs' factor analysis has been administered. Percentage analysis has also been used to find out the demographic profile of women entrepreneurs and to draw inferences.

### Limitations

1. The study covers only Salem district. Hence the findings of the study are entirely applicable to this district only.
2. The study is based on the perceptions of the women entrepreneurs. Their attitudes may change with the change of times. Therefore, the responses reflect their contemporary views on the prevailing conditions.

### Analysis

**General Profile of the Respondents :** The general profile of the respondents is given in Table No.1. Out of the 300 respondents taken for the study, 35 percent belonged to backward community, 45 percent belonged to Christianity, regarding the marital status, 76 percent are married, 36 per cent have studied up to 8 the standard and regarding the family type 85 per cent of the women entrepreneurs are from nuclear family type. 52 per cent of the women entrepreneurs are first generation entrepreneurs, 79 per cent of the respondents had the previous experience, 72 per cent of the respondents received their family members support, 52 per cent of the respondents received manual help from their family members, 39 per cent of the respondents contributed 25-50 per cent towards their family income, 44 per cent of the respondents spent nearly 4 to 8 hours a day in their business, 57 per cent of the respondents took independent decisions in their business, 52 per cent of the respondents' business are located in urban areas, 61per cent of the respondents' enterprise are located in their part of the houses, 40 per cent of the respondents are running service units, 82 per cent of the respondents allowed both cash and credit sales, 90 per cent of the respondents used their own and borrowed funds in their business, 34 per cent of the respondents received loan from the commercial banks.

**Factors Motivating Women To Become to Become Entrepreneurs :** In order to find out the factors influencing the women to become entrepreneurs 18 attributes that can influence their decision were identified such as economic independence, dissatisfaction with existing job, unemployment, seeking challenge, self interest, self prestige, traditional/hereditary, employment opportunities, financial assistance, technical knowledge, encouragement from family members, use of idle funds, infrastructural facilities, entrepreneurial experience, market potentials, family members interest, social status and family background. The respondents were then requested to express their level of opinion on the influence of those attributes on a 5 point Likert-scale.

**Motivating Factors for Women Entrepreneurs :** Factor analysis of eighteen variables relating to motivating factors for women entrepreneurs. Identified seven motivating factors and the results are presented in Table 3.

**Table: 3 Motivating factors for women entrepreneurs**

Sl. No..	Factors	Eigen Value	Percentage of variance	Cumulative percentage of variance
1.	Economic Independence and Challenge	2.784	15.465	15.465
2.	Economic Status and Interest	2.006	11.143	26.609
3.	Opportunities and Necessity	1.647	9.150	35.758
4.	Usage of funds	1.357	7.540	43.298
5.	Experience	1.277	7.094	50.392
6.	Market potential	1.217	6.759	57.151
7.	Family background	1.121	6.228	63.380

Source: Computed Data

Kaiser - Meyer - Olkin measure of sampling adequacy : 0.651

Bartlett's test of sphericity : Chi-square : 1007.00

Degree of freedom : 153                      Significance : 0.000

It is observed from Table 3 that the seven factors such as Economic Independence and Challenge, Economic Status and Interest, Opportunities and Necessities, Usage of funds, Experience, market potential and Family background were extracted out of the eighteen variables. These factors account for about 63.380 per cent of variance in the data. Eigen value for the first factor 'economic independence and challenge' is 2.784 which indicates that this factor contains very high information than the other factors. The first factor, 'economic independence and challenge' provides the maximum insights of motivating forces of women entrepreneurs in the study area. It is a very important factor because the respondents prefer to be economically independent and seek challenge themselves. The second important factor called 'economic status' account for 15.465 per cent variance. The Eigen value of this factor is 2.784. It explains that women entrepreneurs start the enterprise if they possess the qualities of self interest and prestige. The third factor 'opportunities and necessities' accounts for 9.150 per cent variance with the Eigen value of 1.647 indicating that women entrepreneurs started the business enterprise on the basis of opportunities and necessities. The fourth and fifth factors 'usage of funds' and 'experience' account for 7.540 per cent and 7.094 per cent variance with the Eigen values of 1.3577 and 1.227 respectively. It shows that women entrepreneurs would start an enterprise, if they have enough amount of money and experience. The sixth and seventh factors 'market potential' and 'family background' account for 6.759 per cent and 6.228 per cent variance with the Eigen value of 1.217 and 1.121 respectively. Thus, it is clear that these factors are also important in making decision as to starting business enterprises.

High value of Kaiser-Mayer-Olkin (KMO) test of sampling adequacy (0.651) indicates that the correlation between the pairs of variables explained by other variables and thus the factor analysis is considered to be appropriate in this model.

#### **Relationship Between Motivational Factors And The Overall**

**Motivational Behaviour Of The Women Entrepreneurs :** After finding out the factors involved in starting business enterprise, the next step is to find out the relationship between the motivational factors and the overall motivational behaviour of women entrepreneurs in the study area. 'Multiple regression analysis' has been done to identify the relationship between the factors and the overall motivational behaviour. The function in log form is as follows:

$$\log Y = \log b_0 + b_1 \log X_1 + b_2 \log X_2 + \dots + b_7 \log X_7 + eu$$

Where,

Y : Overall score on selection decision behavior X1 : Economic Independence and Challenge

X2 : Economic Status and Interest

X3 : Opportunities and Necessities

X4 : Usage of funds

X5 : Experience

X6 : Market potential

X7 : Family background

b0, b1, b2 . . . b7 are the parameters of independent variable to be estimated.

b0 : Regression constant

eu : error term

In order to test the significance of the estimated parameters, b1, b2 . . . b7, t-test of the following formula has been used.

$$t = \frac{b_i}{SE_{b_i}}$$

SE<sub>b<sub>i</sub></sub>

Where, SE<sub>b</sub> : standard error of b

#### **Suggestions**

There should be a curriculum change along with proper carrier guidance in women's educational institutions, which will shape the girl students to become capable entrepreneurs in future. Since the number of entrepreneurs from Scheduled caste and Scheduled tribe communities is very low, awareness is to be created among the scheduled caste and scheduled tribe women, by providing special incentives to start business. Success stories of women entrepreneurs from varied backgrounds should be popularized through text books of schools and colleges. All possible media should be used to project these role models. Housewives as a potential source of entrepreneurship should be targeted by governmental and other agencies. Efforts should be made to locate entrepreneurial potentialities amongst housewives and opportunities should be provided to them. The study revealed that husbands/fathers were the main motivators for taking up entrepreneurship. So motivation of husbands/fathers/family members would certainly prove to be fruitful. Once they get convinced about significance of women entrepreneurship then their attitude will change, their roles and expectations will change and they will provide moral support, necessary guidance and help as needed.

**Conclusion**

The greatest revolution in a country is the one that affects the status and living conditions of its women. Promotion of women entrepreneurship ensures economic independence. Social emancipation of women gains social status. It makes women conscious of their rights and gains equal status. It creates more respect in the family and gives self prestige, avoids gender bias and it eliminates dowry deaths. It promotes leadership qualities among women and swells the family income. Promotion of women entrepreneurship trains the future generation of women and it will also solve tomorrow's unemployment problem.

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