



ENTREPRENEURIAL SUCCESS

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A woman enters the labour force for the sake of economic independence and better social status. When she becomes a part of the labour force, she is conditioned with triple and multiple responsibilities. Her home and work role are mutually influencing and interacting. Paid work in the society is not organized in such a way that it takes the family responsibilities of women in to consideration. In such a condition, women entrepreneurship is identified as an apt profession. It enables flexibility and helps in balancing the multiple roles. But this is not the sole reason for women to take up entrepreneurship. Indian women are plunged in to business because of factors such as pull and push factors. They choose the profession as a challenge and adventure with an urge to do something new, because of interest in business and to have an independent occupation (pull factors). They also take up business enterprises to get over financial difficulties and responsibilities thrust on them due to family circumstances (push factors) (Saravanavel, 1997). Women are taking up entrepreneurship because of low barriers of entry and flexibility (Sujata Mukherji, 2006). They start new ventures because of frustration and boredom in their previous jobs too. Besides, Indian women have less access to formal education, consequently they have less participation in the formal sector and hence many of them take up self-employment (Piyali Ghosh, 2006). Self-employment has become an important source of livelihood for women due to paucity of employment opportunities (Shanmuka Rao Padala, 2007). The development of kinder gardens, day nurseries and crèches and limiting the size of the family, help women entrepreneurs to some extent enter businesses (Saravanavel, 1997).

There has been an increasing trend in women owned businesses in the world. In USA, the percentage of women enterprises rose from 5% in 1970 to 38% in 1996. In UK, since 1980, the number of self-employed women had increased 3 times as fast as the number of self employed men (Vasant Desai, 2000). Women now account for one quarter of the self employed in UK. In China, women outnumber men by at least two times in case of initiating businesses. It is estimated that there are 5 million women entrepreneurs constituting 1/4th of all entrepreneurs in China. A similar trend has been



noticed in Japan (Shanmuka Rao Padala, 2007). There has been a considerable growth of women entrepreneurs in India too.

During 1971-80, 1.58% of women were self-employed in India. The percentage increased to 5.19% in 1981-90. In recent years, 14% nationwide growth in women enterprises was recorded by the Center for Women's Business Research, 2001 (Ramesh and Vijayalakshmi, 2007). During 1990's, the liberalization of the economy in India paved way for a good many women to take up entrepreneurship. The 2001 census accounted the total number of women enterprises to be 1,063,721 (Prema Basargekar, 2007). According to Global Entrepreneurship Monitor (GEM), one in eleven (8.9%) women is involved in entrepreneurship across the globe and India occupies the second position among the 22 countries where 14% of women have ventured into entrepreneurship (GEM, 2002).

But the rate of growth of entrepreneurs in India is comparatively lower than that of other countries. The low literacy rate (40%), low work participation rate (28%) and low urban population share (10%) of women compared to 60%, 52% and 18% respectively of their male counterparts has slowed down their growth. Our socio-cultural traditions and taboos arresting women within four walls of their houses make their condition more disadvantageous. These factors combining, serve as non-conductive condition for the emergence and development of women entrepreneurship (Khanka, 1999).

Women in India prefer smaller projects and thus select business opportunities requiring moderate investment. Merely 10% to 12% of women set up their ventures with an investment above Rs. 10 lakh. Approximately, 70% of the enterprises set up by women range between Rs. 1 lakh to Rs. 5 lakh investment (Vasant Desai, 2000). In 1990's, majority of women were engaged in traditional sector. But today, we find them in both traditional as well as in nontraditional sector. Earlier, women entrepreneurship was an extension of their kitchen activities mainly the 3 Ps, viz., pickles, powder and pappad. With growing awareness of business and spread of education among women over the years, they started shifting from 3 Ps to engross to 4 modern Es, viz., engineering, electronics, ecology and energy (Khanka, 1999). Women's contribution to entrepreneurial activity differs from one part of the country to another. In Northern India, most of the women entrepreneurs are manufacturing leather, garments, engineering goods and beauty products, provide services like interior designing,



management and placement, consultancy, nursery school and involve in business in the areas of boutiques, home furnishing, automobile dealing, etc. In South India, women entrepreneurs are involved in ready-made garment manufacturing, food processing, making pickles, bakery, handicrafts, printing, book binding, electronics, etc. In advanced countries of the world like the US, Canada, the UK, Germany, etc., women launch their businesses in the areas of retail trade, restaurants, hotels, education, cultural, cleaning, insurance and manufacturing. The main aim of the paper is to analyze the socio-economic background of the women entrepreneurs and to measure the economic success of the women entrepreneurs.

Methodology

Based on random sampling technique, 150 women entrepreneurs were selected from Coimbatore city of which 50 were engaged in industry, 50 in business and 50 in service. The categorization of the occupation was based on the categorization provided by the DIC on occupations. The occupations considered under 'industry' were 'food products', 'wet grinding', 'photo frame work', 'candle making' and 'pottery'. The occupations that fell under 'business' were 'provisional stores', 'footwear shops', 'fancy stores', 'petty shops', 'textiles', 'fruit shops', 'scrap sale', 'food products' and 'vegetable shops' and the occupations considered in 'service' include 'tailoring', 'beauty parlors', 'browsing centre', 'pathological labs' and 'laundry'. The responses were elicited through a detailed interview schedule personally administered. The required data were collected through personal interview method. Chi-square test was adopted to find the association between success status of the selected women entrepreneurs with various socio economic factors. In order to assess the performance of women entrepreneurs Akhouri criterion was adopted.

Findings

No entrepreneurial activity is independent of socio-economic and other factors. It is highly dependent on factors like age, sex, community, religion, education, size of family, type of family, economic status of family, occupational background, etc. Empirical studies on entrepreneurship show that the socio-economic factors have a strong influence on the personality of an entrepreneur. They may facilitate or hinder entrepreneurship. Therefore, an analysis of entrepreneurial urge among women entrepreneurs necessitates an examination of socio-economic status of women entrepreneurs.

Table 1
Socio Economic Background of the Women Entrepreneurs

Sl.No.	Variables		Sectors			Total (%)
			Business (%)	Service (%)	Industry (%)	
1.	Community	BC	82	64	64	70
		MBC	4	16	14	11.3
		SC / ST	8	12	10	10
		FC	6	8	12	8.7
2.	Type of family	Nuclear	76	80	66	74
		Joint	24	20	34	26
3.	Marital status	Married	78	86	82	82
		Unmarried	8	0	16	8
		Widow	14	10	0	8
		Separated	0	4	2	2
4.	Education	Illiterate	26	18	2	15.3
		Primary	4	28	6	12.7
		Secondary	52	30	42	41.3
		Higher Secondary	12	16	24	17.3
		Degree	6	4	22	10.7
		Technical	0	2	4	2
		Others	0	2	0	0.7
5.	Age of the entrepreneur (years)	20 – 25	4	2	10	5.3
		25 – 30	12	14	18	14.7
		30 – 35	26	20	38	28
		35 – 40	58	64	34	52
6.	Years of experience	One	22	16	18	18.7
		Two	6	10	28	14.7
		Three	8	14	12	11.3
		Four	12	12	6	10
		Five	52	48	36	45.3
7.	Investment (₹)	Below 50,000	84	76	52	70.7
		50,000 – 1,00,000	8	10	22	13.3
		1,00,000 – 1,50,000	2	4	10	5.3
		1,50,000 – 2,00,000	6	10	16	10.7
8.	Sales (₹)	Below 5,000	40	18	34	30.7
		5,000 – 10,000	12	22	22	18.6
		10,000 – 15,000	12	26	18	18.6
		15,000 – 20,000	6	10	8	8
		20,000 & above	30	24	18	24

Source: Based on field survey



About 70% of the women respondents belonged to BC (Backward Community) category. Only a few of the women respondents belonged to other communities. The number of respondents who came under MBC (Most Backward Community) category was 11.3%, SC/ST (Scheduled Community/Scheduled Tribe) 10% and FC (Forward Community) 8.7%. Sector wise analysis shows that majority of the sample households of business (82%), industry (64%) and service (64%) sectors belonged to BC category.

A significant number of women entrepreneurs were from nuclear families (74%) and only a less number of women entrepreneurs were from joint families (26%). Majority of the respondents (82%) were married and only a less number of respondents (8%) were unmarried. Some of the respondents were widow (8%) and separated (2%). A major percent (84.7%) of women entrepreneurs were educated and only a mere percent (15.3%) were illiterates. Majority of the women entrepreneurs have received secondary education (41.3%) and higher secondary education (17.3%). A part of them were graduates (10.7%). Only a countable number of women entrepreneurs have received their technical education (2%). About 80% of women who belong to the age group 30 - 40 were running an enterprise of their own. Only 20% of young women under the age group of 20 - 30 were entrepreneurs. About 45.3% women were running business for almost 5 years. Only 18.6% women were new to business. Their enterprises were only 1 year old and around 40% of women had their businesses for 2 to 4 years. A remarkable proportion of female entrepreneurs (70.7%) have invested up to Rs.50,000/- for initiating their enterprises. A small percent of entrepreneurs have invested from Rs.50,000/- to Rs.1,00,000/- (13.3%) and from Rs.1,00,000/- to Rs.1,50,000/- (5.3%). A few entrepreneurs (10.7%) have invested an amount up to Rs.2,00,000/- in their enterprise. A proportion of 30.7% of the women entrepreneurs had a monthly turnover up to Rs.5,000/- and 24% of them could attain the turnover above Rs.20,000/-. About 18.6% of the entrepreneurs earned a revenue on sales of Rs.5,000/- to Rs.10,000/- and again an 18.6% of entrepreneurs earned from Rs.10,000/- to Rs.15,000/-. On an average, the women entrepreneurs could sell goods and services worth Rs.12,468.7/- per month.

Performance of the Women Entrepreneurs

Based on the Akhouri criteria, the performance of an entrepreneur is considered as 'very successful' if he or she can invest at least 60% of his or her own capital or can borrow or raise capital at least 8 times than his or her own capital or can make a net profit of 20% of the total investment or can reinvest 25% of his or her profit. If 'successful' he or she can invest at least 50% of his or her own capital or can borrow or raise capital at least equal to his or her own capital or can make a net profit of 10% of total investment or can reinvest 20% of his or her profit for further progress. If 'unsuccessful' he or she cannot invest 50% of his or her own capital or cannot borrow



or raise capital at least equal to his or her own capital or fails to make a net profit of 10% of total investment or fails to reinvest 20% of his or her profit for further progress . Based on Akhouri criterion, performance of women entrepreneurs was analyzed. Their performance was analyzed on three heads - based on proportion of borrowed capital to own capital, based on net profit to total investment and based on proportion of profit reinvested.

Table 2
Entrepreneurial Performance Based on Proportion of Borrowed Capital to Own Capital

Sectors	Success Status			Total
	Very Successful	Successful	Unsuccessful	
Industry	45(90)	5(10)	0(0)	50(100)
Business	38(76)	12(24)	0(0)	50(100)
Service	42(84)	7(14)	1(2)	50(100)
Total	125 (83.3)	24(16)	1(0.7)	150(100)

Source: Based on field survey

Note : Figures in parenthesis denote percentage to row total.

Entrepreneurial performance based on proportion of borrowed capital to own capital is portrayed in table 3. From the table it is inferred that a highly significant proportion (83.3%) of women entrepreneurs were ‘very successful’, a few (16%) were ‘successful’ and only one women entrepreneur (0.7%) was ‘unsuccessful’ in running the unit.

Sector wise insight shows that a large number of women entrepreneurs in industry (90%), service (84%) and business (76%) were ‘very successful’ in running their enterprises.

Entrepreneurial performance based on net profit to total investment is shown in table 4. The table depicts that a high proportion (70.7%) of women entrepreneurs were ‘very successful’ in their ventures. About 21.3% were ‘successful’ and only a handful of 8% women entrepreneurs were ‘unsuccessful’. It interprets that most of the female entrepreneurs were making a net profit higher than 20% of the total invested amount.

Table 3
Entrepreneurial Performance Based on Net Profit to Total Investment

Sectors	Success Status			Total
	Very Successful	Successful	Unsuccessful	
Industry	44(88)	6(12)	0(0)	50(100)
Business	35(70)	12(24)	3(6)	50(100)
Service	27(54)	14(28)	9(18)	50(100)
Total	106(70.7)	32(21.3)	12(8)	150(100)

Source: Based on field survey

Note : Figures in parenthesis denote percentage to row total.



Sector wise analysis reveals that most of the entrepreneurs in industry (88%), business (70%) and service (54%) were ‘very successful’ in their ventures. Entrepreneurial performance based on proportion of profit reinvested is given in table 5. It is revealed from the table that about 46% of women entrepreneurs were ‘very successful’ and 14.7% were ‘successful’ in their business activity. It was also found that 39.3% female entrepreneurs were ‘unsuccessful’.

Table 4
Entrepreneurial Performance Based on Proportion of Profit Reinvested

Sectors	Success Status			Total
	Very Successful	Successful	Unsuccessful	
Industry	25(50)	8(16)	17(34)	50(100)
Business	38(76)	10(20)	2(4)	50(100)
Service	6(12)	4(8)	40(80)	50(100)
Total	69(46)	22(14.7)	59(39.3)	150(100)

Source: Based on field survey

Note : Figures in parenthesis denote percentage to row total.

An in-depth analysis into the sectors brings to light that a considerable part of women entrepreneurs in business (76%) and industry (50%) sector have been found ‘very successful’. Unusual to business and industry sectors, a significant part of women entrepreneurs (80%) in service sector have been found ‘unsuccessful’ based on the criteria of profit reinvestment. It can be inferred that service sector reinvested less than 20% of its profit for further progress.

Determinants of Success Status

The success status of the women respondents was further analyzed based on caste, type of family, marital status, reinvestment, sales, occupation, investment made, years of experience and age of the self-employed women. To find whether the success status of the women entrepreneurs was independent of caste, type of family, education, occupation, investment, years of experience and age of the women entrepreneur, chi – square test was applied. For the variables ‘caste’, ‘type of family’, ‘marital status’, ‘reinvestment’, ‘sales’, ‘occupation’ and ‘years of experience’, dummy values were assigned. Investment was measured in rupees and age in number of years.

The null hypothesis tested was

Ho: Success level is independent of caste, type of family, reinvestment, sales, occupation, investment, years of experience and age of the women entrepreneur.

Ha: Success level is dependent on caste, type of family, reinvestment, sales, occupation, investment, years of experience and age of the women entrepreneur.



Table 5
Association of Success Status with Selected Variables

Variables	Sectors			Total
	Business	Service	Industry	
Occupation	-	-	-	18,897*
Experience	10,803	17,890**	2,737	21,479*
Age	45,664**	29,304	21,081***	50,244***
Investment	61,755	72,815**	44,463*	147,050*
Marital status	4,460	2,718	5,490**	11,007***
Community	8,756	13,915**	2,865	3,760
Type of family	1,871	1,122	1,587	1,974
Reinvestment	54,989**	46,464	32,650***	107,114**
Sales	100	100	50**	259,819

*Significant at 1%, **Significant at 5%, ***Significant at 10%

The above table provides the calculated c^2 values. From the table it could be seen that the calculated c^2 value for age and reinvestment is greater than the theoretical value. Hence the null hypothesis was rejected. Therefore, there is a relationship between age and reinvestment and success level of the business entrepreneurs. Investment, experience and community have influenced the success level of the service sector entrepreneurs. For the women in industrial sector, success status was dependent only on age, investment, marital status, reinvestment and sales. The other chosen variables had no influence on the success status.

Conclusion

Small units are not only vital for the survival of the women entrepreneurs but also for developing the economy. In a situation where employment opportunities have been stagnant, resurgences of entrepreneurship is inevitable. So entrepreneurial success is must for a developing country. Some women entrepreneurs of the current study incurred loss due to stiff competition they had faced. Entrepreneurs should frame strategies to counter the difficulties and become successful. Women in industrial and service sectors failed to reinvest the profit, which in turn will hinder the process of entrepreneurial success.

Reference

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