

FACTORS FOR ENTREPRENEURIAL START-UP AMONG WOMEN IN TAMIL NADU

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Dr.S.GNANASARANYA

Post Doctoral Fellow & (ICSSR, New Delhi),
Department of Economics, Gandhi Gram Rural Institute,
Gandhigram, Tamil Nadu, India

Abstract

Role of small business is stimulating and encouraging the economic activities such as job creation, poverty alleviation and the general upliftment of living standards of the country. Planning, starting, managing and developing of small business has been given importance to both at inter and intra national levels and as a result, giving sustainable solutions for unemployment and poverty. In the recent years, gender differences are slowly disappearing in different fields and taking up the small business via entrepreneurship is not an exception. More so, small business is viable for women and moving towards the improvement of women status. Hence women entrepreneurship has been forced us to redefine womanhood during 21st Century. But, at the same time, women have to face host of hurdles and problems, while starting and conceiving the idea of small business. However, the factors such as family background, the entrepreneurial experience coupled with right decision making skills, economic independence due to economic and social empowerment, achievement motivation, earning income, employment opportunities, availability of labour and raw materials, market potential and community networking via Self Help Groups have influenced the women entrepreneurs to start their own business. Since this paper examined those factors which influenced the women to start their own business and thus enable them to enjoy the status of "Women Entrepreneurs".

Introduction

The vital role of small business and entrepreneurship are stimulating economic activity such as job creation, poverty alleviation and the general upliftment of living standards of the country. Entrepreneurship development is widely recognized as a key tool to enhance economic development, improve the human welfare and enhance the standard of living of any country (Marchese and Potter, 2011). India is amongst the top five countries in the world in terms of start-ups and the others include USA, China, Canada and UK (NASSCOM Startup India Report, 2015). Entrepreneurial start-ups are mainly guided by economic and social motives. Starting and developing of small

business has been found most popular both nationally and internationally and thus it becomes critical solution for poverty and unemployment. In the recent scenario, Gender differences are slowly disappearing in different fields and enjoying in entrepreneurship is not an exception. Limited job opportunities and inadequate empowerment need to earn supplementary income due to high cost of living, self-esteem, constant motivation by government in the form of various incentives (subsidies and tax holidays) and such other related factors are responsible for the entry of women in the field of entrepreneurship, resulting for owning the business enterprise (Kaulgud, 2003). Today, women have entered in almost, all fields of business and do not stick to conventional business alone. Women-led businesses are the growing sector of new venture creation in India, representing nine percentage of total start-up founders are women. New Innovative Start-up enables the women to reach the heights as an effective competitive force in the era of globalization. Thus, Women entrepreneurship of 21st Century has forced to redefine womanhood.

Study Background

Quick scanning and appraisal of literatures evidence that the role of women in development cannot be neglected or undermined (Langowitz and Minniti, 2007) as it does not provide a platform for women to prove themselves (Eddleston and Powell, 2008) but also contributes to the welfare of the economy as a whole representing nearly 50.0 per cent of growth share in 2014. Most of the women are entering the business mainly to support their families, use their own skills and knowledges and thus enable to enjoy economic independence. Government worldwide are taking steps to promote women entrepreneurial activities. Self-initiated and innovative women coupled with support from the financial institutions led them to be successful (Sindhu S. et.al., 2003). However, women have been faced host of challenges in launching of new venture and at the same time, ample opportunities available to new ventures to make the business as successful one. Women require external inputs such as capital earlier in the start-up process and they hire fewer labourers for their business when compared to men counterparts (Agnete, Alsos, Ljunggren, 1998). Lack of professionalised entrepreneurial skills and management competency, lack of exposure and skill in marketing, limited supports from governmental organisation and lack of knowledges in technologies (Gurmeet Singh and Rakesh Belwal, 2008), lack of financial support, too much family commitments (Amzad Hossain et al, 2009), self-fulfilment, skills and experience including relationship to spouse/family business (Kamal Naser et al., 2009), lack of formal and professional educational opportunities, poor family support and absence of entrepreneurial orientation (Talat Afza and Muhammed Amir Rashid, 2009) are found as the impediments to take up the entrepreneurship, resulting to prevent the growth of women entrepreneurs. Hence, this paper has been attempted to disclose and identify the factors namely personal, psychological, economic and

environmental for determining the entrepreneurial start-up among women in the study area with the following objective.

Objective

- To identify the determining factors for launching new venture or entrepreneurial start-up among the women in the study area viz Theni, in Tamil Nadu.

Methodology

The study was empirical in nature and survey method was employed. On the basis of simple random, one of the districts of Tamil Nadu namely Theni district of Theni town (head quarter) was purposively selected as study area. It is found out from District Industries Centre (DIC) report of Theni district that women are highly engaged in entrepreneurial activities in and around of Theni town. As per the DIC, the registered women entrepreneurs of Theni town are 50. Hence, census method was adopted to study the women entrepreneurs for the purpose of present research exercise. For the collection of data, a well-structured and pre-tested structured interview schedule was prepared and administered. For statistical analysis, SPSS was used, interpretation made and as a result many vital inferences were drawn up based on the present study.

Major Inferences

Literatures evidences show that the entrepreneurial start-up has influenced by several factors which include economic, psychological, environmental and personal traits of the individuals and the factors constituting success of the individuals. Based on the literatures, a few more relevant factors have been listed and identified. Hence, an attempt has been made to understand the factors which make on entrepreneurial start-up among women entrepreneurs and the major inferences drawn from the analysis were well presented.

Factors influencing the women to launch a new venture

Table 1 indicated that the personal factors that influenced the women to start business of their own. It was found that majority (46.0 percent) of them were induced to undertake entrepreneurship due to family background; 30.0 percent of them were influenced to undertake self -business of having adequate entrepreneurial experience; 14.0 per cent and 10.0 per cent of them were influenced by family support and revival of sick unit respectively. Further it is found that the personal factors such as family background and the entrepreneurial experience were most influenced the women to create/ undertake the new venture. Historical evidences of many businesses reveal the same, if one can read the traits of successful businessmen/women.

Table 1 Personal Factors Influencing the Women to Launch a New Venture

S.No	Factors	Number of respondents	Percentage
1	Entrepreneurial Experience	15	30.0
2	Family Background	23	46.0
3	Support from Family	7	14.0
4	Revival of Sick unit	5	10.0
	Total	50	100

Source: Primary data

Table 2 Psychological Factors Influencing the Women to Launch a New Venture

S.No	Factors	Number of respondents	Percentage
1	Economic Independence	20	40.0
2	Achievement Motivation	13	26.0
3	Social Status	8	16.0
4	Role Models	9	18.0
	Total	50	100

Source: Primary data

Table 2 revealed that the psychological factors which motivated the women entrepreneurs to start own business. Of all, 40.0 per cent of them were motivated to undertake entrepreneurship for getting of economic independence. Similarly 26.0 per cent of them were motivated to aspire and achieve something followed by 16.0 per cent were in enjoying social status by being a member trader association/ organisation and likely to be a member of Chamber of Commerce (CoC) and 14.0 per cent of them were motivated by taking the role models of successful entrepreneurs. Thus, this paper found that the psychological factors such as economic independence and achievement motivation of the women entrepreneurs were influenced to launch a new ventures and projects emerging with small business. Table 3 exhibited that the economic factors that encouraged the women to start own business. It was observed that earning income have encouraged 60.0 per cent of them followed by 20.0 per cent of them have encouraged by employment opportunities available in the small business; 12.0 per cent and eight percent of the women entrepreneurs have induced by easy access of organized finance and assets creation respectively. Thus, the economic factors such as earning income and employment opportunities have encouraged and motivated the women to start own business.

Table 3 Economic Factors influencing the women to Launch a New venture

S.No	Factors	Number of respondents	Percentage
1	Employment Opportunities	10	20
2	Assets Creation	4	8
3	Earning Income	30	60
4	Easy access of Organized finance	6	12
	Total	50	100

Source: Primary data

Table 4 Environmental Factors Influencing the Women to Launch a New Venture

S.No	Factors	Number of respondents	Percentage
1	Market Potential	13	26
2	Availability of Labor & Raw materials	15	30
3	Encouragement of Big Business	9	18
4	Community networking	13	26
	Total	50	100

Source: Primary data

Table 4 illustrated that the environmental factors have influenced the women entrepreneurs to start own business. Majority(30.0 per cent) of them conveyed that the cheap availability of labour and easy availability of raw materials have insisted them to enter into the business followed by 26.0 per cent have reported both the plenty of market potential and the networking of community have influenced them. Further, it is reported that 18.0 per cent of them have encouraged by motivating to commence the big business. Thus, the environmental factors such as cheap availability of labour and easy availability of raw materials, plenty of future market potential and networking of community have influenced the women to undertake own business.

Major Findings

From the foregoing discussion on the women entrepreneurs in Theni town of Theni district, the following the major findings have been drawn and emerged out of this study. The business undertaken by the women entrepreneurs in the study area have been put under four-folded factors namely personal, psychological, economic and environmental. The summary of the major findings are given below:

- The personal factors such as family background and the entrepreneurial experience were greatly influenced the women to create/ undertake the new start-up;
- The psychological factors such as economic independence coupled with financial empowerment and achievement motivation of the women entrepreneurs were determined to launch a new start-up;
- The economic factors such as earning more income and creating and providing employment opportunities have encouraged the women to start own business; and
- The environmental factors such as cheap availability of labour and easy availability of raw materials, plenty of market future potential and networking of community have stimulated the women entrepreneurs to commence own business.

Suggestions

In the light of the above findings, the researcher suggested that there are lot of challenges faced by women to commence a new venture/ start-up. However, there are motivating factors which enable them to start a business on priority and demand

driven basis. Hence, Women could concentrate on adhering such positively motivating factors and have willingness to come forward for converting the unfavourable situations to favourable non-critical one for starting a new venture/ start-up in the study area. However, the New Economic Policy of India has also highlighted the need for entrepreneurship development for women and at the same time the women may start their own business on voluntary basis in many ways, so as to enjoy the fruits of empowerment of different kinds.

Conclusion

To conclude, the factors namely family background, the entrepreneurial experience, economic independence, achievement motivation, earning income, employment opportunities, cheap availability of labour and easy availability of raw materials, plenty of market future potential and networking of community have influenced the women entrepreneurs to their start own business in the study area. To conclude the said factors have influenced women to start their own business and thus make them as "Women Entrepreneurs". As a result, women are empowered in terms of economic, social, financial, cultural, political and education. Progress of women has been achieved through women in development, women and development and women for development, which are being discussed at the national and international forum.

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