

CREATIVITY, INNOVATION AND ENTREPRENEURSHIP



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ISBN: 978-81-8424-802-9

Published by Sunil Sachdev and printed by Ravi Sachdev at Allied Publishers Pvt. Ltd. (Printing Division), A-104 Mayapuri Phase II, New Delhi-110064

Success Status of Women Entrepreneurs in Manufacturing Sector

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INTRODUCTION

In countries marked by surplus labor, the need of providing employment for women when men are available for work poses threat to both men and women. Women work roughly twice as many hours as men. The time she spends on system of national accounts activities and extended system of national accounts activities leaves her barely with less than five hours for non system of national account activities. She works roughly twice as many hours as men. Not only do women perform more tasks, but their work is also more arduous than that undertaken by men. In India, from the very beginning women have been managers of kitchen and have solely dominated the area of household activities; So deep has been the impact of this, that the general attitude of the people about women entrepreneurs is that they are makers of Pickles, Pappads, Powders (3P's) and other household goods. Today, nontraditional enterprises are easily managed by women and are being managed so excellently with them as decision makers. They are flourishing in all activities whether it is in trade or in service or in business or in advanced technology sectors. John Stuart Mill (1869) and Engels (1884) strongly argued for women's rights in any sphere of activity they choose, because according to them, if women are given the free use of their facilities and the free choice of their employment and open to them the same field of occupation and the same encouragement as their male counterparts, the mass of mental capacities available for the higher services of humanity would be doubled. Women perform important roles in building the backbone of the nation's economy. It has been recognized that with the socio-psycho-cultural and economic changes taking places in India, women are slowly entering the field of entrepreneurship. It is increasingly recognized that women have vast entrepreneurial talents that could be harnessed. In India, women entrepreneurship has already gained credibility as an important activity in contributing to national economy. Running a business is never an easy job for women as words like capability, credibility and confidence are the terms used while evaluating women entrepreneurs and which pose problems for them (Cannon *et al.* 1988). Women nowadays are increasingly conscious of their existence, their rights and their work situation. Today women are aware of their potentials and are exploring new avenues of economic participation. In the light of the above discussions, the present study on "Success Status of Women Entrepreneurs in Manufacturing Sector" is carried out among 100 women entrepreneurs with the following objectives.

OBJECTIVES

1. To study the social, economic and demographic profile of the selected women entrepreneurs.
2. To evaluate the economic success status performance of the selected women entrepreneurs.

METHODOLOGY

The list of women entrepreneurs who have registered their units with the District Industrial Centre (DIC), in Coimbatore was collected. From this a preliminary list of women doing manufacturing works was prepared. The reason for choosing the manufacturing sector was that manufacturing sector is usually considered to be a male dominated sector and hence how women entrepreneurs of this sector manages is an important field to be analysed. From the list provided by the DIC, 100 women entrepreneurs who were satisfying the following criteria and who were willing to provide the necessary data were approached. (1) There should be equity participation by the women entrepreneurs in the capital structure of the enterprise. (2) The women entrepreneur must actively participate in the management of the enterprise. (3) The enterprise should have employed a minimum of one employee. (4) Out of the total employees at least 51 percent of them should be female workers.

The selected women entrepreneurs are manufacturers of steel (24), handicrafts (55), bricks and making bricks (21). The data for the study were collected from the sample units by administering an interview schedule during the period February 2011 to April 2011. For the study, to analyse the entrepreneurial economic success the criteria adopted by Lalitha Rani (1996) was adopted. Using these criteria, based on the total investment and net profit earned, women respondents were termed as unsuccessful, successful and very successful entrepreneurs as follows:

Table 1: Entrepreneurial Economic Success Status

Criteria	Very Successful	Successful	Unsuccessful
Based on borrowed capital in relation to own capital	Can borrow or raise 8 times more than his/her own capital	Can borrow or raise capital at least equal to his/her own capital	Can borrow or raise capital less than his/her own capital
Based on profit in relation to investment	Can make a net profit (after tax and interest deduction) of 20% of total investment	Can make a net profit (after tax and interest deduction) of 10% of total investment	Can make a net profit (after tax and interest deduction) of less than 10% of total investment

Source: Lalitha Rani, 1996.

RESULTS AND DISCUSSIONS

Patel (1984) has aptly stated that the family background and the norms and values of the society substantially influence entrepreneurial development. The following table gives some of the selected characteristics of the sample units.

The table 2 reveals that 60 percent of the women have entered into manufacturing work as entrepreneurs when they were in the age group of 20-40 years, 30 percent in the age group of

40–50 years and the remaining 10 became entrepreneurs when they were in the age group of 50–60 years. This clearly brings out the changing role of women as home makers to entrepreneurs ready to take entrepreneurial initiatives even when they are young. All the sample respondents of the current study had completed at least high school level education and 23 percent are graduates and 8 have completed professional courses. Formal education will always benefit an entrepreneur by making available skills necessary for entrepreneurial behavior.

Table 2: Selected Characteristics of the Women Entrepreneurs

Characteristics	Number Stated (%)	Characteristics	Number Stated (%)
<i>Age at the time of Starting the Enterprise (Years)</i>		<i>Literacy</i>	
20–30	10	High school	46
30–40	50	Higher secondary	21
40–50	30	Diploma	2
50–60	10	Graduates	23
		Professionals	8
<i>Current Age (years)</i>		<i>Current Marital status</i>	
20–30	5	Married	97
30–40	35	Unmarried	3
40–50	47	<i>Type of family</i>	
50–60	7	Nuclear	85
60+	6	Joint	15

Source: Primary data, 2011.

Since the carrier of a woman is an additional responsibility to her married life, the role of a working woman is determined by her husband and other family members. Career and marriage are the two separate domains of life for a woman. They are not substituted. Though an unmarried girl is free from family responsibilities and is in a better position to begin a career, she has inhibitions related to her womanhood and social prestige, which restricts her entry into the labor force (Thersia, 2000). In the current study 97 percent are married and 3 percent are unmarried.

Family is the environment which motivates the women entrepreneurs. In India nuclear and joint families exist. The table reveals that 85 percent of the families belong to nuclear and the remaining families are in joint families.

INVESTMENT

An analysis on the own investment made by the entrepreneurs and borrowed amount is an indication of the capacity of the entrepreneurs to start their enterprises and the extent of their dependence on borrowings. The following table gives the data on the own capital and the borrowed capital invested by the women entrepreneurs.

Table 3: Distribution of Women Entrepreneurs Based on Capital Invested

Borrowed Capital (₹)	Number	Own Capital (₹)	Number	Total Capital Invested (₹)	Number
Nil	57	Nil	21	<25000	5
10000-25,000	11	50,00-25000	30	25000-50000	9
25000-50000	16	25000-50000	21	50000-100000	25
50000-100000	9	50000-100000	14	100000-200000	33
100000-200000	7	100000-200000	7	200000-500000	19
>200000	0	>200000	7	>500000-	9

Source: Primary data, 2011.

As the data reveals, 43 percent had borrowed capital for starting their enterprises, and in that 27 percent had borrowed in the range of ₹ 10000-₹ 50,000 and 16 percent had borrowed ₹ 50,000 to ₹ 2,00,000. Out of the total respondents 21 percent did not invest their own capital. About 51 percent had their own invested capital being in the range of ₹ 5000 to ₹ 50,000 and for 21 percent in the range of ₹ 50,000 to ₹ 2,00,000 and the remaining 7 percent had their own capital exceeding ₹ 2,00,000. The above table further reveals that while 14 percent had their total investment being less than ₹ 50,000, 58 percent had it in the range of ₹ 50,000 to ₹ 2,00,000 and for the remaining it exceeded ₹ 2,00,000.

From the collected data, the Economic Success Level of the entrepreneurs was calculated based on the ratio of borrowed capital to own capital. About 40 percent of the entrepreneurs were very successful, 20 percent were successful and another 40 percent were unsuccessful.

To find out the association between the success status of the women entrepreneurs and the social, economic and demographic factors such as caste, marital status, type of family, age of the respondent, literacy level and investment chi-square test was applied. The null hypothesis tested was:

Ho: Success status is independent of caste/marital status/type of family/age/literacy level and capital invested.

Ha: Success status depends on the chosen variables. The following table gives the calculated chi-Square values.

Table 4: Association of Success Status with Selected Variables: χ^2 Values

Variables	χ^2 Values	Inference
Marital status	63.09	Significant
Type of family	0.87	Insignificant
Age	20.5	Insignificant
Literacy level	55.38	Significant
Investment	15.67	Insignificant

Source: Calculations based on field data, 2011.

The table shows that the calculated χ^2 values between marital status and success status and between literacy level and success status, are greater than the theoretical values and hence the success level was dependent on these two variables. With education, women entrepreneurs could succeed in their entrepreneurial activities.

CONCLUSION

The study brings out the changing role of the women from a mere home maker to that of running an enterprise. If the women are educated on the intricacies of running a business enterprise they will definitely become successful in their venture. With the Indian market facing the competitions in the international arena and its established high skilled manpower, the role of women as entrepreneurs has to be given adequate importance for the Indian economy to prosper.

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