Chapter - VI

SUMMARY OF FINDINGS
AND CONCLUSIONS
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This research study has been conducted to analyse and compare the performance of women micro entrepreneurial enterprises initiated by the self-supported entrepreneurs (SSE), (who did not avail any external assistance from either banks or through various schemes) and institutionally supported entrepreneurs (ISE) who availed some support from external agencies particularly under self-employment schemes. The analysis revealed that the performance of SSE has been better in various respects compared to ISE group. This goes with the findings that the self-supported are more motivated, appeared to risk lowers, and hence personally more committed in improving the enterprises as they bring and work hard to mobilize funds, than institutionally supported groups, who are actually using the funds granted by government agencies. The following section brings out the summary of findings under different heading including socio-economic characteristics, characteristics of the enterprises, factors, performance and problems of the enterprises.

Summary of Findings

I Socio-economic characteristics of entrepreneurs

The age of the entrepreneurs revealed the mean age of the institutionally supported entrepreneurs group is less (37years) than self-supported entrepreneurs group (38years). This may be attributed to the fact that the institutionally supported entrepreneurs availed the institutional support and started their enterprises in their young age, apparently as a vocation. But self-supported entrepreneurs, who initiated
enterprises mainly to use their skill, with high vigour and courage to become successful entrepreneurs, started at an older age by mobilizing sufficient finance and completing the responsibilities of child care etc.

Education details of the respondents revealed that in institutionally supported entrepreneurs group relatively higher percentage of them are with primary level and very few moved beyond H.Sc education whereas it is relatively better with more women represented above H.Sc education with self-supported entrepreneurs group.

The marital status revealed that at the time of start up, relatively higher percentage of them with institutionally supported entrepreneurs were unmarried (thanks to institutions supporting the unmarried women also), and it has slightly changed at present wherein more than 90% are married. As far as self-supported entrepreneurs group is concerned, it may be observed that relatively higher percentage of them were married at the time of start up compared to institutionally supported entrepreneurs group. As already pointed out, these women, after completing the child care and other commitments choose to entrepreneurship.

The nature of family of institutionally supported entrepreneurs group revealed that at start up nearly 3/5 of them were in nuclear families, which has gone up to three fourth at present. For self-supported entrepreneurs relatively higher percentage of both at start up and at present are with joint families.

Religion wise it is found that relatively higher percentage of Muslim women are with institutionally supported entrepreneurs group and not much difference is observed in the distribution of other religion with other groups.
Community wise distribution revealed that the not much difference has been observed between self-supported entrepreneurs and institutionally supported entrepreneurial groups. Majority belong to (>60%) Backward class followed by Scheduled caste in both the groups. It is appreciable that the hitherto serving community namely the Scheduled caste has become entrepreneurial.

Previous occupation of the sample entrepreneurs implied that nearly half of them in both group were working in similar occupation and another considerable percentage among self-supported entrepreneurs were house keepers, compared to institutionally supported entrepreneurs group. In institutionally supported entrepreneurs groups others were drawn from wage earning class, working in farming, syringe makers, goat rearers etc.

Parental / Husband education has been enquired units and found that in institutionally supported entrepreneurs group, majority of both mothers and fathers are illiterates but there are parents with PG qualification also. Whereas in self-supported group, relatively lower percentage of them are illiterates and none of the parents had beyond school education. Husbands’ education in both the group ranges from illiteracy to post graduation.

Occupation of the parent in institutionally supported entrepreneurs group explained that only few mothers were in the same occupation. It is good that mother’s occupation is inherited. Others were distributed in salaried employment agricultural labourers etc. Majority of mother were housekeepers. In self-supported entrepreneurs group nearly three fourth of mothers were housekeepers and no mother was in same occupation. Husbands’ occupation revealed that nearly 20% the of
husbands in both the group are in the same occupation followed by salaried group and workers. Few are farmers too who are in both among parents and husbands.

The nature of the family indicated that relatively larger percentage women in ‘ISE’ category where with Joint families, which has drastically declined at present. This is true for ‘SSE’ group also, but the rate at which it had declined has been less for ‘SSE’ group.

The residential location of the two group of entrepreneurs explained that relatively larger percentage of them are living in urban areas for self-supported entrepreneur group whereas slightly lower for institutionally supported entrepreneur group but still, in both the group, relatively higher percentage live in urban areas.

The socio economic status of the sample women in both the sample group indicated that they are drawn from diverse background and not much difference has been observed between ‘ISE’ and ‘SSE’ group.

II CHARACTERISTICS OF THE ENTERPRISE

Having done the characteristics of the entrepreneurs, this section brings out the findings on the characteristics of the enterprises.

The ownership of the house revealed that relatively larger percentage of ‘SSE’ group have the fortune of living in own house compared to ‘ISE’ group.

The region of residence of the two-sample group explained that majority of ‘SSE’ group women have their residence in urban areas and as such this group might have influenced by the urban culture.

The nature of activities of the sample enterprises showed that among institutionally supported entrepreneurs group, trading and processing activities are
equally distributed followed by job work. It is in the order of trading, servicing and processing for self-supported group.

Block-wise distribution of the units indicated that more than 60% of institutionally supported entrepreneurs and 50% of self-supported entrepreneurs were representing Tiruchy Taluk. Semi Urban Taluk were able to attract more women enterprises in both the groups. This implies that women found comfortable to have their units located in either urban or semi urban areas rather than rural areas.

Distribution of the sample units has been found to be in 11 different types. Majority of the units were in food processing followed by ready-made garments and tailoring shop for institutionally supported entrepreneurs group. The same has been slightly different for self-supported entrepreneurs where relatively larger numbers of units were found in ready-made garments followed by tailoring shop and food processing units and beauty clinics. The distribution reinforces the fact that women are still confining to feminize nature of products, traditional activities such as food processing and tailoring only very few moved beyond these activities.

The registration status of the units reveals that nearly four fifty of the institutionally supported entrepreneurs of units are registered but more than 90% of the self-supported entrepreneur units are unregistered. As far as institutionally supported entrepreneurs group is concerned, it is compulsory that they have to register with some agency for getting institutional support or after availing the institutional credit, they have to get registered. But this is not for self-supported group.

Nature of organization of the enterprises revealed that in both the groups, more than 75% are with sole proprietorship; only few in both groups are in
partnership concerns. Given the size and nature of business of these entrepreneurs it is highly impossible to go beyond this form of organization.

Nature of ownership of units revealed that relatively higher percentage of institutionally supported entrepreneurs have placed their units in own building which is the reverse for self-supported entrepreneurs group who have their enterprises located mostly in rented building. As far as ownership of house, it was a different trend as majority of SSE had own house.

The type of premises of the institutionally supported entrepreneurs group indicates that nearly 50% of them have their units in residential building, which is nearly one-third for self-supported entrepreneurs group. Relatively larger percentages of self-supported entrepreneurs group are in service centre area, which is the area where many service centre are available, followed by trading centres. However, a slightly higher percentage of institutionally supported entrepreneurs group is found in shopping complexes compared to self-supported entrepreneurs group.

Membership in organization of the sample women owned units revealed that majority (50%) of institutionally supported entrepreneurs are with Women’s Associations, whereas it is Rotary club for self-supported entrepreneurs. Others do not have any association with any organizations in both the groups.

A distribution by support of other members revealed that the women do get support for various activities of the enterprise including finance, marketing, raw material, getting the Government assistance, etc. The family members supports are received from parents, brothers and sisters.
The amount of time spent by the sample respondents to household revealed that they spend below 5 hours to above 10 hours in both the group, which is indeed costly for entrepreneurs to devote so much time other than business.

The location of the enterprises revealed that majority of self-supported entrepreneurial units were in urban areas (86%) compared to institutionally supported entrepreneurial group were in only few units are located in semi-urban area.

Banks support has been made available only for institutionally supported entrepreneurial group the self-supported entrepreneurs group does not have bank assistance either from nationalized banks not from private banks.

Nature of schemes under which institutionally supported entrepreneurs group availed credit includes Mahila Udhayam Nidhi, (MUN) Prime Minister’s Rozgar Yojana (PMRY), Swarna Jayanthi Grama Swargar Yojana (SGSY), Schemes for micro enterprises (SMU) etc. Majority of them availed under PMRY followed by bank regular assistance scheme, not necessarily recommended by development agencies, followed by scheme for urban micro enterprises, as it is true that these sample units are mostly in urban areas.

Majority of the ‘ISE’ units availed assistance from nationalized bank at start up 90% for ‘ISE’ but it has gone down to 19% at present.

Majority of the units are managed in both the group by ‘Self’ and in only few units, others are supporting in management.
Factors Influenced the Women Entrepreneurs

The factors influenced the women to become entrepreneurs have been studied. The factors have been classified into incentive factors, motivational factors to start and facilitative factors to run the enterprise.

As far as the incentive factors are concerned it is observed that sufficient financial background and previous occupation were the major factors to start the ISE enterprises.

Motivation plays a major role in the better performance of the women entrepreneurs. There are a number of motivating factors enabling women to become entrepreneurs and to be successful in entrepreneurship. The motivational factor to start the enterprise has been found to be potential demand for the product ISE groups. Whereas education and training received and also support of the family members to start the enterprises, were motivational factors.

The women respondents were asked to describe the factors which have facilitated to enter into business and it is found that the financial support for (ISE) and co-operation from all sides for (SSE) stand stood as strong factors which facilitated to run the enterprises.

The reasons for successful survival of the enterprise revealed that customer’s focus and satisfaction, sufficient margin of profit and support of families were responsible for ‘ISE’ group, whereas, it is hard work in addition to the above factors for ‘SSE’ group.

On the whole it is observed that the women respondents have exterered into this profession on distress reasons in the beginning. However, they were facilitated
from various sides to run and survive in the field. The factors do not differ much among ‘ISE’ and ‘SSE’ group

Performance of the Women Enterprises

Mean performance in terms of investment growth between ISE and SSE revealed that, the SSE have relatively higher mean growth as well as higher investment size compared to ISE group. Product-wise, the tailoring units have least size of investment whereas printing and binding, beauty clinics, gem-cutting units had relatively higher investment.

Mean growth of sales turnover performance indicated that the ISE group could realize almost double the size of mean turnover compared to SSE growth, which is true with respect to mean growth of investment also. The units which have shown relatively higher mean growth of turnover include printing and binding, Xerox and computers, beauty clinics, gem cutting in both SSE and ISE units.

Profit-wise mean growth performance of ISE and SSE units revealed that the average profits of SSE units are more than double the size of ISE units. The trend has been more are less similar in term of type of units showing least growth with tailoring units and higher growth with printing and binding, gem cutting, etc in both ISE and SSE categories.

The monthly income earned has been relatively higher for ‘SSE group compared to ‘ISE’ group as it is observed with respect to growth of investment, sales turnover and profit etc.
The number of earning members in the sample units revealed that majority of the families have only one earning member the percentage is relatively higher for ‘ISE’ group indicating the dire necessity of families depending on women’s earnings.

The growth performance as perceived by the respondents revealed that the ‘SSE’ has been perceived to be growing relatively better than ‘ISE’ group in terms of average percentage growth.

The source of raw materials used revealed that majority of the sample units in both the group use a mix of both indigenous and imported. However nearly a one-fourth of ‘ISE’ do not use any imported raw material at all.

The area of marketing for the initial, present and future for ‘ISE’ and ‘SSE’ group showed that more ‘SSE’ units would be expanding their boundary outside district and state than ‘SSE’ group. Even this lack of spirit lack of adequate effort to expand the bound for ‘ISE’ group, may serve as a constraint for their size of operation.

The performance of entrepreneurs in the two group revealed that ‘SSE’ group has continued show relatively better performance in terms of mean growth of investment turnover and profit. This indicates that institutional support is only a necessary condition and not a sufficient condition for establishment, growth or expansion of enterprises. In fact the study reinforce the fact that, it is better to initiate enterprise on one’s own how micro scale may be instead of expecting external support from government or others.
Statistical Analysis

The mean growth of investment with respect to type of organization revealed that ‘ISE’ group showed a fluctuating performance whereas ‘SSE’ though exhibited a differential performance, it could be underline that partnership concern able to show a relatively better growth of investment compared to others, such conclusion could not be drawn ‘ISE’ group for investment, turnover and profit growth.

The education-wise performance revealed that schools educated among ‘ISE’ were able perform better than others in terms of the indicators taken. ‘SSE’ showed a varied performance, however only in terms of investment growth there has been a positive relationship with growth and education. However, it could be established that experience contributors more than education.

As far as previous occupation and mean performance were concerned, it could be started that ‘ISE’ group showed a positive growth particularly those who were house keepers and had same occupation indicating there by that the institutional support could attract more housekeepers into entrepreneurial field. No proper relationship could be brought for ‘SSE’ group.

In terms of income spread, growth of annual investment, average growth of turnover etc the ‘SSE’ units performed better than ‘ISE’ group.

The type of premises and mean profit growth revealed that units located in residential building were able to show better profit growth than others for ‘ISE’ group. Product-wise, steel furniture, readymade garments and doing better than others in both the group with respect to turnover growth.
There has been a significant positive correlation between experience and income earned at 5% level of significance thereby supporting the hypothesis that more the experience larger is the income.

Similarly there has been a significant positive correlation between experience and growth of profit for both the sample groups significant at 5% level of significance.

The multiple regression analysis revealed that the total workers, previous experience and growth of turnover have been identified as significant variables determining and explaining the growth of the sample enterprises in both the group.

The test of significance revealed that there has been significant difference between ‘ISE’ and ‘SSE’ group in terms of mean growth of investment, turnover, profit and income.

**Problems of the Women Enterprises**

Life of a women entrepreneur having or small or tiny micro unit is not with bed of roses. Every entrepreneur faces some problems the other in running the enterprises. In fact, from the movement an entrepreneur conceives the idea to start her own unit, she has to work hard against have odds. The problems of industries whether micro, in small, medium or large sector, are almost similar but their nature and scope vary. The management of domestic commitment and child-care support are the two issues where women have to play a more active role. Coupled with the narrow vision of the society in still accepting women in a separate entity as an entrepreneur makes the life of a women entrepreneurs all the more difficult.
The respondents were asked to list down the major problem and constraints faced by them in the study area.

Dual responsibility has been felt as the major problems of the women entrepreneurs.

Lack of support from family members in running the enterprises in terms of looking after the processing, production, marketing, looking after the household activities etc, the sample women have reported that they have family conflict.

General problems faced by women entrepreneurs are lack of knowledge about the business tactics, lack of creditability from banks, lack of mobility, lack of exposure to the society. Getting assistance from support agencies has generally been found to be not trouble free. For any production activity infrastructure facility very important. Lack of infrastructure facilities undermine the efficiency of the women enterprises.

The inadequate training received by the respondents has affected the performance of the entrepreneurs.

Majority of the women entrepreneurs have to purchase the raw materials at higher rate with poor quality. Lack of availability of raw material at local place has been the major problems for both the groups. Regarding marketing, there is a stiff competition among the sample units.

The specific problems faced by women were low mobility preventing them to market their products outside the district or state has been reported by both the groups.
Additional and the most important problems faced by both the group were delayed payment by the customers inadequate finance and all contributing to poor performance of the sample units.

Recommendations

The present study has been conducted with the objective of analyzing the comparative performance ‘ISE’ and ‘SSE’ units run by women and thereby examine whether institutional support in any form help the women to initiate, run and sustain in the business world. It has been found from the analysis that the institutional support has not contributed positively to run and sustain in business, though it has contributed to initiate the sample enterprise by ‘ISE’ group. In the light of these findings the following recommendations are made.

1. There is still lack of support and encouragement from the family in initiating and running the enterprises particularly to ‘ISE’ group. This must be done away with.

2. Given that the style of living, standard and pattern changes over the period, there is a necessity that women must also work to support families. This must be facilitated by sharing the dual responsibilities of family and business, there by relieving the women from role conflict.

The size and scale of operation of both the sample group has been very small below Rs.5000 investment. This is still lower for ‘ISE’ group such a micro scale of operation itself is a constraint for realizing higher profit and expand the unit. Hence there must be a wholistic support from all possible sides family, government,
association etc, so that their scale of operation may be expanded and efficiency of the women owned enterprise will be ensured.

The nature of activities chosen by the sample women revealed that is a mix of both modern and traditional trades, both general and 'feminine' products related. But all of them are either related to trading and servicing activities. It is not possible to seen any women engaging in processing manufacturing trades, which itself is a reason for the women enterprises to lag behind in scale and size of operation compared to men owned enterprises. It is necessary that the women, who succeeded in becoming entrepreneurs breaking the barrier, must choose slowly to manufacturing whatever the scale of operation may be, in order to sustain and expand the enterprises.

The performance of the enterprises has been very mixed, fluctuating for both the group and more so, for ‘ISE’ group. This may be attributed to the fact that the ‘ISE’ group really lacked the ‘vision’ to because entrepreneurs and once they came across an advertisement they 90, get training for a short period, avail the loan and initiate, the enterprises. The loan has to be repaid, but they failed to repay regularly due to poor performance. Hence the units particularly ‘ISE’ group in addition to the credit support received from institutions must also try to mobilize support both monetaing and non-monetaing counseling from successful entrepreneurs, involvement of family members, delegation of responsibilities, mobility, to outside to fetch raw material, marketing, finance support etc, which may contribute positively to these sample enterprises to service and expand better.

The ‘ISE’ group especially, continued to show poor performance in terms of various indicators taken thereby supporting the hypothesis that any support given
without following the stages and pattern of development, may not yield better results. Hence the entrepreneurs whether men or women, must first undergo proper training, choose to work with similar concerns, choose to simultaneously get a networking, get the counseling, prepare project repost, submit and meet the institutional promotional agencies for financial support. This process of consulting other successful entrepreneurs or informants in the field would go a long way in getting the unit established well, sustain and from steadily without being dying or fluctuating within a short period.

The problems faced by the women entrepreneurs revealed that more or less similar nature of lack of support of the family for majority of the units, inadequate finance and lack of marketing or demand for their products were the major problems. The lowest or poorest performance is due to lack of initiate and encouragement from family, lack of follow up by the institutions supported them to start the enterprises and lack of awareness of the sample women to look into the pros and cons of starting the enterprises thoroughly. This has been expressed by many women during the survey.

It is observed that the entry of the entrepreneurs has been on ‘distress’ reasons but later on most of them got interested and committed to expand their enterprises. However, lack of experience, poor financial base, lack of exposure to the modern micro-entrepreneurial activities all have constrained their performance to remain the same scale or decline in the scale of operations initiated. Hence there is a need to attend this issue by I) Institutions assisting them periodically meet them, counsel them, try to attend if possible, to their problems so that they can be saved from being sick.
ii) The entrepreneurs themselves, having started the unit after availing the credit, must look for opportunities on their own, instead of expecting external support.

iii) The unit initiated through the assistance must set a scale in the beginning itself to review their performance internally, by inviting other entrepreneurs who are established in the field or consultants, so that their problems may be attended and rectified as and when they encounter.

A comparative analysis of credit support availed by the entrepreneurs except the self-employment loan availed by the ‘ISE’ group, indicated that both the group suffer from lack of formal credit. The issues related to formal credit assistance due mainly due to lack of property right, collateral to keep, lack of support from family to give their belonging to investment. This may be addressed once the property right is ensured for the female members of the family also per those who do not have any asset base from the family fail to avail formal credit, are increasingly depending only on informal sources with high interest rate, taking away a considerable share of profit or income. This may be addressed, by approaching bank through ‘SHG’ strategies with direct linkage. This may be done.

(i) Forming a networking of women owned enterprises their product wise or mixed of all enterprises to represent their needs collectively.

(ii) In doing so, they can follow-up the strategy of saving and thrift, and may link with revolving fund credit which may fulfill the fixed capital needs of the units. Similarly. If they prove the banks may be willing to extend support for fixed capital also.
There is a need to prepare the directing of women enterprises, get them registered under same department of district industries center, which may serve as a database of women owned enterprises. This would serve to with purposes of serving.

i) As a data base of women owned enterprises

ii) Nature and size of operations of women-owned enterprises.

iii) Facilitate the intervening institution to extend any sort of support to women owned enterprises.

Experience has contributed positively to the performance of the sample enterprises more than the education. Hence, it is necessary that the ‘ISE’ entrepreneurs before going for institutional support, identify prospective activity, work for few years, get experience and then they can start their own enterprises by getting institutional support. This would enable them to with stand and survive in the business field.

The gender dimensions of the entrepreneurship has not been analyzed in this study, which may be a limitation. However, an informal discussion revealed that women do not get support like men from various fields, be it finance, family support, managerial, marketing, labour support etc. In fact, it is quite hard for a women to become an entrepreneurs first and then continue in business like men, though men also face obstacles, but not of the kind that the women face, However, gender institution is being done to the various sectors, bankers, bureaucrats, officials of programme implementing agencies to show equal attention to women entrepreneurs also. Thanks to the revolution of the SHGs which has proved that women that too poor women are bankable. As result there is a change in the outlook of bank not
looking for any other requirements but only their groups saving and thrift performance for a period of one year. It is possible for women in view enterprises of other schemes also by adopting to SHGs strategy. This would address the issue of gender inequality in entrepreneurship.

**Conclusion**

This present study on a comparative analysis of institutionally supported entrepreneurs (ISE) with self-supported entrepreneurs (SSE) has thrown opened many questions which need to be proved into in future. It has availed at an important finding that ‘SSE’ group have proved better in terms of performance indicators such as investment, turnover and profit, compared to ‘ISE’ group which has received some or full support from external agencies to start their enterprises. This finding ‘shakes’ and ‘questions’ the very objective of institutional supportive schemes. It is necessary that the institutions before extending any support may offer to undergo training or these institutional promotional agency themselves offer some training required by the participants of the programme. In doing so, the women may also be given orientation on savings and thrift so that they may be linked with bank for formal credit. The women entrepreneurs in addition to depending of banks loan, must mobilize on their own with minimum interest or interest free loan from friends. This study has through light on various other issues such as why women entrepreneurs in ‘ISE’ group fail? Why does the institutional support fail to prove to bring successful entrepreneurs etc. It is a challenge for industrial promotional agencies to relook the reframe and reformulate the programme intervention to make the success rate of such intervention better in future.