Chapter 1
Introduction
# CHAPTER I

## INTRODUCTION

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CHAPTER I

Introduction

1.1 Introduction:

“The rise and fall of a Nation solely depends on its Entrepreneurs”

Prof. David McClelland

Entrepreneurship is the key to rapid economic development. It is the instrument which mobilizes the scarce resources and provides utility to them by creating employment opportunities and improves standard of living of the society. Growth of capital is no longer considered as important as growth of innovative manpower such as entrepreneurs, in the determination of rate of economic growth of a nation. According to J. A. Schumpeter the rate of economic growth depends upon the rate of innovation which in turn depends upon the distribution of entrepreneurial talent in the population. Technological progress alone cannot lead to economic development unless it is aptly supported by competent entrepreneurs.

To be successful one has to keep pace with the change in the business environment. Naturally the new economic policy of India too has been adapted to the doctrines of Liberalization, Privatization and Globalization (LPG). No doubt the changes in attitude towards development of business has been rightly picked up by the class of present entrepreneurs. It is needless to say that there cannot be progress unless suitable atmosphere is created, preserved and persued if need be. A democratic state like India has certainly taken cognizance of LPG and thus has paved the way for an aspiring, ambitious entrepreneur by making reforms in laws, rules, regulations relating to trade and finance. An entrepreneur with necessary vision
and an active participation is bound to snatch opportunity in market. An entrepreneur knows that opportunities are to be snatched and not offered. Those entrepreneurs who will utilize their vision to take right decision in time will always prove to be successful in pursuing their objectives.

Development of Women Entrepreneurship should form an integral part of all developmental efforts. *The Seventh Five Year Plan 1985-1990 has covered the integration of women in economic development. In this regard the plan document has suggested the following:

1. To treat women as specific target groups in all development programmes.
2. To properly diversify vocational training facilities for women to suit their varied needs and skills.
3. To encourage appropriate technologies, equipment and practice for reducing their drudgery and increasing their efficiency and productivity.
4. To provide marketing assistance at the state level.
5. To increase women's participation in decision-making.

Growth of entrepreneurship and giving due importance to women entrepreneurs is indispensable for accelerating the pace of socio-economic development.

The second International Conference of Women Entrepreneurs organized by the National Alliance of Young Entrepreneurs (NAYE)** was held in 1989 at New Delhi under the aegis of the World Assembly of Small and Medium Enterprises (WASME). It adopted a declaration containing the following salient features: -


** NAYE, New Delhi, proceedings of the Second International Conference of Women Entrepreneurs, 1989
1. All national government should promote women's involvement in social and economic development programmes, provide necessary infrastructural support, training and marketing facilities; enact legislation to remove constraints in their way arrange for transfer of relevant technology and financial assistance.

2. Governments should take appropriate measures to encourage free flow of trade of products manufactured by women entrepreneurs and provide fiscal and expert assistance to the governmental and other agencies engaged in promotion of entrepreneurship among women.

3. In international and national trade fairs, the products manufactured by women entrepreneurs should be widely displayed.

4. UNESCO and the education ministries in different countries should provide necessary literature, course books and publications for the benefit of women students.

*The new industrial policy of the Government of India has stressed the need for conducting special entrepreneurship programme for women. Product and process oriented courses should be conducted to enable women to start small-scale industries. The policy further adds that the objective of such courses should be to facilitate the entry of women entrepreneurs in the field of small industries and uplift their status in the economic and social fields.

The approach paper to Ninth Five Year Plan says, "The process of empowerment of women at the political level has already begun, but it
needs to be carried forward into the social and economic sphere as well. Special emphasis could have to be placed on ensuring control of social infrastructure in the public domain invested in women and women's organization”.

1.2 **Selection of the Topic:**

So far many research studies have been conducted in India on entrepreneurship in general, but few have been done on women entrepreneurs in particular. The researcher has referred to the research done on women entrepreneurs over the last two decades, to quote a few among them are: Sulochana Nadkarni (1982), Singh and Gupta (1984), Sing et al. (1985), Patel (1986), Rani (1986), Vinze (1987), Azad (1989), Pillai (1989), Anna (1990), Rao (1991), Harper (1992), Kirve and Kanitkar (1993), Nair (1996), Khan (1997), Dadlani (2002).

However the research work conducted on women entrepreneurs in the past has covered the various aspects such as entrepreneurial motivation, availability of business opportunities, available support systems and problems faced by women entrepreneurs etc. Thus an attempt has been made in the present research work to have comparative study of “women entrepreneurs from business and non business community”.

1.3 **Objectives of the Study:**

1. To study psychological, social and economic background of women entrepreneurs of different business communities and non business community.

2. To analyze the achievement motives of women entrepreneurs.

3. To analyze the promotional and motivating factors behind them.
4. To compare difficulties faced by Maharashtrian women entrepreneurs and women entrepreneurs of business communities.

5. To compare performance of Maharashtrian women entrepreneurs and women entrepreneurs from other business communities.

6. To determine the factors which contribute significantly to “success” in business.

1.4 Hypotheses:-

India and Maharashtra in particular have many business communities like Parsi, Sindhi, Bohari, Marwari, Gujarathi, etc. An individual born in business community gets business background and this exposure is suppose to be the contributory factor to their entrepreneurial performance. Maharashtrians don't have traditional business background. Hence researcher intends to study whether these women of business communities are more effective entrepreneurs than women entrepreneurs of non-business community (Maharashtrian).

H₀: Women entrepreneurs belonging to business communities (Parsi, Sindhi, Bohari, Marwari, Gujarathi) have traditional business background but they positively lack “career orientation” and hence they are engaged in conventional business.

H₁: Maharashtrian women entrepreneurs (Whose mother tongue is Marathi) have no business background, however they are more “career oriented” and they are engaged in non-conventional business.
Additional Hypotheses Tested

1. $H_0$ (Null Hypothesis) Career Planning and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Career Planning and community are related (Dependent)

2. $H_0$ (Null Hypothesis) Self Motivation and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Self Motivation and community are related (Dependent)

3. $H_0$ (Null Hypothesis) Motivational Factors and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Motivational Factors and community are related (Dependent)

4. $H_0$ (Null Hypothesis) Education and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Education and community are related (Dependent)

5. $H_0$ (Null Hypothesis) Risk Undertaken and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Risk Undertaken and community are related (Dependent)

6. $H_0$ (Null Hypothesis) Social Affiliation and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Social Affiliation and community are related (Dependent)
7. $H_0$ (Null Hypothesis) Innovation and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Innovation and community are related (Dependent)

8. $H_0$ (Null Hypothesis) Self Perception and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Self Perception and community are related (Dependent)

9. $H_0$ (Null Hypothesis) Financial Problem and community are not related (Independent)
   $H_1$ (Alternative Hypothesis) Financial Problem and community are related (Dependent)

10. $H_0$ (Null Hypothesis) Training & Experience and community are not related (Independent)
    $H_1$ (Alternative Hypothesis) Training & Experience and community are related (Dependent)

11. $H_0$ (Null Hypothesis) Decision Making and community are not related (Independent)
    $H_1$ (Alternative Hypothesis) Decision Making and community are related (Dependent)

12. $H_0$ (Null Hypothesis) Problem of Marketing and community are not related (Independent)
    $H_1$ (Alternative Hypothesis) Problem of Marketing and community are related (Dependent)
13. $H_0$ (Null Hypothesis) Labour Problem and community are not related (Independent)  
$H_1$ (Alternative Hypothesis) Labour Problem and community are related (Dependent)

1.5 **Research Methodology:**

1.5.1 **Type of Research:** Quantitative and Qualitative

1.5.2 **Population:**
The researcher approached various associations to ascertain the data pertaining to registration of women entrepreneurs in the city limits of Pune and Pimpri Municipal Corporation area. The associations were

1. Maratha Chamber of Commerce Industry and Agriculture, Pune,
2. Indian Merchants’ Chamber, Mumbai,
3. District Industries Centre, Pune,
4. The Association of Women Entrepreneurs / Industrialist of Maharashtra (WIMA).
5. Western Maharashtra Development Corporation, Pune,
6. Bhagani Nivideta Bank, Pune
7. Maharashtra Industrial and Technical Consultancy Organization, Pune.
8. Maharashtra Chambers of Commerce, Mumbai

The list was obtained however, it was noticed that it consists of mostly Maharashtrian entrepreneurs and the list is not updated. Hence sufficient sample of women entrepreneurs from “Business Community” could not be obtained from this source. Subsequently the researcher approached community associations, like Parsi Panchayat Pune, Oswal Bandhu Samaj, Pune, Maheshwari Sanstha, Pune, Swanand Mahila Mandal of Marwari Community, Pune, Sadhu Vaswani Mission of Sindhi Community, Pune to get the list of women entrepreneurs of respective communities but required information was not available with
them also. So the study is based on personal contacts of the researcher.

1.5.3 **Sampling Frame:**
Authentic data regarding number of women entrepreneurs from different communities is not available hence there is no sampling frame.

1.5.4 **Sampling Technique:**
Sampling frame is not available therefore, “Snow ball sampling method” is used.

1.5.5 **Sampling Area:**
The study is confined to Pune and Pimpri Chinchwad Municipal Corporation areas.

1.5.6 **Sample Size:**
Researcher has selected sample of 40 women entrepreneurs from each business community i.e. Parsi, Sindhi, Bohari, Marwari and Gujarathi and non-business community like Maharashtrian, hence total sample size was 240.

The actual sample size of 247 consisted of Parsi (38), Sindhi (41), Bohari (41), Marwari (45), Gujarathi (45) and Maharashtrian (44) women entrepreneurs.

1.5.7 **Methods of Data Collection:**

a) **Primary Source**
   i) Structured questionnaire to women entrepreneurs
   ii) Interviews
b) **Secondary Source:**

Library Work: Various journals, periodicals, Govt. reports, newspaper, books etc were referred to from time to time for supportive information related with the study. Researcher had collected information from various community organizations and community leaders. Similarly important information was also collected from organizations like National Institute for Entrepreneurship & Small Business Development (NISBUD) New Delhi, Entrepreneurship Development Institute (EDI) Ahmedabad, Maharashtra Centre for Entrepreneurial Development (MCED) Pune.

1.5.8 **Survey Period:**

The researcher has conducted the field work from January 2005 to August 2005

1.5.9 **Statistical Techniques:**

The following statistical techniques were used for testing the hypotheses.

1) Graphs and diagrams
2) Logistic regression
3) Chi-Square test for attributes

1.6 **Parameters for Comparison of Performance of Women Entrepreneurs:**

The survey questionnaire has been designed to facilitate the appraisal of data collected with reference to women entrepreneurship. In order to ensure the pragmatic approach following parameters have been given prominence. The parameters are as follows;
a) **Career Planning:** Career planning means planning one's own career, systematic career planning is always desirable rather than developing one's own career by trial and error method.

b) **Education:** If a women entrepreneur has academic and professional qualification it becomes special advantage to her. Education widens her horizons and creates awareness about self and business environment. Therefore, qualified woman entrepreneur is likely to be more successful in business.

c) **Experience:** Experience is the outcome of awareness of past failures and success. Experience develops insight into and understanding of the problem.

d) **Risk Undertaken:** Risk and returns are the two sides of entrepreneurial performance.

e) **Motivation:** A self motivated entrepreneur is likely to be successful.

f) **Motivational Factors:** Many motivational factors such as desire to earn money, to support family income, to be a boss, self identity etc. influence entrepreneurial behaviour. The real entrepreneur has a strong motivation to establish self identity.

g) **Decision Making:** Independent decision making shows self confidence. Those who have the courage to take independent decisions, develop risk bearing capacity and such entrepreneurs are likely to be successful.

h) **Affiliation:** “Business is a social activity”. “Man is a social animal” therefore maintenance of social contacts is absolutely necessary to be successful in business.
i) **Innovation**: Innovation is a symbol of change and progress. Innovative entrepreneur is likely to be successful.

j) **Self Perception**: positive self perception and awareness about one self makes entrepreneur successful.

k) **Problems Faced**: Problems in raising finance, marketing difficulties and labour problem are the main problems. These three broad problems faced are inherent in any business. The success of entrepreneur depends on skillful management of these problems.

1.7 **Some Definitions:**

1) The researcher has classified women entrepreneurs into different categories according to their mother tongue and community.
   - Maharashtrian woman entrepreneur is “one who is born in Maharashtrian Community and whose mother tongue is Marathi”.
   - Parsi woman entrepreneur is “one who is born in Parsi Community and whose mother tongue is Gujarathi”.
   - Sindhi woman entrepreneur is “one who is born in Sindhi Community and whose mother tongue is Sindhi”.
   - Bohari woman entrepreneur is “one who is born in Bohari Community and whose mother tongue is Gujarati”.
   - Gujarathi woman entrepreneur is “one who is born in Gujarathi Community and whose mother tongue is Gujarathi”.

2) **Woman Entrepreneur** – The researcher has defined “woman entrepreneur as one who is doing any business independently”.
3) **Success** – Generally success is measured by profit earned, market share and sales.

**Quantification of Success:** In the research work researcher found it difficult to collect the relevant figures about the profit earned by women entrepreneurs, as women entrepreneurs were reluctant to provide this information or in some cases they were unable to give this information due to lack of any formal record of accounts. Survival in competition, first choice of entrepreneur and self perception i.e. (their satisfaction) are considered as the indicators of success. Researcher has considered not only the information supplied in the questionnaire but also her own observations during interview about the work place, working conditions, labourers and the general work culture to measure the success. Similarly innovation is judged on the basis of information obtained during personal interview and the observations made. For quantification the following rating pattern was used;

i) Working conditions

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<tr>
<td>Ordinay</td>
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<td>Good</td>
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ii) Relations with labourers

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<tr>
<td>Fair</td>
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iii) Work culture

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<tr>
<td>Fair</td>
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Rating was done and average rating was found and used as measure of success.

1.8 **Limitation of the Study:**

a) Authentic data regarding number of women entrepreneurs from different communities is not available hence the study is based
on personal contacts of researcher. Snow ball and Random sampling methods are used in the study.

b) Success in business is mainly measured by profit / sales and market share, but it was found that women entrepreneurs are either reluctant to disclose the relevant figures and in some cases they are even unable to provide these figures due to lack of any formal record of accounts. Hence though researcher wanted the relevant data on economic performance of women entrepreneurs, she could not collect the adequate data explicitly from them. Hence for measuring success, survival in the competition, first choice of entrepreneur and self perception i.e. (their satisfaction) are considered as the indicators of success.

c) Case Study - The research is based on case study.

1.9 **Chapter Scheme:**

1. **Introduction:**
   This chapter includes - Selection of the Topic, Objectives of the Study, Hypotheses, Research Methodology, Parameters of Success, some Definitions & Limitation of the Study.

2. **Entrepreneur and Entrepreneurship:**
   The chapter broadly covered Definitions of Entrepreneur, Characteristics of Entrepreneurs, Functions of Entrepreneurs, Types of Entrepreneurs, Entrepreneurship, Theories of Entrepreneurship, Entrepreneurship, Self-employment and Income Generating Activity etc.

3. **Women Entrepreneurs in India:**
   The chapter mainly focused on Entrepreneurship Development – Meaning, Need & Importance of Entrepreneurship
Development, Need for Development of Women Entrepreneur, Women Entrepreneurs-Some Statistics, Factors Responsible for Development of Women Entrepreneurs in India, Problems in Entrepreneurial Development Among Women & Efforts Taken for Development of Women Entrepreneurs in India.

4. **Review of Literature:**
This chapter takes a review of Indian Research Pertaining to Women Entrepreneurship & International Research Pertaining to Women Entrepreneurship.

5. **Business Communities:**
This chapter deals with the historical review of various entrepreneurial communities like Parsi, Sindhi, Bohari, Marwari, Gujarati & non business community like Maharashtrian.

6. **Survey Analysis:**
This chapter presented the analyzed data of survey with the help of tables and graphs. The data is analyzed for Comparison of women entrepreneurs of business community and non-business community & Community wise analysis of performance of women entrepreneurs.

7. **Statistical Analysis:**
The chapter comprises the statistical analysis of data by using two techniques mainly logistic regression and chi-square test for attributes.

8. **Conclusion & Recommendations:**
This chapter mainly focuses on Conclusions, Testing of Hypothesis, Recommendations for Business Community, Recommendations for Non-business Community & Scope for Future Research.