CHAPTER III

Methodology of the Study
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3.1: Introduction

The present chapter describes the study design followed in the present research work. It includes the statement of the problem, issues, objectives, hypotheses, methodology, selection of study area and sampling procedure, period of the study, data analysis, scope and limitation and concept and definitions.

3.2: Statement of the Problem

Women entrepreneurs are an important segment of the total work force in India. Although, Indian society has completed six decades of development planning, little change is found in the status of the women workforce in India. Most of the women, when compared with the men, bear the brunt of poverty and they are very often subjected to different kinds of discrimination and exploitation. They are participating economically productive activities outside the home. The size of the women population and the women workforce in India indicates the potential strength of women in total human resources of the nation.

The women entrepreneurs, particularly the rural one, suffer from social disabilities and there are prone to continuous exploitation. Their living conditions are poor and earnings are low and not sufficient for their subsistence and forced to enter debt trap. Very often the economic enterprises started by women are influenced by the decisions and desires of their family members. If these women
involve themselves in various managerial decisions, it would have a positive
impact on them and their enterprises. Hence, the present study focussed on the
issues of women entrepreneurs in the informal sector and suggested the ways and
means for promote the welfare of the women entrepreneurs in the informal sector.

3.3: Issues Identified

i) Existing socio-economic conditions of women entrepreneurs are not
   conducive for their development;

ii) Supporting factors play a major role in the success of the women
    entrepreneurs in the informal sector;

iii) Women entrepreneurs face a number of problems in their entrepreneurial
    venture in the informal sector and

iv) To compete and prolong their enterprises in the successful way, women
    entrepreneurs need financial and professional skills.

3.4: Objectives of the Study

i) To study the socio-economic status of the women entrepreneurs in the
   informal sector;

ii) To examine factors contribute for the entrepreneurial sustainability of the
    women entrepreneurs in the informal sector;

iii) To analyse the problems of the women on their entrepreneurial activity, and

iv) To suggest ways and means to promote the welfare of the women
    entrepreneurs in the informal sector.
3.5: **Hypotheses** of the Study

i) Educational status influence the entrepreneurial venture of the informal sector women entrepreneurs;

ii) Type and size of the family directly influence the selection of trade of the women entrepreneurs, and

iii) The level of entrepreneurial success is determined by the entrepreneurial competency of the women entrepreneurs in the informal sector.

3.6: Methodology

The present study is a descriptive cum analytical in nature. Descriptive is a type of research where the researcher tries to narrate the actual characteristics of particular phenomena with regard to present context or condition. In this way the present research describes the actual status and issues of informal sector of women entrepreneurs in the study area. Both primary and secondary data were used to analyse their problems, motivational factors and suggestions provided by them. Hypotheses were framed to understand the successive motivational factors of the informal sector women entrepreneurs.

3.7: Area of the Study

Dindigul district has been divided into 14 blocks for administrative purposes. Among the 14 blocks, five blocks were developed and remaining nine blocks were backward. For the study purpose, 50 per cent of the blocks were selected (three developed and four backward blocks). Multi-stage purposive random sampling method was adopted for selection of the blocks in the district.
They are Athoor, Batlagundu, Dindigul, Natham, Nilakottai, Reddiarchatram and Shanarpatti blocks. The selection was made based on the availability of women entrepreneurs involved in different occupations.

3.8: Sampling Procedure

Non-random sampling method was used for selecting respondents from the study area. Hence, it is purposive cum snow-ball sampling technique. The informal sector women entrepreneurs in the study area was unknown due to the nature of business and the women involved in the business are temporary. Further, this business activity is undertaken to earn for their livelihood or to supplement their family income. There is no hard and fast rules in entering the micro business ventures in the informal sector. In this venture anybody can enter at any time and withdraw their business at any point of time. Hence, the researcher has followed purposive cum snow-ball sampling technique for selecting the respondents. Because, there is no data available either with Government or NGO’s on the availability of women entrepreneurs and the definite number of women involved in the business. Therefore, the selection was based on purposive, snow-ball technique and also non-random sampling. The following table shows the proportion of the selected respondents from the blocks.
### Table 3.1

**Sampling Frame**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the Block</th>
<th>Status of the Block</th>
<th>Number of Respondents</th>
<th>Proportion of the Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dindigul</td>
<td>Developed</td>
<td>163</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>Athoor</td>
<td>Developed</td>
<td>146</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Batlagundu</td>
<td>Developed</td>
<td>122</td>
<td>15</td>
</tr>
<tr>
<td>4</td>
<td>Nilakottai</td>
<td>Backward</td>
<td>94</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>Nathani</td>
<td>Backward</td>
<td>92</td>
<td>12</td>
</tr>
<tr>
<td>6</td>
<td>Reddiar chatram</td>
<td>Backward</td>
<td>89</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>Shanarpatti</td>
<td>Backward</td>
<td>84</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>790</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

#### 3.9: Pre-Test

A well structured interview schedule was administered to a sample of 80 (10 per cent samples to represent each block) informal sector women entrepreneurs in Dindigul district. The pre-test helped the researcher to revise and finalise the schedule. This interview schedule has included a number of variables required for this study. The variables are related to the socio-economic status of the informal sector women entrepreneurs, type of activity, problems faced, motivational factors and their suggestions to enhance their entrepreneurial activity. Apart from the interview schedule, the researcher also undertook field observation to understand the working conditions and their livelihood pattern of the informal sector women entrepreneurs in the study area.
3.10: Period of the study

The field investigation and data collection for this present study were carried out from July 2012 to February 2013.

3.11: Data Analysis

For this study, the collected data is presented in tables, figures and charts. The analysis was mainly descriptive in nature. Inferences were made on the basis of data obtained through interview schedule. Garret ranking method was used to find out the importance and the urgency of the problem in the study area.

3.11.1: Garret Ranking Formula

\[ \text{Per cent position} = \frac{100 \ (R_{ij} - 0.50)}{N_j} \]

\( R_{ij} \) = Rank given for the \( i^{th} \) Statement by \( j^{th} \) employee

\( N_j \) = Number of statements ranked by \( j^{th} \) employee

Multiple regression analysis has also been used to identify the factors contributing for the success of informal sector women entrepreneurship in the study area.

3.11.2: Multiple Regression Analysis Formula

The mathematical form of the estimated equation is

\[ y = 16.72 + 0.084^*x_1 + 0.099^*x_2 + 0.432^*x_3 + 0.511^*x_4 + 0.227^*x_5 + 0.175^*x_6 + 0.081^{NS} x_7 \]

Here, \( y \) is dependent variable nature of trade.
3.12: Scope of the study

The present study is focused on informal sector women entrepreneurs in Dindigul district of Tamil Nadu. The data were collected from sample, comprises of various trades and belongs to tiny and home based economic activities. The women participation in the business and service sector is in increasing trend. Due to globalisation process the situation is quiet easier. It provides the ways and means of promoting women entrepreneurship and in turn enhance the process of economic development. This study has enlightened the problems of women entrepreneurs and offered suggestions to help in formulating plans and policies based on the current scenario of women entrepreneurs in the informal sector and to strengthen the existing programmes meant for them in more effective manner.

3.13: Limitations of the Study

As the present study was focused only on informal sector women entrepreneurs, the application of findings are limited to informal sector women entrepreneurial activities in Dindigul district and the results can be generalised to the same kind of geographical location and the character of women entrepreneurs informal sector in other parts of the country. During the course of data collection, the researcher faced lot of difficulties in the field such as failure to share personal details of the respondents, their income and savings. The respondents had constraints in explaining the problems they faced in their trade.
3.14: Organisation of the Report

The research report is presented in seven chapters. The first chapter introduces the concepts and theories, needs, status and government schemes available for women entrepreneurs. The second chapter presents an analytical review of the related studies pertaining to the women entrepreneurs. The third chapter describes methodology of the study. Chapter four presents a detailed profile about the study area and it is classified as district and block level. Fifth chapter pictures out the present status of women entrepreneurs in informal sector. Problems faced by the women entrepreneurs in informal sector is presented in the sixth chapter. Further, testing of hypotheses with multiple regression analysis has been presented in this chapter. The summary, major findings, conclusion and suggestion are presented in the seventh chapter.

3.15: Concepts and Definitions

The major concepts used in this study are presented below.

3.15.1: Informal Sector

According to ILO, the informal sector is characterised with small scale of operation, family ownership, reliance on indigenous resources, labour intensive and adaptive technology, skills acquired outside the formal system and operation in unregulated and competitive markets.

The National commission on Enterprises in Unorganised Sector (NCEUS) defines that the informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sales and production of goods and services operated on a proprietary or partnership basis with less than ten total workers.
3.15.2: Entrepreneurship

According to Schumpeter, “Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who actually carry out innovative functions”.

Entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. It is the act of being an entrepreneur. It a process involving various actions to be undertaken to establish an enterprise.

3.15.3: Rural Entrepreneurship

Rural Entrepreneurship can be defined as an entrepreneurship emerging in rural areas is rural entrepreneurship.

3.15.4: Entrepreneur

An entrepreneur can be defined as one who initiates and establishes an economic activity or enterprise.

According to the report of the 1997 ILO conference on General conditions to stimulate job creation in small and medium-sized enterprises, an entrepreneur is the “One who surveys the potential of his or her business environment, identifies opportunities to improve it, marshals resources and acts to maximise operational opportunities”.

3.15.5: Rural Entrepreneur

Rural entrepreneur is the one, who is involved in production, marketing of any goods renders any services in the rural areas, while does not exceed 10,000 population. The entrepreneur may use power or without power and the fixed capital investment does not exceed a thousand rupees.
3.15.6: Women Entrepreneur

According to Government of India, a women entrepreneur is “an enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving atleast 51 per cent of the employment generated in the enterprise to women”.

3.15.7: Motivation

According to Robert-Dubin Motivation is “something that moves the person to action and continues him in the course of action already initiated”. It be defined as the process that motivates a person into action and induces him to continue the course of action for the achievement of goals.