Chapter - I

INTRODUCTION
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Globalisation has necessitated changes in all economies, whether it is capitalist, socialist or mixed. These economies were experiencing inevitable transition in order to either strategically align with the changes to reap maximum advantage of globalisation or to prevent them from being swept away by rapid changes happening around them. Economic Management had taken a paradigm shift from subsistence-oriented, tightly-integrated and an inward-looking local economy to a surplus-oriented, market-led and outward-looking economy. Sustaining a globally competitive economy is possible only if the local supplier industry is internationally competitive in cost, quality and delivery. So, nurturing a vibrant entrepreneurial resource is considered as a critical factor for the success of globalisation in all countries. It is also essential for poverty alleviation, employment generation, social equity, skill development, and self-sufficiency of any nation.

Indian economy is at the threshold of breaking into the big league of developed economies. The economic liberalisation initiated during the early nineties has started yielding results in many sectors of the economy. It has become vibrant, more or less integrated with the rest of the world and efficient. But only sustained and consistent growth of the economy above 8% annually can enable India to match the economic growth of its neighbour China. For this, India needs entrepreneurs. It needs them for two reasons: to capitalise on new opportunities and to create wealth and new jobs. Traditional large employers in India including the Government and the private sector cannot sustain the previous levels of employment in the future, as they already had re-engineered their processes,
downsized or right-sized their organisations in their quest to attain global competitiveness. 100 million Indians are looking for their first jobs. Since entrepreneurs alone can create these new jobs and opportunities, through policies, planning and focus, India should create such a pool of entrepreneurs.

When one looks into the social aspects of industrialisation, employment generation should be the basic philosophy behind policies in this area in a populous country like India. Acute unemployment can create social tension and breeding ground for extremism. Revitalising traditional industries of the respective areas by infusing current technology and encouraging small-scale industries are the simple answers to the above problems. SSIs and traditional industries are always labour-intensive at low capital cost. The small-scale sector in India is playing a dominant role in the Indian economy. It has a very useful role in commercially exploiting local resources, providing gainful employment, promoting entrepreneurship among technocrats and educated unemployed, increasing supply of consumer goods, improving average incomes and living standards, developing indigenous skills, decentralising industrial activity, reducing regional imbalances and even in boosting the export performance of the nation. Realising these central roles that the sector can play in the economy of the country, the Central and State governments have introduced a lot of schemes for attracting more and more entrepreneurial talents to the small-scale industry.

A nation can develop itself to its full potential, only if it can create a social, cultural, legal and economic environment conducive for all its healthy citizens to contribute their faculties wholeheartedly for gainful purpose. On scientific analysis, the extent of development of a nation depends on the degree of utilisation of its human resources. Most of the under-developed countries continue to remain
as such, as their citizens are deprived of the opportunity to participate in productive activities due to several reasons. Globalisation has forced every nation to focus on comparative advantage, where effective utilisation of available manpower becomes imperative for existence and success. That is the reason for even the very conservative societies in the world to rethink the role of women in economic activities. Everybody knows that without contribution from half of its citizens no country can compete with the comity of developed countries where gender discrimination is minimal. Cultivating the skill for entrepreneurship among women by motivating, training and assisting women towards forming and running independent business ventures could also tackle many of the gender issues.

Business is considered as a male's domain. Women could overcome many barriers in the last century. Along with their role as daughters, wives and mothers many had taken successfully to work, business and industry and exploded many myths in the society. Women entrepreneurs also contribute prominently in their role as employers, suppliers, and competitors to the Indian economy. But the status of research on women entrepreneurship does not keep pace with the extent of influence that their entrepreneurial career has on the economy.

Hisrich and Brush (1986) state that though there has been a significant growth in female self-employment, most of what is known about the characteristics of women entrepreneurs, their motivation, background, families, problems, education and occupational experience is based on the studies of male entrepreneurs. Apart from that, most of the research works on women entrepreneurs have been done on the same premise as that of male entrepreneurs by asking the same kind of questions.
A scanning of the available literature on women entrepreneurship reveals the fact that so far, the majority of the works in this field were directed towards examining the profile, motivation, personality characteristics, psychological characteristics, aspirations and problems of entrepreneurial women. Very limited investigations were conducted into the success aspects of women entrepreneurs. Some efforts were made only to identify the rate of success of women entrepreneurs in different sectors of the small-scale industry. So, the researcher finds ample reasons for doing an in-depth analysis to bring to light the different variables helping and hampering the success of women entrepreneurs in the small-scale industry.

1.1 Statement of the Problem

Kerala is a State with 100% declared literacy, a State which boasts of its creditable achievements in human development index and which actually possesses many critical factors for industrial development such as a large homogeneous consumer market, wide network of roads, rails and waterways, good communication network, a steady inflow of foreign exchange remittance, a very rich tradition of having established trade with different parts of the world, high physical quality of life index, people having very good aptitude and skill adaptability and the like. Still, it is one among the industrially backward States in India.

A State which saw two political dispensations in power alternatively, a State in which the sixth Communist ministry is in power, a State in which all feminist organisations have their playing grounds, has ironically enough, the record of having the maximum number of unemployed educated women also. So, it is natural that all Governmental agencies strive to provide maximum incentives for motivating
entrepreneurial spirit among them. Unavailability of serious studies on the success aspects of women entrepreneurs in Kerala and its importance on guiding future policy directions prompted the researcher to undertake this study on factors influencing the success of women entrepreneurs in Kerala.

1.2 Objectives of the Study

This study was an effort to analyse the factors instrumental for the success of women entrepreneurs. The success of any entrepreneur will be reflected in the performance of her enterprise. The success of firms is influenced by many external factors and factors under the control of the entrepreneurs. Most of the existing studies had tried to study the external factors influencing the success of enterprises. Even in the case of the very few studies focused on entrepreneurs, the relative success of entrepreneurs has been compared without isolating the impact of the external environment. But a serious study about the success of entrepreneurs should be done only by controlling the effect of the external environment. In such a situation, the relative success of firms can be viewed as an outcome of the entrepreneurial competences and managerial skills of the individual entrepreneurs.

Thus this study was conducted with the objectives of:

i. Analysing the relative success of women entrepreneurs

ii. Studying the factors influencing the success of women entrepreneurs

iii. Profiling successful women entrepreneurs

iv. Making constructive suggestions for increasing the success rate of women entrepreneurs.
1.3 Scope of the Study

Results of this study will help to gain useful insight for motivating women to take up entrepreneurship on a larger scale and also in planning programmes for further development of women entrepreneurs in the State. The identified factors having an impact on new firm's success will aid the new entrepreneurs in their entrepreneurial decision-making process and in improving their probability of success. The result of this study can provide valuable guidelines to the policy makers, State Planning Board, Entrepreneurship Development Agencies and industrial financing agencies to review the support system for promoting and developing entrepreneurship among women. It is success that further triggers renewed interest among others to venture into the field. Thus, this study contributes to identifying successful women entrepreneurs and presenting their details to the world. However, the scope of coverage of the study was confined to the small-scale industrial units registered in Kerala during 1999.

1.4 Research Methodology

Descriptive research design has been used in carrying out the present study.

1.4.1 Data Source

Primary and secondary data were necessary for addressing the information requirements of the present study. The preliminary study and extensive literature review necessitated large volumes of secondary data from different available sources like books, journals, magazines and articles in dailies. The investigator visited many colleges, many university libraries, different national level institutes for entrepreneurship development and training like EDII, Ahmedabad and NISIJET, Hyderabad. The scope of World Wide Web for collecting data has been exploited
well. Secondary data regarding SSI units registered in Kerala during 1999 were obtained from the office of the Director of Industries and Commerce, Thiruvananthapuram. Primary data regarding the entrepreneurs of surviving enterprises were collected from the respondents, using a pre-tested interview schedule.

1.4.2 Research Approach

Survey research using an interview schedule was adopted in this study, as facts need to be collected directly from the population under study. Self-reported facts are more relevant than corroborated evidence.

1.4.3 Research Instrument

A schedule of interview was prepared with the objective of collecting all relevant information required for achieving the research objectives. Detailed discussions with some of the entrepreneurs covered under this study helped the researcher in selecting the questions to be included in the schedule. The prepared schedule was pre-tested with a small number of respondents before being used for the study purpose.

1.4.4 Population for the Study

The research problem was to study the factors influencing the success of women entrepreneurs in the small-scale industry with special reference to Kerala State. Literature on the success of women entrepreneurs suggested that if a small-scale unit established by a woman continued to exist after five years of its formation, that itself could be considered as evidence of the success of that entrepreneur. Hence, it was decided to select SSI units registered in Kerala during 1999 for this study. Firms established in the same financial year were selected for
the study in order to ensure that the external environment during the start-up of all firms covered in this study was the same. Thus decision regarding type of business, selection of products, size of investment, location of business, technology selected and the like, which normally influences the success of the firm falls on the entrepreneur herself.

It was decided to go for complete enumeration of surviving successful firms for the present study. Since covering all parts of the State was too exhaustive, the researcher selected only six districts of the State for the study. Two districts each from the southern, central and northern parts of the State, namely Thiruvananthapuram, Kollam, Kottayam, Ernakulam, Malappuram and Kozhikkode were selected for the study. Care was taken to avoid ghost entrepreneurs, fake entrepreneurs and surrogate entrepreneurs as reported by S.Ganesan \(^2\) (2003), from the purview of the population under study.

1.4.5 Contact Method

The collection of data about the surviving SSI units was started at the end of the financial year 2004. The data collection was organised in two stages. During the first stage, reply- paid letters were sent to all women-owned SSI units by registered post during the year 1999 in the six selected districts. In cases where no reply was received regarding continuation or discontinuation of businesses, efforts were made to trace them out, through telephone or direct enquiry at the given addresses. After collecting records about the surviving firms in the six districts, as the second stage, the entrepreneurs were approached directly with the interview schedule for eliciting responses from them.
1.4.6 Analysis of Data

The primary data collected from women entrepreneurs using the interview schedule were analysed and interpreted for the purpose of arriving at conclusions. Appropriate mathematical and statistical tools were used for the purpose with the help of statistical package for social sciences.

1.5 Limitations of the Study

A large number of fake, ghost and surrogate entrepreneurs posed a big challenge to conduct a serious study among women entrepreneurs in the SSI sector. Though utmost care was taken to eliminate such units from the population frame, the researcher could not completely rule out chances of such units being included in the population. Though the study was conducted among the SSI units as per the official registration data, by the nature of operation, investment level and volume of operation, a considerable portion of units covered under the study was actually micro enterprises. A considerable number of unregistered women-owned firms exist without SSI registration and such units were not covered in this study.

Entrepreneurs in the SSI sector are not in the habit of keeping proper records or accounts. Most of the data received from the entrepreneurs were taken from their memory. There was no material information available to cross-check the authenticity of the information received from these entrepreneurs. The success criteria were defined in broad terms, as no universally adoptable validated theory exists to provide guidelines in this regard, which suit Indian conditions. Though the researcher had revealed his identity and told them about the academic purpose, for which their responses had been taken, most of the women covered under the study were of the impression that somehow or other the details provided by them would reach the
Government or banking circles and hence respondents' bias would definitely have influenced the result of this study.

1.6 Organisation of the Report

The research report is presented in seven chapters. Chapter I introduces the study and presents the statement of the problem, objectives of the study, the research methodology, limitations of the study and the scheme of the report. Chapter II includes a review of literature on women entrepreneurship related to the present study. It presents the status of research in the field abroad, in India and a specific reference to Kerala in particular. Chapter-III examines a brief conceptual framework on entrepreneurship and discusses the status of entrepreneurship, particularly women entrepreneurship in Indian small-scale industrial sector. Chapter IV discusses the relative success of women entrepreneurs in Kerala. Chapter V identifies the factors influencing the success of women entrepreneurs in the State. Chapter VI presents the profile of successful women entrepreneurs and Chapter VII presents a summary of the findings, major observations and a set of recommendations on how to promote and strengthen the potential of women entrepreneurs in Kerala.

References
