CHAPTER II

REVIEW OF LITERATURE

Several researches have been made by various scholars on women entrepreneurship. The research studies on women entrepreneurship focus on the various aspects namely, the influencing factors of entrepreneurship, the personal and social factors of entrepreneurs, entrepreneurial qualities, type of organizations, inadequate working capital, training given to the entrepreneurs, management of enterprise, economic independence, problems faced by the women entrepreneurs and the suggestions to overcome difficulties.

Political systems and the overall conducive industrial policies have an impact on entrepreneurship\(^1\). Conducive economic climate like high demand for product, market opportunities, availability of technical know-how\(^2\)


quality service available in industrial research etc., and exposure to new ideas and opportunities facilitate entrepreneurship.

Generally the personality traits such as achievement motivation, risk taking, sense of efficacy, need for independence and recognition etc., are some of the potential factors for entrepreneurship. Entrepreneurs are creative, innovative, adaptable and capable of assimilating modern values.

The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. In a survey conducted by Sharma, R.A. (1985) it was found that nearly 85 percent of the female population in the country for one reason or other were not able to participate adequately in the economic


reconstruction of India.\textsuperscript{8} According to a study conducted by the International Labour Organization unemployment among women has been increasing at a much higher rate than among men in developing countries. Factors like unemployment, family situation influence the emergence of entrepreneurship.\textsuperscript{9}

It is inferred from the study that unemployment is one of the compelling factors that has driven most of the women entrepreneurs to industrial ventures. Encouragement by the family and the success stories of other entrepreneurs were the most important factors facilitating entrepreneurship. Another reason for a woman to become an entrepreneur is ambition. The desire to earn money and to engage oneself fully are also the decisive factors. Women need economic independence. Independent economic status is one of the reasons which led women into industry.\textsuperscript{10}

Another study classifies the four factors that contributed women's entry into entrepreneurship as socio-economic and political climate, experience of socialisation, education and work; individual needs of financial and self


\textsuperscript{9} International Labour organization : study - More Hurdle faced by women entrepreneurs, 1988.

\textsuperscript{10} Pillai, N.C., & Anna, V. The Entrepreneurial spirit among women - A study of Kerala, Indian Management, 1990.
fulfillment; and the transitional events of pushes and pulls. In addition, the need for self expression, the flexibility of time to prove one's self are the other influencing factors.

In India women entrepreneurs emerge mostly because of the 'push factors' i.e., responsibility thrust on them. In western societies, women in service tend to become entrepreneurs because of job discrimination, constraints on promotion, sexual harassment at workplace, influence of mentors and mass media communication.

Studies on women entrepreneurs reveal that entrepreneurship is not a special privilege for the educated, for the women with no formal education or training many venture into business and prove to be successful. Other studies have reported that entrepreneurs have high educational

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qualification. Where women are already burdened with many social pressures, education is a powerful tool in breaking down the barriers to successful entrepreneurship. Family background is essential for starting the enterprise and the family support is found to be facilitating the entrepreneurial success.

Entrepreneurial qualities are the influencing factors for the emergence of entrepreneurship. The study of K.L. Pandit (1990) shows that the lack of entrepreneurial qualities victimises the educated unemployed or employed women.

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Age does not have a direct bearing on entrepreneurship, but yet mostly middle aged and young women become entrepreneurs, because the concept itself is a recent phenomenon. Women entrepreneurs are generally found to hail from middle class.\textsuperscript{19}

Studies on women entrepreneurs have found them to be hardworking, dependent, determined and self-confident.\textsuperscript{20} They are committed to a career satisfaction which transcends other aspects of their lives.\textsuperscript{21}

Various research studies focus on the problems faced by women entrepreneurs and the suggestions to overcome the obstacles.

The study of D. Narendra Kumar and D. Himachalam\textsuperscript{22} (1991) points out the problems like stiff competition, low ability to bear economic risk, social risk, technical and environmental risk and late commencement of women entrepreneurship in the country.


\textsuperscript{21} Ibid

\textsuperscript{22} Narendra Kumar, D. Himachalam, D. Women Entrepreneurship in India, Problems and Prospects, Monthly Commentary on Indian Economic Condition, 1991.
The following suggestions are given by the authors to overcome the difficulties:

1. Women should be encouraged and supported by the male population and family members in establishing business units.
2. Young and educated women should come forward to enter the field of entrepreneurship.

There are other problems, which are identified by V.N. Pujar are:

1. No need for achievement
2. No risk bearing capacity
3. Lack of education
4. Family involvement
5. Lack of information and experience.\(^ \text{23}\)

To widen and strengthen the base of women entrepreneurship a study has been made by Jyotsna Sethi (1994). The study observes the following problems, rooted in Indian customs and traditions, which prevent women from obtaining formal credit. They are:

1. Property in male names
2. Segregation of sexes
3. Lack of education and experience
4. Lack of information.

This study further purports a three-pronged programme of activity which may prove meaningful. They are:

1. Stipulatory activity
2. Supportive activity
3. Sustaining activity.\(^ \text{24}\)

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Authors like S.L. Kirloskar\textsuperscript{25} (1988), Hari Narayana Rao\textsuperscript{26} (1991), Narendra Kumar (1991) and Vijayalakshmi\textsuperscript{27} (1992) give the following suggestions to overcome the problems of entrepreneurs.

1. At the school level itself entrepreneurial development courses may be conducted and this may be further reinforced at the college level.

2. No age limit should be fixed by any institution for training women to become entrepreneurs.

3. Publicity regarding various on-going rural development programmes for women must be undertaken at regular intervals in remote and backward areas.

4. The assistance of voluntary organisations is vital in creating entrepreneurial awareness, motivation, identification, training, selection of schemes and regular monitoring of the units.

Every entrepreneur wants to become successful. To become successful the research of T.P.J. Bharathi (1991) suggests steps to overcome


\textsuperscript{26} Hari Narayana Rao, Promotion of Women Entrepreneurship - A Brief Comment - SEDME, 1991.

the difficulties to the would-be-women entrepreneurs. The list includes the following.\(^{28}\)

1. The first and foremost thing for a woman entrepreneur is that she must be bold enough to shake the reserve role.

2. She needs a training at least for ten days in the lines of production.

3. She has to realise that her responsibility is two fold-household and project management.

The following suggestions are given by Shibani Sen (1992). The author suggests that the small entrepreneurs in general and women entrepreneurs in particular, especially in rural areas, are denied need-based finance for reasons of inadequate security to satisfy the financial institutions. It is, therefore, suggested that the quantum of credit be raised, suitably matching the need-based requirements of the potentially promising women entrepreneurs.\(^{29}\)

According to Hisrich and Brush (1983) female entrepreneurs tend to be highly energetic, goal-oriented, independent, self-confident and


competitive. "Bird's literature review confirmed that women entrepreneurs were concentrated in retail and service sectors and concluded that such individual differences appeared to influence the entrepreneurs choice of business, the size and success of the venture. She also quoted Birlely's study which revealed that women pay more attention to employees among other factors". According to Ho and Koh (1992) "female entrepreneurs are usually not sole bread winners of their families, they have less financial anxiety and are more flexible in their management style. Female entrepreneurs are also found to be more tolerant of their subordinates".

Previous research has identified several motivating factors underlying female entrepreneurship. The main one's are: 1. A sense of independence and achievement 2. Job frustration, because they have restricted opportunities for advancement and high performance, and 3. Interest and recognition.

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33 Carsrud and Olm cited by chye Tee Goh et al., - An Analysis of the Demographic Differences Between Male and Female Entrepreneurs in Singapore, ENDEC, 1995.
Studies in the United States show growth in small businesses by women, who were mostly single and determined to succeed against all odds.\textsuperscript{34} They were usually more flexible, adaptable and realistic, with low start-up costs.\textsuperscript{35}

A study released by the National Foundation for Woman Business owners in the United States concluded that men make quick decisions and put some distance with their employees, while women succeed with creating a family-like atmosphere in their companies.\textsuperscript{36}

In Singapore, the Nanyang Technological University's School of Accountancy conducted a study and published a book- 'Women Entrepreneurs in South-East Asia'. It reveals that women entrepreneurs were likely to be better educated than men, started in their late thirties and were motivated due to a desire to be independent. It also found that women wanted to have a sense of achievement versus men who were spurred to make money.\textsuperscript{37}

\textsuperscript{34} Voss, Bristol, Against all odds: Women in Business - Sales and Marketing Management, 1992.

\textsuperscript{35} Dolinsky - The effects of education on Business ownership: A longitudinal study of women, Entrepreneurship, Theory and Practice Baylor University, 1993.

\textsuperscript{36} Associated Press, Men Tend To Be More Distant with Employees than women - The straits Times, 1994.

\textsuperscript{37} Lam, Gennay, Woman who are their bosses, The Straits Times, 1993.
Female entrepreneurs are also likely to be brought up in a child-centered environment with parents who are supportive and who encourage independence, achievement and responsibility. This research reveals that female entrepreneurs tend to start their business as in their late thirties.\(^3\)

The research conducted in Malaysia by Abdul Rasheed (1992) revealed that human relations was a key issue of management concern to successful women entrepreneurs who set up their businesses due to the strength of their dedication and commitment.\(^4\)

Massey (1989) found that no statistical significant difference between responses from university entrepreneurship educators and experts in small business management, with regard to the importance for male/female competencies in entrepreneurial success.\(^5\) A study in India by Naik et al. (1990) on the factors impacting entrepreneurship development in technical business found that people were more inclined to start New Technology Based Firms due to training and exposure to instruments in laboratories and

\(^3\) Hisrich & Brush cited chye Tec Goh an analysis of the Demographic Differences between Male and Female Entrepreneurs in Singapore - ENDEC, Nanyang: 1996.


workshops. It suggested that technical start-ups were linked to the education of entrepreneurs.

A study conducted by the Management Development Institute in collaboration with the National Institute of Entrepreneurship and small business development has pointed out that a majority of women have a strong desire and ambition to venture into business. A pilot study conducted on women entrepreneurs in Delhi indicates that women have displayed confidence in starting manufacturing enterprise to service industry and trade. The study also shows that the women entrepreneurs are as scientific as their male counterparts in product selection.

Some recent research studies (1990) indicate that several women are willing to become entrepreneurs due to various factors. They choose entrepreneurship as a challenge and adventure with an urge to do something new and to have an independent occupation.

Studies on women entrepreneurs with reference to personality, achievement motivation, cognitive abilities potential women entrepreneurs

\[\text{Reif, W.E. et al., Exploding some myths about women managers, california: Management Review, Summer, 1975.} \]
\[\text{* Malada, M. Quoted in Parents Role in Entrepreneurship by unifin courtesy: Laghu udyog samachar, 1985.} \]
\[\text{** Archana, T.V and Rehna, G. Achievement Motivation and job satisfactions; Productivity, 1985.} \]
have been able to highlight their characteristics. It has also been stated that women do not differ in terms of their profile. Owing to the lack of clear understanding of women entrepreneurs on the part of the promotors, policy makers one who does not find a very conducive entrepreneurial climate for women in India.

Lichter's study helps to explain why rural women may be more attracted to small business ownership than their urban counterparts, but it also suggests that the rural women are likely to face significant barriers to their success as entrepreneurs.

Of particular concern is the social division of labour and gender differences in labour-force participation and earnings.

A study undertaken in Ahamadabad reveals that the women entrepreneurs are supported by their family members. All of them still hold traditional values regarding the role of males and females in the family. The

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same study reveals that there were women who lack confidence in themselves and society lacks confidence in them because of the social stigmas.

The study of Mrs. K. Indira (1990) reveals that women engaged in any business activity, set up primary through her own individual efforts for monetary benefit.47

Kumari Hina Shah (1990), Director, International Centre for Entrepreneurship and Career Development Ahamadabad has been training and developing women entrepreneurs. She reports that women have selected products in electronics, plastics, food and allied products, etc.48

Given varying attitudes towards entrepreneurship education, one view is that entrepreneurs are born not made. "An alternative view considers that entrepreneurship quality can be developed in individual by systematic training."


Already McClelland (1965) had argued that the basic personality characteristics associated with entrepreneurship could be influenced by education.\(^{49}\)

According to Chang and Lee (1991) education and training play major important roles in the development of an entrepreneur.

The types of education which the individual has received and the training which was given to him will form an important base for the success of the entrepreneur, says, W. Bhave (1996). He adds that the important qualities such as, hard work, dynamism, leadership, optimism, ambition, accuracy and dependendability are necessary for the success of the entrepreneur. So the entrepreneurial programmes should be designed in such a way that these different skills are to be included in that programme.\(^{50}\)

According to Time Magazine (1988) ten years ago, women in America ventured into areas such as food and fashion. Now they have entered into traditional male domains such as construction, mining and industrial products. Many of them run million dollar companies.\(^{51}\)

\(^{49}\) McClelland, D.C: Achievement Motivation can be developed, Harward Business Review, 1965.

\(^{50}\) Subash W. Bhave - Entrepreneurship Education and Training - ENDEC, 1996.

The study of Lessinger J (1992) reveals that the most helpless women-widows, divorcees or the elderly, with the least access to the help of male relatives - have the least hope of gaining an independent livelihood from trade.\(^5\)

A women's whole socialization process makes her fearful or failure, doubtful of success, and reluctant to take risks.

Santamaria (1985) explained that social problems may be self imposed or imposed by the environment. She stated that the attitudes and motivations underlying the career aspirations, plans and decision making of women are the products of social norms and socialization process. Therefore, faulty social learning tends to nurture in rural women a personality type which is not suitable for entrepreneurship.\(^3\)

Officials usually do not have a positive attitude about projects started by women. Studies conducted in abroad by James and Paul, Eric and Bary and Robert and Marie also revealed similar findings.\(^4\)

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The economic status of women plays a key role in determining their social status as well as their psychological relationship with others. A study by Mies Maria on women's sangham of CROSS (Comprehensive Rural Operations Service Society) in Bhongir (Andra Pradesh) revealed that women first need economic independence and only subsequently think of emancipation. The women from Bhongir have shown that their struggle for better economic conditions is linked in separably to their human dignity and self respect.\(^\text{55}\)

Psychological studies reveal that women take much more time in decision making. Since women are sentimental and guided by emotions rather than calculation. They cannot take quick and firm decisions which is very much needed in business ventures. Moreover, they are not very independent, therefore in decision-making they are very much guided by others. This is also seen that women are not very aggressive, hence lack emotional stability in dealing the business issues.\(^\text{56}\)

Mohiuddin says all throughout her life-time she has led a protected life dominated by the family members i.e., at no time has she faced


the risk of life all alone. Therefore she has no confidence to bear the risk all alone.\textsuperscript{57}

The study of Pareek U. Nadkarni, M., reveals that need for achievement, independence and autonomy are the basic ingredients required in a successful entrepreneur but these basic requirements are absent or found in negligible quantities in a woman in India.\textsuperscript{58}

According to V.R. Gaikward and R.N. Tripathy, bold dashing and pragmatic personality managerial competence, high motivation dominant socio-economic power enjoyed by the family and contracts at higher social and governmental level lead to entrepreneurial development.\textsuperscript{59}

Anima Sen's findings reveal that women entrepreneurs are more organised, imaginative, cheerful, self assertive, decisive ambitions, socially conscious, mature and integrated when compared to the non women entrepreneurs. They are more intelligent. By and large women entrepreneurs


are found to be masculine while the women non-entrepreneurs are rather feminie in terms of sex-role orientation.\textsuperscript{60}

Most of the studies reflect equal reasons for starting a business or industry (e.g. opportunity triggered, economic need based, situational conditions), family influence as a significant factor in taking the decision, moderate risk, taking etc. But there are also women who felt they did sacrifice their femininity in establishing their businesses.\textsuperscript{61}

An analysis of the decision-making practices at enterprise reveals that women play a major role in designing operation, campaigning and production. However they get the help from their husbands in marketing their products.\textsuperscript{62}

Goffee and Scase (1985) identified a “typology of female entrepreneurs, based an two factors. First, their relative attachment to conventional entrepreneurial ideals in the form of individualism and self-


\textsuperscript{61} Robidoux, J: Entrepreneurial characteristics of women, in Entrepreneurship and enterprise development: a worldwide perspective, 1975, cited in El-Namaki, M.S.S. Could women Be Equally Entrepreneurial?

reliance. Second, the willingness of the female entrepreneur to accept conventional gender roles, often subordinate to men.

A similar profile of the female entrepreneur was described by Cromie and Hayes (1988). The typology consisted of four types of women: Conventional entrepreneurs, committed to both entrepreneurial ideals and conventional gender roles; innovative entrepreneurs, who held a strong belief in entrepreneurial ideals but had a relatively low attachment to conventional gender roles; domestic entrepreneurs, who believed in conventional female roles and held low attachment to entrepreneurial ideals; and finally, radical entrepreneurs who held low attachment to both, often organizing their businesses on a political collectivist basis.63

According to I.G. Patel, women also have to be profitably employed is not merely an economic necessity, it is a social necessity. He adds that credit is necessary but it is never enough. It is never enough in the sense that there are people who do not have the knowledge of markets, who do not understand the modern world, whose technology is stunted, whose knowledge

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of even ordinary account-keeping is poor. Somebody has to goad them into doing the right thing.\textsuperscript{64}

Clutterbuck and Devine in 1987 found that the growth of women entrepreneurs is six times that of men and their survival rate is equal.

Clutterbuck and Devine in 1987 and Lessen in 1986 have come to a conclusion that most women start business with no real experience behind them.\textsuperscript{65}

In 1986, Radha chaganti compared the fit of the seven strategic elements of enterprise as management. Shared values strategies, structures, systems, staff, skills and styles and found that it was in the style of management in particular that women differed from the males.\textsuperscript{66}

Narayana Reddy states that the women entrepreneurs feel frustrated at times because they need to spare their energy both towards their business as well as domestic affairs. At times they may not be able to attend to

\textsuperscript{64} Patel, LG - Promotion of credit to Women Entrepreneurs - (ed) kalbagh chetena, women in business and profession, New Delhi, Discovery Publication House, 1992.


\textsuperscript{66} Ibid.
both the duties because of which they are dissatisfied about the progress of their ventures.  

Compared to rural women urban workers generally need to spend less time and energy in fulfilling their basic needs. So urban women potentially have more time for productive activities.

Kannan Nair says that the women entrepreneurs of the urban areas can undertake almost all business and industrial activities. Small scale industries are mostly suitable for urban and semi-urban areas where supply of raw materials for these industries and market for their products are available.

International Labour Organization publication clearly states that the small scale sector plays an important role in mitigating the trend of labour migration from rural to urban areas and The Increasing Unrest and congestion in most urban centres of developing countries. Promotion of very small

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enterprise sector would play an important role in meeting out socio-economic development.\textsuperscript{70}

According to Savitri Ramamurthy, women entrepreneurs prefer manufacturing enterprise as compared to service industry and trade. This disproves the general impression that women entrepreneurs prefer soft trades like Beauty culture. Once a decision to go in for business is taken, the guiding goal is success and in this respect, women entrepreneurs are found to be no exception.\textsuperscript{71}

In Nigeria women have more difficulty than men travelling and handling financial arrangement, because of earlier deficits in education.\textsuperscript{72}

