CHAPTER-II
REVIEW OF LITERATURE

A brief of literature would be of immense help to the researcher in gaining insight into the settled problem. The researcher would gain good background knowledge of the problem by reviewing certain studies. A reference of these earlier studies will be relevant in the context of shaping the present study.

2.1 STUDIES ON ENTREPRENEURSHIP

James T.McCrory (1956)\(^1\) in his case studies in Latent Industrial Potential Small Scale Industry in a North Indian Town observed the dreams of the entrepreneurs appeared to be not to “get rich” but to “get big”.

According to Hoselitz (1960)\(^2\), managerial skills and leadership are the most important facets of entrepreneurship. Financial skills are only of secondary importance. He maintains that a person who is to become an industrial entrepreneur must have more than the drive to earn profits and a mass wealth. He must have the ability to lead and manage. He identifies three types of business leadership namely merchant money lenders, managers and entrepreneurs.

According to G.F.Papanek (1962) and J.R.Harris\(^3\), economic incentives are the main drive for the entrepreneurial activities. In some cases, it is not so

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\(^1\) James T.McCrory (1956): Case studies in Latent Industrial Potential Small Scale Industry in a North Indian Town, Ministry of Commerce, Government of India, New Delhi, 1956, Page 8

\(^2\) B.F. Hoselitz(1960), “Sociological aspects of economic growth”, Vakil Feffer and Simmons, Bombay 1960, Pages64-65


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evident, but the person’s inner drives have always been associated with economic gains. Therefore, these incentives and gains are regarded as the sufficient condition for the emergence of industrial entrepreneurship.

**Hagen (1962)**, in his book *On the Theory of Social Change*, has stated that economic development is a process of technological change which is brought about by the technological creativity of individuals in a society. He postulates that a sequence of changes that causes the emergence of creative entrepreneurial activity from a typical authoritarian personality of a stable traditional society. He believes that a key factor to economic development is the presence of 'creative' personalities, individuals who are willing and have the capacity to bring about technological changes.

**Cochran (1965)** has tried to characterize an entrepreneur as a model personality in society. He represents certain ascertainable levels of education, social status and types of cultural conditioning that produce roughly a definable model personality. According to him, an individual's performance as a businessman is influenced by three factors, *(i)* his own attitude towards occupation, *(ii)* the role expectations held by sanctioning groups, and *(iii)* the operational requirements of the job. Society's values are the most important determinants of these factors.

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Liebenstein (1968)\(^6\) identified two broad types of entrepreneurship. The routine entrepreneurship is associated with the managerial function of their business whereas the new entrepreneurship is innovative in nature. The most significant feature of the entrepreneurship is gap filling. It is the job of the entrepreneur to fill the gap or make up the deficiencies which always exist in the knowledge about the production function. These gaps or deficiencies arise because all the inputs in the production function cannot be marketed. Some inputs like motivation and leadership are vague and their output is indeterminate. An entrepreneur has to marshal all the inputs to realize final products. The supply of entrepreneurship is governed by inputs completing capacity and inadequate motivational state.

Kilby (1969)\(^7\) maintained that socio-cultural factors impeded the development of entrepreneurial characteristics in Lagos. L.E. Grayson concluded from his research that these being potent and latent entrepreneurial capabilities, as in India, Pakistan, Kenya and Nigeria, entrepreneurial class can be 'forcibly' created by exogenous circumstances. Development of contacts, breaking away from the vicious circle of isolation and widening the horizon of experience can foster entrepreneurship in African countries.

In his theory of entrepreneurial supply, Kunkel (1970)\(^8\) argues that marginality does not generate entrepreneurship and there must be some additional factors at work. Entrepreneurs are not equally distributed in the population.

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\(^7\) Kilby, Peter (1969), *Industrialization in an Open Economy*, Nigeria, University Press, Cambridge, Ch. 10, Section IV.

Minorities have provided most of the entrepreneurial talent. But all the minorities are not important sources of entrepreneurship. The supply of entrepreneurship depends upon four structures found in the society namely limitation structure, demand structure, opportunity structure and labour structure.

In a study of entrepreneurship in the Tamilnadu state of India by James J.Berna (1970)\textsuperscript{9}, the following qualities of a good entrepreneur were stressed; “energetic, resourceful, alert to new opportunities, interested in advancing technology, expanding the scale of operations and reinvest earnings to this end”.

Young (1971)\textsuperscript{10} conducted the Thematical Appreciation Test (TAT) on a group of entrepreneurs. The test revealed the tendency to describe the situation as a problem to be solved, an awareness of pragmatic effort required, and confidence in their own ability to solve the problem and the tendency to take the viewpoint of each individual in turn and analyses the situation as he might see it before suggesting an outcome.

In his study, *Micro Sociological Interpretation of Entrepreneurship* concluded that entrepreneurial activity is generated by particular family traits, backgrounds and experiences and as a member of certain ethnic groups that reflected their general cultural values in the professions they choose. These personality characteristics are the forceful reflections of these antecedent conditions and these constitute an independent factor, which mediates structural factors and consequent economic growth.


\textsuperscript{10} F.W. Young (1971)” A Micro sociological interpretation of entrepreneurship” in peter kilby. Entrepreneurship and economic development, the free press, New York, 1971, ,Pages 147
M.Kirzner (1973) revealed, when an individual recognizes that the market for the product or service is out of equilibrium, he may purchase or produce the prevailing price and sell to those who are prepared to buy at the highest price.

Stokes (1974) suggests that personal and societal opportunity and the presence of the requisite psychological distributions may be seen as conditions for an individual’s movement into industrial entrepreneurship.

Zaleznik (1975) and his colleagues viewed the entrepreneur as a person deeply influenced by a turbulent and disrupted childhood. He was motivated by persistent feelings of dissatisfaction rejection and powerlessness, stemming from conflicted relations with parents. Need for relief from these painful conflicts may lead to self-destructive or creative and innovative efforts like developing a new enterprise.

The study conducted by Sharma (1975) brought to light the lack of response of entrepreneurs to the facilities, the ineffectiveness of the institutions providing the facilities and the inefficiency of the personnel employed therein. In the caste-based distribution of the sample, 57% of the entrepreneurs consisted of Vaishyas, followed by 24% Khatries, 5% Brahmins, and 2% Kayasthas and 1% Thakurs. The religious break-up of the sample reveals that the Hindus constituted

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81%, Jains 8%, Sikhs 7% and Muslims 4%. The study concluded that there is severe lack of response of entrepreneurs to the facilities made available by the Government.

The study conducted by P. Babu (1978)\textsuperscript{15} was an attempt to find out the sociological factors that contribute to the development of small entrepreneurs. The study showed that community and family background contributed to the success of prospective entrepreneurs, formal education has not been a positive factor in entrepreneurship development, providing infrastructure facilities alone will not promote entrepreneurship development and the Association of Small Scale Industries has play an important role in identification and development of entrepreneurs, a strong policy to support the entrepreneurs is called upon, as the economy demands the growth of women entrepreneurs, the education and other factors like the background for entrepreneurship is not a criteria for entrepreneurial growth, risk bearing attitude and innovation prove to be more encouraging towards growth.

Venkatapathy (1980)\textsuperscript{16} studied the psychological characteristics of entrepreneurs of hosiery units of Tripura and Coimbatore in Tamil Nadu. A purposive sample was used for drawing 60 entrepreneurs running hosiery units from the official list of South Indian Hosiery Manufacturers’ Association.

The researcher found that the entrepreneurs in general are less psychotic and fatigable than non-entrepreneurs and it was concluded that entrepreneurs in general distinguish themselves from non-entrepreneurs only with regard to certain

\textsuperscript{15} P Babu (1978) A study on sociological characteristics of small scale industrialist.

specific personality traits and motivational characteristics, while an all-round, generalized personality and motivation theories could not be readily applied to interpret entrepreneurial behavior.

In his pioneering study, **R.A.Sharma (1980)** classified the factors which prompted the new entrepreneurs to enter industry. They are internal factors namely strong desire, technical knowledge, business experience and external factors such as financial assistance, accommodation in industrial estates, machinery, government attitude, heavy demand, profit margin and unsound units available at a cheap price.

**Mashiuddin (1980)** paired personality differences between successful and unsuccessful entrepreneurs. For the study, the researcher selected a set of 100 entrepreneurs; out of which 30 successful, 40 moderate and 30 unsuccessful entrepreneurs. The entrepreneurs of the closed or locked units and also those entrepreneurs running their units on day-to-day job work or temporary labor were considered as failed or unsuccessful. Those entrepreneurs who were regularly paying bank loan were considered successful.

The researcher further found that most of the successful entrepreneurs are relatively sociable or outgoing, emotionally stable and assertive. The unsuccessful entrepreneurs on the other hand were found to be more reserved, emotionally unstable or affected by feelings and hurts.

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Deshpande (1981) in his study, *Entrepreneurial Development in Marathwada*, have observed that backwardness of the Marathwada was mainly due to the absence of the right type of entrepreneurs in the region. The objectives of his study were to: trace the socio-economic origin of entrepreneurs; entrepreneurial role; the different stages of development of an industrial unit and locate the exact problem of small entrepreneurs at the various stages. The study suggested guidelines for the healthy growth of the small industrial units in an underdeveloped region.

Upadhye’s (1983) research topic was: “A Study in Development of Entrepreneurship in Small Scale Sector in Pune City”. Out of the sample size of 90 small scale units studied, 10 were successful, 65 were marginally successful and 15 were unsuccessful. It is remarkable that some of the successful industries in the small scale sector are well developed because of the incentives offered by the development agencies of the Government of India and Maharashtra state. It was observed that the average age of entrepreneurs was between 32 and 33.

Venkatapathy (1983) studied the characteristics of the first and second generation entrepreneurs. He selected 75 first generation entrepreneurs and 58 second-generation entrepreneurs from Coimbatore district in Tamil Nadu.

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On the basis of his study, he drew up the following profile of the first and second-generation entrepreneurs.

(a) The first-generation entrepreneurs belong mostly to the age group of 31-40 years, while the second-generation entrepreneurs come from the age group of 26-30 years.

(b) First generation perceives father as a loving person and the second generation perceives father as a dominating person.

(c) First generation wants to be trend setters and model to others; the second generation generally prefers to enjoy the fruits of their predecessor.

The study was conducted on 334 entrepreneurs in two coastal towns of Analapalle and Gudivada of Andhra Pradesh by R.A.Sharma (1985)\textsuperscript{22} which revealed that, more than 90 percent of entrepreneurs at both the towns were Hindus. It also stated that about 84 percent of entrepreneurs operated from the local area. The ambitions of continuing family business and securing self employment emerged as the most significant motivating factors. Making money and gaining social prestige were found to be insignificant.

Bhanushali (1987)\textsuperscript{23} choose as objective of his study the correlation between performances of the entrepreneurs with their antecedents. In his study of 125 small-scale engineering units in Kolhapur district of Maharashtra, the researcher found that persons hailing from the minority communities or marginal

\textsuperscript{22} R.A.Sharma (1985) "Entrepreneurial performance in Indian industry" Inter India Publications, New Delhi. 1985, Pages 19-36

groups are trained in the art of engineering have higher capabilities to achieve better success rate. These conclusions suggest that environmental and physical improvements would not only augment the supply of entrepreneurial talent but also improve the chances of their success.

From a case study undertaken by Wim Vizverberg (1988)\textsuperscript{24} in the rural areas of Coted' Ivoire among self employed small scale enterprises observed that self employment is an important mode of activity and a significant portion of the labour force in rural areas makes a living through self employment. The study reveals that the motive behind the starting of a majority of such enterprises is not entrepreneurial but because the market wage offer is low or the chance of receiving, a wage job is remote.

Nafziger (1988)\textsuperscript{25} study investigated the motivating factors in the context of entrepreneurship development and the impact of education on entrepreneurship development in a society. The study reveals that for younger individuals formal education and working experience are some extend alternatives for acquiring entrepreneurial skills. Insufficient capital to start up a business is the most important economic barriers to small enterprise development. The switches from wage employment to self-employment are more likely if the individual has more assets at his disposal.


According to Annie Phizakka (1988)\textsuperscript{26} Entrepreneurship can be seen as a form of disguised unemployment. It was pointed out that self-employment is not necessarily synonymous with entrepreneurship. In many self-employment units the 'boss' manages and controls the affairs with no paid employees, very often, family members constitute the work force, without having the status of an employer.

Sadhak (1989)\textsuperscript{27} found that monetary consideration was the most important motivating factor. Traders and salaried employees were mainly motivated by Entrepreneurial income. Independent job was the main inspiration for salaried employees who were not satisfied with the work environment, nature of job, management style, etc. self-advancement, social recognition, and responsibility were other motivating factors.

N. Gangadhar Rao (1989)\textsuperscript{28} conducted a study of 87 entrepreneurs operating in 13 industrial estates of Andhra Pradesh. He found most of the entrepreneurs entered enterprises at the age of 30-40 years.

Taylor and Brooks bank (1995)\textsuperscript{29} examined the marketing practices among small New Zealand organizations by taking a sample of 427 small business owners. Findings revealed that the small business firm looks the marketing practices differently from their larger counterparts.


\textsuperscript{27} K.Sadhak (1989), “The Role of Entrepreneur in backward area”, Daya publishing House, Delhi, 1989, Pages 78-80

\textsuperscript{28} N.Gangadhar Rao(1989)"Entrepreneurship and the growth of enterprise in Industrial estates”, New Delhi,1989

Khairoowala, Siddiqui, and Siddhiqui (2000)\textsuperscript{30} in their study stated that Muslim entrepreneurs emerged from various socio-economic and educational backgrounds. The sample data of 25 Muslim entrepreneurs (hailing from Uttar Pradesh), settled in Sellampur of Delhi area are engaged in various entrepreneurial activities. No specific relation was found between a person's caste and his profession. Majority of the entrepreneurs started their enterprises before the age of 25 years. Many of them worked in similar industries for some time to gain experience and then started their own units. They provided employment to a large number of people in their small units. They faced various infrastructural and marketing problems; however, they did not know how to solve them.

Mambula (2002)\textsuperscript{31} analyzed major constrains faced by SMEs in Nigeria. A sample of 32 small business entrepreneurs was taken. Analysis of data revealed that majority of SMEs face the problem of finance and infrastructure while managing their businesses. The author recommended that small business entrepreneurs should collaborate with each other to sort out the various problems faced by them. There is a need to form alliance of Government, Research Institutions and Financial Institutions to create appropriate training for prospective small business.

Dr Sajal Kumar (2011)\textsuperscript{32} and his associates explained in Entrepreneurial marketing: A strategic marketing model to survive in a global economic crisis. The


\textsuperscript{32}Dr. Sajal Kumar Maiti, Mr. Biswajit Bhowmik and Dr. Debashish Sarkar RVIM Journal of Management Research, ISSN 0974-6722 Page 77-93, International Journal of Multidisciplinary Research Vol.1 Issue 7, November 2011, ISSN 2231 5780
women entrepreneurs lack in the skills of marketing their product, and the assistance required for same is inadequate to sustain in this competitive market. The statutory policies are needed to implement the marketing models.

After making different studies on technical and new entrepreneurship, Cooper\textsuperscript{33} concluded that there are three main groups of factors which influence an entrepreneur. These are i) the characteristics of the entrepreneur including many aspects of his background which make him more or less inclined towards entrepreneurship. These might be called internal factors. ii) The organizations for which he has been working earlier which might be termed as the incubator organization iii) a complex of external influences including the availability of venture capital, collective attitudes and perceptions leading to entrepreneurship and the accessibility to suppliers, personnel and markets.

2.2 STUDIES ON WOMEN ENTREPRENEURSHIP

Cole (1959)\textsuperscript{34} in his article Business Enterprise in social setting observed that the important business motivation for women is the need to provide security to the family.

Margaret (1979) and Anne Jardim\textsuperscript{35} conducted the study of women at managerial position by analyzing the life and career history of twenty-five women at the top management position in business and industry. The study reveals that women can build extremely successful management careers even without legal pressures to

\textsuperscript{33} Arnold C.Cooper, “Technical Entrepreneurship- What do we know” in Entrepreneurship and Venture Management, Op.cit; Pages 43-50

\textsuperscript{34} Cole A H(1959),Business Enterprise in social setting, Harvard University press, Cambridge

aid them. The study further reveals the price they paid - their personal lives were mortgaged to pay for their careers. Maintaining work life balance is one of the most important traits for women intrapreneurs as they also have a family to run, kids to be looked after. The concept of intrapreneurs is a part of entrepreneurship as they go hand in hand. Intrapreneurs are the people who do not own the business but run the business for someone with same passion and sincerity.

Mayers (1981)\textsuperscript{36} conducted a research study to analyze the effect of economic pressure on employment of married women. The study reveals those married women with comparatively low economic background and having more financial burdens are coming for wage employment and responsibilities can be encouraged to use their skills by availing the policies of the government. The policies are run through a network of schemes that help them to financially support themselves as well as add up to the economy.

Lehrer Sara (1981)\textsuperscript{37} studied the effects of a women's conference on participants attitude towards women's role in society. It was observed that the conference did not make much effect on changing the attitude of participants towards women's role in the development of society. The perception about women in the past has cajoled them to think in the direction of other people. A woman has realized their own potentials as entrepreneurs but they need the encouragement from the state. The environment for women entrepreneurs to bloom can be created by the government through policies designed for women entrepreneurs.


\textsuperscript{37} Lehrer Sara Key Steinberg (1981) PhD thesis, University of Southern Mississippi
The study was undertaken by Alman Aisha Mohammed (1981) to explore the level of economic development attained by Saudi Arabia from its oil resources and its impact on the socioeconomic status of women. The study showed that the economic contributions of women in the agricultural sector, in animal husbandry and in home were undervalued and their participation rate was very low. The culture in and around women is one of the factors that underrates their hand in prosperity. In countries of the middle east the situation of women has still not changed though there is change in the world sees the women. The governance should realize that the development of women will lead to the development of the state. Women need to come out of their shells and face the challenges of business and economy.

Aruna Shree P Rao (1981) made a study on the level of organizational involvement of women in development projects. The study recommends that project personnel should train participants in the skills necessary for planning and implementing project activities and project should concentrate on activities designed to raise the income of the participants. The needs for competencies for project development are to be horned and the policies of the government help to do the same through various agencies like Mitcon for development of entrepreneurial project ventures.

Azad(1982), opined that the main motivating factors for women entrepreneurs are economic compulsion, the presence of knowledge and skills, need for achievement, inspiration gathered from the success of others and frustration in the present occupation.

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Nadkarni (1982) in her study: “Women Entrepreneurs: A Social and Economic Study with Reference to Pune”, has presented her findings on problems and difficulties faced by women entrepreneurs in different industries. She has divided the industries into two groups: Producer goods industries, and Consumer goods industries.

The following observations are worth mentioning:

(a) 57% of the respondents accept the statement that women are more suitable for desk work than manual work.

(b) A change is occurring in society attitude but the pace of the change is rather slow.

(c) Educated family is more likely to adopt a relatively liberal approach towards women entrepreneurs as compared to non-educated.

Asghari (1983) in his study, “Entrepreneurship Development among women—Retrospect and prospects”, concludes that women take up entrepreneurship to fulfill economic needs like power, achievement and to gain a novel experience.

Surti and Sarupriya (1983) investigated 40 women entrepreneurs with minimum two years experience. They examined the role of stress, the effect of demographic variables such as marital status, type of family on stress and how women entrepreneurs cope with stress. Results indicated that unmarried

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women entrepreneurs experienced less stress and self-role distance than married
women entrepreneurs. Women entrepreneurs from joint families experienced
less stress, probably because they share their problems with other family
members. External focus of control was significantly related to the stress role
and fear of success was related to result-inadequacy and role-inadequacy
dimensions of stress. While many entrepreneurs used intra-persistent coping
styles, such as taking action to solve problems, avoidance was more common
than approach – oriented styles of coping.

Panandikar (1985) in the study regarding the “Problems and Potential”
highlights the problems of women entrepreneurs. She observed that a woman is
recognized as an entrepreneur only when she earns hard cash or has some monetary
gains. The nature of work is about the same in the case of such units as are engaged
in manufacturing of pickles, papads and other snacks. With the spread
particularly of higher education, and the growing awareness of their status,
women are spreading their wings to reach the higher levels of 3-Es (Engineering,
Electronics and Energy). She observed that there are hurdles in general for any
entrepreneur, but for women entrepreneurs the greatest constraint is that they are
‘women’. Another hurdle is marketing the finished products.

Singh and Sengupta (1985) conducted a study on 45 women trainees
who were attending the entrepreneurial development programme to determine
the characteristics of women who were on the threshold of starting their

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December 26, 1985.

Motivation: An Exploratory Study, (Research Report Serial One, NIESBUD, New Delhi)
enterprise, to study the reasons for starting their own business, to identify the motivational factors that lead women to become entrepreneurs, and to establish relationship between their entrepreneurial vision, potentials and policy implication for developing entrepreneurship among women. The study revealed that educationally more qualified women perceived entrepreneurship as a challenge, ambition, and for doing something fruitful, whereas those educationally less qualified entrepreneurs perceived the EDP training as only a tool for earning quick money. The majority of the potential entrepreneurs had clarity about their projects but needed moral support from males and other family members for setting up their enterprise. Women entrepreneurs preferred to combine their need for excellence with emotional dependency. They had an inner uncertainty of their own capabilities and needed a male support to pave their way rather with money, business know how or moral support.

Singh, Sehgal, Tinani and Sengupta (1986) conducted a study on 60 successful women entrepreneurs from in around Delhi revealed that, majority of the women entrepreneurs were married, and in the age group of 26 to 35 years. The reasons for the choice of business are in the order of high demand for product, processing skills, ready market, future prospects and creativity. The reasons for women to become entrepreneurs were to keep busy, to earn money on their own, to pursue hobby as an earning activity, by accident and circumstances beyond control.

Rani (1986)\(^47\) in her study: “Potential Women Entrepreneurs”, found that the desire to do something independently was the prime motivation factor to start a business activity amongst the sample respondents. The total sample size was 30. The respondents were mostly from the twin cities of Hyderabad and Secunderabad. Most of the respondents were in the age group of 21-30 years. The respondents who qualified came from middle class families. The objective of her study was to find out the factors that prompted women to start their own businesses. She came to the following conclusions:

\((a)\) Desire to do something independent was observed as the prime motivating factor which had influenced women irrespective of age in setting up of the unit. Some women viewed entrepreneurship as a tool for earning money.

\((b)\) Education and income factors do not influence women to become entrepreneurs.

\((c)\) Women too are capable and confident of taking independent decisions.

\((d)\) Women do not have any reservation or hesitation in venturing into any sector of industry as entrepreneurs, be it engineering, chemical, electronics or food processing or any other.

Dubhashi (1987)\(^48\) for her study: “Socio Economic Study of Women Entrepreneurship of Delhi”, selected 50 industrial units spread over different kinds

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\(^{48}\) Vinze, Megha Dubhashi (1987), Women Entrepreneurs in India: A Socio-economic Study of Delhi, Mittal Publication Delhi.
of enterprises. The object of the study was to ascertain the socio-economic backgrounds of women entrepreneurs in Delhi.

The major conclusions of the study are as follows:

(a) In metropolitan Delhi, people in low and middle income groups with some education and moderate experience in specific line of manufacture entered small scale industries in larger numbers.

(b) The experience of women entrepreneurs suggests that banks should adopt more flexible formalities and procedures.

(c) In some areas of Delhi, the problem is in obtaining municipal licenses, absence of which precludes government assistance.

Masters and Meier (1988) found women’s entrepreneurial risk-taking to be almost as high as men’s, although they did not consider respondents’ personal meanings of what constitutes risk in a particular situation.

In a study of 40 enterprises in Marripalem and Autonagar industrial estates of Andhra Pradesh, Ashok Kumar (1990) found that to become self reliant and to materialize one’s ideas and skills were the most significant ambitions. Dissatisfaction with the earlier job and dependency situations were the main factors that compelled the respondents to become entrepreneurs. Among the facilitating factors, education, training and previous job experience was the most important.

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Sexton and Bowman-Upton (1990) found that in comparison to men, women have higher willingness to accept change and greater need for autonomy while having lower energy levels and risk-taking propensities.

O'Meally-Nelson (1991) in his study on “Small Business Opportunities for Women in Jamaica” revealed that women were concentrated in businesses which required the least capital outlay, or which were an extension of household activities, for example small scale retail or dress making / garment manufacturing. Majority of the women had encountered gender-bias while establishing and developing their business but 30 per cent of the women however identified advantages of being female. They could negotiate better, obtain preferential treatment and obtain cooperation from males. The sample respondents stated that they depended on their businesses to maintain their homes and support their families; the respondents also echoed the need for specialized training programmes for women in small businesses.

Liebow (1991) in his study “Necessity Mothers a child care Invention”, reveal that social issues and problems act as impetus for women to start a business apart from other factors.

Usha Jumani (1991) conducted a study to analyze the status of self-employed women in rural areas. Economic activities through which the income of


53 Leibow C (1991),”Necessity Mothers a child care Invention”, Nations Business, June Issue

the women will be increased have to be identified with great care. They have to be in consonance with time availability with family roles and with their awareness levels. Traditional occupations can be exchanged for the new technological based employment for women entrepreneurs, use of Information technology and also scientific processes can enhance economic activities in the rural area. The women need to be trained by the government for the same. Policies that encourage the training through government agencies can cover both male as well as the female business contenders.

Harinarayana (1991)\(^{55}\) in his study “Promotion of Women Entrepreneurs: A Brief Comment”, tried to find out the problems impeding the promotion of grassroots entrepreneurship among women. The study is limited to the participants of entrepreneurial awareness-cum-promotional campaigns conducted by the District Industries Centre, Anantapur. A total of 81 rural women were selected as the sample. The main objective of this research study was to assess the factors that impede and slow down the process of entrepreneurial development among women in the backward mandals of Anantapur district of Andhra Pradesh. He used stratified random sampling for the selection of sample. He observed that:

(a) The poor financial status was found to be a very critical factor impeding the promotion of entrepreneurship amongst women.

(b) Lack of co-operation from the family and community kept them away from the mainstream entrepreneurship development. It indicates that women entrepreneurs need the approval of her kith and kin, group and community.

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Because of widespread illiteracy and ignorance, the rural women are not aware of the various programmes.

Meaningless and ancient traditions and customs prevent women’s participation in entrepreneurial activity.

Chandra Shanta (1991) carried out the study: Development of Women Entrepreneurship in India, which shows that majority of the women though quite young and have all the vigor and time to pursue their ventures, did not belong to business families.

Marital status or family background in majority of the cases did not interfere significantly in continuing with the enterprises. The main difficulties faced by them were with regard to finance and the labor problems. Many of them faced the problem of marketing of products. Inadequate, untimely and irregular orders created some problems. Majority of the entrepreneurs suggested subsidies should be given on easier terms and wanted the establishment of a special cell that would attend to their grievances, speedy registration and licensing.

Easwaran Sunanda (1991) in her study Women Entrepreneurship: A review observed that the major reasons for most women opting for business rather than a job is flexible management of time, i.e. to adjust the working hours in such a way as to shoulder family commitments also and yet have more independence compared to a 9- to-5 job. She further observed that family members and funding agencies’ cooperation mainly influence the decision of women entrepreneurs.

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embarking upon a business career. Unmarried women are considered as the most undependable by the funding institutions, in anticipation of the possibility of changes in the family environment (marriage) and place of domicile due to spouses’ transfer of such entrepreneurs.

Samuel (1991)\textsuperscript{58} examined the managerial efficiency of women entrepreneurs in food processing units of Madurai district of Tamil Nadu. The study covered 56 women and 10 men entrepreneurs in the urban area; all of them were married and belonged to the age group of 31-50 years. All the enterprises were having a capital investment of less than Rs. 20,000. The hypothesis that there is no difference in the managerial performance of women and men entrepreneurs was tested in this study. The test reveals that there is no significant difference in the managerial performance in terms of profit earnings by male and female entrepreneurs. Further she stated that there is a:

(a) Positive correlation between age and managerial performance.
(b) Negative correlation between educational level and managerial performance.

George (1991)\textsuperscript{59} in her study on Women Entrepreneurs, in readymade garments in Ernakulam district of Kerala, covered 80 women entrepreneurs; 92 percent of them were sole proprietors of the units. All of them were married and in the age group of 30-35 years. All units earned profit. It was observed that women entrepreneurs, who had undergone special training in tailoring, could earn higher profits because they could cater to the changing demands of the market.


Singh (1992)\(^{60}\) in her research work: Women Entrepreneurs has stated that due to increased industrialization and technological development in India, women have been displaced from their previously held jobs and have turned to entrepreneurship in order to ensure regular income. Singh opined that primarily more privileged women have progressed better in the area of entrepreneurship.

Gaote’s (1992)\(^{61}\) “Entrepreneurship Development: Case Studies of Women Entrepreneurs in Selected Urban Centers in Maharashtra” is divided into two parts. The first part is devoted to the radical framework. A case study of 22 women entrepreneurs has been presented in second part of the study. The focus of the study is on Entrepreneur and not Enterprise. Entrepreneurship is not related to gender of an individual. It is observed from the study that women can also be equally successful entrepreneurs as men.

A great majority of women entrepreneurs are self-motivated and the role played by friends and relatives as motivators seems to be significant. Another important finding of the study is that entrepreneur’s family members play a vital role in giving shape to the entrepreneur’s ambition and consequent action.

Carter and Cannon (1992)\(^{62}\) conducted a research to find the reasons for British women starting their own businesses, the problems they encounter, and the successful strategies they employed to overcome them. This is a case study of

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60 successful female entrepreneurs and 10 women who closed down their businesses.

Results show that female entrepreneurs face unique challenges, which are seen by some as gender-related characteristics of business owned by women that include different routes taken when starting up a business.

**Kirve and Kanitkar (1993)** in their work pertaining to rural women discuss the experience of a Pune-based Non-Government Organization (NGO) *Jana Probodhini* (JP) in developing income-generating activities for rural women through skill training in technical and business areas. The study revealed that the awareness building, which was incorporated as part of the training input, proved extremely useful for the trainees.

The author recommends that Entrepreneurship Development Agencies need to get involved in income-generating activities. Nothing else would serve the cause of entrepreneurship better than the development of the rural sector.

**Tondon (1994)** in his “Trends of Women Entrepreneurship in Bombay” have furnished personal details of sample women entrepreneurs. It consists of age group, marital status, income groups and education. Business details of women entrepreneurs included place of business, types of business and investment range of the organization. In her study, motivational factors consisted of omission of need, utilization of spare time, self-satisfaction and utilization of knowledge.

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The researcher classified her suggestions into two groups as

(i) Suggestions from experts and
(ii) Suggestions from herself.

V. Harikumar (1994)\textsuperscript{65} conducted a study on "Sickness in Small Scale industries in Kerala". It was observed that the rate of industrial sickness is high in Kerala and it is more significant in the small-sector. Entrepreneurs who lack entrepreneurial culture and heritage organized most of the small-scale enterprises; He suggested that the DICs should undertake the responsibility of coordinating the functions of various state agencies. The agencies run by the government have to take initiative in re-organizing the sick units by being a partner to the women entrepreneurs as they have no one else to look up to for assistance. A sick unit is not only a loss to the individual but also to the economic condition of the state.

Anurup (1995)\textsuperscript{66} in her research work, “Women Entrepreneurs in Non-traditional Industries/Business in Western Maharashtra”, for which study she had selected 80 women entrepreneurs from Western Maharashtra, used the case study method. In her study she found out that most of the respondents were Hindus. She also found that some cooperatives are defunct and a large number of those in production are manly engaged in making and selling traditional food items like pappad, pickle, masala powders and some salted snacks. She found

\textsuperscript{65} V Harikumar (1994) A Study on sickness in small scale industry in Kerala PhD thesis Dept. of Commerce University of Kerala

out that 45 per cent of the women entrepreneurs are successful in creating employment.

Breen et al. (1995) in his research,” Female Entrepreneurs in Australia: An Investigation of Financial and Family Issues” examined financial and family issues by taking a sample of 211 female entrepreneurs from Australia. The study highlighted that female business owners faced the problem of getting finance and started business with low initial capital. On the family front women entrepreneurs faced the problem of supervision and care for sick children.

The study by S.P.Mishra (1996) stated that usually women tend to opt for sole proprietorship as their choice of organizational structure. About 50% of women entrepreneurs are concentrated in manufacturing textile and garments and the food industry.

Lee and Rogoff, (1997) in their study revealed that, Self-actualization is the most important reason given by women in a survey of 223 business owners including goals of maximizing personal skills/abilities, contributing to society, and gaining respect and recognition. Interestingly, this study also found that women who have lost their jobs through ‘restructuring’ tend more than men to turn to self-employment instead of pounding the pavement in search of another job.


Baijal and Asoken (1997)\textsuperscript{70} in their study: “Banks and Women Enterprises Development: A Comparison of Approaches in India and UK”, say that in India women enterprises are separately defined but in the UK women enterprises do not have any special and separate definition. Conclusions of their study are:

(a) In both India and the UK commercial banks continue to be the major sources of finance for small firms.

(b) There is no significant evidence to suggest that women entrepreneurs are discriminated by banks either in the UK or in India.

(c) In both the countries, women entrepreneurs prefer service and retail trading activities.

(d) In both the countries, the main difficulty that women face when starting up is the burden of family responsibilities.

Mote Shige and Masayuki (1998)\textsuperscript{71} have made a study on the working and development of the "putting-cut system” in Japan. The study shows how rural labour force with a very low opportunity cost can be capitalized by promoting rural entrepreneurship. The study exposed the alternative route of economic development in which there is movement of the modern production base in to the rural sector, rather than migration of the rural labour force into the urban sector. The study support a way of development in which widespread industrial activities could be organized in a decentralized manner by exploiting not only the physical labour but


also the entrepreneurial ability of the rural people - the two important resources that were under utilized in the past.

**Caputo and Dolinsky (1998)** have examined the role of financial and human capital of household member to pursue self-employment among females. The analysis revealed that business knowledge and cooperation of husband in family matters contribute a lot to pursue the business. Finding further suggested that government should provide necessary skill to women to ensure rapid growth of entrepreneurship.

**Caruana, Morris, and Vella (1998)**, in their study of Maltese export firms, found that women and men business owners show similarity in demonstrating three characteristics deemed key for business owners: innovativeness (creative ability to create purposeful change or develop novel products, services, and processes); risk-taking (active willingness to pursue opportunity notwithstanding reasonable chance of costly failure); and proactiveness (the perseverance, adaptability and assertiveness to initiate rather than react to the environment, and do whatever it takes to bring the venture to fruition).

**Soldressen, Fiorito, and He, (1998)** in their article stated that women also represent the fastest-growing group of home-based business-owners, entering five times more than men. Reasons appear to include low start-up costs, a perceived significant increase in personal productivity working at home, and the fact that

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personal skills that may not be marketable to an outside company can be used to start a business from home.

**Fasci and Valdez (1998)** found business ownership attracts women accountants as a viable avenue to achieve career success, gain control of their destiny and the respect of their peers, create their own work environments, and ensure their advancement is truly based on merit, all dimensions that women perceive to be less available to them when employed in someone else’s enterprise.

According to surveys conducted 1997-98 at international conferences by the **National Foundation of Women Business Owners (1998)**, Women-owned businesses are increasing to comprise one-quarter to one-third of businesses in the formal economies of Brazil, Equador, Mexico, Australia, Ireland, Italy, England, Germany, France, and certain African countries, and women business owners of these countries share similar concerns.

**Sharp and Sharp (1999)** reported that of 165 executive women surveyed, 37% indicated strong possibility of leaving their job to start their own businesses. Reasons given by women leaders include feeling undervalued, experiencing little challenge and career development opportunity, and believing their contributions to be insufficiently acknowledged. Many women business owners quit leadership

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77 Sharp, D. & Sharp, C. (1999), Study shows women who are unhappy with corporate life to start own businesses. Women in Management, Ivy School of Business 9 (20), 1-2.
positions in larger organizations, a theme supporting the possibility of systemic organizational power imbalances and perhaps gendered corporate cultures.

Punitha et al (1999)\textsuperscript{78} examined the problems and constraints faced by women entrepreneurs in the Pondicherry region. A sample of 120 females enterprises were personally interviewed during the period June to July 1999 out of which 42 belonged to rural and 78 to urban areas. The major problems faced by rural women entrepreneurs are competition from better quality products and marketing problems. The problems for urban entrepreneurs are, competition from better quality products, is the difficulty in getting loans. The least problems faced by both rural and urban women entrepreneurs are ignorance about schemes, distance from market and ignorance about agency and institutions.

Porus P Munshi (1999)\textsuperscript{79} Glass ceilings and maternal walls are blocks faced by women in organizations. Currently, women management is handicapped by not having advisers to guide them and canvas for them in the senior management. The attitude of the society is that it looks at women as not a helping agent but as a burden. Counseling for the women as well as their counterpart will help to change this attitude. Economic independence can bring about development in thought as well as actions.

Laoyan Chen (1999)\textsuperscript{80} The study shows that Chinese women in rural areas have increasingly adopted co-operatives as a form of organization in their effort to


address the problem for their lack of access to resources including land, credit, jobs, training and information and to participate in the main stream economy as an organized force.

The National Foundation of Women Business Owners (1999b) found that fully half of women surveyed left a previous position primarily looking for more flexibility, but also describing a desire to “follow an entrepreneurial dream”, a need for greater challenge in their work, and “glass ceiling” issues such as gendered limitations in opportunity and desire for creative freedom.

Arvinda (2001) in “Women Entrepreneurs: An Exploratory Study” takes a sample of 100 women entrepreneurs who were selected by random sampling technique. The twin cities of Hyderabad and Secunderabad were purposely chosen for the study, as the area is the capital of the state. A variety of women entrepreneurs involved in different enterprises were covered. The selected respondents were divided into three basic groups: (i) Service sector, (ii) Trading sector and (iii) Manufacturing sector, based on the activity of the enterprise they were engaged in. 37 respondents were in service and trading sectors, 26 respondents were in the manufacturing sector.

The responses obtained in this study in a way suggest that there is an absolute need for more entrepreneurship development programmes and societal support for women. It may be concluded that women entrepreneurship, requires a


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congenial entrepreneurial climate, which is conducive to motivate and facilitate women to take up entrepreneurial careers.

Rathakrishnan and Sellammalle (2001)\(^8^3\) in their study “Micro Women Entrepreneurs and Socio-Economic Empowerment” made an attempt to analyze the role of women in generating income through micro entrepreneurial activities by the fishing community. The respondents were trying to uplift the socio-economic status of the family. They further observed that the power of their entrepreneurship could be further enhanced if they dispose the fish collectively or in an organized manner by identifying export market network, which will further boost the fisherwomen's socio-economic status in the society.

Bliss and Garratt (2001)\(^8^4\) have examined the working of organization for women in Poland. The paper has examined the various activities performed by these associations to promote women entrepreneurs. Information was collected from 12 support organization for women. Data collected from these organizations highlighted that basic purpose of these organizations has been to provide inputs to women entrepreneurs in the field of professional ethics, protection of rights of women entrepreneurs and their companies, exchange of experience and other activities.

Moitra (2001)\(^8^5\) in her study “Women and Entrepreneurship” studied the Sundarban region of West Bengal. She states that Sundarban Khadi and Village Industrial Society in the beginning used to produce hand-made items like chalks


tried their hands at batik printing, bag making and so on. They tried to market their individual products since the establishment of the society in 1981 with 9 members. Today they have 950 women members, have their own head office and operate in 9 blocks of the district.

Initially they started marketing products in the West Bengal markets; gradually they developed the export market too and in 1998-99, they could export Khadi goods worth Rs. 53 lakhs to England and Germany. It is a great success story of rural development by women participants.

Patole (2002) selected 30 per cent of the available beneficiaries of the training programmes. The study focused on women entrepreneurs in the Pune and Pimpri-Chinchwad areas. The researcher collected the information from three groups of people: (i) Beneficiary women, (ii) Government officers and (iii) Voluntary organizations. In this study the researcher used stratified random sampling method for selection of samples. The objectives of the study were to examine the various schemes meant for women entrepreneurs and their implementation, and, to study the effects of their employment. The observation of this study is many of the available schemes are for low income groups, thus many women belonging to these groups utilize them.


The object of the study was to find their reasons for starting the businesses and
problems they encountered in running them. In her study the author concluded that:

(a) The success of entrepreneurship is not gender specific.

(b) The success ratio is surprisingly high; industrial family background is not a
necessary condition for becoming a successful entrepreneur. Hobbies of
women are turning into regular professional income-business activities.

Krishnan (2003) 88 has carried out a research on the subject: “Women
Entrepreneurs in Kerala”. The object of this study was to assess the effects of
socio-economic status of women entrepreneurship in the state, and the impact of
the new economic policy on women entrepreneurs in various sectors.

Watson (2003) 89 has examined the failure rates among female
control business in Australia. The analysis of study highlighted that failure
rates of female control business is relatively higher than male controlled
business. But the difference is not significant after controlling for the effects of
industry.

K.Nachimuthu and T.Poongodi (2005) 90 in their paper titled “Women
entrepreneurship in India” revealed that women entrepreneurs 90% were in the rural
areas as again only 10% were in the urban areas.

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University, Kerala

89 Watson J. (2003). Failure Rates for Female-Controlled Businesses: Are They Any

90 K.Nachimuthu and T.Poongodi (2005) presented the paper titled “Women entrepreneurship in
India” at the national seminar conducted by Vivekananda college of arts and science for women,
Tiruchengode
In the paper “constraints and problems faced by women entrepreneurs” presented by Mrs. C. Mani (2005), it is stated that technically qualified women don’t take up employment due to family pressures.

In the paper “Development of rural women empowerment in India” presented by S. Ramakrishnan (2005), it is reviewed, people appreciate women as mother, as wife and as daughter, but the plight of women as entrepreneurs is very much questionable.

Gangurde (2006) for her study on "A Comparative Study of Women Entrepreneurs from Business Communities like Parsi, Sindi, Bohri, Marwari Gujarathi and Non-business Community like Maharashtrians working in Pune-Pimpri- Chinchwad Municipal Corporation Areas", selected the samples of the different women entrepreneurs in different businesses, for example construction, postal agency, saree shop, imitation jewelry, ladies Shoppe, catering, insurance agent, nursery, cooking classes, etc. The researcher used snowball-sampling method for selecting the samples.

She concluded that the Marwari and Guajarati communities are known as successful business groups. The spirit of adaptability, preparedness to undertake risk, determination, hard work, helping nature, good public relations and

91 C. Mani (2005) presented the paper titled “constraints and problems faced by women entrepreneurs” at the national seminar conducted by Vivekananda college of arts and science for women, Tiruchengode

92 S. Ramakrishnan (2005) presented the paper titled “Development of rural women empowerment in India” at the national seminar conducted by Vivekananda college of arts and science for women, Tiruchengode

entrepreneurial skills are the distinctive qualities of the women entrepreneurs from these communities.

Zimare’s (2006)94 “Socio-Economic Study of Women Entrepreneurs in Pune District” was partly a research on women entrepreneurial determination and partly an analysis of the impact of women entrepreneurial activity on industrial development in general and also the impact of micro level family economy of the women entrepreneurial households in particular.

After an elaborate examination on the basis of an extensive primary and secondary data, the researcher has no doubt about the powerful impact of women entrepreneurial development on the study area.

An interesting fact, which has emerged from the study of capital investment, was that majority of women’s industrial units were started with their own capital or by family support and very few of them are found to have obtained support from financial institutions.

Anil Kumar (2006)95 in his paper “Marketing practices used by women entrepreneurs –An empirical study” an attempt has been made to analyze the various marketing practices used by women entrepreneurs. To achieve the objective six districts from Haryana namely Hisar, Sirsa, Bhivani, Faridabad, Rowari and Gurgaan have been made. Totally 120 Women entrepreneurs are taken as sample, i.e. 20 from each district.


The study revealed that women entrepreneurs are dependent mainly on the customers as a means to advertise their products. The entrepreneurs who have enormous funds only go for advertisements using posters and hoardings.

Santhas (2007)\(^96\) conducted a research on the topic “A Study of Women Entrepreneurship in Kerala: A Comparative Study with Tamil Nadu” for which 3,130 women of Tamil Nadu and 6,541 of Kerala were taken as sample using the random sampling method. The hypothesis of the study being: ‘There is no difference in the socio-economic status of women entrepreneurs in Kerala and Tamil Nadu’. There are no variations in the roles and involvement of government agencies in the development of women entrepreneurship in Kerala and Tamil Nadu.

Shankarnarayana (2007)\(^97\) presented a paper titled “Entrepreneur Spirit Tomorrow”. The researcher writes about women entrepreneurship, the types of women entrepreneurs, and the organizations supporting women entrepreneurs. The researcher has also put forth some of the problems faced by women entrepreneurs like stiff competition from male counterparts, non-cooperation from the family, etc. While concluding the paper, the researcher suggests that women must be brought to the main stream by means of entrepreneurial activities, so that they can effectively contribute to the women community in particular through empowerment and overall economic development of the country in general.


P. Nagesh and Ms Narasimha murthy (2008) \(^98\) revealed that the development of women entrepreneur are mainly based on the training given to them and the study also suggest improvements in conducting the training programs based on the feedback and evaluation.

In a survey of fifty female entrepreneurs in a district of Ernakulum, Kerala undertaken by Meera Bai (2008) \(^99\) concluded that the spreading of female entrepreneurial networks and links in the modern times is crucial for the success of women enterprises. All the 50 entrepreneurs make use of networks of one form or another. They refer networks providing them emotional support, help in running business, decision making, financial support, operational functions, financial information and financial sources. All of them strongly agree with the point that developing of contacts through networks is very important to found their units and to firm their entrepreneurial growth and development.

Valarmathi (2010) \(^100\) did a study on “Challenges to Entrepreneurial Development of Women in India”. Some of the major challenges the researcher short listed were lack of easy finance, shortage of raw materials, historical and social restrictions. The researcher also observed that lack of technical knowledge and availability are among the major challenges. The researcher came to the conclusion that government sponsored development activities have benefited only a small selection of women. A large majority of them are still unaffected by them.

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Auti (2010) have done research on the subject: “Socio Economic Study of Women Entrepreneurship in the Development of Maharashtra with Special Reference to Pune District”. The hypothesis of this study is: ‘Women entrepreneurs influence positively on women employment’. The formal education of the entrepreneurs helps in improving performance of women. 203 samples were selected and classified into groups like engineering, electronics, plastics, chemical, food readymade garments and printing.

The author has concluded that women decide to enter into business only after their marriage. Very few women are aware about training schemes. Women run their businesses using private sources of capital; this is partly due to lack of knowledge about government schemes.

The study conducted by Robita Sorokhaibam and Nandita Laishram (2011) revealed, the desire to be independent is the most important motivational factor behind the setting up of enterprise by women entrepreneurs.

M. Edwin Gnanadhas and S. Vargheese Antony Jesurajan (2011) conducted the study on “The factors motivating women to become entrepreneur in Tirunelveli District”. The sample of 300 women entrepreneurs are taken for study and it revealed 52 percent of women entrepreneurs belong to the category of first generation entrepreneurs. It also stated that majority of women entrepreneurs (more than 70%) had received the support of manual help from the members of their family.


Tamilarasi (2013) conducted a research to bring out the constraints faced by women entrepreneurs in Salem district of Tamil Nadu. The objectives of the study are to analyze the gender-neutral constraints faced by service enterprises run by women entrepreneurs in the start-up phase, to examine the gender-neutral constraints faced by service enterprises run by women entrepreneurs in the growth phase and to identify the gender-related constraints faced by women entrepreneurs of service industry during the start-up phase and growth phase.

The analysis brought out the point that entrepreneurs found difficulty in spatial mobility at the time of starting their service enterprises. It is quite true that women are not allowed in Indian society to move around freely to conduct their business. The problem of mobility may be due to this social rigidity. She observed that nearly 95% of the women entrepreneurs are unable to distribute their time between family affairs and business during the growth phase. Difficulty in ensuring wide contact and network has been the next major challenge faced by the women entrepreneurs in developing their enterprises.

Dr.A.Jayakumar and R.Brindashree (2015) conducted a research on the topic “A study on women entrepreneurship in Salem district—with special reference to SHGs” for which 200 women entrepreneurs are selected as sample from 30 SHGs by using simple random sampling technique. The study revealed majority of the women entrepreneurs i.e. 128 members were repaid the loan amount in time, 38 respondents were repaid in advance and 34 members were not repaid in time. It


also stated that most of the women entrepreneurs that is, 78 percent were improved in their standard of living after they joined the groups.

2.3 RESEARCH GAP

From the above review of literature collected for the study, it is seemed that most of the studies are undertaken in the field of entrepreneurship in the aspects of problems and constraints, opportunities and challenges, economic pressure, managerial position and motivational factors. Only few studies are undertaken in the aspects of socio economic status of women entrepreneurs.

In the district of Salem where there is a rapid growth of women enterprises, the aspects of socio economic status of women entrepreneurs are not given much importance by the researchers. So it is felt to be the research gap and the study is designed in the way to fill this gap. Thus, the topic “A Study on Socio-Economic Impact of Women Entrepreneurs in Salem District of Tamil Nadu” is selected to get depth knowledge about the facet and give valuable suggestions.