CHAPTER-I

INTRODUCTION AND DESIGN OF THE STUDY
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“When women moves forward, the family moves
the village moves and the nation moves”

- Pandit Jawaharlal Nehru

“If women are neglected, human is deprived half
of its energy and creativity”

- Smt. Indira Gandhi

INTRODUCTION

IT IS ESTIMATED that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20% of the entrepreneurial force. With corporates eager to associate and work with women-owned businesses, and a host of banks and non-governmental organisations keen to help them get going, there has rarely been a better time for women with zeal and creativity to start their own business.

Endowed with the famous female intuition that helps them make the right choices even in situations where experience and logic fail, women have innate

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flair for entrepreneurship. Although men and women may be motivated by different goals and expectations (Connie Glaser reports that male entrepreneurs are motivated by the potential to earn lots of money, while women start their own companies because they seek greater control over their personal and professional lives.) women entrepreneurs are just as competent, if not better, than their male counterparts.

Women are more likely than men to admit when they do not know something and ask for help. They are natural networkers and relationship builders, forging powerful bonds and nurturing relationships with clients and employees alike. They are also more inclined to seek out mentors and develop supportive teams. In business this translates into establishing rapport with clients and providing great customer service. This perhaps is the reason why many women tend to launch businesses that are client based or service-oriented.

Sometimes, however, a lack of training and prior experience can render women entrepreneurs susceptible to a number of pitfalls. The following guidelines are aimed at helping women entrepreneurs cross some of the typical pitfalls that may crop up on their path to success.

Don't undervalue the abilities. Women typically tend to give away too much and charge too little. This is a common phenomenon in service-based industries where they may charge by the hour instead of charging a fee on the
merit of knowledge or service rendered. Adopting value-based charges and charging per project (not on weekly or monthly basis), will help women entrepreneurs gain the actual worth of the services rendered.

Learn to juggle family with business. Unlike men, it is difficult for women to completely ignore family obligations when pursuing business, and they can quickly lose sight of their desire to have a balanced life in the face of a demanding new business. It is important to sustain a personal life and balance family obligations with professional ones, if they are to be successful and happy.

Women also need to be twice as persistent and assertive to make their presence felt in a predominantly male business world. Network, but in a way she feel comfortable with. Establish limits and do make sure that she is well within her comfort zone when networking with others. Women typically fight shy of self-endorsement.

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown over a period of time, especially in the 1990s. Women entrepreneurs need to be lauded for their increased utilization of modern technology, increased investments, finding a niche in the export market, creating a sizable employment for others and setting the trend for other women entrepreneurs in the organized sector.
While women entrepreneurs have demonstrated their potential, the fact remains that they are capable of contributing much more than what they already are. In order to harness their potential and for their continued growth and development, it is necessary to formulate appropriate strategies for stimulating, supporting and sustaining their efforts in this direction. Such a strategy needs to be in congruence with field realities, and should especially take cognizance of the problems women entrepreneurs face within the current system.

There is a common feeling that women are the key factors in the process of change and development. Economic development of women will require interdisciplinary approach with appropriate technology and necessary financial support. The status of women is intimately connected with economic position, which in turn depends upon rights, roles and opportunities for their participation in economic activities. The economic status of women is now accepted as an indicator of special development. However, all development do not result in improving women's economic activities. Patterns of women's activities are affected by prevailing social ideology and differ according to the stage of economic development.

The evolution of concept has generated many definitions, but perhaps one by writer Robert Rontadt capture the essence "Entrepreneurship is the dynamic process of creating wealth. This wealth is created by individuals who assume major risks in terms of equity, time, career commitment of providing value for some
product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources.²

The present study report is an effort in this direction. An attempt has been made to document available information regarding the status of women entrepreneurs, against the backdrop of the socioeconomic context and the attendant challenges they face.

ORIGIN AND DEVELOPMENT OF ENTREPRENEURSHIP:

The position of women in any society is an index of its degree of civilization. Emancipation of women is one of the generators of economic development and social progress. A large number of Indian women are slowly emerging out of a system that had appraised and exploited them for centuries. The economic needs of the family are increasing day-by-day demanding women to take up gainful employment outside the home. Self-employment is a challenge to the women as they have to play a trivial role as that of the housewife, mother and business executive. Development industrial employment opportunities and entrepreneurship among women are need of the hour.

It was in 1950 that the need for the entrepreneurial development was first felt and since then a substantial amount of research has gone into this sphere. In India, where human resource is to be found in plenty individuals with requisite entrepreneurial skills can be identified. What is required is to mold them through proper Entrepreneurial Development Programmes (EDPs) for undertaking risk ventures. Thus EDP has become vital for harnessing the vast untapped human skills into accelerating industrialization.

Entrepreneurship Development is a crucial factor in the industrial progress and economic development of a country. This aspect will go a long way in solving unemployment problem and inculcate a spirit of self-reliance in the prospective entrepreneurs, with the implementation in the country.

Women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new vistas of economic participation. Behind every successful face there is a long tale of trials I climbing in this trying ladder. Their task has been full of challenges and yet they have steered clear of public prejudices like family opposition, cynical remarks of co-workers and have established themselves as independent entrepreneur's. A great many of them have
chose the entrepreneurs world because of a compelling urge to do something positive in their lives.

The caste system has been found to be exercising its own influence on the occupational mobility. Certain castes have imbibed in themselves a particular culture that fosters entrepreneurship. Marwaris, Parsees, Jains, Baniyas, Sinhis, Vishyas an khatris have bee the dominant source of entrepreneurship. The time and age at which the entry is made into entrepreneurship are important factors. The Kamma community entered the field of entrepreneurship earliest of all other communities.

Hadimani's (1985) study revealed that Zamindar family helped to gain access to political power and exhibited higher level of entrepreneurship occupational and social status of the family influenced. Religion exercises a strong influence on attitudes towards material gains relatively to efforts. Maxweber (1978) profounded the theory that the, 'protestant ethic' among christains osters the right attitude for entrepreneurship. On the other hand Islam and Hindu religions do not foster such an attitude.

Education, entrepreneurship and development are interrelated. Ashok Kumar (1992) found in his study that majority of the entrepreneurs were graduates.
and post-graduates particularly in engineering and other technical disciplines. Kamma an Brahmin entrepreneurs were relatively more educated than others. Employment people were attracted towards entrepreneurship than those engaged in agriculture or business. A sizable number of entrepreneurs were the unemployed youth prior to starting the industrial units.

Women entrepreneurs have vast entrepreneurial talents which could be harnessed to create employment opportunities. Developing the entrepreneurial talents among the weaker section of the society and women therefore forms an important part of the small industries development programme.

The new industrial policy in 1980 emphasized the needs of promoting women for self-employment and entrepreneurs in urban and rural areas so as to uplift their status in the economic and social sphere. The seventh plan (1985-90) has also categorically and emphatically stated that women have to be given special recognition.

In Tamilnadu alone during 1994-1995, the Directorate of industries and Commerce, Government of Tamilnadu has a target of helping 17400 unemployed educated youth. In the Prime Minister Rozgar Yojana Scheme, training has been identified as an important and crucial component and with result several non-
governmental/voluntary organization and EDP institution have been invited to offer the training programme in the different parts of the state.

"Entrepreneur is one who always searches for change, responds to it and exploits it as an opportunity. Innovation is a specific tool of entrepreneurs, the means by which they exploit change as an opportunity for different business or service."¹

THE QUALITY OF A TRUE ENTREPRENEUR

- Capacity to take risk
- Capacity to work hard.
- Above average intelligence and wide knowledge.
- Self(inner) motivation
- Vision and foresight
- Willingness to defer consumption
- Imagination initiative and emulation.
- Mobility and drive
- Creative thinking
- High degree of ambition

FUNCTIONS OF AN ENTREPRENEUR

The determination of those objectives of the enterprise and the change of those objectives as conditions require or made advantageous.

The development of an organization including efficient relations with subordinates and all employees.

Securing adequate financial resources the relation with existing and potential investors.

The requisition of efficient technological equipment's and the revision of as new machinery appeared.

The development of a market for the products and the devising of new products to meet or anticipate consumers demand.

The maintenance of good relations with public authorities and with society at large.
TYPES OF ENTREPRENEURS

Entrepreneurs can be classified as follows:

**Innovative Entrepreneurs**

Innovative Entrepreneurs is one who characterized by aggressive assemblage of information and the analysis of results from sound combination of factors. He sees the opportunity for interdicting a new technique or a new product or a new market.

**Adoptine or imitative entrepreneurs**

Adoptine or imitative entrepreneurs are those who ready to adopt successful innovations created by innovative entrepreneurs. Imitative entrepreneurs are most suitable for the under developed nations. They help in transforming the system with limited resources available.

**Fabian entrepreneurs**

Fabian entrepreneurs are very cautious and skeptical while practicing any change. They have neither will to introduce new changes nor the desire to adopt new methods innovated by the most Fabian entrepreneurs.
Drone entrepreneurs

Drone entrepreneurs are those who characterized by a refusal to adopt and use opportunities to make change in production. Such entrepreneurs may even suffer losses.

Other types

i. Individual and institutional entrepreneurs

In the small scale sector individual entrepreneurs are dominant. Small enterprises out number the large ones in every country. Such entrepreneurs have the advantages of flexibility quick decision-making and state patronage. But a individual can establish, operate control an organization up to a limit.

ii. Entrepreneurs by inheritance

At times people become entrepreneurs when they inherit the family business. In India, there is a large number of family businesses controlled by house. Firms in these houses are passed from one generation to another.

iii. Technologist entrepreneurs

With the decline of the joint family business and the rise of scientific and technical institutions, technically qualified persons may
enter into business activities. They raise the necessary capital and employ experts in financial legal marketing and others areas of business.

iv. **Forced entrepreneurs**

Many persons become entrepreneurs on account of the circumstances. The moneylenders of yesteryears enter into business due to decline to money lending business with the growth of banking and Governments legislations. Non-Resident Indians (NRIs) and educated unemployment may also be described as forced entrepreneurs.

**ENTREPRENEURSHIP DEVELOPMENT**

Entrepreneurship development appears to be the best possible way to find employment avenues for unemployed. Employment was given the first priority among the objectives of small industry development in India, under the Second Industrial Policy Resolution by 1956. It laid out the promotion of indigenous entrepreneurship, decentralized developments of industries growth of balanced industrial structure, capital saving etc., are served through small development.

The role of entrepreneurship in developments varies from economy to economy depending upon its material resources, industrial climate and the responsiveness of the political system to the entrepreneurial function. India as a
developing economy aims at decentralized industrial structures to mitigate the regional imbalances in the levels of economic development.

Small-scale entrepreneurship in such industrial structure plays a vital to achieve a balanced regional development. It is also felt that small-scale industries provide more employment, ensure a more equitable distribution of national income and facilitate resource and skill mobilization. The establishment of entrepreneurship development institutes and the like by the Government of India is a testimony to this realization.

Entrepreneur plays a vital role in the process of industrialization. In a sense that entrepreneurs are the harbingers of economic development of tiny and small-scale industries, self-employment's for educated unemployed and for low income under privileged group, thereby decentralized ownership opportunities.

Due to the increased scientific activities in the areas of entrepreneurship, through the efforts of behavioral scientist it was brought out that "Entrepreneurs can be made". Thus in India, it has been recognized in 1950 that entrepreneurship development is an essential ingredient of economic developments. Experience in India and in other counties clearly shows that it is possible to develop entrepreneurship through systematic and scientific efforts. Hence most developing
nations including India have resorted to EDPs for the furtherance of entrepreneurial development.

The essentially of a women for any aspect of development cannot be disputed for as every women is an entrepreneur. Entrepreneurship defined as the ability to co-ordinate and organize, manage and maintain and reap the best out of even the worst situations in nothing new to women.

ROLE OF WOMEN IN ECONOMIC DEVELOPMENT

In the traditional society women’s role was naturally limited to the family. Since she was bearer of children she was fully occupied with her duties as a mother and homemaker. This was mall feat since the traditional household may be described as both a production and a consumption unit.

The Government of India has defined women entrepreneurs as “an enterprise owned and controlled by a women having a minimum financial interest of 51 percent of capital an giving at least 51 percent of the employment generation in the enterprise to women”¹

Since women entrepreneurs have been emerging as a formidable force in the business world in the recent decades and their contribution towards the economic well being of the country has been increasingly studies on their motivation problem and other behavioral issues are considered necessary. This article thus attempts to provide some insight into the issues pertinent to women entrepreneurs with the hope that policy makers and related parties would provide some necessary assistance and support for the development of women entrepreneurs in India.

While striving to maintain balance between their business careers and family responsibility, women entrepreneurs would require more sympathetic assistance and encouragement from various sources especially their spouses. A truly conducive environment for the development of women entrepreneurship is the one which is free of prejudice and discrimination and which provides equal opportunities and resources for them to compete with their counterparts on equal footing.

The process of development has profound significance for women. The only way out to maintain or increase the rate of economic growth is to encourage entrepreneurial activities among women. Existing examples on women entrepreneurs confirm that women have reached a critical phase in virtually all the white-collared professions especially in business related activities.
Factors like urbanization technical process women's education etc., have profoundly changed these traditional customs even in a developed country like India. Slowly starting with the metropolitan areas and going back the women's role at home has become lighter due to technical process. The production side of women's work at home is gradually decreasing leading to a reduction of women's role at home.

The participation of women in the economic development process can be mainly categorized into segments namely employment unorganized sectors, employment in organized sectors, self-employment and entrepreneurs.

Modern economic development depends on effective harnessing of human resources namely male and female. Women from nearly 50 percent of total population in India, but the percentage of economically actives population are only 13 percent.

According to 1981 census report no constructive steps were taken to lead women towards self-employment. It is essential to harness women-power if a substantial economic development is to be achieved and for the professional technical physical skills and abilities of women have development and put to efficient use.
Initially, women's economic role was essentially confined to the home front and to informal sectors. New challenges to meet or share the financial responsibilities of the family have been identified by the present day women. Government of India for having realized the need has made efforts to facilitates and develop female entrepreneurship.

**IMPORTANCE OF THE STUDY**

As the role of women in the field of economic development is to be given priority, Indian Government has taken steps to involve women entrepreneurship by providing them with financial and non financial assistance. Now it is found that some women entrepreneurs successfully run their enterprise. In spite of the effort of the Government, the growth of women entrepreneurs is still not to the expectation of the Government. There are many reasons for the slow growth of the women entrepreneurs. Some of them are not properly educated, they are not aware of the assistance available to them and they are not getting needed support from the society. The only way to maintain or increase the rate of economic growth is to encourage entrepreneurial activities among women. For that it is important to study the problems and prospects of women entrepreneurship development.
STATEMENT OF THE PROBLEM

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Contribution of women to the development of our country is comparatively a new area. In India this central and state government and private agencies are trying hard to develop women entrepreneurship with various schemes, incentives and subsidies are exclusively available for women. The result has been the emergence of women entrepreneurs on the economic scenario in recent years, through the number of enterprises initiate by women is still conspicuously low. Most of them, who through come up with viable projects, drop out eather at implementation stage itself or later.
SCOPE OF THE STUDY

The present study makes the Researcher to have an insight about the problems and the prospectus of women entrepreneurship in Salem district. This study is totally relevant to the present days problem pertaining to the development of women entrepreneurship. An attempt has been made to find out the various causes for the above problem. This study also helps to suggest necessary remedial measures to reduce the problems available for the women entrepreneurs for starting and continuation of the entrepreneurship.

REVIEW OF LITERATURE

The survey of literature over a subject matter of research can be had from the available standard books, periodicals, journals, published research works, conference proceedings, government reports & etc.

Paper presented in national seminar conducted by “Vivekanandha college of Arts and Science for women, Trichengode-637205.” in the title “Women Entrepreneurship” are reviewed,

- Women workers 90 percent (79.4 million) were in the rural areas as against only 10 percent (8.6 million) in urban areas. Only 2.5 million women workers are in the organized sector-a mere 12.4 percent of the total employed (Women Entrepreneurs in India- Dr.K. Nachimuthu, Lecturer, Department of Education, Periyar University,
Salem. And Mrs. T. Poongodi, HOD(i/c), Department of Food Science, Periyar University, Salem).

- People appreciate women as mother, as wife and as daughter, but the plight of women as entrepreneurs is very much questionable. (Development of rural women empowerment in India- S. Ramakrishnan, Sr. Lecturer in Economics, P.M.T College, Melaneelithannallur).

- Technically qualified women don’t take up employment due to family pressures (Constraints and problems faced by women entrepreneurs-Mrs. C. Mani, Lecturer in Economics, P.M.T College, Melaneelithannallur).

A study on “Managing Women’s micro enterprises” for farms and non-farm activities. The research highlighted that in the mushroom market, the export activities increased because of proper training given to women who would replace the project staff. Also the production of mushrooms was identified as an income-generating activity and to some extent pickle making was also taken up by the rural masses to increase their income.

A study on “Generating sustainable income for women”: problem and prospects. He found out that majority of women have strong desire an ambition to
venture into the business. The study also indicates that women have displayed in starting manufacturing enterprise to enhance their economic prospects.

A study “Assisting new female entrepreneurs is support geared to reality”. This programme was offered in Britain. It facilitates the individual ability to build upon existing experience and to provide better opportunities for commercializing existing practices. This programme facilitates the women to enter self-employment, micro-enterprise, or small business units.

OBJECTIVES OF THE STUDY

By means of the present study, the Researcher endowers to undertake a comprehensive enquiry to fulfill the objectives set forth for the present research work. They are listed below:

➢ To study the socio-economic background of the families of women entrepreneur.

➢ To study contributing factors to the success of the enterprises

➢ To identify the problem faced by them, in the areas of marketing, finance, labour, & etc.,

➢ To suggest measures to overcome the obstacles.
HYPOTHESES

This study aims at testing the below listed hypotheses framed in line with the objectives of the study

➢ Women Entrepreneur depend others for taking decision
➢ There is no relationship between marketing constraints and the development of the sales of the enterprise.
➢ There is no relationship between the development of the enterprise and the problems faced by them.

OPERATIONAL DEFINITIONS

ENTERPRISE

An enterprise is an undertaking especially one which involves activity, courage, energy or the like. It involves willingness to assume risk in undertaking an economics activity particularly new one through not necessarily so. It also involves risk-taking and neither decision making although neither risk nor decision making although neither risk nor decision may be of great significance.

ENTREPRENEURSHIP

Entrepreneurship can be described as a creative and innovative response to the environment. Such response can taken place in any field-business industry agriculture education and the like. Doing new thing or during thing that are
already being done in new way is therefore a simple definition of entrepreneurship.

**ENTREPRENEUR**

Entrepreneurs are persons who initiate organize manage and control the affairs of business units that combine factors of production to supply goods and services whether the business pertains to agriculture industry trade or professions.

**WOMEN ENTREPRENEUR**

The women entrepreneur could be defined as, “an adult women who undertakes to organise, own and run an enterprise”

**VENTURE CAPITAL**

Venture capital is long-term risk capital to finance high technology projects which involve risk but at the same time has strong potential for growth.

**PERIOD OF STUDY**

For the convenience of the Researcher, she has restricted the study period for 3 years from 2002-2003 to 2004-2005.
LIMITATIONS OF THE STUDY

Every study has its own error and limitations. The current research work also suffers from the following limitations.

1. Only a limited number of sample size were taken into consideration, because of time constraints.
2. Due to lack of information about definite population, Judgment sampling (One of the method of non-probability sampling method) method is applied.
3. Most of the responds are reluctant to furnish the data.
4. Details furnished in interview schedule are treated as true.

RESEARCH DESIGN

METHODOLOGY

Considering the nature of topic taken for research and data available from primary sources "opinion study" is taken as the appropriate way to carry on the project. The interview schedule has been framed accordingly. The suggestions and recommendations given in the final chapter of the research report are emerged from the inferences drawn from the sample study of the women entrepreneurs in the study area.
COLLECTION OF DATA

The study has been based on both primary as well as secondary data. The primary data were collected directly from the women entrepreneur in Salem District. The Researcher collected the secondary data from the books, records and reports to use them in appropriate places in the present study.

PRIMARY DATA

The primary data used in the present research work were collected from the informants i.e., women entrepreneur through separate pre-tested interview schedule.

INTERVIEW SCHEDULE

The Researcher, keeping in view the objectives of the study, prepared interview schedule containing list of sequential questions meant for collection of data from women entrepreneur.

PRE-TEST

The interview schedules used to collect the data from the respondents have undergone the pre-test. The interview schedule prepared were served to the selected respondents i.e, 5 women entrepreneur to offer suggestion and to enrich
the interview schedule the opinions and ideas furnished by them have been taken into consideration while framing the fair copies.

SECONDARY DATA

The Researcher has collected necessary secondary data from the various sources enlisted below,

1. Various magazines.
2. Articles published in Newspaper.
3. Conference proceedings.
4. Published research works.
5. Available standard books.
6. Websites such as
   - www.winstonsalem.com
   - www.tn.gov.in
   - www.salem.nic.in

SAMPLING DESIGN

The sample selection is purely based on the judgment of the investigator or the Researcher. This is because, the Researcher lacks information regarding the population from which he has to collect the sample. Population characteristics or qualities are not known, but sample has to be selected. In such instance, Judgment
sampling method is used. The investigator on the field decided to select any item of his choice to constitute the sample.

DATA PROCESSING

The data collected through interview schedule from the respondents were verified in order to ascertain the reliability and to ensure that the interview schedule have been filled in. To check the accuracy, the desk calculator has been used, as the volume of data is small.

TOOLS AND TECHNIQUES

The Researcher has used the following statistical tools and techniques that are appropriate in this context. They are:

1. Tables
2. Percentage
3. Pie Diagram
4. Bar Diagram
5. Chi-square test etc.,

The above statistical tools have enabled the Researcher to present the results in the attractive manner.
SCHEME OF RESEARCH REPORT

The present study captioned A STUDY ON THE PROBLEMS AND PROSPECTS OF WOMEN ENTREPRENEUR IN SALEM DISTRICT has been branched into five chapters. They are briefed below:

CHAPTER-I
INTRODUCTION AND DESIGN OF THE STUDY

The first chapter presents a small history about entrepreneurship, entrepreneur and Qualities and Types of entrepreneur. It also gives a reviewed account on the various objects of the study, operational definition, review of literature, methodology, statistical tools employed, sampling design and chapteriation of the research report.

CHAPTER-II
ORGANISATIONS FOR ENTREPRENEURSHIP DEVELOPMENT

The second chapter is allocated to spell out the organization for the entrepreneurship development and its functions for the development of entrepreneurship.
CHAPTER-III

NATURE OF WOMEN ENTREPRENEUR

In this chapter an attempt has been made to analyze the socio-economic profile-age-marital status etc., of the women entrepreneur, motivational factors etc.

CHAPTER-IV

PROBLEMS OF WOMEN ENTREPRENEUR

This chapter narrates the present problems faced by the entrepreneurs in the areas of marketing, financial and other areas while running the business.

CHAPTER-V

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

This unit brings the research report to logical conclusions. This section spells out the important findings from the research. Moreover it provides valuable suggestions and recommendations to the development of women entrepreneurship and conclusion of the study.