CHAPTER VII

SUMMARY OF FINDINGS, CONCLUSION AND SUGGESTIONS

Economic growth and development of a country is determined by human, physical and financial resources. The objective of any planned development is to develop human resources to their optimum utilization. The economic development of a nation is sparked largely by its enterprising spirit.

In India, the entrepreneurial world is predominantly a men's world. Recent emphasis is, on the idea that women can also contribute towards the economic development of the nation. The low status of women in large segments of Indian society can be raised only by opening up of opportunities of self-employment. Economic independence for all women with equal opportunity brings out their full potentials as human beings instead of being considered appendages to males. Hence, the present study is an attempt at identifying the various motivational factors to start the enterprise, various constraints, problems encountered by the women entrepreneurs and its highlights the strength, weakness, opportunities and threats faced by the women entrepreneurs in the study area.
The specific objectives of this work are

1. To study the role of governmental agencies in promoting women entrepreneurship,
2. To study the socio-economic background of women entrepreneurs in Tirunelveli district,
3. To analyse the motivational factors behind women entrepreneurship,
4. To analyse the major strength and weakness of women entrepreneurs and the environmental opportunities and threats which promote entrepreneurship,
5. To examine the performance of the women managed enterprises and to enquire into their problems and
6. To suggest a framework for the promotion of women entrepreneurship in Tirunelveli district.

For the purpose of analysis, women entrepreneurs in Tirunelveli district have been chosen and the several aspects the women entrepreneurs are analysed. As there are 3,678 women entrepreneurs in Tirunelveli district, the proportionate stratified random sampling technique was adopted. Only 300 women entrepreneurs, 100 each engaged in the enterprises of manufacturing, trading and service were selected randomly as they are considered to be representative of the women entrepreneurs.
For selecting the type of enterprises out of total 300 women entrepreneurs, the researcher has given equal importance (1:1:1) to the three types of entrepreneurs.

Primary data were collected through well-structured and comprehensive interview schedules and through informal discussions with the women entrepreneurs. Secondary data have also been collected by the researcher from books, journals and reports. The data relating to the women entrepreneurs of Tirunelveli district has been collected for a period from January 2002 to April 2003.

In the foregoing chapters, the socio-economic backgrounds of women entrepreneurs, profile of their units, motivational and facilitating factors, strength, weakness, opportunities and threats of the women entrepreneurs, performance in terms of production, personal, finance and marketing and problems faced by the women entrepreneurs have been discussed. The major findings along with conclusions and suggestions are now presented in this chapter.

7.1 SUMMARY OF FINDINGS

The socio-economic profile of women entrepreneurs is considered very essential so as to identify the potential women entrepreneurs for economic development.
It is observed from the analysis that 82 per cent of women entrepreneurs in Tirunelveli district belong to Hindu religion followed by Christians (15 per cent) and Muslims (3 per cent).

The women entrepreneurs were mostly Hindus belonging to different communities. It is inferred that 72 per cent of the sample entrepreneurs belong to the forward communities followed by backward/most backward and Scheduled Caste/Scheduled Tribes ones. Eighty per cent of the entrepreneurs were married with 10 per cent unmarried, seven per cent and three per cent were widows and separated respectively. Sixty three per cent of the entrepreneurs were in the 30-39 years age group, while 37 per cent were in the 40-49 years age group. Fifty six per cent of entrepreneurs were in the 30-39 years age group, 38 per cent were in the 20-29 years age group and six per cent were in the 40-49 years age group at time of starting the enterprise.

Regarding the marital status, 68 per cent of the women entrepreneurs were married in the age group 20-29 years while 22 per cent entrepreneurs were married below 20 years. Seventy seven per cent of the women come from nuclear families. The family size was 4 to 5 members in 59 per cent and 39 per cent entrepreneurs and only two children. Regarding the educational qualifications, 48 per cent of the entrepreneurs had only higher secondary level education, 32 per cent entrepreneurs had upto high school level, 12 per cent entrepreneurs were graduates and only eight
per cent of the entrepreneurs had only technical education. Thirty seven per cent of the husbands of the women entrepreneurs were graduates while 36 per cent were post-graduates. Thirty two per cent of the fathers were graduates while 18 per cent were post-graduates. Fifty four per cent of the mothers had very minimal education, below high school. Twenty six per cent of the husbands and 28 per cent of the fathers of the women entrepreneurs were in trading. Fifty seven per cent the women entrepreneurs were themselves house-wives before becoming entrepreneurs. Fifty one per cent of the entrepreneurs had family income below one lakh while only 11 per cent had family income above Rs.4 lakhs per annum.

The study on women entrepreneurs in Tirunelveli district revealed that there had been a spurt in women entrepreneurs after 1995 with as many as 62 per cent units started after that year. Thus, it may be understood that the Governmental promotional activities for promoting women entrepreneurs after 1995, women tend to opt for smaller investments with 51 per cent of the units under the study with less than Rs. two lakhs investment. On an average, trading sector enterprises had smaller investments with 45 per cent units having investment of less than Rs. One lakh. In the investment range of above Rs.5 lakhs, trading units were more than in others.

The average number of employees per enterprise came to three employees. Further, it is observed from the analysis that 58 per cent of units having the female employees. 100 per cent service units and 60 per cent of service sector units operated
a job or batch order production which indicates that the entrepreneurs are servicing the customers directly. Service sector units were more in lower (upto one lakh) and medium (Rs.1 to 3 lakhs) sales turnover groups whereas manufacturing units were more in the higher sales turnover range of above Rs.3 lakh.

It is inferred that women entrepreneurs were not limited to entering into traditional line of activities of women but were venturing into many areas such as fabrication, engineering, hardware and electricals. Nearness to home was the main consideration in location of the units by women entrepreneurs though nearness to customer was considered important by trading and service sectors and availability of infrastructure by the manufacturing sector. Seventy two per cent of units were set up as sole proprietary concerns indicating that the women were confident enough to do it alone.

The analysis of motivational and facilitating factors revealed that the foremost ambition was being highly educated followed by good housewife. Members in the family motivated the women entrepreneurs was stood first among the motivation in starting enterprises. The previous associations were the main factors which influence of starting the enterprises by women entrepreneurs. Among the compelling reasons, unemployment was the main force behind the women entrepreneurs to start enterprises. It was followed by the use of idle funds. The main reason for choice of the present line of activity was easiness to enter followed by no difficulty in securing
technical know-how. The availability of experienced and skilled people in their family was facilitated to start enterprises by the women entrepreneurs in the study area. The reason for locating the enterprise in Tirunelveli district was mainly due to the existence of the family.

The own finance and bank loans were stimulated the women entrepreneurs to start their enterprises.

In order to identify the factors which motivate the women entrepreneurs in Tirunelveli district, Factor analysis was used. The results revealed that the “Interest and Market Potential”, “Economic Status”, “Aspiration”, “Entrepreneurial Experience and Infrastructure” and “Financial and Family Background” were the factors which influenced the women entrepreneurs to start enterprises.

It is inferred from the analysis that women considered commitment and dedication as the major strength they possess. Women entrepreneurs were also proud of the systematic and planned way in which they undertook their enterprises. The availability of loan easily on concessional terms was not considered important at all by the women entrepreneurs. Not being able to take calculated risks, because of their nurturing nature demanding, a safe future for themselves and their children, was considered to be their major weakness. The enterprise taking second place to home was considered the second major weakness by manufacturing and trading entrepreneurs.
The analysis of opportunities brought out that the educational background being part of a good family with liberalised views were considered the major opportunities. However, trading sector entrepreneurs consider help from family as their main opportunity than the educational background. A conducive atmosphere was considered important by entrepreneurs in the manufacturing sector.

The main threats facing women entrepreneurs were competition from small and big units and necessity of having to give up enterprise due to family reasons. Further, it is understood that the women entrepreneurs did not seem to have any important threats connected to their sex, other than the necessity of giving up enterprise due to family obligations.

Thus, the SWOT analysis revealed that the strength and opportunities were higher in degree than weakness and threats. This was a positive indication as women entrepreneurs were confident of overcoming the minor weakness and threats utilising the major strength and opportunities that they possess.

The performance of women run enterprises was appraised by analysing the performance and practices followed in the major fields of entrepreneurial activities, that is, production, personnel, marketing and finance.

Production function was only relevant to manufacturing and service sectors. Since the lines of activities were very much different no comparison could be made
on capacity utilisation. However, the changes in capacity utilisation revealed that the entrepreneurs were performing satisfactorily except for a few who had specific problems.

A few additional highlights are presented below:

- There was a change in the production mix of 70 to 75 per cent of enterprises, with a more visible change in trading sector.

- Service sector units had higher levels of inventory and stringent quality control to meet customer satisfaction.

- As regards personnel policies, there seemed to be no difference in approach between women entrepreneurs and men entrepreneurs operating similar units.

- The number of employees was comparable to other male owned enterprises.

- They employed more women but preferred men employees for certain specific jobs like going around places extensively.

- Personnel selection in 57 per cent of the cases was by reference of known people and in 27 per cent cases recruitment from similar enterprises.

- The number of relatives and friends employed is very minimum.
They were hampered by the costs involved in the scientific forecast of market.

They relied mostly on executive opinion and past sales. Cost plus was the pricing adopted by trading sector whereas it was market price in service sector and manufacturing sectors.

They serve their customers directly and relied mostly on customer satisfaction and personnel selling to improve their market share.

Overall, the distribution of goods manufactured or sold by women entrepreneurs is directly to customer in 68 per cent cases.

For promotion, they consider the recommendation by satisfied customers to their friends as the most effective promotional technique.

They also use other methods like advertising, hoardings personal selling but in a very small way.

More than 50 per cent women had invested more than 75 per cent of total capital required for the enterprise which is very high.

They preferred investing their own capital to that of the borrowed capital.
Wherever additional capital was required, they raised much of it from family, friends and relatives. Even in the borrowed capital they had utilised sources other than banks.

Women entrepreneurs with higher family income were able to get quicker profits.

The empirical formulae developed by M.M.P. Akhouri for evaluating the EESI was used to evaluate the women entrepreneurs of Tirunelveli. The EESI of women entrepreneurs of Tirunelveli was compared with EESI of entrepreneurs in other studies and it was observed that EESI of women entrepreneurs of Tirunelveli was low.

On probing for reasons, it was seen that, though, the women entrepreneurs had registered good returns on capital employed and increase in sales turnover year after year, they were ranked lower on their borrowed and raised capital in comparison to their own capital invested which was very low. This prevented them from obtaining higher absolute returns by employing more capital and operating the enterprise on large scale. Generation of additional borrowed capital on the strength of their own capital invested would not have been difficult. Alternately for the same level of operation, employing borrowed capital would have ensured better returns on the own capital employed. The following become evident from the above:
- Women entrepreneurs are averse to borrowing and taking higher risks.
- They consider their entrepreneurial activity secondary to the family and therefore would like to spend just the critical minimum time without disturbing their home front.
- They are content to earn some money which they consider as 'pin money' utilising their spare time, money and skills.
- They also lack in confidence for independently managing bigger units.
- Women entrepreneurs were not borrowing adequate funds based on their own capital.
- They were restructuring their scale of operations to a level where they can meet the finances to operate the enterprise themselves at more compatible levels, with a minimum of work home conflict. This, in effect, means that though the return on investment or profitability of venture was very good in absolute terms, the return for the efforts made was not substantial enough.

Change is the spice of life but it can create varied problems for which the entrepreneur needs to be prepared. Fast decision making and an attitude to seek opportunity to achieve goals can reduce the problems and further the prospects of the entrepreneurs. In a woman run small enterprise, it is especially difficult to
distinguish the problems as pertaining to the enterprise or the individual, and hence both the aspects were considered combinedly.

➢ Recruitment of trained and skilled people was their major problem.

➢ Training the personnel was their next major problem, as the trained people left for other jobs and the problem started all over again.

➢ Availability of proper raw materials, specific to the requirement of their lines of manufacture was difficult to obtain as they were not required by many others and had to be obtained in small quantities from outside.

➢ Requiring a plot or shop for their enterprise, close to their home was also a major problem as no suitable accommodation was provided by the Government and as the house-owners did not prefer women to locate their enterprises in their residential areas.

➢ Finance for women were not easy to obtain from banks and organised sectors as banks did not repose much confidence in women entrepreneurs and demanded security and surety from their male family members and

➢ Procedural delays and paper work deterred them from seeking the help of financial institutions and banks.
7.2 CONCLUSION

Different women had different attitudes towards entrepreneurship. The growth, profitability and survival of the enterprise depended on this attitude or view towards entrepreneurship.

Some highly educated women considered 'business as a challenge', and were 'ambitious', 'career-oriented' and 'innovative'. They considered entrepreneurship as their first priority and hence were prepared to take risks and were also more rational in their choice of line, location, size and investment in the enterprises.

Some not very highly educated or well to do entrepreneurs were conventional and considered entrepreneurship as an avenue for additional income but despite their need for money their first priority was the home. Their choice of the line, location, size and investment of the enterprise was limited by factors like convenience, skills and economics status of family rather than the entrepreneurs or the environment.

Some women, either highly educated and wealthy or not, considered entrepreneurship as a hobby and a ventilator for their psychological independence, rather than financial needs and hence their first priority was the home. Their choice of the line, size location and investment in the enterprises was dependent on the choice, skill and economic status of the entrepreneur.
To conclude, finally women entrepreneurs, inspite of their travails and hardships are a satisfied and confident lot in society and a model to other women.

7.3 SUGGESTIONS

The following suggestions are given for the development of women entrepreneurship on the basis of the findings of the study.

It is observed from the analysis that the Government provides only financial aid and other help in the entrepreneurial development of women in the study area. It is suggested that along that financial aid, Government should take care of giving training to the women to initiate and accelerate the process of entrepreneurial development.

It is also observed that the women entrepreneurs in Tirunelveli district are not able even to mention, some of the schemes and institutions which provide various services. This is due to lack of awareness among women entrepreneurs about the services rendered and incentives provided and it is also due to their lack of knowledge of the current demand for different products within the enterprise and markets.
The success stories of existing women entrepreneurs should be told to them. To update their knowledge about existing entrepreneurs and also to develop new entrepreneurship, Information Technology Centre may be established in each and every taluk head quarters in Tirunelveli district.

It is understood from the analysis that next to finance, marketing is a major problem faced by the women entrepreneurs in the study area. It is suggested that the Small Industries Service Institutes and the Directorate of Industries of Tamil Nadu State Government should jointly initiate to organise some marketing consortiums for different types of industries. All the entrepreneurs become member of such consortiums according to the nature of their products. The consortiums may sell all the goods under a brand name given by the consortium.

It is also suggested that in order to achieve the purpose of augmenting production and proper distribution through marketing agencies, provision of recurring annual subsidy on turnover instead present capital subsidy may be provided.