CHAPTER IV
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4.1 Prologue:

From the review of literature it is evident that studies on women entrepreneurs have been scarce especially in India. A few books and studies have investigated small-scale women entrepreneurs involved in manufacturing units. However, home based women entrepreneurs have not received the attention they ought to have received. There is a paucity of research on women entrepreneurs in home based enterprises. The present study attempts to fill this research gap. It is also hoped that this study will provide a starting point for potential women entrepreneurs and a guideline for upcoming ones. In view of this, we shall proceed to highlight the objectives of this study.

4.2 Objectives:

(a) To identify entrepreneurial effectiveness in home based women entrepreneurs in Mumbai and the neighbouring suburbs.

(b) To study and analyze the factors facilitating and hindering entrepreneurial effectiveness of home based women entrepreneurs from Manufacturing, Trading and Service sector.

(c) To probe into the managerial effectiveness of home based women entrepreneurs with respect to Finance, Marketing and Human Resources Development.

Keeping these objectives in sight, the study ventures to test the following set of hypotheses.
4.3 Hypotheses

1. **Entrepreneurial effectiveness of home based women entrepreneurs will increase due to help from family in the enterprise.**

It is generally assumed that support from the family in any endeavour adds to its effectiveness. It is more so in the case of home based entrepreneurs because they are self-starters and run the enterprises from home. Help and support from family will be a facilitating factor to entrepreneurship.

2. **Respect and recognition from society will enhance entrepreneurial effectiveness of women entrepreneurs.**

This hypothesis was formulated assuming that the society will encourage women to perform larger roles in addition to their family responsibility. Entrepreneurial activity will be specially appreciated because it yields an income to the entrepreneur, generates employment for the society and sets a role model for other women.

3. **Customer expectations of goods and services will hinder entrepreneurial effectiveness of home based women entrepreneurs.**

Generally when goods are manufactured and services rendered from home based enterprise, customers expect to buy them at a lower price than the market. The customers psychologically deduct the overhead costs of a shop/factory and expect that discount to be passed on to them. The customers also feel that the quality of the products may not be standardized and hence should command a lower price than the market. This inbuilt mechanism of pricing in the minds of the customers will act as a hindrance to entrepreneurial effectiveness.

4. **Gender will be seen as an inhibiting factor to entrepreneurial effectiveness of women entrepreneurs.**

Although the Indian Constitution guarantees equality to men and women, the social realities work differently. For centuries the woman's role as a home-maker and mother is considered as her primary role. Any additional role to these roles is accepted only after she fulfills her primary role. The additional role is considered as a secondary one. Therefore, gender will play an unfavourable role in entrepreneurial effectiveness of women entrepreneurs.
5. Opportunities for Business growth/expansion will increase the entrepreneurial effectiveness of home based women entrepreneurs.

Women entrepreneurs will be successful in harnessing their resources towards their enterprises. As they earn more and more money, their desire to achieve business success will go on increasing. Once they get a taste of entrepreneurial success, they will try to utilize opportunities for business expansion to increase their entrepreneurial effectiveness.

6. The desire to earn more money will be seen as an influencing factor for the success in business and better utilization of human resources.

This hypothesis was framed keeping in mind the human desire to experience a sense of achievement and success with additional income. In the case of home based entrepreneurs, they earn an income without neglecting their household responsibilities and also utilize human resources optimally. A home based entrepreneur will therefore be motivated by a strong desire to earn money.

7. Generating and investment in employment for the enterprise will increase the sense of achievement, satisfaction and entrepreneurial effectiveness of women entrepreneurs.

Generation of employment directly and/or indirectly is considered an important characteristic of an effective entrepreneur. This hypothesis was framed assuming that a home based entrepreneur will try to achieve the extrinsic dimension of entrepreneurial effectiveness that is generating and investment in employment.

8. Managing employees will be a hurdle in entrepreneurial effectiveness of home based women entrepreneurs.

While running a home based sector enterprise, the technique of managing the workforce is flexible and each entrepreneur works out her method of getting the work done from the employees which leaves space for problems to creep in. The work culture in these home based enterprises is not so professional. People will not put in their best as a team although they are good individually. Hence this hypothesis assumes problems in dealing with employees for work.
9. Women entrepreneurs will differ in their reasons to start their own enterprises.

Although the basic aim of any enterprise is to make profits the reasons for starting an enterprise are different in the case of different entrepreneurs. Women from different socio-economic backgrounds will have different reasons to start business.

10. The reasons for working from home will be different in the case of different entrepreneurs.

This hypothesis assumes that it is a combination of reasons that propel an entrepreneur to start her own home based enterprise. The reasons could vary from negative ones such as dislike to work for others or dislike moving away from the home environment, to positive ones such as making the best possible use of time, money and place for the enterprise.

11. Lack of awareness and confidence of the market conditions will be seen as a hurdle to the diversification plans of the enterprise.

This hypothesis assumes that women in the Indian society have a secondary status and lack exposure to the market and latest business management practices. The vision of a home based entrepreneur is limited because she may not be aware or has experienced the growth cycle of an enterprise in the real sense of the term. She therefore remains contented and complacent with her small enterprise not giving enough thought to the growth or diversification of her business. This lack of market awareness and confidence to diversify will act as an obstacle in her entrepreneurial effectiveness.

12. Utilization of creativity will increase the entrepreneurial effectiveness of the home based women entrepreneur.

An enterprise is the creation of the entrepreneur. Right from conceptualizing the product/service to actually giving birth to the enterprise it passes through many stages of creativity. The greater the utilization of creativity and ingenuity in an enterprise the more will be the entrepreneurial effectiveness of the entrepreneur.
13. Training in entrepreneurship and business management will be seen as a factor contributing to entrepreneurial effectiveness especially with respect to product identification, profitability and business growth.

Although formal training in entrepreneurship and business management cannot be considered as a prerequisite to entrepreneurial effectiveness, it does play an important part in increasing entrepreneurial effectiveness. This hypothesis assumes that Management training will facilitate product identification, profitability and growth of home based enterprises.

14. Personal touch for business promotion will be a factor promoting entrepreneurial effectiveness of home based women entrepreneurs.

It is believed that personal service/touch in any business helps to maintain the quality of goods/services because it becomes easier to distinguish between a satisfied and dissatisfied consumer. Moreover, in the case of home based enterprises the clientele is largely from personal contacts therefore that will be seen as a factor promoting entrepreneurial effectiveness.

15. Innovative products/services will be a factor enhancing entrepreneurial effectiveness of home based women entrepreneurs.

The theory of Entrepreneurship considers innovation in products/services as a characteristic of an entrepreneur. In the present market conditions with fierce competition and new products and services launched almost everyday, innovative products/services will be a factor favourable to entrepreneurial effectiveness.

16. Value through quality/service/price will be a factor favourable to entrepreneurial effectiveness and sustainability of the enterprise.

It is generally assumed that in order to overcome competition in the market the entrepreneur gives good quality products/services and keeps the prices competitive. This hypothesis assumes that quality/service and price will enhance entrepreneurial effectiveness and sustain the enterprise.
4.4 Design of the Study

This is an exploratory study therefore the design is flexible. The concept of entrepreneurship is a dynamic phenomenon having multiple dimensions therefore an exploratory design provides an opportunity for considering different aspects of the problem. In an exploratory research design the objective is the development of the hypotheses rather than testing it. Nevertheless, hypotheses have been framed to conform to the norms of a research study.

Exploratory research studies are also termed as formulative research studies. It is the initial step in the continuous research process rather than a detached exercise. The main purpose of such studies is that of formulating a problem for more precise investigation or developing working hypotheses from operational point of view. The major emphasis of such studies is on discovery of new ideas and insights. Generally the following three methods in the context of research design are prevalent: (a) literature survey (b) experience survey (c) analysis of insight stimulating examples. A combination of all the three methods is used in this study to draw out the best results. The hypotheses are framed on the basis of literature survey, the interview schedule was used for experience survey and case studies approach for the insight stimulating examples.

The basic conceptual structure of this study has dealt with entrepreneurial effectiveness factors as applicable to home based entrepreneurs. Entrepreneurial effectiveness may broadly depend on some important variables such as annual profits, return on investment, number of employees and sustainability which singly or collectively may determine the effectiveness levels. However, these enterprises are from the home based sector and all the respondents not being well educated or trained in business management these factors could not be considered to assess entrepreneurial effectiveness of entrepreneurs. Therefore in this study, the key variables used to analyze entrepreneurial effectiveness are a sense of achievement, sense of satisfaction through enterprise and a will to prove business success.
Design of the study

The following is a diagrammatic framework of the exploratory study on home based women entrepreneurs.

Exhibit 5

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Women Entrepreneurs

Home Based

Mumbai

Trade  Manufacture  Service

member of Business Association

not member of Business Association

Non-Home based

not from Mumbai
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4.5 Assumptions

It was necessary to make some assumptions before proceeding to the methodology of addressing the problem.

(a) In this study entrepreneurial effectiveness of the enterprise is equated with the entrepreneurial effectiveness of the woman entrepreneur herself unlike an enterprise in a formal sector. This was because the underlying assumption is that she is the founder and manager of her own enterprise.

(b) Although most of the activities of the home based enterprise are carried out from home, the study assumes that certain marketing and linkage building functions of the enterprise are carried out away from home. It was also found that entrepreneurs diversified and extended their business activities away from home after reaching a certain volume of business.

(c) It is assumed that these enterprises fall under the category of manufacture or trade or service. An effort was made to get a near equal percentage of each of these categories. However, there is a lot of intermingling of the functions for example manufacturers of cosmetics also render service to their clients, those who prepare food items also render catering service to people. Therefore the different divisions of the enterprise do intersect with each other.

4.6 Method of investigation:

With a view to formulate the research methodology, it was necessary to determine the sample size by studying the universe. It was observed that home based enterprises were too widely scattered all over the city and neighbouring suburbs right from slums, one-room tenements, flats, to apartments and bungalows. It is difficult to even make a rough estimation about the size of the population. After some trial and error methods at making rough estimations of the universe, it was
felt that a criterion for authenticity be fixed so as to get accurate numbers through institutional sources. With this objective in mind it was decided to acquire information from business associations, women’s organizations, Government and semi Government bodies and Non Governmental Organizations (NGO) ’s about home based women entrepreneurs.

After acquiring lists of various organizations, only women registered with any of these organizations are included in the sample of the study. This reliability test would allow the researcher to acquire an authentic sample size. The background of the respondents their business profiles and their sustainability could be counter checked with organizations with which they were associated.

4.7 Data Collection:

As regards the statistics on women entrepreneurs in the city, it was not available with Governmental, semi-Governmental or other institutions. There were no directories on small-scale industries, which gave information on women entrepreneurs in home based enterprises.

Primary Source: Women’s business associations were approached for names, addresses, telephone numbers and types of businesses to compile a data base on women entrepreneurs. Altogether, 19 prominent women’s business and professional organizations were contacted. A list of their addresses with telephone numbers is appended in the annexure.

The main source of data were the Government and NGOs. The Government source consisted of Census Reports, District Industries Commission and the Mahila Arthik Vikas Mahamandal. NGOs consisted of business and professional organizations, religion based associations and women’s social clubs.

In addition to these, a list of Maharashtra State Women Entrepreneurs meet held on 1st May, 98 was procured and in the entire data women engaged in home based enterprises was tabulated.
4.8 Rationale of the Sample Size: In order to determine the sample size for the study as many as 19 women’s organizations were contacted and the sample size was determined as follows:

Total number of Organizations = 19
Total number of members = 14,253

It is observed that some women are members of two or three organizations, therefore, 10% allowance was be given for duplication and deducted from the total number of members. \[14253 - 1425 = 12828\]

Total number of women in business = 2251
Total number of women in home based enterprise = 1456
Sample Size = 161

Therefore the Sample size is 11.06% of the Universe

The figures are approximate, Kutchi association and Bombay Management Association have male members also. There is no published data available except annual reports, brochures, and information given by the secretariat or honorary office bearers of the organizations. (List of organisations appended in annexure)
4.9 Rationale behind the methodology:

The registered units with the District Industries Commission (DIC) and Small Scale Industries Service Institute (SISI) are small scale but not home based. Most enterprises are not registered hence do not feature in the Shops and Establishments' Act. Market research organizations like Market and Research Group (MARG), PROBE, Indian Market Research Bureau (IMRB) and institutions like Centre for Monitoring Indian Economy (CMIE) were not able to give statistical data. Results of random surveys appeared unrealistic and inaccurate.

From the organizations contacted, a detailed analysis was made on the type of business run by home based entrepreneurs and three broad areas i.e. trade, manufacture, service and were selected. Purposive sampling method was used to select the samples for this study.

4.10 Description of the Samples studied:

Women entrepreneurs in the scope of this study are running their enterprises in Mumbai and the neighbouring suburbs of the city. Considering the multi-lingual, multi-cultural and business oriented environment of this metropolis, it was felt that it would be appropriate to get a truly representative sample. Mumbai has seen a steady migration of people from different states of the country over the years. Respondents were questioned on the origin of their State. This factor has facilitated the researcher to get samples originally belonging to different states increasing the validity of research.

The enterprises selected were from Manufacture, Trade, and Service enterprises. However, the types of businesses ranged from agencies, such as travel, investment, marketing, beauty related, cosmetic manufacturing and trading, chemicals, food, garments, handicrafts, interiors, jewellery, leather items to gift articles and artifacts.

4.11 Criteria for Sample Selection

Since this study is focused on women in home based enterprises the following criteria were used for sample selection.
(i) Enterprises started and managed by women.

(ii) Business operations conducted from home, which could be one room tenement, flat, apartment or bungalow.

(iii) Women entrepreneurs should be residing in and around Mumbai.

(iv) The enterprise should fall under manufacturing, trading or service activity.

(v) The entrepreneur should be a member of a business association or women's organization.

4.12 Tools and Materials: the main tool of data collection was the interview schedule. The self-designed Interview Schedule prepared specially for this study incorporated the relevant aspects/dimensions and consisted of the following:

(1) Demographic details such as name, age, education, marital status, number of children, type of family, socio-economic background, husband's/father's occupation which formed the first part of the schedule.

(2) Business profile, type of business, annual profits, initial investment, return on investment, number of employees, and number of years in business formed the second part.

(3) Managerial strategies were probed through statements measured on a seven-point scale or five-point scale with regard to Finance, Marketing, and Human Resource Development.

(4) Gender related issues could not be overlooked since this study specifically dealt with women therefore these were included

(5) To get a holistic view international exposure, desire to help other women and such other issues were also included in the interview schedule.

4.13 Formulation of the Interview schedule

The theory of entrepreneurship mentions organizational skills, co-ordination and managerial abilities as characteristics of entrepreneurs. This study attempts to
explore these attributes in its respondents. Since any entrepreneurial activity needs finance, the respondents were questioned on the methods of raising seed capital and working capital for their enterprises. Marketing being a revenue generating function for the enterprise, the methods used by these home based enterprises were studied.

In the theory of entrepreneurship, several thinkers have made references to innovative methods and techniques in entrepreneurial effectiveness hence this study researches to find out whether an innovative approach has been the contributing factor in the entrepreneurial effectiveness of the respondents.

Unless an enterprise grows vertically or laterally, the journey towards entrepreneurial effectiveness is not complete; therefore the respondents were questioned about their diversification plans. It was also assessed whether they were aware of their competitors and other lucrative businesses other than their own.

Employee efficiency and management of human capital play an important role in the success of an enterprise. Although the enterprises under the scope of this study employ few people, the respondents were questioned about their experiences in managing employees to assess their skills in managing the human capital of their enterprise.

Managing people from any strata is one of the essential characteristics of entrepreneurial effectiveness. Apart from employees, home based entrepreneurs have to deal with customers, wholesalers sometimes executives from corporate houses and buyers. The respondent's experiences in people management in general and customers and employees in particular have been examined in this study.

It is often believed that women face a lot of problems because of their gender. Being born as a woman does act as a hindrance intrinsically and extrinsically. Intrinsically a woman does not always perceive herself as a separate individual having her own aspirations. She is so fully merged with her traditional roles as a
mother and wife that she perceives every aspect of her life in relation to these roles. There are certain extrinsic factors, which look at women as dependent entities and therefore tend to devote secondary attention to them. The experiences of these respondents with respect to gender have been analyzed and recorded in this study.

This research explores the relationship between entrepreneurial effectiveness on the one hand and training in business management and entrepreneurship on the other. The effects of foreign travel, international exposure and having role models have also been examined through the interview schedule.

4.14 Stages of Data Collection

A pilot testing through personal interviews with 10 respondents was done after which the questionnaire was mailed to 300 women entrepreneurs. The response was not so encouraging, therefore another interview schedule was prepared having 119 variables measured on a seven-point or five-point scale and the sample size was increased to 161 respondents.

4.15 Administration of the Interview Schedule: The interview schedule was administered over a period of two years from 1996-98. Some respondents had to be met twice or thrice because of pressures on their time, clarifications on certain responses given by them had to be obtained. In addition to the interview schedules, periodic meetings had to be organized to keep in touch with the respondents. In some cases informal meetings also had to be held with one or a group of entrepreneurs to get an insight into the thinking, planning, and entrepreneurial aspirations. In order to draw out the desired results, the statements in the interview schedule were presented in a jumbled form and measured on a 5 or 7 point scale to draw out responses.

Efforts were made to probe into the reasons why women started their enterprises from home and whether it helped them to balance their home roles and work roles. Personal interviews attempted to assess the awareness levels of their own entrepreneurial potential and their vision about themselves.
Before we go on to study in detail the "Variables under Study", it is necessary to understand the sequence of the Interview Schedule. Points 1-7 relate to personal and demographic details such as name, address, telephone, education, age marital status and number of children, type of family and religion.

Variable 8 relates annual profits earned by the entrepreneur. This is the most important yardstick to measure entrepreneurial effectiveness and should have been one of the criterion variables. However, accurate figures and balance sheets of the enterprises were not available because they were home based and mostly unregistered. Besides, the year of establishment, types of businesses and initial investments of the respondents was not uniform. Profits being related to initial investments and period of recovering it, information on these was not available. Therefore, the analysis of low, moderate and high degrees of entrepreneurial effectiveness is reflected in the Frequency Tables in Chapter 5.

Variable 9 assesses the levels of family income to find out if higher socio-economic strata boost entrepreneurial effectiveness or not. Variable 10 probes into the state of origin to find out whether people migrating from a state or states perform better than residents of that state itself. The next variable is about father’s occupation and husband’s occupation, which give and insight into the background of the entrepreneur.

Business Profile of the respondents is reflected in the type of company (Variable 13), Nature of Business, (Variable 14), Year of establishment (Variable 15), Number of employees (Variable 16), Description of the product (Variable 17) and the Annual Turnover (Variable 18)

Number of Employees could have been the key variable in the statistical analysis but there again there was no uniformity in the scale of business, time of establishment and type of business therefore, the analysis of this variable is reflected in the Frequency Tables.
Variable 18 relates to Annual Turnover. Only ranges and approximations were available regarding this because these being home based enterprises.

4.16 Variables Under Study:

The variables used in this study could be classified as follows: the first 18 points relate to the personal attributes and the business profile of the respondents the remaining 119 are related to their entrepreneurial characteristics, managerial abilities, psycho-social, environmental and gender related issues.

Variable 19. Reason to work from home: was recorded on a seven-point scale from strongly agree, to strongly disagree. The responses were measured on the following statement "I work from home because my husband/family do not want me to go out to work."

Variable 20. Bottlenecks to diversification: The following statement measured the respondents on a seven-point scale "I do not have adequate place to diversify"

Variable 21. Help from in-laws: This variable was in relation to the help received from in-laws in business. "My in-laws help me in business." This statement was measured on a five-point scale as follows: always, often, sometimes, rarely and never.

Variable 22. Respect and recognition: This variable was with regard to respect and recognition received from friends/society for being entrepreneurs. The following statement was measured on a seven point scale."I am respected in the neighbourhood, friends, and society because I am not just a housewife."

Variable 23. Average working hours: The respondents were questioned on the average number of hours they worked in a week. This response could not be measured on a scale. No ranges or approximate numbers were given. The respondents were requested to fill in the blank in order to get honest responses.

Variable 24. Reason to start a business: "I started a business to earn money" this statement was measured on a seven point scale. This variable aimed at
exploring the single largest factor or the push factor for the respondents to start a business.

Variable 25. **Initial investment**: In order to find out the initial investment in the enterprise by the respondents a question without ranges was included as follows: "What was the initial investment on your enterprise/business?"

Variable 26. **Recovery period of investment**: This was in relation to the previous variable. The following statement was made "I recovered my investment in ——year/years ". The respondents had to fill in the time period in recovering their initial investments.

Variable 27. **Client retention** and repeat orders are important for any business to sustain. Therefore the following statement was measured on a seven-point scale "I provide goods/services at a reasonable price to retain my clientele.

Variable 28. **Unavailability of skilled manpower**: This variable was included to find out if the entrepreneurs found it difficult to function due to lack of skilled manpower.

Variable 29. **Desire to change line of business**: One of the essential prerequisites of an entrepreneur is her knowledge of the competitors in the business and profit potentials of other businesses. Therefore the following statement - "I have not given a serious thought to a changed line of business" was measured on a seven-point scale.

Variable 30. **Trained employees leaving**: Any enterprise suffers when trained people leave. In order to find out whether this was a problem with home based enterprises with limited number of employees, the following statement was made "I find it difficult when trained people leave me." The responses were measured on a seven-point scale.

Variable 31. **Monetary incentives for a better performance**: Do monetary incentives induce a better performance in employees? This variable was measured
on a seven point scale on the following statement "I give people monetary incentives to make them work diligently."

Variable 32. Motivated by profit was this the most important factor driving entrepreneurs? In order to research this, the following statement was measured on a seven-point scale: "the profits that I earn make me continue in business.

Variable 33. After sales service: Sustainability is an important attribute of entrepreneurial effectiveness. Which are the methods used by home based entrepreneurs to remain afloat in business? The following statement was used to find out the reasons for a sustained profit." I provide after sales service /follow up." A seven-point scale was used to measure the responses to this variable.

Variable 34. New /unique product: the attribute of innovativeness had to be assessed in the respondents since this is considered as an important characteristic of entrepreneurship. A product sells faster if it is new or offered at a lower rate than the competitors. "I felt this product /service was new and not available in the market." This statement was used to find out the awareness of respondents about new products and services in the market.

Variable 35. Help from domestic servants in enterprise: "My domestic servants help me in business" The responses were measured on a five point scale.

Variable 36. Quality Products/Service to keep competition away. The mantra used to face competition in the market was ascertained on a seven point scale on the following statement " I provide quality in my product /service to deal with competition."

Variable 37. Will to diversify: After making a reasonable amount of profit the logical step in any enterprise is to grow vertically or laterally. The following statement was used to find out whether the respondents were planning to diversify their business "I do not have the will to diversify" The response was measured on a seven-point scale.
Variable 38. Personal contact to increase profitability: A desire to increase profitability is the underlying assumption in any enterprise and home based enterprises are no exception. In order to ascertain the role and extent of personal touch in increasing profitability the following statement was used "Personal contact to increase volume of business can increase my profitability." A seven-point scale was used to measure the responses.

Variable 39. Aggressive marketing for increasing profitability: In the process of searching the strategies used by entrepreneurs in increasing their profitability it was necessary to find out if they considered aggressive marketing as a means to increase profits of the enterprise. Hence the following statement was used "My profitability will increase by aggressive marketing of goods/services." This statement was measured on a seven-point scale.

Variable 40. Home enterprise to fulfill family responsibilities: This variable was used to find out whether the enterprise was started at home to combine the family and entrepreneurial functions. "I work from home to look after my family responsibilities with work." The degree of importance given by the respondent to the family responsibilities was measured on a seven-point scale.

Variable 41. Firmness in employee relations: One of the essential characteristics of a good entrepreneur is management of human relations especially the employees. "I am polite but firm to extract work from employees." This statement measured the employee relations technique of the respondents on a seven-point scale.

Variable 42. Personal touch for business promotion: This variable appears similar to variable 38 which is personal contact to increase profitability however the subtle difference is that the earlier one has a broader meaning. This variable is basically customer relations oriented and the previous one is profitability oriented.

Variable 43. Sense of achievement: This was one of the most important variables to measure the levels of entrepreneurial effectiveness of the respondents. A
common matrix for the total sample size was not possible because there was no
uniformity in the measuring yardsticks such as year of establishment, location,
field of activity, product profile, number of employees, levels of profit and amount
of investment. The entrepreneurial achievement of the respondents therefore had
to be measured individually from the time they started to their present position.
The responses were measured on a scale of 0% to 100% on the following statement
"I do feel a sense of achievement because I am an entrepreneur." This variable
is the dependent variable or the criterion variable of this Study.

**Variable 44. Customer expectation:** Among the several difficulties faced by
entrepreneurs in business, dealing with customers and providing them with
satisfactory goods and services is a commonly encountered problem. "Customers
expect too much at a nominal cost" this statement was measured on a five point
scale.

**Variable 45. Change in people's perception:** Does becoming an entrepreneur
change people's perception about the individual? Does the person feel a sense
of gratification due to the recognition she gets by being an entrepreneur? In order
to test this, the following statement was used "People's perception about me have
changed and I get more recognition" and responses measured on a five point
scale.

**Variable 46. Dedication and commitment in work:** How serious are the women
entrepreneurs about their enterprises? Is it just a pastime or a consistent business
activity? Does the entrepreneur possess leadership qualities? These attributes
were analyzed on a seven-point scale with the help of the following statement "
I work with dedication and commitment to enthuse people working with me."

**Variable 47. Unique Product:** How does the entrepreneur react to the fierce
competition? What strategies does she adopt to overcome the competition?" My
product is unique, therefore I do not fear competition." This statement was measured
on a seven-point scale.
Variable 48. **Keeping the price line competitive**: It is believed that one of the strategies used by enterprises to keep competition at bay is to keep the price line competitive. This factor was ascertained by the following statement “My profitability increases by holding the price line at a competitive level. A seven-point scale was used to measure the responses.

Variable 49. **Using free time to do business**: Women generally consider their domestic duties of primary importance and give secondary importance to their enterprise. In order to check the validity of this belief the following statement was measured on a seven point scale” It helps me utilize my free time.”

Variable 50. **Preferential treatment as a woman**: Does gender have an effect on entrepreneurial effectiveness? Is being a woman an advantage or a disadvantage for the respondents under the scope of this study? A five-point scale was used to measure the effect of gender “I get preferential treatment because I am a woman”

Variable 51. **Love for work keeps the enterprise going**: Is love for work the major reason for entrepreneurs to continue their businesses? This characteristic was measured on a seven-point scale by the following statement “I love the work therefore I continue doing my business.”

Variable 52. **Manage working capital from own resources**: Availability of Finance being an important ingredient to continue the enterprise, it was necessary to find out whether these entrepreneurs used institutional finance or personal finance for the enterprise. This variable was measured on a 5 point scale.

Variable 53. **Lack of confidence for diversifying the business**: Starting an enterprise needs some amount of risk bearing capacities and to continue doing it requires confidence as well. “I may not be able to manage a diversified business” This statement was measured on a seven point scale to draw out the responses.

Variable 54. **Help from children**: Does having children facilitate the enterprise or acts as barrier? This response was measured on a five-point scale on the following statement “My children help me in business”
Variable 55. Started an enterprise to utilize extra place at home: Was having a spacious home the reason that pushed these women into entrepreneurial pursuits? "I work from home because I have plenty of space" This statement was measured on a seven point scale.

Variable 56. Dislike to work for others: Does not wanting to serve others act as a push factor for entrepreneurial ventures? The truth in this statement was measured on a seven-point scale.

Variable 57. Lack of employee commitment: This situation could act as a stumbling block to entrepreneurs. In order to find out whether lack of employee commitment was a problem, the following statement was measured on a seven-point scale: "I have a problem when people who work for me lack commitment."

Variable 58. Open to new business opportunities: An effective entrepreneur should have an open mind for new business ideas. "I may change my business if I get a better business opportunity" The extent to which the entrepreneur was open to new ideas could be measured with this variable.

Variable 59. Exhibitions and Sales to increase profitability: Different entrepreneurs follow different methods to increase their volumes of sales and earn profits. Do these women feel that Exhibitions and Sales are effective ways of business promotion? Responses were measured on a seven-point scale.

Variable 60. Innovative ideas, products, and services: The theory of entrepreneurship lays a great deal of emphasis on innovativeness of an entrepreneur. This variable tested the degree of innovativeness in ideas, products and services used by the respondents.

Variable 61. Started business to make two ends meet: The propelling factor for women to start enterprises needed research. This statement reflected the reason for the respondents to start the enterprise.
Variable 62. **Business closing plans**: Every uphill task has its moments of triumphs and tribulations. Entrepreneurship is no exception. How often does an entrepreneur think of closing the business? This variable tests the degree of perseverance, sustainability, and staying power of the entrepreneur.

Variable 63. **Financial Independence**: This was observed as the major reason for many entrepreneurs to start an enterprise. "I started business to be financially independent." Responses were measured on a seven-point scale for this statement.

Variable 64. **Advertising through word of mouth**: While probing into the strategies used by the respondents for business promotion and marketing their goods and services, it had to be assessed whether word of mouth had been the effective method to promote business.

Variable 65. **Husbands help in the enterprise**: This variable was included to assess the degree of support and help rendered by the husband for the enterprise.

Variable 66. **Treating employees like family**: This variable assessed the managerial skills of the respondents in getting work out of the employees.

Variable 67. **Business brings out creativity**: This was one of the many variables to explore the reasons for starting an enterprise. Had the business been a major vehicle to bring out the creativity of the respondents?

Variable 68. **Problems in acquiring working capital**: Keeping the enterprise going needs a constant supply of finance. With a view to measure the degree of entrepreneurial effectiveness among the respondents, it was necessary to find out the sources used by them to raise finances for the enterprise.

Variable 69. **Product identification through hobby**: Many people have a desire to start business but identifying the right kind of product is not an easy task. It is therefore essential to find out in what way the product for the enterprise was identified.
Variable 70. Gender discrimination: Since this study specifically deals with women in business, it was imperative to discuss whether being a woman acted as a barrier to their role as an entrepreneur. "I feel discriminated because I am a woman" This statement measured the degree of gender discrimination faced by the respondents.

Variable 71. Need to diversify: Does the desire to diversify reflect the entrepreneurial characteristic of growth or does the lack of it bring out the complacency of the respondent? "I am doing well so I do not see a need to diversify "This statement was used to measure the responses.

Variable 72. Demand from customers: This variable was used to find out why the respondent decided on a particular product or service. "I thought it had a demand from customers" this statement explored the product identification path.

Variable 73. Started enterprise to support family: Rising inflation, difficult job market, lack of requisite skills and education could be some of the reasons for women to turn to entrepreneurship. Has supporting the family been the main reason for the respondents to start an enterprise? This variable probed into the push factor of starting the enterprise.

Variable 74. Overcoming working capital problems: This variable appears similar to variable 68 which is about acquiring working capital, however the earlier one probes into the source of acquiring the capital whereas this one deals with the problem solving abilities of the entrepreneur.

Variable 75. Non Monetary incentives: What are the techniques used by the respondents to carry out the work related to the enterprise? This variable deals with the employee management skills of the respondents.

Variable 76. Would perform better if was a man: Does being a woman act as a barrier for the respondents of this study? Women are expected to perform traditional roles of homemakers, which is believed to act as a constraint on their
entrepreneurial aspirations. It was necessary to find out if the respondents experienced an element of truth in this statement and to what degree.

Variable 77. Parents help in business: This variable was used to find out whether help from the family was a facilitating factor in the entrepreneurial effectiveness of the respondents.

Variable 78. Respect in Family: Does becoming an entrepreneur enhance the respectability of the respondents within their family adding up to the sense of achievement.

Variable 79. Loan from Bank: It was essential to find out the source of investment in the enterprise, as it is an important factor in the establishment of the business. This variable was measured on a five-point scale, which had the following options "always, often, sometimes, rarely and never.

Variable 80. Influence employees through hard work: This variable assessed the leadership qualities of the respondents. It also measured the commitment of the respondents towards their business

Variable 81. Increasing product range for higher productivity: Entrepreneurship implies the vertical or lateral growth of the enterprise. This variable brought out the mind-set of the respondents towards the growth of the enterprise.

Variable 82. Bill recovery problems: During the course of preliminary interviews it was observed that this was a common problem faced by the entrepreneurs. Therefore this variable measured the responses on a five-point scale.

Variable 83. Unprofessional attitude of the customers: These home based enterprises generally have a clientele who is developed from personal contacts and do not take these enterprises very seriously. This attitude of the customers creates a problem for the respondents at times. The extent and degree of this problem has been measured by this variable.
Variable 84. **Borrowing funds from the family**: Relying on the family is the easiest recourse for the home based enterprise. To what degree do the enterprises depend on family sources for working capital was assessed by this variable.

Variable 85. **Business idea related to education/training**: From the point of view of drawing lessons for the future it was essential to know how the business idea was generated. This variable explored the relationship between the business idea and the educational background.

Variables 86. **Started business for individual identity**: From the pilot study it was observed that women started an enterprise to create an individual identity for themselves. Has this been an important factor in propelling women towards entrepreneurship? This variable measured the intensity of the respondent to have her own identity.

Variable 87. **Better quality will bring more profits**: With the global awareness about total quality management it was necessary to find out the degree of importance given by the respondents of this study to good quality products and services.

Variable 88. **Inspiration through family and friends**: The motivating factor for any enterprise gives an indication for future lessons. It would also help identify products for other entrepreneurs

Variable 89. **Other business ideas than one's own**: It is very important for an effective entrepreneur to be aware about her competitors as well as the general market trends. Openness to new ideas is one of the qualities of an effective entrepreneur.

Variable 90. **Foreign Travel and relation to business success**: It is believed that foreign travel broadens horizons and hence acts as a facilitating factor to an enterprise.
Variable 91. **Convenience of working from home**: The reason for the respondents to start business from home was very important. It was necessary to find out whether convenience was one of the reasons to start a business from home.

Variable 92. **Employees’ sudden absence from work**: Does this act as a hindrance to the entrepreneurial effectiveness of the respondents? This variable measured the degree and extent of this problem faced by the respondents.

Variable 93. **Encouraging other women to do business**: Unless any good business idea or knowledge about business is shared, it does not have a multiplier effect. This variable found out whether the respondents were willing to help other women wanting to do business.

Variable 94. **Working from home is economical**: Is cost saving a major consideration for women entrepreneurs of this study to do business from home? Among the other reasons such as convenience, performing dual roles with efficiency, has cost cutting been also an important factor for the respondents of this study to run home based enterprises?

Variable 95. **Sense of satisfaction through business**: This is one of the key variables of this study. It was used for the respondents to assess their degree of satisfaction. Their responses were measured on a seven-point scale.

Variable 96. **Employee absence on festivals**: Thin attendance in factories and offices during festival season often disrupts the routine activities. It was necessary to find out if the respondents of this study also faced similar problems.

Variable 97. **Desire to establish business success**: This is also one of the key variables used to measure the entrepreneurial effectiveness of the respondents of this study. It is also called the dependent variable. The intensity with which the respondents felt the need to prove that they can do business successfully has been measured on a seven-point scale.
Variable 98. Lack of financial resources to diversify: If entrepreneurial effectiveness means lateral or vertical growth of the enterprise then the reasons, which obstruct this movement, need to be studied. Inaccessibility to financial resources could be one of the obstacles to business expansion. This variable seeks to find whether this had been a problem and the intensity of the problem among the respondents studied.

Variable 99. Training in business management would benefit: Formal training in business management or entrepreneurship is considered as a facilitating factor for businesses. Do the respondents of this study feel that formal training in business management adds to entrepreneurial effectiveness.

Variable 100. No plan to change business line: An entrepreneur is essentially an adventurer and risk taker. This variable tests the vision and level of confidence of the respondents in changing their line of business.

Variable 101. Difficulty in employee management: The skills of an entrepreneur lie in managing all the resources profitably. If she lacks the skills in employee management then the business is likely to suffer thus adversely affecting the effectiveness of entrepreneurship. This variable assesses the difficulties of respondents with regard to employees.

Variable 102. Creative time structuring does an enterprise give an opportunity to the entrepreneur to utilize time creatively? This variable relates to the reasons for the respondents to start the enterprise. It also reflects their sense of satisfaction in doing so.

Variable 103. Conversion of hobby to business: This variable relates to the identification of product or service of the enterprise. It also reflects the reason for starting the business.

Variable 104. Priority to business before other interests: This variable examines the level of importance that the respondents give to the enterprise. It also tests their extent of commitment to the enterprise.
Variable 105. Better utilization of human resources through employment generation: If employment generation is considered as an important offshoot of entrepreneurship, then does rendering employment give satisfaction to entrepreneurs?

Variable 106. More money means more success: Do the respondents of this Study equate money with success and are they frank enough to admit the same? In its most simple form entrepreneurship means earning more money.

Variable 107. Target higher turnover annually: Growth of an enterprise is the essential prerequisite of an entrepreneurship. Do the respondents of this Study depict this trait? Entrepreneurial ambition and vision was measured by this variable.

Variable 108. Investment in human resources will benefit the business: An effective entrepreneur realizes the importance of a good employee in the success of a business and treats it like a resource.

Variable 109. More money means more happiness: Does the respondent equate more money with more happiness? This variable examines the extent of importance given by the respondent to the enterprise and the resulting happiness.

Variable 110. More money will lead to more success: Does the intense desire to earn more money and resulting success drive the entrepreneur? The responses to this variable were measured on a seven-point scale.

Variable 111. Business expansion primary aim: This variable measures the importance given by the respondents to their enterprise. Do they treat it as a primary activity or a secondary activity next to their domestic responsibility? The responses were measured on a seven-point scale.

Variable 112. Business expansion for higher standard of living: Is it the desire for a higher standard of living that drives the respondent towards entrepreneurship? Is it a means to an end? Was this true of the middle income groups or was this desire common to respondents from the higher income bracket as well? This variable sought responses to the following problems.
Variable 113. Utilizing energies for more profits: Committed entrepreneurs want to devote all their time and energy to the growth of their enterprise. How many respondents channelise all their energies to their enterprise and to what extent? This variable gauged the degree of importance given by the respondents to their enterprise.

Variable 114. Increased volume of business higher creativity: Does increased volume of business give an opportunity for higher creativity? In order to find out whether the creative skills of the respondents are fully utilized with and increased volume of business this variable was used. The responses were measured on a seven-point scale.

Variable 115. Generation of employment adds to wealth creation: The test of entrepreneurship lies in generating wealth and creating employment. This variable assesses to what degree the respondents of this study feel that by generating employment they are adding to the national wealth creation.

Variable 116. Capability to earn profits: This variable examines the level of confidence in the respondents to earn profits. The responses are measured on a seven-point scale.

Variable 117. Work related business is rewarding: This variable seeks to find out whether the respondents enjoy the work related to their enterprise and derive satisfaction out of it.

Variable 118. Enterprise growth will enhance family respect: This statement ascertains whether the respondents feel that the growth of their enterprise will enhance their respectability in the society.

Variable 119. Sense of achievement in employing people: One of the key variables of this study is the sense of achievement experienced by the respondent in running her enterprise. This variable finds out whether the respondent derives a sense of achievement by employing people and to what extent.
Variable 120. Access to manpower for business profits: Is it necessary to have access to manpower to run a business profitably? In other words does an availability of manpower act as a facilitating factor to effective entrepreneurship? This variable examines whether access to manpower is a facilitating factor to successful business operations.

Variable 121. Business Growth leads to business success: With a view to find out the respondent's perception about business success and its relation to business growth this variable measured the responses on a seven-point scale.

Variable 122. Possess skills to expand: This variable measured the degree of confidence in the respondents in utilizing their skills for business expansion.

Variable 123. Desire to be known as distinguished entrepreneur: Is it the sense of recognition derived from becoming a distinguished entrepreneur that drives the respondents to entrepreneurship? The reason to become entrepreneur is explored by this variable.

Variable 124. Capabilities for business Growth: The confidence level of the respondents in their own capabilities for business expansion is examined by this variable. The responses are measured on a seven-point scale.

Variable 125. Happiness in business growth: This variable examines the relationship between business growth and happiness in the respondents.

Variable 126. Fulfillment of a social commitment in employing people: Some entrepreneurs do derive a sense of satisfaction by employing people in addition to the sense of success in running an enterprise profitably.

Variable 127. Profits related to dependent identity: This variable searches whether the reason for the respondents to establish an enterprise has been a desire to establish an individual identity.
Variable 128. More employees lead to more profits: Do the respondents feel that by employing more people they will be able to earn more profits? This perception of the respondents is measured on a seven-point scale.

Variable 129. More profits will lead to a higher business investment: It is a logical step for an effective entrepreneur to plough back profits into the enterprise for further growth. With a view to examine the business commitment of the respondent this variable was used.

Variable 130. Employment leads to livelihood: Does the respondent derive satisfaction on giving people a livelihood by employing them in the enterprise? This variable measured the responses on a seven-point scale.

4.17 Data Analysis: The data was collected from 161 respondents on 119 variables on seven or five-point scale. It was coded numerically in the Excel package. This data was then subjected to Factor Analysis.

Factor analysis, is a family of procedures for removing the redundancy from the set of correlated variables and representing the variables with a small set of "derived variables" or factors. Factor Analysis is a technique that identifies those variables that are interrelated and reduces them to a smaller number of underlying dimensions called "factors."

Applications of Factor Analysis: There are five main applications of factor analysis such as, Identification of underlying factors, Screening of variables, Summary of data, Sampling of variables and Clustering of objects. For the purpose of this study, the first technique, Identification of underlying factors was used. A large number of variables were clustered into smaller number of homogeneous sets and creating a new variable a factor- representing each of these sets. This simplification of data gave a better insight into the research problem. A large number of variables were reduced to smaller more manageable and interpretable number factors.
4.18 BASIC CONCEPTS

Factor loading: In a factor matrix, the columns represent the derived factors, and the rows represent the original input variables. The cell entries of the factor matrix are called factor loading and which vary in value from -1.00 to +1.00, represent the degree to which each of the variables correlates with each of the factors. The factor loading is the coefficients between the original variables and the newly derived factors, which are the variables.

Factor Scores: Factors are measured on the same objects upon which the input variables are measured. So, in addition to each of our original objects having a value on each of the input variables, they also have a value on each of the derived factors, and these later scores are referred to as factor scores.

Eigenvalues: Associated with each derived factor is a quantity known as an eigenvalue, which corresponds to the equivalent number of variables, which the factor represents. For example, a factor associated with an eigenvalue of 3.69 indicates that the factor accounts for as much variance in the data collection as would 3.69 variables on an average.

Naming of the factors: the high-loading variables of each of the factor were given a descriptive name, which represented a common element or abstraction of the individual variables, which load highly on the factors. A list of these factors, tables, and exhibits are presented in the next chapter. The next step in the research methodology was to use the multivariate correlation analysis.

4.19 Multivariate Correlation Analysis as the name suggests, supposes more than one variable. It is concerned with the correlations that exist among several variables. The prerequisite for determining the relationship between two variables is to obtain measurements on a set of objects with respect to both variables.

Criterion and Predictor Variables: The data for this study was collected with the purpose of searching entrepreneurial effectiveness. While all the possible relationships among the various variables, as well as their individual characteristics,
might be of interest, the study was focused on a few key variables that have a special degree of importance to us. Such a variable is referred to as criterion variable. The criterion variable stands as a standard against which the importance of other variables are judged. These latter variables are often referred to as predictor variables in the sense that they may be found to have variance in common with the criterion variable, and consequently information about them could be used to predict information about criterion variable. On the other hand, the predictor variables may serve a pure descriptive function with their predictive capacity.

The analytical procedure that allows us to determine how much of the variation in a criterion variable is associated with the variation in a set of predictor variables is known as multiple correlation. The objective of this analysis is to identify variables, which covary with our criterion variable or variables. Kachigan, S (1982) in this study the three separate criterion variables used are:

- Desire to establish business success
- Sense of achievement by being an entrepreneur
- Sense of satisfaction through business

Desire to Prove Business Success
A strong desire and determination is a prerequisite to any entrepreneurial activity. An intense urge to earn money through enterprise spurs the respondents to exploring business opportunities around their socio-economic setting.

Desire to prove business success is as important as fire in the belly of a successful, ambitious person. The desire springs due to several reasons such as making two ends meet, support to the family, desire to be financially independent. An adversity such as bad marriage and a sense of insecurity arising out of it has propelled women to plunge into entrepreneurial pursuits. Creativity has been one of the causes as well as effects of entrepreneurship as observed from interaction with respondents.
Sense of Achievement through Business

Sense of achievement in the literal sense is achieving a pre-determined goal. While discussing and interacting with the respondents of this study, it was observed that they were sure of their goal i.e. setting up and enterprise and running it profitably. The efforts, resources and time utilized for doing so differed from person to person. It was clear that they knew and had charted out their own scale of achievement. Who could be a better judge of their trials, tribulations and their achievement than they themselves? Therefore, they were requested to assess their own entrepreneurial performance on a scale of 0 to 100% which they did satisfactorily. Hence sense of achievement became the second criterion variable, a standard for other predictor variables.

Sense of Satisfaction through Enterprise

Sense of satisfaction is the gratification of the desire or fulfillment of a craving. If achieving a desired goal does not give happiness and satisfaction the excersize is futile. If the craving and desire to prove business success is from within, then it must give a degree of satisfaction to the entrepreneur and motivate her to diversify grow and set higher goals. Entrepreneurship is about creating wealth for self, society and generating employment while doing so. Therefore, a set of the above three criterion variables was selected to identify entrepreneurial effectiveness in this study.

Establishing a relationship between a criterion variable and a predictor variable would not be enough since the complexities of the real world are not so simple. Therefore multivariante analysis simultaneously considers relationships among a large set of predictor variables like the ones used in this study.

In this exploratory study there are many predictor variables that may be correlated with our criterion variables of interest and it is desirable to know the degree to which each of the individual predictor variables correlates with the criterion variable. It would also be desirable to know the total explanatory power of a set of predictor variables combined. Therefore multivariate analysis allows us to determine how
much of the variation in the criterion variable is associated with the variation in the set of predictor variables known as multiple correlation.

The predictor variables in this analysis are weighed not on personal judgement but on statistical standard, the resulting composite scores have a maximum correlation with the values of on the criterion variable. Each predictor variable is associated with its own beta weight, their values are a function of two things:—

(a) the correlation of individual predictor variables with the criterion variable
(b) correlation that exists among the predictor variables themselves.

In determining the beta weights, not only do we need to take into account the correlation of the predictor variable with the criterion variable, but also the correlations that exist among the predictor variables themselves. That is why a full correlation matrix is needed as input for determining the weights.

The correlation between the set of composite scores derived from an application of beta weights and the scores on the criterion variable is referred to as multiple correlation coefficient designated with capital R.

4.20 Interpretation of Multiple Correlation:

The two key sources of interpretation of multiple correlation analysis are beta weights and the square of multiple correlation coefficient $R^2$. The size of the beta weights reflect the relative importance of the variable to which they are attached. A variable with high beta coefficient should account for more of the variance in criterion variable than a predictor variable with a small beta coefficient.

$R^2$ signifies the proportion of variance in the criterion variable predictable from variation in the derived variable of composite scores.

Adjusted $R^2$: If all predictor variables in a multiple correlation analysis were either positively all negatively related to the criterion variable, then the multiple R could turn out to be either positive or negative in value. However the set of predictor is likely to be a mixture of variables, which are either positively, or negatively
related to the criterion variable, beta weights must take positive and negative values to distinguish between them to properly emphasize the respective values. Consequently the resulting composite scores will always be positively correlated with the criterion variable as observed in this exploratory study.

Stepwise Procedure: Given a set of predictor variables it is not necessary to utilize every single one in the determination of a multiple $R^2$. The process can begin by selecting the one predictor variable that correlates most highly with our criterion variable, and then introduce a second predictor variable, the one that accounts for the most of the remaining or residual variance in the criterion variable. This stepwise procedure is continued each time adding that variable that accounts for the most variance in the criterion variable not already explained by the earlier variables, continuing until the inclusion of another variable would account for only an insignificant amount of variance in the criterion variable.

Correlation analysis, is concerned with the associations among random variables, and therefore does not allow casual interpretations for such relationships, playing rather a mainly descriptive and hypothesis-generating role. The findings of the statistical analysis are presented in the following chapter.

4.21 Controls and Precautions used in the study: The number, types and scale of home-based women entrepreneurs in Mumbai would be phenomenal. With a view to narrow down the scope of this study and acquire authentic data, only women affiliated to women's organizations and business associations were contacted.

- While selecting the samples, those women who had closed the business were eliminated. Those had shifted out of home were dropped. Those moving away from the city by marriage or transfer were also not included.
- Since the age group, religious background and socio-economic status varied widely, care was taken to explain the questions in local language and persuade them to give truthful answers. Matching the wavelength of the respondents and speaking their language was necessary.
The greatest challenge was getting information on the profits, annual turnovers and annual family income levels. It took a lot of convincing and discussing to establish confidence and trust that this data collection was for academic purposes only. Very often the respondents nurtured a fear that the researcher was a secret agent of the Income Tax Department which brought out their anti-bureaucracy thinking and their aversion to corrupt officials and inspectors. Findings of the statistically analyzed data are presented in the following chapter entitled Results and Discussion.