Chapter 3

METHODOLOGY

It is a well established fact that the economic development of a country is generally equated with its industrial development. It is the entrepreneur who stands at the centre of the industrial activity and assumes various roles of a country’s development process. Large, medium and small industrial units play a mutually complementary role in the integrated and harmonious growth of industrial sector as a whole. However, small enterprises outnumber the larger ones in every country and play a vital role in the process of industrialisation by contributing significantly to production and exports. As the pace of innovation accelerates, small scale sector will provide new opportunities to entrepreneurs to grow. Again, this sector is widely recognised as a valuable foundation in fostering economic growth. Thus, entrepreneurship has now become an important focal point in the third world countries.

Any strategy aimed at economic development will be lopsided without involving the women folk who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Owing to the inexorable forces of changes, several women have set the ball rolling. Women entrepreneurship has gained momentum in the last
three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region, propelled by foreign direct investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. In the dynamic world, women entrepreneurs are likely to become an important part of the global quest for sustained economic development and social progress. The regional experience suggests that the key to enhance the participation of women in industry and their socio-economic status is sustained economic growth and macro economic stability. There has been a rapid increase in the efforts to encourage women entrepreneurship in developing countries with the adoption of concrete industrial development goals and strategies. The role of women entrepreneurs is undergoing profound changes in the wake of technological innovations which have brought fresh opportunities to consolidate, enhance and derive the benefits reaped in promoting women entrepreneurship.

However, in India, though women have played a key role in the society, the entrepreneurial ability of women has not been properly developed and efficiently elicited due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognised with a marked shift in the approach to women issues, from women welfare to women development. Since then, Government is more concerned about the overall economic development of women. The development
of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are implemented for the development of women entrepreneurship in India. It is an accepted fact that the role of women in productive activities in India has been increasing over the years. For the emergence and development of women entrepreneurship, effective management and development of women’s resources are inextricable for a developing country like India. Therefore, women entrepreneurship should be nurtured with much care by the Government, its agencies, financial institutions, the society and the individuals who undertake it. Intensified efforts are required to persuade women to enter industrial sector and to ensure equal economic opportunities to women and men. Provisions of successful programmes and opportunities for economic activity are very essential, so as to integrate women into all economic activities on a par with men.

The present chapter seeks to report the methodological aspects of the study, viz. statement of the problem, scope of the study, objectives, hypotheses, sample, collection of data, tools of analysis and finally limitations.

3.1 Statement of the Problem

Women development is closely associated with national development. Since women constitute half of the total population and account for the second largest group of potential entrepreneurs in India, they also have to play a very important role in the advancement of the country. The Government of India has taken conscious efforts to substantially enhance the spirit of
entrepreneurship among women from the Fifth Five Year Plan (1974-78) onwards. Since then, several developmental programmes have been implemented in this direction. Still, it is a major problem for the Government and promotional agencies to identify potential women entrepreneurs, their current status and problems and to decide, implement and derive optimum benefit of promotional measures to achieve a sustained and speedy growth of women entrepreneurship.

Though the State of Kerala has made significant progress in the field of social development, its rank is relatively low with regard to the investment climate. Regarding women entrepreneurship, although Kerala has the maximum number of women-managed units and women enterprises in the SSI sector, compared with that of the other Indian States (Third All India Census of SSI-2004), a generation of entrepreneurship has been lost due to lack of entrepreneurial skill. Further, the atmosphere for women to start entrepreneurship, survive and flourish is not encouraging. But in Tamil Nadu, though the status of a woman is low, compared with that of a woman in Kerala, the entrepreneurial ambience of the State is favouring entrepreneurs to flourish and grow. A recent study by the National Council of Applied Economic Research (NCAER) reveals that Tamil Nadu offers the best incentives package for industries, among industrialised States in India and it ranks second at the all India level in terms of attractiveness of incentives. Evidently, as per the Third

1. www.kerala.gov.in
2. Ibid.
3. www.indianbusiness.nic.in
All India Census of SSI-2004, Tamil Nadu ranks second in India with regard to the number of women-managed units and women enterprises in the SSI sector.

Over the last few years, the promotion of women entrepreneurship has become a key area of debate among academics, policy makers and support agencies. Though several studies have been conducted in the west, only limited efforts have been made in exploring the women entrepreneurship in India. By and large, these studies have focused on women, more as workers and less as entrepreneurs. So also, these efforts were incomprehensive. Besides, a comparative analysis of women entrepreneurship in two States was also not attempted in its entirety. A comparative analysis, particularly of the women entrepreneurship in Kerala and Tamil Nadu, enables both the States to make use of the positive aspects that have emerged from the study. It is in this background that the present study titled “Women entrepreneurship in Kerala – A comparative study with Tamil Nadu” is attempted.

3.2 Scope of the Study

The study of women entrepreneurship has always been a topic of wider interest and varied facets. The present study has been undertaken to compare the women entrepreneurship in Kerala and Tamil Nadu. More specifically, the study attempts to assess the socio-economic status of women entrepreneurs, the role and involvement of Government agencies and financial
institutions in the development of women entrepreneurship and also the problems of women entrepreneurs. The assessment has been made by considering the perception of sample women entrepreneurs in Kerala and Tamil Nadu, their employees, Government agencies and financial institutions. However, the focus of the study is the women entrepreneurs. The study is confined to registered SSI units managed by women in Kerala and Tamil Nadu.

### 3.3 Objectives of the Study

The object of this study is to compare the women entrepreneurship in Kerala and Tamil Nadu. More specifically the study aims at:

1. Investigating the socio-economic status of the women entrepreneurs in Kerala and Tamil Nadu.
2. Identifying the role and involvement of Government agencies and financial institutions in the development of women entrepreneurship in Kerala and Tamil Nadu.
3. Exploring the problems of the women entrepreneurs in Kerala and Tamil Nadu.

### 3.4 Hypotheses

In line with the objectives, the following hypotheses were framed.

\[ H_0: \text{There is no difference in the socio-economic status of the women entrepreneurs in Kerala vis-à-vis Tamil Nadu.} \]
$H_{o2}$ There is no variation in the role and involvement of Government agencies in the development of women entrepreneurship in Kerala vis-à-vis Tamil Nadu.

$H_{o3}$ There is no difference in the role and involvement of financial institutions in the development of women entrepreneurship in Kerala vis-à-vis Tamil Nadu.

3.5 Variables Used for the Study

I. To investigate the socio-economic status of the women entrepreneurs in Kerala and Tamil Nadu

1. Position of women entrepreneurs in the business
2. Decision making power
3. Acceptance of decision
4. Power in solving business problems
5. Efficiency in management
6. Leadership skills
7. Degree of involvement in social activities
8. Type of involvement in social activities
9. Reason for involvement in social activities
10. Nature of social activities
11. Amount spent on social activities
12. Change in total employees
13. Change in total assets employed
14. Change in fixed assets employed
15. Change in working capital
16. Change in annual turnover
17. Change in annual income
18. Change in annual expenditure
19. Change in annual savings

20. Skills developed through entrepreneurship

21. Other socio-economic aspects of women entrepreneurs
   (i) Decision making power in the family
   (ii) Degree of control over property
   (iii) Degree of control over investment
   (iv) Degree of control over income
   (v) Degree of control over savings
   (vi) Degree of control over family expenditure
   (vii) Respect in the family
   (viii) Respect in the society
   (ix) Participation in social activities
   (x) Participation in political activities
   (xi) Giving advice to friends and relatives
   (xii) Freedom in mobility
   (xiii) Access to information and communication technology

II. To identify role and involvement of Government agencies and financial institutions in the development of women entrepreneurship in Kerala and Tamil Nadu
1. Awareness of Government agencies
2. Government agencies approached
3. Development/support services utilised
4. Training programmes attended
5. Skills developed through training
6. Developments made with the help of Government agencies
7. Level of satisfaction in training programmes
8. Level of satisfaction in other development/support services
9. Reason for satisfaction of the development/support services
10. Reason for dissatisfaction of the development/support services
11. Awareness of financial institutions
12. Financial institutions/agencies approached
13. Reason for rejection of the loan proposal
14. Awareness of lending schemes
15. Source of information of financial institutions
16. Kind of help received
17. Lending schemes utilised
18. Share of own fund to borrowed fund in the initial and present period
19. Share of financial institution in the borrowed funds in the initial and present period
20. Developments made with the help of financial institutions
21. Level of satisfaction in the lending schemes
22. Reason for satisfaction in the lending schemes of financial institutions
23. Reason for dissatisfaction in the lending schemes
24. Level of satisfaction in the general services
25. Reason for satisfaction in the general services of financial institutions
26. Reason for dissatisfaction in general services of financial institutions
27. Government agencies’ and financial institutions’ perception as to the various aspects of performance of women entrepreneurs
   (i) Project identification
   (ii) Project preparation
   (iii) Awareness of promotional institutions/schemes of the promotional institutions
   (iv) Participation in training/seminars/workshops
   (v) Performance in training/seminars/workshops
   (vi) Performance after training
   (vii) Utilising facilities of the promotional institutions
   (viii) Utilising loan amount
   (ix) Repayment of loan
   (x) Running business
   (xi) Expanding business
   (xii) Ability to take risk
   (xiii) Social responsibility
   (xiv) Decision making

III. To explore the problems of women entrepreneurs in Kerala and Tamil Nadu

1. Type of problems
2. Nature of financial problems
3. Reasons for not getting adequate credit
4. Steps taken to solve financial problems
5. Nature of production problems
6. Steps taken to solve production problems
7. Nature of labour problems
8. Steps taken to solve labour problems
9. Nature of marketing problems
10. Steps taken to solve marketing problems
11. Nature of personal problems
12. Steps taken to solve personal problems
13. Nature of training problems

3.6 Selection of Sample

The respondents of the study consist of women entrepreneurs, their employees, Government agencies and financial institutions of both Kerala and Tamil Nadu. The women entrepreneurs have been selected from the data base maintained by the Directorate of Industries and Commerce of Kerala and the Department of Industries and Commerce, Tamil Nadu. The employees, Government agencies and financial institutions have been selected from the records of the sample women entrepreneurs.

3.6.1 Selection of Sample Women Entrepreneurs

For selecting the women entrepreneurs, the States of Kerala and Tamil Nadu were first divided into three zones-south, central and north. From these zones, one district each representing south, central and north
(Alappuzha, Ernakulam and Malappuram in Kerala and Madurai, Dharmapuri and Chennai in Tamil Nadu) have been selected at random. There were in all 6541 women-managed SSI units in the selected districts of Kerala (2522 in Alappuzha, 3037 in Ernakulam and 982 in Malappuram) and 3130 in Tamil Nadu (671 in Madurai, 1617 in Dharmapuri and 842 in Chennai) as on 31-3-2000. Five per cent have been chosen at random for the study. Thus, the total number of women entrepreneurs selected as sample has come to 327 for Kerala and 160 for Tamil Nadu (Table 3.1).

**Table 3.1**

<table>
<thead>
<tr>
<th>Zone</th>
<th>Kerala</th>
<th>Tamil Nadu</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total no. of SSI units (as on 31-3-2000)</td>
<td>Total no. of SSI units (as on 31-3-2000)</td>
</tr>
<tr>
<td>South</td>
<td>2522</td>
<td>671</td>
</tr>
<tr>
<td>Central</td>
<td>3037</td>
<td>1617</td>
</tr>
<tr>
<td>North</td>
<td>982</td>
<td>842</td>
</tr>
<tr>
<td>Total</td>
<td>6541</td>
<td>3130</td>
</tr>
</tbody>
</table>

3.6.2 Selection of Sample Employees of the Women Entrepreneurs

The employees have been selected from the records of the women entrepreneurs earmarked for the intensive study. 10 per cent of their permanent employees (307 from Kerala and 72 from Tamil Nadu) have been selected at random. The employees include both males and females comprising skilled and unskilled workers, officers and managers (Table 3.2).
Table 3.2
Employees Selected for the Study

<table>
<thead>
<tr>
<th>Zone</th>
<th>Kerala</th>
<th>Tamil Nadu</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of women entrepreneurs selected as sample</td>
<td>Total No. of employees* (as on 31-7-05)</td>
</tr>
<tr>
<td>South</td>
<td>126</td>
<td>833</td>
</tr>
<tr>
<td>Central</td>
<td>152</td>
<td>2096</td>
</tr>
<tr>
<td>North</td>
<td>49</td>
<td>140</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>3069</td>
</tr>
</tbody>
</table>

* Compiled from the records of the women entrepreneurs selected as sample.

3.6.3 Selection of Sample Government Agencies

The Government agencies from where the sample women entrepreneurs in Kerala and Tamil Nadu availed themselves of various assistances have been selected as the sample for the study. The total number selected on this basis consists of 15 agencies from Kerala and 10 from Tamil Nadu (Table 3.3).

Table 3.3
Government Agencies Selected for the Study

<table>
<thead>
<tr>
<th>Zone</th>
<th>Kerala</th>
<th>Tamil Nadu</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of women entrepreneurs selected as sample</td>
<td>No. of Government agencies approached by sample women entrepreneurs*</td>
</tr>
<tr>
<td>South</td>
<td>126</td>
<td>5</td>
</tr>
<tr>
<td>Central</td>
<td>152</td>
<td>8</td>
</tr>
<tr>
<td>North</td>
<td>49</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>15</td>
</tr>
</tbody>
</table>

* Compiled from the records of the women entrepreneurs selected as sample.

3.6.4 Selection of Sample Financial Institutions

The banks and financial institutions from where the sample women entrepreneurs in Kerala and Tamil Nadu availed themselves of financial/
development/support assistance have been selected as sample financial institutions for the study. A total number of 16 institutions each in Kerala and Tamil Nadu have been selected for the study (Table 3.4)

![Table 3.4](image)

**Table 3.4**

<table>
<thead>
<tr>
<th>Zone</th>
<th>No. of women entrepreneurs selected as sample</th>
<th>No. of financial institutions approached by sample women entrepreneurs*</th>
<th>No. of women entrepreneurs selected as sample</th>
<th>No. of financial institutions approached by sample women entrepreneurs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>126</td>
<td>3</td>
<td>35</td>
<td>5</td>
</tr>
<tr>
<td>Central</td>
<td>152</td>
<td>9</td>
<td>82</td>
<td>4</td>
</tr>
<tr>
<td>North</td>
<td>49</td>
<td>4</td>
<td>43</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>16</td>
<td>160</td>
<td>16</td>
</tr>
</tbody>
</table>

* Compiled from the records of the women entrepreneurs selected as sample.

3.7 Collection of Data

The data required for the study were collected from both primary and secondary sources. The primary data were collected from the respondents based on structured interview schedule (given in Annexure I, II, III and IV). The secondary data were collected from reports, books, periodicals and the Internet.

3.8 Tools of Analysis

The data collected were suitably classified and analysed keeping in view the objectives of the study. For the purpose of analysis, statistical tools like averages, percentages, rank test, chi-square test, z-test, t-test and proportion test were used. The chi-square test was applied to examine the significance of
variation in the opinion among the women entrepreneurs in Kerala and Tamil Nadu. The z-test was used to test the quantitative characteristics of women entrepreneurs, while the rank test was used to assess the order of preference associated with the selected variables. The t-test was used to determine whether the women entrepreneurs selected as sample in Kerala and Tamil Nadu are likely to have come from the same two underlying populations that have the same mean. The proportion test was conducted to assess whether the ratio of the number of respondents in favour/to the total number of respondents in Kerala and Tamil Nadu is equal or not.

3.9 Period of the Study

The study covers a period of ten years from 1996 to 2005. It was during the period that several major schemes were introduced by the Ministry of Rural Development to bring women to the mainstream of national development. Further, the year 2001 was declared as “Women’s Empowerment Year” during which the National Policy for the empowerment of women was evolved to bring about the advancement, development and empowerment of women, which included enhancement of women’s access to credit, expansion of training programmes in various sectors, etc. The survey (for collecting primary data) was conducted during the period from July to December 2005.

3.10 Limitations of the Study

The limitations which influenced the study are listed below:
1. The co-operation of respondents is very much required for a survey-based research. The co-operation of a few respondents did not come up to the expectations.

2. As most of the women enterprises in Kerala and Tamil Nadu are SSI units with limited capital investment, the study is mainly confined to assessing their socio-economic status, problems, etc. This may not be the situation of large sized women-managed enterprises with high capital investment.

3. As one of the objectives of the study is to investigate the socio-economic status of women entrepreneurs, entrepreneurs who have registered after 31.3.2000 are not considered objectively, as a period of minimum five years would be required to assess the socio-economic status of women entrepreneurs.

4. Since the Government machinery does not maintain relevant records of women entrepreneurs, the study assumes that the data supplied by the respondents are reliable and correct.

   In spite of the above limitations, maximum care has been taken to make the study accurate and meaningful.