CHAPTER 1

NATURE AND SCOPE OF THE STUDY
CHAPTER - 1

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INTRODUCTION:

Enterprise is probably as old as human history. The spirit of enterprise makes man an entrepreneur. Such a spirit transformed him from a nomad to a cattle reaper to a settled agriculturist, to a trader and to an industrialist. Thus, entrepreneurs are persons who initiate, organise, manage and control the affairs of a business unit by combining the factors of production for supplying goods and services. It may pertain to agriculture, industry, trade or other professions.

Entrepreneurship is thus a human activity which plays a major role in economic development. Without him, the resources of production remain resources and can never become products or services. Hence, the entrepreneur is defined as a catalyst or change agent in the economic life of all organised societies.

The world we live presents a picture of appealing contrasts. While some countries are immensely prosperous, nearly two-thirds of the population of the world live on substandard incomes malnutrition, bad housing and lack of
medical care and illiteracy in most of the Asian, African and Latin American countries. The shortage of entrepreneurship is the most acute problem faced by these countries and presently it is considered to be a potent limiting factor on their economic development.

Social scientists have contended that entrepreneurship is the leverage which activities the process of economic development. Economists, over the years, have shifted the emphasis from the rate of capital formation to the growth of entrepreneurship as the major catalyst influencing the rate of economic growth.

As the entrepreneur is the sovereign of productive activity and the key to economic development it follows that a substantial part of the explanation of differences in levels of investment between developed and developing countries and differences in the progress of any single country, is to be found in the size, energy and scope of operation of entrepreneurial class. It means that the degree of vigour of the entrepreneurship matters much in determining the level of economic activity and the rate of economic development.

In the twentieth century the entrepreneur came to be seen as an innovator, Joseph Schumpeter put it this way:

The function of entrepreneurs is to reform or more generally, an untried technological possibility for producing a new way, opening a new source of supply, of materials or a new outlet for products, by reorganizing a new industry.
The portrait of the entrepreneur can be further developed through business, managerial, and personal perspectives, which give us some of the more recent definitions:

To an economist, an entrepreneur is one who brings resources, labour, materials, and other assets into combination that make their value greater than before, and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is typically driven by certain forces need to obtain or attain something, to experiment, to accomplish, or perhaps to escape authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone good to invest in. The same person is seen by a capitalist philosopher as one who creates wealth for others as well, who finds better ways to utilise resources, and reduce waste, and who produces jobs others are glad to get.

For the woman entrepreneur, the risk is greater. She has the additional problems of working in a male-dominated arena, having few role models, and lacking confidence in her business skills. According to one woman entrepreneur, "The biggest roadblocks to women's success are their lack of experience and thus undeveloped business-related skills, such as independence, self-confidence, assertiveness, and drive (skills men learn growing up), and the relative absence of a defined women's network for business referrals, which act as inroads to other successful businesses."
Women entrepreneurs represent a group of women who have broken away from the beaten track and are exploring new avenues of economic participation. Among the reasons for women to run organised industries is their skill and knowledge, their talents and abilities in business and a compelling desire of wanting to do something positive. Today, women entrepreneurs are in non-traditional fields such as leading consultants, distributors, exporters of machinery manufacturers of electric goods, publishers, exporters of garments, de designers, interior decorators and the like. Small units are run in the manufacture of readymade garments, handicrafts, textile printing, toys and dolls, plastics, processing and preservation of fruits by enterprising ladies.

The role of women in productive activities in India has been increasing over the years, however the total number of enterprises run by them is insignificantly small. Sarala Gopalan has stated that they have a very low rate of participation in the work force (around 28% of the female population and 13.6% to the total population). They are employed mostly in the unorganised sectors (around 94%) consisting of occupations like agriculture, agro-based industries, handicrafts, handlooms, cottage based industries, and construction work. In these occupations employment is of seasonal nature.

The number of enterprises initiated and being run by women in the formal sector is small. One estimate of the number of these enterprises given by National Alliance of Young Entrepreneurs is only 50,000 for the country. Women
entrepreneurs in India represent a group of women who have broken away from the beaten track and are exploring new vistas of economic participation. They have long stories of trials and hardship. Their task has been full of challenges. They have had to encounter public prejudices and criticism. Family opposition and social constraints had to be overcome before establishing themselves as independent entrepreneurs.

Appropriate education, training in skills of entrepreneurship and financial support are necessary for women. Enterprises started by women are no longer confined to conventional fields like embroidery, knitting and tailoring. They are venturing in the fields of computers, engineering and electronics. They have shown courage, will power, foresightness, vision and tenacity in holding their business ventures.

**NEED FOR THE STUDY:**

A lot of water has passed after declaration of 1975 as a Women's year. Many changes have occurred in society's outlook towards women and the process still continues. The role of women in the workplace has undergone a change in the last 40 - 45 years. In the forty-five years, only a small minority of women were employed in certain classified sections of employments and hardly a woman has her own enterprise.

Since turn of the last Century, women have tried to overcome some of the barriers imposed by these accepted
social roles in western countries. Charlotte Perkins Gilman, a noted writer stated in "Women and Economics in the early 1990s" that women's oppression confined to them. In past 25 years, significant social, political and economic changes have created opportunities for women and given them greater acceptance in the business world. Many things have affected working women, the desire of college going girls have changed, they want to find 'themselves' the focus on the 'me generation' women liberation and slowly changing labour legislations prohibiting sex discrimination. More and more women are now studying business, law, engineering, computer science, home science, architecture and medicine which means that more women will have the skills and confidence necessary for establishing their own business. In addition, social trends have dramatically, though slowly, are changing society's perception of women, a change that has enormous impact in the world of business. It is now more acceptable for women to work and have a family, or even to work in a traditionally male dominated industry.

Generally, women now have more independence and confidence to venture out alone than ever before of the path to self employment has many obstacles. In spite of the obstacles and risks, an increasing number of women have decided to start their own business and many others are thinking on the same lines. The trend is still growing which clearly proves that the concept of 'Women Entrepreneur' has established its roots even in this male dominated society. Hence,
there is an urgency and necessity to study who are the 'Women Entrepreneurs' coming forward to start their units, their social origins, careers and motivational forces behind this activity.

STATEMENT OF THE PROBLEM:

The growing awareness regarding women and their rights is a recent phenomenon in India. Even today, the idea of 'Independent Woman' with separate identity is 'new' in many parts of the world. The awakening after 'International Women's year' has its impact only on few pockets of the country. The developed regions, no doubt, noticed a change, but in developing and less developed parts of the country. There appears to be a backlog even on this account also.

The strong roots of traditional views, cultural barriers and orthodox views dominate the women's world in most of the backward regions. The life of women in this region is still as silent, steady and slow as it was in medivial ages. The growth in education, industry and trade has no doubt its impact on this 'second half' of the country but it is very superficial in nature. The 'house-wife' image is still predominant and popular. A need for change is no doubt realised but it is still at the conceptual stage and any action is yet to be seen.
The upper starta of the society with high educational and cultural profiles in these regions is giving signals of change. What are the areas of this change and how it will take place is yet to be seen in its totality. Entrepreneurship among women is one such important area where in changes are taking place. The growing emphasis by Government agencies and financial institutions to promote entrepreneurship are yielding some results. The desire to be economically independent, and will to do something creative are the characteristics features of young, educated women from socially upper starta of modern Indian society. The growth of urbanization and industrialization has helped this process of change significantly.

The present research inquiry is an attempt to know whether the process of entrepreneurship has taken a definite form among women in developing region like Vidarbha. Considering the state of industrialization, economy of Vidarbha what are the chances of success of women as entrepreneurs in this region. Further, what makes a successful women entrepreneur her profile, traits, style etc. The study also enquires into the extent of success achieved by Government agencies and institutions to inculcate entrepreneurial values among women in this region. Hence, the title of this thesis is "Women Entrepreneurs in Vidarbha."
RELEVANCE OF THE STUDY:

A brief and selective review of literature on entrepreneurship in general and women entrepreneurship in particular will not be out of place here. Harris's Survey of Empirical Studies of Entrepreneurship primarily in poor and developing countries, is the most comprehensive one available. Kilby's discussion of various perspectives is also an important treatise on this issue.

Many scholars have shown great interest in studying the various aspects of entrepreneurship in India. Among these studies of entrepreneurship, notable are of Berna, Gaikwad, M.V. Deshpande, Gangadhara Rao, and A. Guha.

Research work on women entrepreneurship is still very limited and only a handful research works have been published. In U.S.A. and other Western Countries, a good number of research projects are completed. Winston's "Entrepreneurial Woman" is a pioneer book detailing out various factors relating to profile of women entrepreneurs. Robert D. Hisrich and Marie O'Brien have also discussed sociological and business perspectives of women entrepreneurs in their research work, "The Women Entrepreneur". They have further discussed management skills and business problems of women entrepreneurs.

In India, at present, very limited attempts have been made to make an indepth and full fleged research enquiry
on this issue. Megha Dubhashi Vinze's "Women Entrepreneur in India" is rather a finest published thesis on this topic. However, many research papers have been published in various journals covering one or another facets of the topic. Nagendra P. Shah and Rita Sen Gupta have studied profile of women entrepreneurs, their vision and motivation. Motivation has analysed "Entrepreneurship development among women - Reprospects and prospects".

The researches on women entrepreneurs at national level are encouraged by institutions and agencies working in the field. There are good number of researches undertaken by many scholars in the field. However, a study of women entrepreneurs at regional level is yet to gain that importance. These micro-level studies are of immense use to know various aspects of the problems. Similarly, such studies will be of some use to financial and development institutions to plan their programmes considering specific requirements of entrepreneurs in the region.

In the economically and industrially developing regions of Vidarbha, importance of such researches cannot be ignored. Planned and systematic efforts for development of entrepreneurial society will be possible due to such researches. Hence it is felt that this research project will be a right step in this direction.
OBJECTIVES OF THE STUDY:

The general objective is to examine the various aspects of profile, and reasons that have motivated women to enter into the brave world of business and industry. It can further be enlarged as to know to what makes a woman a successful entrepreneur, and what factors contribute to her success.

The specific objectives of this study are,

1. To investigate the different aspects of personality traits, socio, cultural, economic and educational background that form the specific characteristics of personality of a woman entrepreneur in Vidarbha.

2. To identify the motivational sources and factors that led forward to enter into business world.

3. To examine the role of family assistance in development of entrepreneurship among women.

4. To assess the impact of institutional assistance on promotion of entrepreneurship among women in Vidarbha.

5. To measure the effectiveness and utility of Entrepreneurship Development Programmes in promotion of entrepreneurship among women.

6. To identify the emergence of entrepreneurs among women during last decade in industrially developing regions in India with reference to Vidarbha.

7. To examine the problems faced by women entrepreneurs in this region.
8. To suggest a course of action to boost up entrepreneurship among women in this region.

9. To draw conclusions on the basis of comparative studies on women entrepreneurs made in different parts of the country regarding what makes a successful woman entrepreneur, her views regarding her project and motivational factors, etc.

HYPOTHESES:

The present study is a first of its kind in this region. It basically aims at finding out all those factors that make an entrepreneur, especially a woman entrepreneur and further makes an enquiry to know how to cultivate entrepreneurship attitudes amongst women.

From this angle, formulation of hypothesis is based on certain variables which are explained here. The process of hypothesis development is shown in Fig. 1.1.

Hypothesis-I: Personality Variables:

The social group from which the entrepreneurs are drawn, occupations persuaded by them and their families earlier, their domiciliary background, the earnings at the time of their entry into this vocation, their ages and level of education, have some impact on their decision to enter into the field of entrepreneurship.
Hence, the statement of our hypothesis No.1 is as follows.

The generation of entrepreneurship for any country is as important as its success. The ecology of entrepreneur influences her decision to enter into a trade or industry, and there exists a positive relationship between inception of an enterprise and personality of the entrepreneur.

**Hypothesis-II : Relationship of Motivation to start an Enterprise :**

Entrepreneurship can be definitely cultivated. It is a matter of attitude, culture and nature. There are always some factors that lead to a specific type of development and building of a personality. The motives behind starting a venture may vary from person to person. Without a strong motive and dedication any activity will not bear fruits. Hence, statement of the Second Hypothesis is,

An entrepreneur is a person with a vision who conceives an idea, and has a drive to start up a project. An enterprise never comes into existence unless there are certain strong motives that lead the entrepreneur to start up that particular activity/project. In nutshell, there exists a definite association between the motives of an entrepreneur and the enterprise he/she starts.
Hypothesis-III: Entrepreneurship Development Programme and Entrepreneurship amongst Women:

The idea of inculcating entrepreneurial values and traits through training and development programmes is now well established. Many specialised agencies and institutions are working in this field to develop entrepreneurial traits by arranging different types of courses and programmes. Hence, it appears logical to conclude that entrepreneurs like managers can also be made by planned and systematic efforts. Taking this into account, the third hypothesis of the project can be worded in following manner.

Entrepreneurship denotes a value system and a set of characteristics which makes a person ambitious, venturous and dedicated to a cause. These values can be developed in any person. Entrepreneurship Development Programme will help to develop those traits among women which will provide them an insight to start a unit and run it successfully. Hence, it is presumed that there is a positive impact of Entrepreneurship Development Programmes arranged by different institutions on entrepreneurship development among women in this region.
METHODOLOGY:

In view of the objectives of the study mentioned above it was decided that the study should cover all nine districts of Vidarbha. It was further decided that entrepreneurs working in cities at district places should be selected as sample respondents for this study. The respondents so selected belong to different activities traditional as well as non-conventional.

As regards methodological aspects of the study both historical and survey methods have been followed. Data was collected from primary as well as secondary sources. The secondary sources include consultation of published materials both public and private government circulars issued from time to time and other aspects of State Government of Maharashtra and Government of India.

Entrepreneurs are not just born, they can be developed and motivated in the atmosphere of economic development. Results of researches and experiences of working with entrepreneurs indicated that entrepreneurs have been found to be people with a high drive and activity level, struggling to achieve something which they could call as their own accomplishment. Since, entrepreneurs play a crucial role in economic development, the success in expanding supply of such entrepreneurs through deliberate measures offers an important tool for rapid expansion of investment, employment and income and production.
In the context of study of women entrepreneurs, various considerations were kept in mind while collecting the data and evaluating it for the purpose of research. After finalization of the nature of study, sufficient thought was given as to what methods should be adopted for collection of data. The scope of the study required data regarding various parameters like,

1. Personality characteristics of women entrepreneurs like age, education, castes, family background, experience, etc.

2. Factors responsible to become an entrepreneur like ambitions, motives and impact of training, family support, institutional assistance, reasons to select a specific business activity.

3. The nature and size of business activity undertaken, problems faced in conduct of this enterprise as an entrepreneur and as a woman. Measures taken to solve or overcome this problem.

Since the scope of data is vast in size, it was decided that a combination of methods of data collection be used. Therefore, for the present study, the investigator made use of following techniques for data collection.

(a) Questionnaire Technique;
(b) Interview Schedules.
The questionnaire was used as the principal source of primary data collection. It was planned in a way that while it included questions to every facet of the problem under study.

The questionnaire method was used to collect data from entrepreneurs as well as from certain Government Officials also.

(Some information regarding the project could not be obtained by using questionnaire technique. The reluctance of entrepreneurs and Government officials to express their views on certain issues on paper was noticed and hence it was decided that interview schedules be used for this purpose). Moreover, as the respondent was present before the interviewer, the manner and expressions helped to get a better insight into the problem and further helped to draw certain conclusions.

Construction of the Questionnaire:

The problem of selecting questions and wording them properly is essentially the basic job of translating the objectives of the study into a concrete set of stimuli. A primary problem normally is wording the questions and to make sure that the questions appear to the respondent as clear as possible as a picture of the subject matter under discussion.

After finalising the problem and determining the methods to be used for collection of data, the task of
questionnaire construction was taken up. First the factors towards which the attitudes are to be measured were decided. Suitable questions pertaining to each factor were constructed so that the responses to these questions would give a clear picture of the respondents' views towards the various parameters. Most of the questions are in a wider form i.e. it was not meant to get a negative or positive answer.

Before finalising the interview schedule, each of the questions were examined on various criteria as to its necessity, its relativeness to the requirement of the situation.

Table 1.1 shows the basis on which the questionnaire was constructed.

THE INFORMATION ACQUISITION PROCESS:

The process of research starts with defining a problem, but to complete it, information and data of both the types, primary and secondary is needed. The primary data required for this purpose is collected by using the selected tools of data collection.

The secondary data required for this purpose is collected by using all possible available sources. A flow chart explaining methods of data acquisition used for this purpose is explained in Fig.1.2.
Fig. 1.2: Methods and Sources of Information Inputs

- INFORMATION
  - PRIMARY DATA
    - INTERVIEWS
    - QUESTIONNAIRE
  - SECONDARY DATA
  - EXTERNAL DATA
    - TEXT BOOKS
    - JOURNALS
    - GOVT. REPORTS
    - NEWSPAPERS
    - BUSINESS RECORDS
    - REPORTS OF DIC
    - DEVELOPMENT INSTITUTION
### TABLE 1.1: Criteria for Construction of Questionnaire

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Areas of Research</th>
<th>Questions' Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Profile</td>
<td>(1) Age</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Marital Status</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Income Group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Occupation of Parents/Husband.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) Year of Establishment of Unit, etc.</td>
</tr>
<tr>
<td>2.</td>
<td>Project Vision &amp; Clarity.</td>
<td>(1) Nature of Business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Type of Product(s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Reasons for selection of a product</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Feasibility Report and Problem</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) Capital &amp; Turnover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) Manpower, etc.</td>
</tr>
<tr>
<td>3.</td>
<td>Motivation to start a Unit.</td>
<td>(1) Reasons for starting a unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) Reasons for choosing the product.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3) Factors facilitating the business.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4) Ambitions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5) Assistance &amp; Guidance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(6) Reasons compelling to start a Unit.</td>
</tr>
</tbody>
</table>

contd....
THE UNIVERSE AND THE SAMPLE:

The present study deals with various aspects of women entrepreneurs who are working in the region of Vidarbha. The major focus of the study was on understanding the profile and problems of those entrepreneurs who have entered in this 'brave new world of business' for first time. Keeping this in mind, it was decided that women entrepreneurs working in the region of Vidarbha should be studied.

CHARACTERISTICS OF THE UNIVERSE:

The focus of the study is to understand the profile of first generation women entrepreneurs working in the region of Vidarbha.

The region of Vidarbha has following features from industrial and entrepreneurial viewpoint.
TABLE 1.2: The Universe and Sample Explained

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>District</th>
<th>Universe</th>
<th>First Sample Lot</th>
<th>Final Sample Lot</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Akola</td>
<td>68</td>
<td>41</td>
<td>23</td>
</tr>
<tr>
<td>2.</td>
<td>Amravati</td>
<td>70</td>
<td>51</td>
<td>24</td>
</tr>
<tr>
<td>3.</td>
<td>Buldhana</td>
<td>16</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>Chandrapur</td>
<td>53</td>
<td>29</td>
<td>13</td>
</tr>
<tr>
<td>5.</td>
<td>Bhandara</td>
<td>34</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>6.</td>
<td>Gadchiroli</td>
<td>13</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>7.</td>
<td>Nagpur</td>
<td>119</td>
<td>75</td>
<td>36</td>
</tr>
<tr>
<td>8.</td>
<td>Wardha</td>
<td>17</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>9.</td>
<td>Yavatmal</td>
<td>19</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>409</td>
<td>238</td>
<td>120</td>
</tr>
</tbody>
</table>

RESEARCH DESIGN:

The research process as it is used in the present study is described in Fig. 1.3.

STATISTICAL ANALYSIS:

Statistical analysis is carried out on the basis of the data relating to the variables. As the variables under study are both quantitative and qualitative in nature, parametric as well as non-parametric methods have been used.
Different types of tabulations, chi-square test for association between variables, rank correlation and Spearman Rho Coefficient Analysis have been used according to the context. The empirical analysis is directed to throw light on the following aspects:

(i) Socio-cultural and economic background of the entrepreneurs about whom information has been collected.

(ii) Socio-cultural attributes of entrepreneurs and supply of entrepreneurship.

(iii) Inter-relationships among socio-cultural and economic characteristics of entrepreneurs and their performance indicators.

(iv) Problems faced by entrepreneurs in the small-scale industrial sector of the region.
SCHEME OF THE REPORT:

The whole report is divided into 9 chapters so as to present the facts in a chronological form and in a specific manner.

CHAPTER I: NATURE AND SCOPE OF THE STUDY.

This chapter provides the background and need for the study of women entrepreneurs. After a brief introduction of the problem, it states the objectives of the study and the tools adopted for achieving the objectives.

CHAPTER II: THE ENTREPRENEURIAL PERSPECTIVES.

This chapter deals with the significance of entrepreneurship for economic development. It provides a theoretical form of the characteristics of an entrepreneur.

CHAPTER III: REVIEW OF LITERATURE.

In this chapter, a review of all earlier research works and publications is taken in the context of the present research.

CHAPTER IV: ECONOMIC LANDSCAPE OF VIDARBHA.

In this chapter, an attempt has been made to prepare an industrial profile of the region of Vidarbha.
CHAPTER V: WOMEN ENTREPRENEURS - A SOCIO-ECONOMIC PROFILE.

This chapter depicts a socio-economic origins and career path of sample women entrepreneurs (respondents) who are studied as a part of this research.

CHAPTER VI: WOMEN ENTREPRENEURS - PROJECT VISION & CLARITY.

In this chapter, efforts are also made to give an account of size of the entrepreneurs' business in terms of capital, product, manpower, profitability etc. Furthermore, it throws light on the problems faced by Women Entrepreneurs.

CHAPTER VII: WOMEN ENTREPRENEURSHIP DEVELOPMENT IN VIDARBA.

This chapter provides a mirror view of the motivations and ambitions of the women entrepreneurs. Further, the promotional efforts made for women entrepreneurs are also discussed in this chapter.

CHAPTER VIII: ORGANISATIONS/INSTITUTIONS IN THE SERVICE OF WOMEN ENTREPRENEURS.

A Crucial role is being played by organisations/institutions working for promotion of entrepreneurship among women. This chapter makes a cursory attempt to evaluate their role and its impact on women entrepreneurs.
CHAPTER IX : FINDINGS AND SUGGESTIONS.

It gives an account of findings and conclusions drawn on the basis of the data collected and facts noticed. The chapter also gives some meaningful suggestions.