

## ASSESSMENT OF FACTORS INFLUENCING WOMEN ENTREPRENEURSHIP: RURAL PERSPECTIVE

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**Abstract:** *Women are a little bit higher than half of the populations in India, but their economic and social interests are not respected due to cultural, historical and attitudinal barriers. Even if, Indian constitution pertaining to women empowerment is equal power & right in the social, economic and political participation, It has been empirically evidenced that women's participation in small and micro enterprises improves their quality of life, extent of literacy and life expectancy while decreasing their fertility rate. Although women entrepreneurs significantly contribute to the success of an economy in various nations of the world, there are various challenges that hinder their entrepreneurial progress and there is no comprehensive and organized research conducted about the problem of businesswomen, opportunities available for them, their preference of business type, their effectiveness and sustainability and the driving force that push them towards making a business in Andhra Pradesh state. This research aimed to identify and assess major challenges and constraints of women owned enterprises across different key demographic variables. The method mix used for the study consists of descriptive design, mixed approach of qualitative and quantitative, Convenience sampling of Non-random technique and survey questionnaire with multi-stage data collection. The analysis of ANOVA and Multiple Regression was made with the help of SPSS 24 and disseminated the results and management implications to the related communities.*

*Key Words: Businesswomen, MSME, Sustainability, Srikakulam*

### I. BACKGROUND OF THE STUDY

It is widely accepted that the micro and small enterprise (MSE) sector has the potential to provide a livelihood for a considerably large number of people in least developed countries such as India. The majority of home making and take caring of children is rested on the shoulder of women (Gashaw A., 2015). According to Nieman and Nieuwenhuizen, (2004), a women's role has been that of mother and wife. In the patriarchal society of India particularly in Andhra Pradesh, women have worked as part of family labour for centuries.

Business has been a male-dominated phenomenon. But this has changed; women are now represented in large numbers in many business sectors. Nowadays, Indian women are increasingly active in parts of the economy that were previously considered male domain. The situation changed and brought women as today's most memorable and inspirational business makers, even in traditionally male dominated sectors such as construction

(Vinesh 2014). Women are now very active both mentally and physically in terms of business ventures. They have realized that they can do what men do, or even better than them in terms of business ventures (Singh, 2012). Women are stepping up to own and run businesses in numbers that would have been hard to imagine a mere few decades ago. They are entering in business activities at all levels, making important contributions to economic growth. According to Global Entrepreneurship Monitor (GEM 2004), in today's post-modern era, the role of women entrepreneurs in economic development is inevitable and women are willing to take action in business and contribute to the nation's growth. Although women nowadays are now engaged in the self-employment sector, many people still wonder how a woman can be a successful in business if she has gender roles to play at home, is or uneducated, unexposed to markets or cut off from financial resources, or just generally discriminated against in a male dominated society (Maas & Herrington, 2006:4).

It has been empirically evidenced that women's participation in small and micro enterprises improves their quality of life, extent of literacy and life expectancy while decreasing their fertility rate. Remunerative employment and entrepreneurial opportunity also enables women to fight poverty. Women's entrepreneurial activities are thus not only a means for their economic survival but also have positive repercussions for women themselves and their social environment (Jalbert, S. E., 2000). More and more women are becoming aware of these opportunities and trying to join the bandwagon of entrepreneurs.

Both men and women face difficulties in establishing an enterprise, but women are faced with specific challenges that hinder their business growth and survival. Although women entrepreneurs significantly contribute to the success of an economy in various nations of the world, there are various challenges that hinder their entrepreneurial progress. Despite their success in various fields and despite the appreciation they have received from various quarters, Indian women's entry and sustenance in the field of business has faced many hurdles and challenges till now. A plethora of problems and impediments have prevented women entrepreneurs from running competitive businesses. Businesswomen are faced with many obstacles that limit their growth and survival (Nyamwanza, Mapetere, Mavhiki & Dzingirai 2012). Businesswomen in developing nations face unique challenges with regard to their gender. In this regard, women entrepreneurs when compared to their male counterparts are heavily subjected to barriers that create an un-conducive business environment.

MSE sector in India appears to be fraught with a number of constraints that stifle its rapid growth and development as a means of overcoming poverty and unemployment. According to the several reports recently, the major obstacles experienced by small scale manufacturing industries were the irregular and erratic supply of raw materials and a shortage of suitable working premises. The lack of working premises was also found to present difficulties for the informal sector operators who, faced with insufficient capital, were often impeded from the start (Valla, S. 2001). It is suggested that the problems of raw material shortages, lack of working capital and effective marketing which face small manufacturing

industries, result in the failure of these businesses to expand.

According to the Central Statistical Authority Indian women operated very less per cent of small-scale manufacturing enterprises in India. The low representation of women entrepreneurs in the small-scale enterprises has been attributed to factors such as:

- low levels of education and lack of opportunities for training;
- heavy household chores that leave women less time to devote to their businesses;
- lack of contact with and exposure to the business world;
- meagre financial and human capital at the disposal of the women concerned; and
- Issues relating to ownership rights which deprive women of property ownership in general and, consequently, of the ability to offer the type of collateral normally required for access to bank loans.

Yet women have historically been disadvantaged in accessing not only material resources like credit and other property, but also in obtaining social resources such as education, information and modern technology. The lack of market access, affordable technology and opportunities for bulk purchase of inputs, as well as the low levels of education for women are considered to be some of the main problems faced by women engaged in or aspiring to engage in growth-oriented enterprises. All of these factors have negative implications for women who are making business.

Many literatures investigated micro and small enterprises challenges and opportunities at national level and regional level. Since women entrepreneurs face a wide variety of challenges both in starting and in growing their business ventures, there is no organized research conducted about the problem of businesswomen, opportunities available for them, their preference of business type, their effectiveness and sustainability and the driving force that push them towards making a business in the Andhra Pradesh state.

## II. OBJECTIVES OF THE STUDY

The objectives of this study is to

1. Identify the opportunities and challenges of women enterprises in rural India
2. assess the determinants influencing women entrepreneurship in Srikakulam district
3. offer certain specific suggestions to the related community to grade up the businesses established by women

## III. METHODS AND PROCEDURES

### 3.1 Study Design

This research project used descriptive design to identify the bottleneck challenges, problem, and opportunities for rural women business makers and effectiveness of businesswomen. Additionally, the design will help to know the relationship between the study variables. Specifically, survey approach was applied for this research.

### 3.2 Sampling Technique

To investigate challenges, opportunities, success Factors and Effectiveness of Women Owned Business Enterprises in Srikakulam District, the researcher used multi stage sampling technique. In multi-stage sampling large clusters of population are divided into smaller clusters in several stages in order to make primary data collection more manageable (C.R. Kothari, 2004).

### 3.3 Data Type and source of data

This research was conducted by both qualitative and quantitative approaches. Data necessary for this study was generated from primary data sources by using firsthand information such as survey questionnaire, interview and focus group discussion. Additionally, secondary data such as different literatures, journals, books, policy and administrative documents and company manuals were also employed to attain the desired objective.

### 3.4 Data Collection Instruments

To collect data from primary and secondary sources, the researchers used interview guides,

FGD guiding questions and questionnaires to grasp primary data from the people and participants. The survey employed both self and investigator-administered questionnaires. Research assistants were recruited and deployed in the data collection phase.

After the data collection, the necessary data encoding and cleaning has been made. For the quantitative data, entry and analysis was done by using social sciences statistical packages (SPSS) version 24. Quantitative data was analyzed using Percentage, cross tabulation, regression, (ANOVA), and Multiple Regression Analysis (MRA).

## IV. LITERATURE REVIEW

According to Ahl et al., a political change inclined by neo-liberal thought where politicians hands over the welfare state's responsibilities to the market and they encourage entrepreneurship, not least among women and, if possible, within STEM fields.

Samiti () Tan () classified the basic factors that affect entrepreneurs in economic and social categories. The economic factors comprise market competition; lack of Market accessibility, Raw material accessibility, capital or finance accessibility, marketing knowledge; production/ storage space; poor infrastructure; inadequate power supply and lack of business training. The social factors include lack of social acceptability; having limited contacts outside prejudice and class bias; society looks down upon; attitude of other employees; and relations with the work force.

The socio-cultural factors definitely influence the entrepreneurial behaviour and the nature of these factors and their pressure is such that appropriate structural interventions can make all these socio-cultural attributes play a favorable role for growth of women entrepreneurship in the tribal community.

Tribal women entrepreneurship should be given freedom to choose their business activity which creates attention in the private enterprise and draws her commitment and an all-out effort of the success of business undertaken by her (Venugopal K, 2014).

At present, the lack of entrepreneurial culture and social support influences, largely, female entrepreneurship, playing in this the education and

the training a key role. It is recommended a policy that encourages the use of social and business networks, so that, through them, different skills are transferable to enrich entrepreneurial opportunities and help in the management. Are necessary, too, policies that facilitate work and family conciliation; womanhood involves unequal family responsibilities between men and women that hinder entrepreneurship. And finally, also it is noted that the woman herself has entrenched certain feelings, beliefs, opinions and behaviours that are reinforced by the financial and social difficulties that appear and they do, that frequently, the woman self-limited (Carmina Pérez-Pérez et. Al, 2015).

Lashgarara et al (2011) in his research on rural women's entrepreneurship, concluded that previous experience, training, engage in commerce, management abilities, ages, being single or married, and economic circumstances in life have a significant impact on women's entrepreneurship. In a research Falla Jelodar (2008) argues about the positive and significant relationship between personal, social, economic and cultural and political factors with entrepreneurship development.

Many entrepreneurs, specifically women, incline to keep well away due to lack of information, and conditions such as high transaction costs and interest rates averaging above 35 per cent per annum (ILO [11] p.13).

Several factors affecting female entrepreneurial success at each stage of the entrepreneurship process were found and organised at the internal (individual), micro, meso and macro environment level. In the literature reviewed, the most considered factors are: at the internal level, human capital, education and experience, with effects on the opportunity identification stage of the entrepreneurial process, and at the micro environment level, access to resources with effects on the opportunity recognition, acquiring resources and entrepreneurial performance stages, both with influence on quantitative and qualitative indicators of success.

A study on the Factors Affecting the Business Performance of Female Owned Enterprises in TRNC aimed to identify the major factors affecting the performance of Turkish Cypriot female entrepreneurs both positively and negatively. Regarding to business performance it is found that achievement motives, level of education and first child's age are positively associated, whereas labor cost is negatively associated with business performance (Hatice Jenkins & Salih Katircioglu, 2007).

The analysis undertaken by Huarng, K et.al (2012) shows that the lack of education and managerial skills of women business owners are the two important variables influencing when it comes to understand the motivations and the difficulties they have to face.

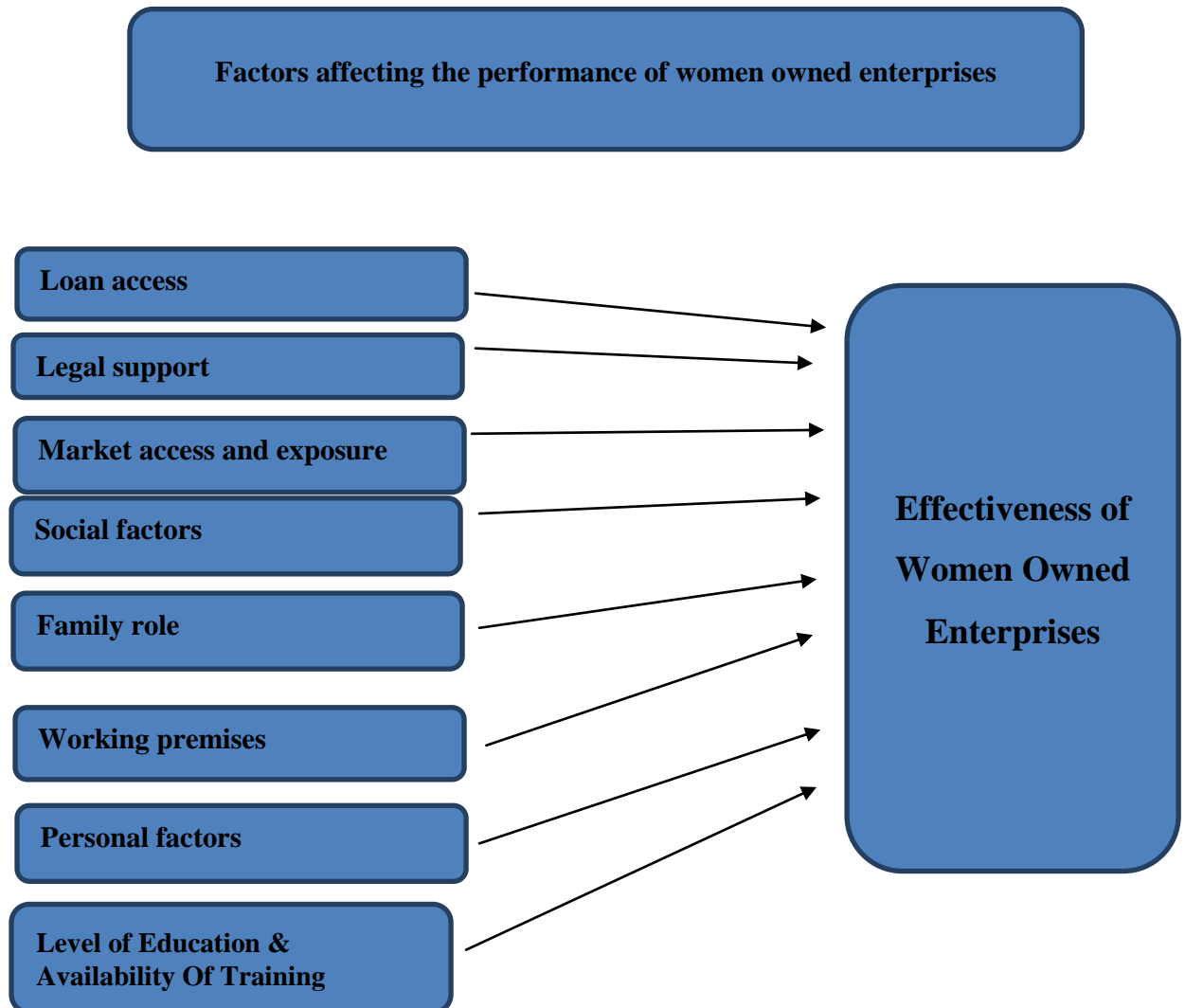
Paying attention toward educational factors can play a significant role in the development of rural women's entrepreneurship. The experts can provide a bed for more participation of rural women by educational visits from entrepreneurship plans because such activities encourage women to entrepreneurship (Nouri & Ghaffar, 2006). Women empowerment aligned with expert education are designed and to be considered in agricultural plans and agriculture service in order to enhance the rural women educational level. Visiting the businesses successful entrepreneurs from agriculture administration. It is also necessary that promoters and agricultural engineers hold some educational and promotional courses about employment and entrepreneurship for rural women in order to make the rural women familiar with all kinds of business activities and way of setting them up.

There is no difference in the innovativeness of the opportunities identified with both women and men utilizing different processes to identify opportunities, neither process is inherently superior (DeTienne D. & Chandler G). As far as the rural and tribal women entrepreneurs are concerned, majority of the women are highly involved in agriculture business and highly enthusiastic in selling the products in village shandies. In fact it has become a cultural aspect for the tribal women in particular to take part in festivals and agriculture and the changes among tribal groups such as urbanization, migration, higher education etc. would bring positive modifications in their socio-cultural conditions (Venugopal K, et.at, 2013).

Psychological and cognitive aspects, concretely motivation (desire for progress and autonomy, need for achievement and fulfilment, etc.) and individual subjective perception (risk tolerance,

Self-confidence, recognition of business opportunity, etc.). Numerous investigations agree that these aspects play a key role in the decision to undertake (Cromie, 1987; Minniti & Nardone, 2007).

**CONCEPTUAL FRAMEWORK:**



**V. ANALYSIS AND INTERPRETATION:**

**5.1 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.375 <sup>a</sup>	.141	.097	.936

a. Predictors: (Constant), FWE1, FWE 2, FWE 3, FWE 3, FWE 4, FWE 5, FWE 6, FWE 7, FWE 8

As shown in the table 5.1, R Square value is 0.141; it means all the levels of items of determinants influencing women entrepreneurship of rural places contributing 14.1 per cent in the Effectiveness of Women Owned Enterprises. The remaining 85.9 is being contributed by other unknown variables.

### 5.2 ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.939	12	2.828	3.231	.000 <sup>b</sup>
	Residual	207.485	237	.875		
	Total	241.424	249			

a. Dependent Variable: Your enterprise transit period has increased since 2014/15

b. Predictors: (Constant), FWE1, FWE 2, FWE 3, FWE 3, FWE 4, FWE 5, FWE 6, FWE 7, FWE 8

The table 5.2 shows the relationship among the growth in enterprise transit period since 2014/15 to the independent variables FWE1, FWE 2, FWE 3, FWE 3, FWE 4, FWE 5, FWE 6, FWE 7, and FWE 8. The F value between dependant variable and predictors is 3.231, and the significant value is 0.000 which is significant at 0.05 level. On the other hand, we can also conclude whether there is one level in items' increase, there will be the increase of 207.485 in the factors influencing women entrepreneurship.

### 5.3 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.893	.645		4.488	.000
	1. Loan access	-.034	.099	-.024	-.344	.731
	2. Legal support	.002	.104	.001	.015	.988
	3. Market access and exposure	.031	.092	.026	.341	.733
	4. Social factors	-.102	.095	-.086	-1.066	.288
	5. Family Role	.078	.097	.061	.803	.423

6. Working Premises	.175	.087	.167	2.010	.046
7. Personal Factors	.127	.080	.114	1.579	.116
8. Level of Education & Availability Of Training	.097	.105	.068	.921	.358

a. Dependent Variable: Overall performance of your business unit has increased since 2014/15

Analysis to be made through Multiple Regression  
Analysis with the equation

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \beta_8 x_8$$

Where

y = Dependant variable

x = Independent variable

$\alpha$  = Intercept

$\beta$  = Estimate

As per the Coefficients retrieved from the table 5.3 the formula can be executed as follows

$$\text{Overall performance (DV)} = 2.893 + (-.024) \text{ FWE 1} + (.001) \text{ FWE 2} + (.026) \text{ FWE 3} + (-.086) \text{ FWE 4} + (.061) \text{ FWE 5} + (.167) \text{ FWE 6} + (.114) \text{ FWE 7} + (.068) \text{ FWE 8}.$$

Overall performance with respect to the FWE1, (Loan access) is 2.869 (2.893 - 0.024); if IFC1 increases by one unit, the overall performance is increased by 2.869. Likewise if the predictors FWE 2, FWE 3, FWE 3, FWE 4, FWE 5, FWE 6, FWE 7, and FWE 8 are increased by one unit, the dependent variable i.e. overall performance is increased for FWE 2 (Legal support) by 2.894; FWE 3 (Market access and exposure) by 2.919; FWE 4 (Social factors) by 2.033; FWE 5 (Family Role) by 2.954; FWE 6 (Working Premises) by 3.06; FWE 7 (Personal Factors) by 3.007; and FWE 8 (Level of Education & Availability of Training) by 2.961. There is no decrease in the overall performance and the level of increase in line with almost all predictors are equal.

## V. CONCLUSIONS

Loan access as one of the criteria to grade up the business is known to all, but, the women being unaware of the tactics and techniques with respect to applying and getting granted the loans in a convincing manner has become very important. It has been recommended that the process of loaning should completely get operated through online to minimize the corruption where the women community is highly discriminated.

Though the issues related to legal requisitions are comparatively rare, certain contagious aspects with legal support is recommended to allocate to women entrepreneurs and aspirants as well.

Women being not so dynamic in the business while comparing with men, market transitions and developments are not gathered by women due to less access to market and low level of exposure. Supplementing the information of the market with its trends directly to the women entrepreneurs systematically would give better results at the standpoint of revenue and profits.

Societies such as India has always been discriminative to women in terms of social life and liberal life in a social environment. Certain factors dominate significantly and prevent women from leading the life as an entrepreneur. Business types are also decided by the gender and society does not appreciate certain businesses run by women. Social recognition and status are to be made highly considered by the public and the governments should take every possible recognition programmes.

It is highly task some for any woman to balance the family and work life. Moreover, sustaining as an entrepreneur, women take a lot of pains which generally are occurred from the family husband and children. The role to be furnished at home is equally important for the women as it is felt not transferable to any other. The management skills of

balancing both are to be aided to them at the point of skill improvement programmes.

Working premises may also be improved at the stand point of encouraging women to move freely and act independent while certain decisions and strategies are taken.

Personal Factors such as discipline, character, personality, backgrounds of education and family influence a lot for women to get themselves established in any business. Challenges that they face in business environment are to be solved by the strengths of their personal factors. So, an encouraging environment and education is to be injected to improve the personal factors.

Since education and training is the root cause for many successful decisions in the business sector, it is highly important to conduct exceptional and exclusive programs which should be suitable to the level of their education and the government should see that the training centers and facilities are reachable to women and effectively utilized for the benefit of the community.

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