

# AN ENTREPRENEURIAL SUCCESS AMONG WOMEN ENTREPRENEURS – AN EMPIRICAL STUDY

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*In India, women with varied social, economic, political, regional and linguistic backgrounds constitute half the nation. The socio-economic condition of women is the key for overall growth and development of the country. Entrepreneurship is a concept assumed to be sex-neutral. Even then in India, women entrepreneurship is still in its infancy. This is because women entrepreneurs are not easily accepted by Indian society. During 1990s, many women entered in the field of entrepreneurship to avail economic competence and independence, but many of them are observed to be not succeeding well as they had planned. Main reasons often are placed on the lack of enabling and sustaining facilities of entrepreneurial environment in general. Even then, there are success cases of women-run business units, details of which can motivate the women entrepreneurs in the scene.*

*Keeping this background in mind, the 82 sample respondents has been selected from the three districts viz., Ranga Reddy, Krishna and Chittoor and a study was devised with the purpose of exploring some of the entrepreneurial characteristics among rural women entrepreneurs. It is hoped that the study, though exploratory in nature, will contribute significantly to the development of rural women's entrepreneurship in the country and in the understanding of rural women entrepreneurs.*

## INTRODUCTION

In India, women with varied social, economic, political, regional and linguistic backgrounds constitute half the nation. The socio-economic condition of women is the key for overall growth and development of the country. Entrepreneurship is a concept assumed to be sex-neutral. Even then in India, women entrepreneurship is still in its infancy. This is because women entrepreneurs are not easily accepted by Indian society. During 1990s, many women entered in the field of entrepreneurship to avail economic competence and independence, but many of them are observed to be not succeeding well as they had planned. Main reasons often are placed on the lack of enabling and sustaining facilities of entrepreneurial environment in general. Even then, there are success cases of women-run business units, details of which can motivate the women entrepreneurs in the scene.

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## Objectives of the Study

The main objective of the study was :

- i. To study the level of performance of women entrepreneurship
- ii. To measure the economic success of the sample rural women entrepreneurs by using the Entrepreneurial Success Index; and
- iii. To examine the involvement of the sample rural women entrepreneurs by using the Entrepreneurial Involvement Index.

The data has been collected from the primary sources like field survey as well as secondary sources which are related to study and the inferences drawn from the filed survey. The study has presented the data from the following paragraphs.

**An Entrepreneurial Success Index (ESI)** was developed for the study and it was used to understand the extent of success of entrepreneurs. In order to analyze the extent of entrepreneurship and to measure the level of entrepreneurial success among the women entrepreneurs, ESI was developed as detailed below.

Through relevancy rating of potential attributes/dimensions obtained from review of literature and discussion with experts and knowledge of entrepreneurs, eight dimensions, viz., profitability and extent of indebtedness, social recognition, consumer satisfaction, produce or brand recognition, employee's satisfaction, quality of products, capacity utilization and diversification of products were selected and included in the study.

1. Profitability was operationally defined as the degree to which the entrepreneur perceives an enterprise as profitable and to the extent of indebtedness or loan the entrepreneur has to pay back.
2. Social recognition was operationalised as the extent to which the entrepreneur herself perceives how the community/society, peers and family and also the entrepreneur considers entrepreneur as a capable person or a worthy citizen.
3. Consumer satisfaction for the study was defined as the degree of stability of consumer group and the amount and frequency of appreciation and complaints the entrepreneur receives.
4. Capacity utilization is the extent to which the individual utilizes the potential resources such as land, installed capacity of units etc., related to his/her enterprise.
5. Diversification was operationalised as number of branches the enterprises have and the number of main products or services applied.
6. Product or brand recognition was operationally defined as the identification of the enterprise and the products/services in the local/state/national/international market, and the receipt of approval of authorities and receipt of recognition through awards, prizes etc., to the entrepreneur or the enterprise.
7. Employee satisfaction is measured in terms of payment, job security, work environment and relation with the employer.
8. Quality of supply/services was operationalised as the extent to which the consumers approve and appreciate the product and the services rendered by the entrepreneur.

The ES was conceptualized as the aggregated score obtained by the individual entrepreneur for the selected eight dimensions. The ESI was worked out using the following formula.

$$ESI = \sum_{i=1}^K \frac{A_i}{P_i}$$

$$ESI = \sum_{j=1}^K \frac{A_i}{P_i} \dots\dots\dots$$

Where ESI- Entrepreneurial Success Index

$A_i$  - Actual score of the  $i$ th dimension

$P_i$  - Potential score of  $i$ th dimension

$K$  - Number of dimensions applicable

The Entrepreneurial Success Index (ESI) values ranged from zero to one. Relevant data on these dimensions were collected from the 82 respondents in Ranga Reddy, Krishna and Chittoor Districts of Andhra Pradesh. Analysing the data collected, the ESI of all the respondents were worked out. The respondents were categorized into four levels of success using Delinious Hodges Cumulative Method of stratification.

The ESI of the respondent women entrepreneurs selected for the study was worked out and found to range from 0.43 to 0.91. The respondents were classified into four groups, based on their ESI for detailed analysis using Delinious Hodges Cumulative Method.

**Table-1 : Classification And Distribution of Rural Women Entrepreneurs Based an Entrepreneurial Success Index**

Sl. No.	Category	F
1	Very High (0.91-0.79)	18
2	High (0.78-0.71)	22
3	Medium (0.70-0.56)	22
4	Low (0.55-0.43)	20
		<b>82</b>

Source: Field Survey.

From Table 1, it is clear that 18 small enterprises promoted by women entrepreneurs fell in the Very High Success, while 22 rural women entrepreneurs were having High success and 22 women entrepreneurs had Medium Success. Out of the total 82 women entrepreneurs from the three districts viz., Ranga Reddy, Krishna and Chittoor, only 20 women entrepreneurs were found to be having Low Success.

**Table-2 : Advice to Potential Entrepreneurs**

SI No	Category			Very High		High		Medium		Low	
		F	%	F	%	F	%	F	%	F	%
1	Ranga Reddy	30	36.5	7	23.3	8	26.6	8	26.6	8	23.3
2	Krishna	30	36.5	8	26.6	7	23.3	8	26.6	7	23.3
3	Chittoor	22	27	5	2.7	7	31.8	5	22.7	5	22.7

Source: Field Survey.

According to Table 2, of the 30 small enterprises promoted by women entrepreneurs in Ranga Reddy District, almost 23 enterprises were in Very High/High/Medium level of success. Only 7 enterprises were having Low Success. In Krishna District, again we observe that 23 enterprises are in Very High//High/Medium success level. Only 7 enterprises are having Low Success. Of the 22 small enterprises in Chittoor District, 17 enterprises were found to be in Very High/High//Medium success level while 5 enterprises had a low success level.

From Table 4, the classification and distribution of small enterprises and ESI, it can be observed that of the 18 enterprises in Food Processing Industry, 15 were in Very High/High/Medium Success Level while only 3 enterprises had a low level of success.

**Table - 4 : Advice to Potential Entrepreneurs**

Sl No	Industry			Very High		High		Medium		Low	
		F	%	F	%	F	%	F	%	F	%
1	Food Processing	18	21.9	5	27.7	5	27.7	5	27.7	3	16.6
2	Garments	19	23.1	6	31.5	5	26.3	5	21	4	
3	Service	30	36.5	10	33.3	8	26.6	7	23.3	5	
4	Miscellaneous	15	18.25	5	33.3	3	20	3	20	4	26.7
		82	100								

Source: Field Survey.

As regards the Garments Industry, there were 19 small enterprises promoted by women, of which 15 enterprises were in Very High/High/Medium level of success and 4 enterprises were classified as Low Success.

In the Service Enterprises, 25 small enterprises were classified in the Very High/High/Medium, while only 5 were treated as Low Success.

In the Miscellaneous Category, of the 15 small enterprises, 11 enterprises fell in Very High/High/Medium and 4 enterprises fell in the Low level of success.

## Enterprise Involvement Index

In order to make a quantitative analysis of management of small enterprises by women, an Enterprise Involvement Index consisting of 10 dimensions was adopted for use in our study. The Enterprise Involvement Index along with the scoring key is given in Table 6.

**Table - 6 : Enterprise Involvement Index-Scoring Procedure**

Dimension	Score
<b>Motivation to become an Entrepreneur</b>	
Own	5
Own+ Others	4
Own + Friends/Other entrepreneurs	3
Own + Family	2
Purely suggested by others	1
<b>Role in Setting up stage of the Enterprise</b>	<b>5</b>
If a women entrepreneur did all the tasks on her own she rated 5, it was done completely done by others, it was marked 1 and remaining were rated based upon the extent of help she received from others for each task.	<b>4</b>
	<b>3</b>
	<b>2</b>
	<b>1</b>

<b>Role in Management of the Unit</b> If the woman entrepreneur is managing all functions on her own, they were rated 5, it was managed by others marked 1, and remaining scores 2,3,4 ranked based upon the help she received from others for each function.	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>
<b>Role in Major Decisions</b> If she was taking all decisions on her own was ranked 5, if most of the decisions were taken by others was ranked 1, and remaining scores 2,3,4 were ranked based upon their role in taking major decisions.	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>
<b>Time Spent on Unit-related Work:</b> 10 hours & more 8 to 9 hours 6 to 7 hours 4 to 5 hours 2 to 3 hours	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>
<b>Perceived Satisfaction in Life</b> Highest satisfaction High satisfaction Moderate Satisfaction Slight change No change	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>
<b>Training</b> Training obtained Need for training No felt need for training	<b>5</b> <b>4</b> <b>2</b>
<b>Pride in Being an Entrepreneur</b> Highest score 43 to 50 High score 35 to 42 Moderate score 27 to 34 Low score 19 to 26 Lowest score 10 to 18	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>
<b>Membership in Professional Bodies</b> Holding responsible position in business association Member is business association/organization Holding responsible position in any association Member in any association/organization Not a member	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>
<b>Future Plans</b> Definite plans and working for it Definite plans Some plan, some idea Vague idea No idea	<b>5</b> <b>4</b> <b>3</b> <b>2</b> <b>1</b>

Source: Field Survey.

## FINDINGS AND CONCLUSION

The major findings of the study are :

1. Women entrepreneurs use good quality product as a strategy to combat competition and feel that quality of product should never be compromised under any circumstances. The respondents reported that they engage in constant environmental scanning (e.g. market surveys), and conduct planning and forecasting activities to keep abreast of their competitors. There is a strong emphasis on new ideas, concepts, modification in the products and extensive marketing strategies.
2. Women entrepreneurs expressed they have a positive approach towards competition, and feel that healthy competition is necessary for betterment of business. As one of the entrepreneurs confidently remarked “I am always the winner when it comes to healthy competition”.
3. The entrepreneurs focus on personal rapport with customers in order to ensure a stable clientele and attract more clients. The women entrepreneurs also suggested that “honesty in business dealings” was a good strategy to deal with competition and ensure regular clientele.
4. Women Entrepreneurs do not face any problems at all and even if they do they feel competent enough to deal with them and over come them. However, majority of women entrepreneurs reported that they face problems of varied nature. The women entrepreneurs expressed that they face labour problems in the form of increasing wage demands and moreover, dealing with workers is difficult, since they “try to take advantage of you if you are to liberal with them”.
5. Bureaucracy, red-tapism and corruption in government officials was also cited as a problem while others felt that lack of expertise about business matters was a problem as this gave others an opportunity to take them “for a ride”. However, this problem was only encountered during the early stages of setting up an enterprise.
6. Women Entrepreneurs advised hard work, dedicated and sincere efforts, perseverance and commitment to ensure success in entrepreneurial ventures. Some emphasized on quality of the product and felt it should reach perfection if success is to be obtained. They suggested that one should judge one’s own capabilities, experience and strengths before dealing with cut-throat competition. They felt that a new product should be launched only after thorough market analysis.
7. It is clear that 18 small enterprises promoted by women entrepreneurs fell in the Very High Success, while 22 women entrepreneurs were having High success and 22 women entrepreneurs had medium success. Out of the total 82 women entrepreneurs from the three districts viz., Ranga Reddy, Krishna and Chittoor, only 20 women entrepreneurs were found to be having Low Success.
8. Of the 30 small enterprises promoted by women entrepreneurs in Ranga Reddy District, almost 23 enterprises were in Very High/High/Medium level of success. Only 7 enterprises were having Low Success. In Krishna District, again we observe that 23 enterprises are in Very High/High/Medium success level. Only 7 enterprises are having Low Success. Of the 22 small enterprises in Chittoor District, 17 enterprises were found to be in Very High/High/Medium success level while 5 enterprises had a low success level.
9. The Enterprise Involvement Index for Food Processing Industry in Ranga Reddy District, 3 enterprises promoted by women entrepreneurs were categorized as Very High, 2 enterprises as High and 2 Enterprises as Medium. The same trend is visible in the case of Food Processing Industry in Krishna District, while in the case of Food Processing Industry in Chittoor District, 2 enterprises were categorized as very high and 2 as High.

10. The Enterprise Involvement Index for Ranga Reddy District reveals that 3 enterprises were classified as Very high, 2 as High and 2 as Medium. The same trend can be observed from Table 5.15 for Krishna District. In Chittoor District, 2 enterprises are categorized as very high, 2 as high and 1 as medium.

Women entrepreneurs have a high need for achievement, independence orientation, ability for decision-making, future planning and good time management. The woman entrepreneur likes the independence associated with the entrepreneurial career, is a dreamer with high hopes and ambitions, has a positive approach to competition, is confident of her ability to deal with problems and has a belief that hard work is a sure ingredient of success in entrepreneurial ventures. While the background of self-employed women varies considerably, these women entrepreneurs share some similarities in personality, motivation, education and family background. The assessment of business management skills is essential for every woman entrepreneur before she starts her business as it provides the knowledge of one's strengths and weaknesses. The woman entrepreneur is an individualist, creative, enthusiastic, instinctive and adaptable. A high energy level is essential for the woman entrepreneur because the success and profits of the business depend on her efforts. It is in this direction that the state sponsored institutions and non-governmental organizations, should play the role of a catalyst in unleashing the hidden talent among the millions of Indian women who have the self-confidence, flexibility, persistence, independence, determination to succeed and to make them successful entrepreneurs.

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