

Role of Issue Based Factor Dimensions of Economic Development of Women Entrepreneurs in SME Sector, Karnataka



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Abstract

The development of the economy depends on the planned and unrelenting entrepreneurial activities. The required revolution in the economy can be brought about by encouraging new enterprise via a wise entrepreneurs. They are the forcing factor for pushing forward the socio – economic conditions of the country. The traits, talent and the initiatives required for entrepreneurship is available in the human resources, which is snatching opportunities and organising efforts for their commercial exploitation, they initiate changes to do ventures in a better way ,to get more return from them or impart more satisfaction to the consumers. In this research work the researcher asked some questions pertaining to issue based factors which faced by small and medium enterprises to the sample women entrepreneurs under the survey. The quires pertaining to prevailing constraints for SMEs to have international business, untrained marketing personnel, lack of government supports and working capital issues. The main reason behind this study is to know, whether these four critical aspects are influence in either positive or negative way on the women entrepreneurs while doing their business in the competitive market.

Keywords: Women Entrepreneurs, SMEs, Factors Dimensions.

Introduction

Entrepreneurship is a vibrant, dynamic, innovative, organised and active process of highly talented, skilled, diligent and risk taking minds. It could be in the field of social, economic, business, agricultural and education etc. It is one of the creative activities of human beings, who involving themselves in the organisation of productive resources and process of transferring the resources from the base level into the optimum level of proactive use. It involves one's willingness and inclinations to take up the responsibilities, the attitude, optimise and they should have ability to put heart and soul to a task, ensure that the process is completed in effective, efficient and predetermined manner.

Entrepreneurs organised and bring together all the needy productive resources and act as a catalytic agent in the process of economic growth and development. The prosperity, growth and development of any nation have been attained through the commercial exploitation of inventions by utilising its available resources both physical and human, especially those that are not utilised so far. Efficient innovative entrepreneurs have created and build the strong economy for industrially and economically developed nation not simply with their resources but through their ideas, innovations, application strategies, decision making abilities, and vision, mission and fore- sightedness.

In present dynamic and competitive scenario, women entrepreneurs emerged as potential human resources in the contemporary labour market. The great potentiality of women entrepreneurs of the present era have proved that, they are no more the resources limited only to home related paid less activities but also educated , knowledgeable and innovative part of the overall population. Which they have the capacity to transform economies in to thriving enterprises. Therefore women entrepreneurship has played has very significant role in the global competition to establish sustainable economic development and social progress. The emergence of globalization , legislation , higher education and awareness have paved way to the women entrepreneurs to establish their entrepreneurship and to increase the economic prosperity of the country.

The advocacy in favour of SMEs sector which is still strong and valid is based on the grounds of promotion of economic well-being of masses, Decentralisation of economic power, Diffusion of economic growth, Removal of regional disparities, Creation of large scale employment, Quick production, Capital saving, Import substitution and export promotion, Saving foreign exchange and promoting the sense of participation in the economic development efforts. The main thrust of all the policies is encouraging existing entrepreneurs and development of new entrepreneurs in MSME sectors.

Review of Literature

P. Manimekalai and Dr.R. Subramaniya Bharathy (2013)

In this research study was conducted on women entrepreneurship in dairy industry at Salam district, Tamil Nadu. The researcher pointed out that women entrepreneurship is most important factor contributing social and economic development of the nation. Governments also given due importance for women entrepreneurship and empowerment in the country through several schemes has been introduced for the upliftment of women entrepreneurs. The main objective of this study is to find out the level of satisfaction of women in dairy industry. To collect the primary data, they prepared structure questionnaires are used for collecting primary data. The sample size was taken 200, convenience sampling procedures was adopted for the study. The study revealed that India has enormous potential for women entrepreneurship development in terms of diversity of rural occupation. Development of women entrepreneurship ensures optimal utilization of locally available resources and added value to products and services. All types of family support and encourage the women entrepreneurs, and then only could reach their goals.

Dr. Vijayakumar&Jayachitra.S (2013)

In this paper the authors are argued that the concept of women entrepreneurship is gaining more importance in India in the wake of economic liberalized and globalized economy. This paper particularly focused on the problems, issues and challenges are faced while establishing and running the business by women entrepreneurs and also give some valuable suggestions to overcome those obstacles by analyzing the policies of the Indian government. They argued that Indian independent brought promise of equality of opportunities in all spare to the Indian women and laws guaranteeing for their equal rights of participation in political process, equal opportunities, equal education and equal employment were elected. But unfortunately, the government sponsored development programs have benefited only small section of the women. The large majority of them are still unaffected by change and development activities have benefited only a small sections of the women i.e the urban middle class women. Finally they end up that women entrepreneurs need to be molded properly with entrepreneurial traits and skills to meet the changing trends and challenging global market and also be

confident enough to sustain and strive in the local economic arena.

3. MesfinMuluAyalew&Shumet Amare Zeleke (2018)-In this research work the felt that , entrepreneurship is a worldwide phenomenon with economic growth. The main objective of this research paper was to model the impact of entrepreneurial attitude on self-employment intention among final year engineering students in Bahir Dar Institute of technology, DebreMarkors University, Ethiopia. Questionnaires and interview schedule were the instruments used and stratified sampling technique was adopted to select 921 respondents. To analyses the data, descriptive statistics, chi-square test etc, were used. The analyzed results revealed that about 57% of the students had an intention to be a self-employed , 42.6% do not have an intention. The result also showed that entrepreneurial education/ training and entrepreneurial attitudes significantly predicts student's self-employment intention. This study recommends that the government as well as the universities should design programmes that facilitates entrepreneurship to change the mindset, attitude and intention of those students, who do not have knowhow about entrepreneurship as a future carrier.

Dr. Sunitha V Ganiger (2018)

This paper is conceptual one and makes an attempt in understanding the concept, problems and challenges faced by women social entrepreneur and also discuss the kind of social justice is given by them and received simultaneously.

Objectives of the Study

1. To identify the various issue based factors of women entrepreneurship.
2. To study the implications of factor dimensions on economic development of women entrepreneurs.

Research Methodology

1. For the study is concerned, the researcher is selected only 168 women entrepreneurs.
2. Only women owned Small and Medium Enterprises are considered as sample unit.
3. The scope of the study is confined to only 3 districts like Tumkur, Bangalore Urban and Bangalore Rural districts of Karnataka.
4. Tools used for data analysis are Cronbach Alpha and One-way ANOVA

Results and Discussion

In this research work the researcher asked some questions pertaining to issue based factors which faced by small and medium enterprises to the sample women entrepreneurs under the survey. The quires pertaining to prevailing constraints for SMEs to have international business, untrained marketing personnel, lack of government supports and working capital issues. In order to capture the perception on the level of agreement (from strongly disagreement to strongly agreement) on the above mentioned critical aspects, certain relevant questions were asked to the sample respondents. The basic objective of the analysis is to see whether the four critical aspects or dimensions differ across the type of ownership. The data captured on a five point Likert scale. An exploratory factor analysis techniques and inferential statistics is applied to analyse the data.

Rotated Component Matrix

The Rotated Component Matrix displays the loadings for each item on each rotated component, again clearly showing which items make up each component. Furthermore, it also represent both how

the variables are weighted for each factor but also the correlation between the variables and the factor. The correlation values (loadings) from the Table 1 show that correlation between 0.46 to 0.811.

Table 1: Rotated Component Matrix Result of the exploratory factor analysis

Item Description	Component			
	1	2	3	4
Unfamiliar foreign business practices	.811			
Developing new products for foreign markets	.787			
Meeting export product quality / standards / specifications	.699			
Identify the foreign business opportunities	.659			
Obtaining reliable foreign representation	.467			
Inadequate quality of products		.836		
Untrained personnel for internationalization		.747		
Lack of managerial skills to deal with internationals		.639		
Difficulty in matching competitors price			.807	
Lack of home government assistance/incentives			.740	
Limited information to locate/analyze the market potential			.467	
Shortage of working capital to finance exports				.830
Excessive transportation costs				.788

Based on the loadings, labelling of factors or components is done and the same is presented in Chart I.

Chart I: Classification of items (variables) into factors of level of agreement across each defined dimension of Economic development of women entrepreneurship	
Item Description	Factor Label
<ul style="list-style-type: none"> Unfamiliar foreign business practices Developing new products for foreign markets Meeting export product quality / standards / specifications Identify the foreign business opportunities Obtaining reliable foreign representation 	Constraint with Foreign Business
<ul style="list-style-type: none"> Inadequate quality of products Untrained personnel for internationalisation Lack of managerial skills to deal with internationals 	Un-trained marketing personnel
<ul style="list-style-type: none"> Difficulty in matching competitors price Lack of Home Government assistance / incentives Limited information to locate / analyse market 	Lack of Government Support and market strategies
<ul style="list-style-type: none"> Shortage of working capital to finance exports Excessive transportation costs 	Insufficient Working Capital

Reliability and Validity

Reliability means repeatability of measure. It also reflects the consistency of the responses. The interval of reliability test that has been used in the study is cronbach's alpha. It is a statistic which measures the internal consistency of the instrument. Alpha coefficients range between 0 to 1. The higher

the value of alpha (preferably more than 0.70), the more reliable the scale is. According to Nunnally (1978), an alpha score of 0.7 or more can be accepted as a good reliability coefficient. The cronbach alpha for each category is provided in Table 2.

Table 2: Cronbach Alpha results by factor-wise

Factor/component	Cronbach Alpha	No. of items
Constraint with Foreign Business	0.789	5
Un-trained marketing personnel	0.667	3
Lack of Government Support and market strategies	0.683	3
Insufficient Working Capital	0.331	2
Overall	0.786	13

So we can see that in all the above cases, cronbach's alpha score is either more than or equal to the acceptable limit of 0.70 excepted for one factor

having only two items. This indicates good internal consistency of the items in the scale.

Table 3.: Overall percentage of respondents' level of agreement across each dimension of Economic development of women entrepreneurship

Factor/component	Percentage of Respondents				
	SA	A	N	D	SD
Constraint with Foreign Business	19.0	63.2	10.0	4.9	3.0
Un-trained marketing personnel	12.8	40.2	23.6	20.8	2.5
Lack of Government Support and market strategies	20.9	65.6	8.1	4.8	0.6
Insufficient Working Capital	48.4	44.1	3.1	3.1	1.2

Table 3 provides the overall percentage of respondents' level of agreement across each dimension pertaining to Economic development of women entrepreneurship and empowerment. Accordingly, 19 % of respondents strongly agree and 63.2 % of respondents agree that there are constraints in doing business overseas for small and medium enterprises. Cumulatively, about 82 % of the respondents agree to the above statement while 10 % of the respondents are unable to provide any response. On the other, only 3.0 % of the respondents strongly disagree and another 4.9 % of them disagree to the fact that there are hardly any constraints in doing international business. Similarly, the percentage of respondents giving their levels of agreement with respect to other three components of economic development namely Un-trained marketing

personnel, Lack of Government Support and market strategies and Insufficient Working Capital.

Now, we intent to know whether the perception regarding each of the dimensions mentioned above differs across the type of ownership of the business by testing certain defined hypotheses.

Inferential Statistics

Hypothesis 1

There is no significant difference in mean rank scores of Constraint with Foreign Business among the types of ownership. In a sense, the mean rank agreement score of Constraint with Foreign Business score significantly differs between the sole proprietorship and those women employers running business as partnership firms, mean rank level of agreement scores between Private limited and Partnership firms etc.

Table 4: One-way ANOVA for Constraint with Foreign Business perception by type of ownership

	Sum of Squares	df	Mean Square	F	p-value
Between Groups	26.683	3	8.894	1.245	0.295
Within Groups	1114.292	156	7.143		
Total	1140.975	159			

It is seen from one-way ANOVA result (Table 4), that there is no significant (statistically) difference in mean Constraint with Foreign Business agreement score among the three types of ownership of SMEs [$F_{(3,156)} = 0.295, p > 0.05$] at 5% level of significance. Hence, we accept null hypothesis and reject alternative hypothesis. In other words, the perception on the agreement Constraint with Foreign Business aspect does not differ significantly between the women entrepreneur having private limited company and women entrepreneurs running the business as a sole proprietorship and also between women entrepreneurs running the business as a sole

proprietorship and women entrepreneurs running the business as a partnership firms and so on.

Hypothesis 2

There is no significant difference in mean rank scores of Lack of Government Support and market strategies among the types of ownership. In a sense, the mean rank agreement score of Constraint with Foreign Business score significantly differs between the sole proprietorship and those women employers running business as partnership firms, mean rank level of agreement scores between Private limited and Partnership firms etc.

Table 5: One-way ANOVA for Lack of Government Support and market strategies by type of ownership

	Sum of Squares	df	Mean Square	F	p-value
Between Groups	12.193	3	4.064	1.568	0.199
Within Groups	406.838	157	2.591		
Total	419.031	160			

It is seen from one-way ANOVA result (Table 5), that there is no significant (statistically) difference in mean Lack of Government Support and market strategies agreement score among the three types of ownership of SMEs [$F_{(3,156)} = 0.199, p > 0.05$] at 5% level of significance. Hence, we accept null hypothesis and reject alternative hypothesis. In other

words, the perception on the agreement Lack of Government Support and market strategies aspect does not differ significantly between the women entrepreneur having private limited company and women entrepreneurs running the business as a sole proprietorship and also between women entrepreneurs running the business as a sole

proprietorship and women entrepreneurs running the business as a partnership firms and so on.

Hypothesis 3

There is no significant difference in mean rank scores of Insufficient Working Capital among the types of ownership. In a sense, the mean rank

agreement score of Constraint with Foreign Business score significantly differs between the sole proprietorship and those women employers running business as partnership firms, mean rank level of agreement scores between Private limited and Partnership firms etc.

Table 6: One-way ANOVA for Insufficient Working Capital by type of ownership

	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	.519	3	.173	0.119	0.949
Within Groups	227.431	157	1.449		
Total	227.950	160			

It is seen from one-way ANOVA result (Table 6), that there is no significant (statistically) difference in mean Insufficient Working Capital agreement score among the three types of ownership of SMEs [$F_{(3,156)} = 0.119, p > 0.05$] at 5% level of significance. Hence, we accept null hypothesis and reject alternative hypothesis. In other words, the perception on the agreement Insufficient Working Capital aspect does not differ significantly between the women entrepreneur having private limited company and women entrepreneurs running the business as a sole proprietorship and also between women entrepreneurs running the business as a sole

proprietorship and women entrepreneurs running the business as a partnership firms and so on.

Hypothesis 4

There is no significant difference in mean rank scores of Un-trained marketing personnel among the types of ownership. In a sense, the mean rank agreement score of Constraint with Foreign Business score significantly differs between the sole proprietorship and those women employers running business as partnership firms, mean rank level of agreement scores between Private limited and Partnership firms etc.

Table 7: One-way ANOVA for Un-trained marketing personnel by type of ownership

	Sum of Squares	Df	Mean Square	F	p-value
Between Groups	62.048	3	20.683	3.171	0.026*
Within Groups	1030.446	158	6.522		
Total	1092.494	161			

* Significant at 5 % level

It is seen from one-way ANOVA result (Table 7), that there is a significant (statistically) difference in mean **Un-trained marketing personnel** agreement score among the three types of ownership of SMEs [$F_{(3,156)} = 0.026, p < 0.05$] at 5% level of significance. Hence, we reject the null hypothesis and accept the alternative hypothesis. In other words, the perception on the agreement **Un-trained marketing personnel** aspect differs significantly between the types of ownership of women entrepreneurs.

Findings

In this research study we intended to analyse the problems faced by the small and medium entrepreneurs. In this regard few critical aspects such as shortage of working capital, prevailing constraints for small and medium industries to have international business, lack of government support for SMEs etc, where asked to the respondents, in this regard the following issues are emerged.

1. With respect to constraints with foreign business, 19% of respondents strongly agree, where nearly 63% of them agreeing that, there is a deep constraints in doing international business. In totality more than 80% of them agree that doing business with foreign collaboration is very difficult for small and medium enterprises headed by women entrepreneurs.
2. With respect un-trained marketing personnel, nearly 13% of respondents are strongly agree, more than 40% of them are agreeing that there is a problems of untrained marketing personnel. In

total more than 50% of them agree that there is a problem faced by them in marketing area due to lack of trained personnel. On the other hand 23% of respondents are neutral and more than 23% of them are not accepting that untrained marketing personnel are the major problem for them.

3. With respect to lack of government support and marketing strategies , more than 20% of respondents are strongly agree, where more than 65% of them are agreeing that , there is deep constraints in getting the support from the government. In nutshell more than 86% of them agree that getting government support and market strategies are very difficult for SMEs headed by women entrepreneurs.
4. With respect to insufficient working capital, more than 48% of respondents strongly agree, where 44% of them agreeing that, there is a deep constraint in managing adequate amount of working capital for smooth running the business. In totality more than 90% of them agree that managing adequate and optimum amount of working capital is very difficult for small and medium enterprises headed by women entrepreneurs.

Suggestions

1. Women entrepreneurs, who undergo training, should be exposed to the challenges, problems and prospects of entrepreneurship in their context. Hence confidence should built-up to accept the business challenges and turn them in

to as opportunities. There is a need for frequent training on entrepreneurship, marketing, financial, human resources related skills, etc., to the upcoming women entrepreneurs. This would help them to build confidence in their business.

2. There is a need for women entrepreneurs to have good knowledge about their commodities, customer's needs, and sales after services, better customer satisfactions and the area in which they want to establish and run the business.
3. Women entrepreneurs should improve some basic qualities and soft skills like need for achievement, firmness, self-confidence, clarity in what they are doing, communication skills, interpersonal relationships, rational decision making etc.
4. The Central and State Governments need to focus on imparting entrepreneurial skills through the necessary training programmes especially in the marketing and pricing of the commodities to the educated and unemployed women, so that they are trained and available to take up their own ventures.
5. As women entrepreneurs are facing acute problem of shortage of capital for acquisition of fixed assets and working capital for carry out their production operations. Hence Central, State governments and other local bodies should initiate steps to establish an agency to acquire fixed assets at a concessional rate or on lease and fulfill the working capital requirements of women owned SMEs.

Conclusion

In this regard this study concludes that women entrepreneurs are facing various kinds of issues due to their sex affiliation. Without removing gender based issues of women entrepreneurs, the social and economic development through entrepreneurial growth may not be possible. Hence governments and policy makers should considered and rethink about the above four critical concept for empowering the women through entrepreneurship. Therefore entrepreneurship from women is universally accepted and most important leverage in the hands of the policy makers to bring socio-economic empowerment of women's, society and country has a whole.

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