
FACTORS INFLUENCING ENTREPRENEURIAL DEVELOPMENT OF WOMEN IN MARGHERITA SUB-DIVISION, TINSUKIA, ASSAM

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ABSTRACT

With the changing socio-cultural environment and increasing educational opportunities, women became aware of their potential to develop entrepreneurial skills. They have grown in large number across the globe over the last decade and increasingly the entrepreneurial potentials of women have changed the rural economies in many parts of the world. The present study which aims in understanding entrepreneurial development among women in Margherita Sub-Division, Assam, highlights their existing status and the main factors which motivate the women to become entrepreneurs. The paper also intends to analyze the major problems and constraints encountered by them in running the units.

Key words: Women, Entrepreneurship, Margherita, Linear, regression.

Introduction:

As the early history of entrepreneurship in India is intimately associated with the country's culture, customs and traditions, entrepreneurship often evolved along with societal etiquette (Rizvi & Gupta, 2009). However at present, the success of the individual as an entrepreneur depends largely on his or her imagination, vision, innovativeness and risk-taking ability and need not be interviewed with age-old cultural and societal etiquette. The term "Women Entrepreneurship" refers to an act of business ownership and business creation that empowers women economically increases their economic strength and position in a society. The Government of India has defined women entrepreneurs as "an enterprise owned and controlled by women having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated in the enterprise to women. Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent". Thus, Women entrepreneurship, an act of business ownership and business creation contributes not only to the economic well-being of the family and communities but also helps to develop economic independence, self confidence, skills and socio-economic status.

With the changing socio-cultural environment and increasing educational opportunities, women became aware of their potential to develop entrepreneurial skills. These socio-cultural changes along with the eagerness of a spectrum of non-governmental organizations (NGOs) to associate with women entrepreneurs have played a key role in the emergence of female entrepreneurship over the past few decades. Dileepkumar (2006) and Khanka (2010) have stated that Indian women have started becoming entrepreneurs in sizeable numbers only recently, partly due to the formation of various self-help groups (SHGs), support from NGOs, higher levels of education and economic liberalization. However, despite all of this support for women, female entrepreneurs are still far from on par with men in India. Mathew & Panchanatham (2009) reported that majority of female entrepreneurs, especially in the middle and lower middle classes as well as in rural areas still find it difficult to simultaneously meet their entrepreneurial and families demand so as to attain a proper work-life balance. Nelasco (2008), commented that even though the leadership potential of women is very high, this potential is hidden by social, economic and political constraints. Therefore, women who venture into entrepreneurial activity must be extraordinarily motivated and determined enough to carry forward a creative idea on their own.

Objectives:

- (1) To examine the demographic profile of women entrepreneurs.
- (2) To find out the main factors that motivates or influence women entrepreneurs.
- (3) To analyze the problems and constraints encountered by women entrepreneurs in running their units.

Methodology:

The present study is based both on primary and secondary data. The primary data has been collected from 40 sample women entrepreneurs operating in Margherita Sub-division, Assam, using Judgment sampling with a well structured questionnaire and personal interview. The secondary data is based on books, journals, articles, reports, theses and internet. The sample units included Garments, Tailoring, Beauty Parlour, Knitting and Embroidery, Home products, Fast Food shop, PCO, Xerox and Computer printing.

In order to evaluate the contribution of main factors responsible for influencing or motivating women entrepreneurs and also the constraints encountered by them, five point Likert scale and Linear Regression model was used. Seven attributes that can influence their decision were identified. The weightage for 7 statements were given 5, 4, 3, 2 and 1 points as strongly agree (SA), agree (A), undecided (U), disagree (D), and strongly disagree (SD) respectively. The minimum total score of a respondent could be 7 (1 x 7) and maximum could be 35 (5 x 7). Ordinary Least square is used to predict a function that relates dependent

variable (Y) to one or more independent variables ($x_1, x_2, x_3, \dots, x_n$). It uses linear function that can be expressed as $Y = a + bX_i + e_i$ where

a : Constant

b : Slope of line

X_i : Independents variables and e_i : Error term

Results and Discussions:

A summary of the respondents' demographic details engaged in various entrepreneurial activities is presented in Table 1. It is evident from Table 1 that out of 40 respondents taken for the study, 67.5 percent respondents are in the age group of 30-40 years of age and 75.0 percent are married. Regarding the educational level, the study reveals that 37.5 percent are matriculate and 25 percent have educational background of up to higher secondary level. The study conducted by the Indian Institute of Entrepreneurship (IIM, 2004) observed that majority of the entrepreneurs were with educational qualification below Higher Secondary level. Regarding the type of family, 52.5 percent of the women entrepreneurs are from nuclear family. Table 1 also shows that 55.0 percent respondents are first generation entrepreneurs. A study (Baruah, 2002) conducted by the Indian Institute of Entrepreneurship, Guwahati found that there are 65% first generation entrepreneurs in the North Eastern region of India. It is also evident from Table 1 that 65.0 percent respondents have received full support from the family members. As far as contribution to the family members is concerned, 40.0 percent women entrepreneurs contribute 25-50% towards their family income, 25.0 percent respondents contribute 25% while 22.5 percent contribute 50-75%. There are also 12.5 percent respondents who almost contribute 75-100% towards their family income. Table 1 further depicts that 40 percent respondents are running their enterprises for 5 to 7 years, 25 percent for 8 to 10 years and 22.5 percent above 10 years. Further it is also seen from Table 1 that 30.0 percent respondents have used their own funds as well as borrowed from friends to start and run their units, followed by own funds and bank loan (22.5%), borrowed from friends (20.0%) and own finance (17.5%). As the business units under study belong to micro enterprise, the income is also found to be negligible. The study reveals that majority (55%) respondents earn an annual income of below ₹ 30,000, while 22.5 percent earn in between ₹ 30,000 - 50,000 and 15 percent in the slab of ₹ 50,000 - 70,000. A small number of 3 (7.5%) respondents earn above ₹ 70,000.

Table 1: General profile of women entrepreneurs

Sl. No.	Details	Classification	Frequency	(%)
01	Age Group	Below 30 years	03	7.5
		30----40 years	27	67.5
		40----50 years	08	20.0
		Above 50 years	02	5.0
02	Marital Status	Married	30	75.0
		Unmarried	10	25.0
03	Educational Background	Below HSLC	09	22.5
		HSLC	15	37.5
		H. S.	10	25.0
		Graduate & above	06	15.0
04	Type of Family	Nuclear	21	52.5
		Joint	19	47.5
05	Category	First generation entrepreneurs	22	55.0
		Parents as entrepreneurs	14	35.0
		In-Laws as entrepreneurs	04	10.0
06	Family member support	Yes	26	65.0
		No	14	35.0
07	Contribution to the family	Upto 25%	10	25.0
		25% ---- 50%	16	40.0
		50% ----75%	09	22.5
		75% ----100%	05	12.5
08	Age group of enterprises	Upto 4 years	05	12.5
		5 --- 7 years	16	40.0
		8 --- 10 years	10	25.0
		Above 10 years	09	22.5
09	Sources of Finance	Own funds	07	17.5
		Bank loan	02	5.0
		Money lenders	02	5.0
		Friends and Relatives	08	20.0
		Bank loan + Own funds	09	22.5
		Own funds+ Friends and Relatives	12	30.0
10	Annual Income	Below ₹ 30,000	22	55.0
		₹ 30000 ---- ₹ 50,000	09	22.5
		₹ 50,000 ----- ₹ 70,000	06	15.0
		Above ₹ 70,000	03	7.5

Source: Field Survey

Influencing Factors:

The main influencing or motivational factors of entrepreneurs are push or necessity and pull or opportunity. Pull factors comprise of aspirations for autonomy and independence, financial reward, personal satisfaction and achievement, social recognition etc. Family background or support usually acts as a positive factor for

entrepreneurship. Push factors comprise of dissatisfaction with the labour market, , unemployment, desire for a better life or higher earnings and motivation from government/ schemes for assistance, attraction of high profit margins, etc.

Table 2a: Model Summary (Motivation of women entrepreneurs)

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.985	0.970	0.963	0.996

Table 2b: ANOVA

	Sum of Squares	d.f.	Mean square	F	Sig.
Regression	1013.874	7	144.839	146.136	0.000*
Residual	31.716	32	0.991	-	-
Total	1045.590	39	-	-	-

Table 2c: The impact of motivating factors (Coefficients)

Sl. No.	Influencing Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
01	Constant	0.834	1.015	-	0.822	0.417
02	Family tradition	1.002	0.104	0.329	9.658	0.000*
03	Economic independence	1.097	0.110	0.361	9.951	0.000*
04	To prove oneself	0.895	0.130	0.215	6.890	0.000*
05	To utilize own skill	0.923	0.101	0.294	9.133	0.000*
06	Market potentials	0.925	0.101	0.313	9.146	0.000*
07	Social status	1.015	0.086	0.425	11.836	0.000*
08	Unemployment	0.902	0.122	0.259	7.413	0.000*

Source: Field Survey, * significant at 5% level of significance.

In table 2a, the co-efficient of determination (R^2) was 0.970 indicating that 97.0 percent of variation in the motivational behavior of the women entrepreneurs can be explained by all the seven independent variables included in the model.

The F-value indicates that the fitted linear multiple regression model was significant at 5% level and it is valid to draw inference (table 2b). In table 2c, all seven independent variables were found to be statistically significant. Among the significant factors, contribution of variables such as economic independence, social status, family tradition and market potentials were found to be more that motivate to become entrepreneur. The study of Ranabhat (1995), Tuladhar (1996) and Jesurajan (2011) also revealed that economic independence as one of the significant contributors.

Constraints:

Setting up and running the enterprise is not an easy job for women. A challenge is always there for these women entrepreneurs to run their enterprise successfully earning profit and ensuring the growth of the enterprises which will severely test their entrepreneurial skill and survival of the unit. In fact, Women entrepreneurs encounter many problems which are of multi-dimensional nature.

Table 3a: Model Summary (Constraints faced by women entrepreneurs)

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.940	0.884	0.859	1.636

Table 3b: ANOVA

	Sum of Squares	d.f.	Mean square	F	Sig.
Regression	655.668	7	93.667	34.976	0.000*
Residual	85.696	32	2.678	-	-
Total	741.364	39	-	-	-

Table 3c: The impact of restriction factors (Coefficients)

Sl. No.	Constraints	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
01	Constant	1.517	1.584	-	0.957	0.346
02	Social attitude and support	0.852	0.174	0.305	4.901	0.000*
03	Lack of Finance	1.142	0.156	0.484	7.310	0.000*
04	Marketing and sales	0.955	0.207	0.310	4.616	0.000*
05	Low mobility	0.858	0.175	0.308	4.892	0.000*
06	Lack of education	0.864	0.195	0.299	4.433	0.000*
07	Restraint from families	0.904	0.160	0.364	5.636	0.000*
08	Stiff competition	0.949	0.170	0.365	5.571	0.000*

Source: Field Survey, * significant at 5% level of significance.

In table 3a, the co-efficient of determination (R^2) was 0.884 indicating that 88.4 percent of women entrepreneurs can be influenced by all the seven independent variables included in the model. The F-value indicates that the fitted linear multiple regression model was significant at 5% level and it is valid to draw inference (table 3b). Table 3c depicts that all seven independent variables were found to be statistically significant. Among the significant factors, lack of finance and marketing is found to be the most contributory. The finding is in conformity with the results reported by Rajendran (2002), Sarah and Atchuta (2003). Stiff competition and restraint from families were also found to be contribution that restricts to become entrepreneur. In the study of Ranabhat (1995) in Nepal revealed that the prevailing social values, culture and perception have become a restraint to the growth of women entrepreneurs in society.

Conclusion:

There has been a steady increase in the participation of women in small business indicating immense potential for entrepreneurial development among them. Changes in the global and domestic environment have contributed towards the growth of women entrepreneurship in India. With privatization and the growth of private markets, unemployment is increasing and consequently compelling the women to search for additional sources of income through entrepreneurial activities. Women enterprises are mostly concentrated in the micro segment of the MSME (Micro, Small and Medium Enterprises) sector. Therefore in order to enlarge their participation in small and medium segments a stronger coordinated role of Indian Government, financial institutions, voluntary agencies and educational institutions with an integrated approach is necessary.

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