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S U M M A R Y  
A N D  
C O N C L U S I O N S

**CHAPTER V****SUMMARY AND CONCLUSIONS****SUMMARY**

Economists have recently shifted the emphasis from the growth of capital to the growth of high level manpower, such as entrepreneurs, as the major determinant of the rate of growth of the nation (Nafziger, 1971).

In India, nearly one-half of the nation's potential resource lies among its female population. Suppressing one-half of its human wealth not only affects the women themselves, but have adverse consequences on the nation's overall growth and development. At the international conference organised by the 'Association of Women in Development' at Washington D.C., U.S.A., November 1989, a consensus emerged that the global empowerment of women is the development challenge of the 1990's. The strategy of "Integration of Women into Development", followed by many governments in the world, achieved little success in the past one and a half decade. Hence a new approach of "Gender Awareness Planning" was recommended for the 1990's to enable women to exercise their potential in development. For achieving this new goal a new development strategy is needed that is to "Promote Women Entrepreneurship". In this context, "Women Entrepreneurs" play a very critical role (Elavia, 1992).

The scenario of women entrepreneurship emphasises that it has gained a rapid momentum in developed countries. It is also noticeable in a small measure in developing countries. Accurate data on women entrepreneurs in developing countries is difficult to find. In India women entrepreneurs are a fragile minority.

Apart from a few notable exceptions, the Indian women entrepreneurial scene is still at the level of small and medium scale industry.

Today our country needs a large number of impact making women entrepreneurs in order to uplift their status, to make them self-reliant and to achieve a faster growth and development of the nation by tackling some of the national problems viz. poverty, unemployment, disguise employment and economic inequality. An understanding of the process and nature of emergence of women entrepreneurs thus becomes essential and of utmost importance.

The present investigation is an attempt to study women entrepreneurs specifically to identify the determinants among women entrepreneurs which have helped them in the growth process of their enterprise.

### **1. Objectives of the Study**

- 1.a. To assess the demographic characteristics and

personality traits of the respondents.

1.b. To identify the factors responsible for entrepreneurial initiation and choice of their line of trade.

1.c. To explore the resources and constraints encountered while establishing and running the enterprise.

1.d. To find out the extent of respondents' participation in decision making and decision implementation subject to different entrepreneurial operations.

1.e. To study the managerial capabilities of the respondents in establishing and running the enterprise.

1.f. To identify the determinants of entrepreneurial growth process among women entrepreneurs on the basis of the performance of their enterprises.

## **2. Methodology**

2.a. Sample: Initially 245 women entrepreneurs were approached, out of which 113 who fulfilled the criteria decided for the study, were selected as the sample.

2.b. Tool Construction: An interview schedule was constructed for the study. The tool comprised five sections. Section I dealt with the personal and family characteristics of the respondents. Section II contained detailed information on enterprise data. It also included enquiry on the motivations, supports and constraints encountered by the respondents. Section III focussed on the extent of decision making and decision implementa-

tion pattern of the respondents. Section IV consisted of questions to assess the managerial behaviour of the respondents. The last section i.e. section V included a standardised scale " Focussed Behavioural Event Test" (ICECD, 1993) to measure the personality traits of the respondents. Content validity, clarity and feasibility of the interview schedule was tested prior to its final application.

2.c. Method of Data Collection: Data were gathered by interviewing the respondents personally on an interview schedule from August 1993 to January 1994.

2.d. Analysis of Data: Descriptive (Frequency, percentage and mean), as well as relational statistics (Hotelling's  $T^2$ , canonical 'r', linear model and factor analysis, 't' test and 'f' test) were used for analysing the data.

### **3. Major findings of the Study**

The highlights of the findings of the present research under respective heads are reported underneath:-

#### **3.a. Demographic Profile**

3.a.i. Personal Data: Of the total number of respondents a larger percentage (57.52 per cent) were opportunistic/chanced entrepreneurs. The mean age of the

respondents was 39.3 years at the time of interview. They were younger when they started their entrepreneurship career. (Mean age - 30.2 years). Majority of the respondents were Hindus. There was dominance of Gujarati community among the respondents. 82.3 per cent had education till graduation and above. Untrained entrepreneurs (69.91 per cent) outnumbered the trained women entrepreneurs. Comparatively a larger percentage of untrained entrepreneurs (42.48 per cent) learnt business skills by their own experience. Slightly more than one-half of them were employed prior to their entrepreneurship career. "To start my own enterprise" was the important reason given for leaving the job and for taking up entrepreneurship.

Analysis of the personality traits of the respondents revealed that the traits like "Self confidence" and "Taking initiative" strikingly featured as the dominant traits present in their full intensity among two-third and slightly more than two-third of the respondents respectively. Contrary to this "Risk taking" and "Use of influence strategies" were the least dominant traits among them. There was complete absence of the trait "Risk taking" among a very high percentage of the respondents (92.0 per cent) and "Use of influence strategies" among nearly two-third of the respondents.

3.a.ii. Family Data: Slightly more than one-half of the respondents belonged to nuclear families. Almost

two-third were having small size of the family. A larger percentage (64.60 per cent) were in the expanding stage of the family. About one-half of them had business backup as they came originally from such background. 61.06 per cent were married to life partners who were businessmen. There was an increase in the percentage of the respondents belonging to improved economic status after taking up entrepreneurship.

### **3.b. Enterprise Profile**

3.b.i. Enterprise Setup: The mean age of the enterprise was 9.93 years. Nearly one-third were 3-5 years old. 58.41 per cent were enjoying sole proprietorship. Slightly more than one-third were engaged in manufacturing activity. One-fifth were traders. 30.09 per cent had service oriented enterprises. Respondents' line of trade varied from feminine enterprises viz. beauty clinics, creche, garment industry to male dominated enterprises related to chemicals and pharmaceuticals, industrial, commercial and domestic goods, commercial art, electronic goods, finance and management consultancy etc.. Viewing the business premises ownership status it was observed that 10.62 per cent of the respondents had increased status.

The involvement of women entrepreneurs was comparatively more in the operation of their enterprise than in its establishment.

3.b.ii. Financial Data: A larger percentage of the respondents (61.9 per cent) invested in their unit upto Rs. 1 lakh. The highest capital invested was Rs. 1 crore 50 lakhs. Majority of the respondents reported an increased networth of their enterprise. The lowest networth reported was Rs. 25,000 and highest Rs. 22,20,61,000. 86.73 per cent of the respondents had an increase in the turnover of their enterprise. Three-fourth of them were found spending their profits to the extent of 41-100 per cent for the unit development.

3.b.iii. Strength and Weaknesses of the Enterprises: "Co-operative, qualified and highly motivated staff", "within family expertise", "qualitative work" and "readymade and wide market" were the important strong points of the manufacturing units . Contrary to this "non co-operative, inefficient and undisciplined staff", "low output of the enterprise (accounted by absenteeism, power cuts, non availability of the raw material and machinery failure)" and "limited working capital" were some of the prominent weaknesses of the unit reported by the respondents.

The strong points of the trading units in the order of priority were "providing standard, qualitative material /product/service", "reasonable and low prices" and "good location of the unit". "Lack of trained staff" was the most important negative point of the trading

enterprises.

"Good team of workers", "personalised service", "providing unique and additional services", "good relationship with the customers" were some of the strong points identified by the respondents involved in service/consultancy enterprises. The important weaknesses reported under the same were "lack of skilled staff", "poor marketing infrastructure", "lack of necessary skills (on the part of the entrepreneur)", and "poor management and organisation".

The respondents operating manufacturing and trading units reported "high concern for quality in production and service" and "providing latest and unique designs/products" as the important strong points of their enterprises. "Limitation of space" was considered as a vital weak point of the units.

3.b.iv. Enterprise Development Oriented Plans: Majority of the respondents made improvements in their enterprise till date in one form or the other. The maximum improvement made was in the area of expanding the same enterprise. Anticipation of a wide market was the dominant motive responsible for the development of the unit. An enquiry about the respondents' future development plan of the enterprise (within a span of two years) indicated that almost 69.91 per cent wished to undertake development of their units in future. Slightly

less than one-half were inclined to expand their existing business. Majority of the respondents had acquired /updated their competencies during their entrepreneurship career. Printed matter was the most distinguished source used by almost two-third of the respondents. Majority of the respondents were benefited due to refinement of their personality after taking entrepreneurship. Almost one-half of them reported to have developed confidence in themselves. Nearly one-fifth gained the advantage of having good and wide exposure to business affairs.

3.b.v. Performance Related Aspects: Nearly one-half of the respondents were satisfied with the performance of their enterprise. An upward shift was observed in the profitability of the enterprises for the period 1992-93 than for the year 1991-92. 7.08 per cent of the units were not running successfully. Respondents belonging to nuclear and joint families differed significantly in their entrepreneurial performance ( $t = -1.706$ ,  $p < 0.1$ ). Significant difference in the performance of the enterprise was also found among those who were the recipients of institutional support and those who were not ( $t = 1.940$ ,  $p < 0.05$ ). Entrepreneurs possessing large, medium and small number of personality traits also differed in their performance ( $F = 3.44$ ,  $p < 0.05$ ). Almost two-third of the respondents optimally (to the extent of 51-100 per cent) utilized the resources of

their enterprise.

### **3.c. Motivational Profile**

The motive "economic independence" ranked first among the respondents for their entry into entrepreneurship followed by "utilisation of skill" and "to exercise creativity" subsequently. An enquiry about their motivations for running their enterprises, however, presented a different picture. Then "achievement in life", "independence" and "earning profit" were the strongest motives stated by them in the priority order. An idea generated from within themselves was the main source of their enterprise initiation. "Opportunity to exercise creativity", "better prospects" and "family business" were the prime motivators among the respondents to select their present line of enterprise.

### **3.d. Enterprise Support and Constraint Profile**

3.d.i. Supports: Under family support, husbands were the major source of providing different types of assistance (moral, economic, technical, marketing, liaisoning, legal and personnel) to the respondents, followed by parents.

Under institutional and other support, economic assistance predominated among all other types of assistance rendered to the respondents. Banks were the main source of providing it.

The respondents utilised the benefit of subsidies more compared to other assistance provided by the government.

The mean number of employees was 16.19 at the initiation of the enterprise which rose to 55.12 at the time of interview, showing an increase in the unit size of the respondents.

3.d.ii. Constraints: "Limited working capital" and "delays in sales/cash realisation" were stated as the most pressing financial constraints experienced by the respondents, while initiating and running their enterprises. "Difficulty in repairs and maintenance" and "lack of specialised skill to work on specific projects" were the dominant technical problems reported by them. Under labour problems "non-availability of skilled and experienced staff" and "absenteesm" were the most serious ones. "Stiff competition" as marketing problem, multiplicity of legal compliances" as legal and "corruption/bureaucracy/red tapism to the extent of causing frustration" were some of the other important constraints encountered by the respondents.

### **3.e. Decision Making and Decision Implementation Status**

Respondents' decision making status was found to be low in finance related functions of the enterprise.

Overall decisions taken by others dominated in all the enterprise functions. Almost one-half of them were enjoying high decision making status in the administration of the enterprise. 46.90 per cent, 45.13 per cent and 44.25 per cent were found taking independent decisions on "cost controlling", "quality controlling" and "staffing the enterprise" respectively.

Decision implementation status shows 8.85 per cent increase on the "administrative", 5.31 per cent increase on "cost controlling" and 4.43 per cent on "quality control" functions of the enterprise.

### **3.f. Managerial Capabilities**

The independent contribution of the respondents was found to be greater in the operation (51.68 per cent) of the enterprise than in its planning (28.90 per cent) and initiation (23.18 per cent). The contribution of others dominated in its establishment procedures (72.21 per cent) and subsequently in business planning (63.71 per cent).

The involvement of forced, chanced and trained entrepreneurs was also more in the operation of the enterprise.

## **4. Results of the Hypotheses testing**

The results of Hotelling's  $T^2$  test highlighted that

the performance of the enterprises that belonged to trained entrepreneurs ( $F = 2.81009$ ,  $p < 0.0646$ ) did not differ significantly from those belonging to forced ( $F = 1.71256$ ,  $p < 0.1193$ ) and chanced entrepreneurs ( $F = 2.03405$ ,  $p < 0.907$ ).

An excellent amount of positive relationship existed between the performance of the enterprise and personal, family and situational variables (Canonical 'r' = 119.532 per cent,  $p < 0.001$ ). Further the results of an indepth analysis separately of all the three independent variables revealed that personal variables explained the strongest amount of relationship with the performance of the enterprise (Canonical 'r' = 49.67 per cent,  $p < 0.07$ ). Situational variables explained the second strong relationship in the order of importance (Canonical 'r' = 41.17 per cent,  $p < 0.001$ ), and family variables ranked third (Canonical 'r' = 33.87 per cent,  $p < 0.09$ ).

From the factorial analysis it was found that decision making ability ( $F = 1.09777$ ,  $p < 0.371$ ), decision implementation ability ( $F = 1.10124$ ,  $p < 0.369$ ) and managerial capabilities of the respondents ( $F = 0.73320$ ,  $p < 0.662$ ) were not found to be the significant determinants of the performance of the enterprise and consequently its growth process.

### CONCLUSIONS

1. Proprietary enterprises with more of manufacturing units dominated the scene. The enterprises were comparatively younger in age. Women entrepreneurs ventured in non-technical line of trade too.
2. Large number of women owned small sized units than the number of women running medium sized units. Increased networth and turnover and the pattern of re-investment of their profits were indicative of their positive progress.
3. Awareness of the strength and weaknesses of their units showed their concern in its improvements. Though majority of them were satisfied with the performance of their enterprise, they still wished to develop it in the near future. Their past and future development plans depicted their keen interest and motivation in their entrepreneurial career. Entrepreneurship had benefited them in refining and developing their personality.
4. Reasons stated by them for pursuing entrepreneurship career and in running their enterprise clearly dispel the myth that they are the weaker sex of society. They wanted to achieve something, utilize their skills productively and become independent. Their foresightedness in choosing their present line of trade proved their intelligent thinking and an aptitude for entrepre-

neurship.

5. Government support and family support highly contributed to the performance of the enterprise. Husbands were the key persons involved in providing all types of needed assistance from the stage of establishment to the enterprise running. Banks emerged as the most important source in rendering economic assistance to the women entrepreneurs. Enterprises which availed of institutional help in any form were better off in their performance than the ones who were unfortunate not to avail of it.

6. Since limitation of working capital was one of the major hindrances in the enterprise initiation and operation, the role of financial institutions becomes more vital. In order to face the problem of stiff competition women entrepreneurs need to be more innovative in developing new market strategies to attract the consumers. They require a pragmatic approach to tackle the existing corruption. Simultaneously a considerate and humane behaviour at which they are good, will certainly help them to avoid the draining of skilled staff from their enterprise.

7. Women need to develop good and strong decision making and implementation power in order to become independent in the fullest sense.

8. They also need to exercise their managerial skills

completely in all the endeavours of the business operations from its planning to its running and development in order to be termed as true women entrepreneurs, equal to men in confidence and competence.

9. The following set of variables emerged as determinants of entrepreneurial growth process:

a) Age, education, marital status, training experience, work experience, personality traits of the respondents;

b) Type and size of the family, stages in the family life cycle, business background; and

c) Family, institutional and governmental support, age of the enterprise, initial capital investment, increase in the number of helping hands and future development plans of the enterprise.

10. The findings suggest modifications in the original framework of the study. In the antecedant component personal and family factors remain as they were, the change is suggested in the situational factors where along with the original variables a set of three additional variables are added viz. a) initial capital investment, b) increase in the number of helping hands and c) future development plans of the enterprise.

In the components of Entrepreneurial Management,

entrepreneurial management by the help of other as a factor should be added.

### IMPLICATIONS OF THE STUDY

Findings of the study present certain implications for the entrepreneurs, financial institutions, training institutions, educational institutions and policy makers.

**For Entrepreneurs:** The results of the research prepares a sound footing for the new entrepreneurs who wish to start entrepreneurship career by making them aware about the ins and outs of the field. Moreover they can draw lessons from the experience of the sampled entrepreneurs.

The existing women entrepreneurs can have a wider exposure to some of the matters duly unhandled by them in their tenure and thus can reduce the fear of ignorance.

**For Financial Institutions:** Institutions rendering financial help can take advantage from the research findings in identifying their loopholes. Accordingly by adopting the abatement measures in their infrastructure they can modify and reframe their policies and programmes, which will be easier, less complicated, accessible and thus benefit a larger number of women.

**For Training Institutions:** The findings of the present

research will help them in understanding the women entrepreneurs in a much better way and thus they will be able to plan a concrete action plan for enhancing their inhibited potential in a productive and positive manner.

**For Educational Institutions:** The findings of the research provides a resource material for the educational institutions which will help them to develop and improve upon their curriculum gearing towards professionalism and thus employment generation.

**For Policy Makers:** Certain women welfare and development oriented plans envisaged by the government which are already existing can be necessarily improved and developed based on the research findings. Moreover as the findings highlight the awareness of government programmes, measures could be taken to publicize them among the prospective beneficiaries and make the programmes and policies more effective.

#### **RECOMMENDATIONS FOR FUTURE RESEARCH**

1. Similar study can be undertaken with a larger sample size.
2. A comparative study could be conceptualised between the women entrepreneurs possessing three different types of units.
3. A study could be planned with the objective of

developing scales to test the motivations, entrepreneurial qualities, and success of the women entrepreneurs.

4. Similarly a study can also be undertaken to develop scales measuring the decision making and managerial capabilities of the existing women entrepreneurs.

5. A comparative study on the women entrepreneurs can be undertaken between three socio-economic groups.

6. A comparative study in different states can be undertaken on women entrepreneurs.

7. Indian and foreign women entrepreneurs can also be the focal point of future research.

8. A study can also be planned identifying the reasons for women entrepreneurs being less successful.

9. A study identifying the drawbacks and strong points of government and non-government organisations in the development of women entrepreneurs can also be undertaken.

10. Comparisons on small, medium and large scale industries owned by women entrepreneurs can also be one of the future research themes.

11. Further a comparative research can also be planned on the performance of less educated and highly educated entrepreneurs in rural areas.