

2

REVIEW
OF
LITERATURE

CHAPTER - II

REVIEW OF LITERATURE

The main objective of this chapter is to comprehend relevant information to gain an indepth understanding about entrepreneurship, its growth and status. An attempt has been made to review the related literature highlighting the need to initiate the present investigation. The relevant literature and reports of researches conducted have been grouped under the following heads:

1. The Entrepreneur-A historical perspective and definitions.
2. Entrepreneurship Development
 - (a) International context
 - (b) National context
3. Entrepreneurship for women
4. Empirical studies
 - (a) Within India
 - (b) Outside India

1. The Entrepreneur-A historical perspective and definitions

The term entrepreneur has come from the French and literally translated means "between taker" or "go between". The common contract of those times included a loan from an investor to a merchant adventurer making the investor a passive risk-bearer and the merchant

adventurer an active bearer of the physical risks. On the successful completion of the journey by a merchant adventurer, the capitalist, not the entrepreneur, took the larger share of the profits.

In the middle ages the term entrepreneur was used to describe someone who managed large production projects. This kind of entrepreneur would not take any risks himself, but would manage the project using the resources provided to him.

The concept of the risk involved in entrepreneurship changed somewhat by the seventeenth century, when the entrepreneur came to be seen as someone who entered into a contractual arrangement with the government either to perform a service or to supply certain products. Any resulting profits (or losses) were the result of the entrepreneur's efforts, since the contract price was fixed.

By the eighteenth century, the entrepreneur with capital was distinguished from one needing capital. In other words, the entrepreneurial role was distinguished from a capital providing role.

In the nineteenth century the entrepreneurs were seldom distinguished from managers and were mainly viewed from an economic perspective, not from the perspective of creating something new.

Finally in the twentieth century the entrepreneur came to be seen as an innovator. Joseph Schumpeter (1952) put it this way:

"The function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, opening a new source of supply of materials or a new outlet for products, by re-organising a new industry..." (p. 72).

The portrait of the entrepreneur can be further developed through business, managerial and personal perspectives, with the following modified definitions:

"To an economist, an entrepreneur is one who brings resources, labour, materials, and other assets into combinations that make their value greater than before; and also one who introduces changes, innovations and a new order. To a psychologist, such a person is typically driven by certain forces - need to obtain or attain something, to experiment, to accomplish, or perhaps to escape authority of others...To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone good to invest in...The same person is seen by a capitalist philosopher as one who creates wealth for others as well, who finds better ways to utilize resources, and reduce waste, and who produces jobs others are glad to get."

(Vesper, 1980).

Each of these characterizations develops from a slightly different perspective, yet each contains some

similar notions: newness, organization, creation of wealth, and risk-taking. Finally, though, each characterization is somewhat simplistic. Entrepreneurs are found in all professions: teaching, medicine, research, law, architecture, engineering, social work and business. Therefore, to account for all types of entrepreneurial behaviour, there emerges the following definition:

"Entrepreneurship is the process of creating something different of value by devoting the necessary time and effort, by assuming the accompanying financial, psychological, and social risks, and by reviewing the resulting rewards of monetary and personal satisfaction."

(Hisrich and Brush, 1986).

2. Entrepreneurship Development

a) International context

The ILO has been active in entrepreneurship development for a number of years as part of both its human resources development programme and its employment promotion programme. From their variety of experiences, certain broad guidelines begin to emerge.

First, potential entrepreneurs are both born and made. It is true that not everyone has the ability and inclinations to become a successful entrepreneur. But it is also true that, through well designed and effectively executed training programmes, these entrepreneurial

talents can be developed so as to improve very significantly his or her chances of success.

Second, the success of a small business venture requires three different types of knowledge and abilities on the part of the entrepreneurs:-

- a) a thorough technical understanding of the technology relevant to the business,
- b) managerial knowledge and ability to plan, co-ordinate and monitor productive activities, and
- c) entrepreneurial abilities to assess risk, make decisions under conditions of uncertainty, and to identify and adjust to changing circumstances.

Most small enterprise training programmes focuss on the first two categories, yet the last one is equally important.

Third, an entrepreneurial development programme which stops at the school gate is not likely to be very effective. Even the best training programme cannot prepare the small entrepreneur for every challenge he is likely to meet. Therefore, every such programme should include a combination of formal training plus "hands on" experience plus technical back-stopping and consultancy after the venture has been launched.

Fourth, a very major factor in the success or failure of any small enterprise is the environment within which it functions. And very often the various elements of that environment are outside the purview of the small enterprise promotion authority. Excise or sales tax which encourage vertical integration, capital and investment subsidies which encourage large enterprises, import policies which restrict access to raw materials, power cuts and so called "load shedding"...; these and other environmental factors have a very critical bearing on whether or not a new small scale venture will succeed; and yet they are typically not considered part of a small enterprise promotion programme.

Fifth, entrepreneurship development and small enterprise promotion are expensive. There always exist limitation of funds for developmental activities. Programmes which focus on a relatively small number of entrepreneurs and/or small enterprise can often produce quite impressive results. But their "per capita" cost in terms of the number of people they have benefited is relatively high, and they have only affected a small percentage of the total number of potential recipients. On the other hand, programmes which take a more diffused style (e.g. general market promotion) may have a very positive impact but have difficulty, in identifying and quantifying just what this impact has been.

To conclude, entrepreneurship development is a

long term process. ILO experience has shown that there are no readymade answers or automatic solutions. Every country, and indeed in a country size of India, every state faces its own unique set of circumstances. Each region has to work out its own programme to meet its own special needs.

b) National context:

In India, entrepreneurship and self-employment are often used synonymously losing sight of the fact that all entrepreneurs are self-employed, but all self-employed persons may not necessarily be entrepreneurs.

Entrepreneurship development as an organised programme is of comparatively recent in origin. But in India we have been aware of the need for developing this most critical factor for our economic development for quite a few years now. From 1962 onwards, a series of efforts and experiments were initiated both by the government and non governmental agencies to develop entrepreneurship and self-employment. The major breakthrough came after the McClelland's experiments carried out in collaboration with SIET (Small Industries Extension and Training Institute), Hyderabad, which broke the prevailing myth and proved that entrepreneurship can be developed through training. Accordingly, the Small Industries Development Organisation (SIDO) through its Small Industries Service Institute (SISI) throughout the

country and SIET Institute, Hyderabad, made several efforts to develop entrepreneurship through training in the sixties. Through experimentation in Assam and other states in India, the SIET integrated model for entrepreneurship development was evolved in the mid seventies. The model emphasized the integration of the following five features:-

1. Specialised agency to initiate and support potential entrepreneurs;
2. Inter-disciplinary approach for counselling and training;
3. Strong information support;
4. Training as an essential input to selected first generation entrepreneurs; and
5. Institutional financing.

This classical model was tried in several parts of India and yielded good results in states like Jammu and Kashmir, Assam, Karnataka and Andhra Pradesh.

Another entrepreneurship development model emerged almost simultaneously out of the rich experiences gathered by the Centre for Entrepreneurship Development (CED), Gujarat. The Programmes were jointly sponsored by Gujarat Industrial Development Corporation (GIDC), Gujarat State Financial Corporation (GSFC) and Gujarat State Industrial Corporation (GSIC). The approach was pragmatic. "Scientific selection and follow-up after

training" through local project leaders were the major innovations in the programmes. The content of training included motivation laboratory, management and organisational skills, licensing policy and other incentives. The project leader assisted the trainees in preparing the project and kept on counselling till the enterprise was set up. The close inter-linkage between the various development agencies ensured getting finance sanctioned, machinery ordered and raw materials supplied at appropriate time and place.

The above two models provided basis for several experimentations and schemes by central and state governments as well as by non-governmental organisations. States like Andhra Pradesh, Karnataka and Maharashtra launched a variety of schemes to suit different categories of entrepreneurs such as technocrat entrepreneurs, educated unemployed, backward area and rural entrepreneurs. Some voluntary organisations such as Xavier Institute of School Science attempted developing entrepreneurship among tribals. All these finally contributed to the growth of entrepreneurship development which has now attained the status of a movement in India.

Towards the end of 1986, a total of 686 organisations were identified as fully or partially engaged in developing entrepreneurship and self-employment in the country.

At the national level, two boards were set up for policy guidance. These are ; National Science and Technology Entrepreneurship Development Board (NSTEDB), organised by Ministry of Science and Technology in 1982, which focusses on science and technology entrepreneurs alone.

On the other hand the National Entrepreneurship Development Board (NEDB) constituted by the Union Industry Ministry during 1983, looks after entrepreneurship development in general.

In 1983, a separate National Institute for Entrepreneurship and Small Business Development (NIESBUD) was set up by the Government of India at New Delhi which is devoted exclusively to the development of entrepreneurship and small business. Almost simultaneously, financial institutions like Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI) and nationalised banks jointly organised the Entrepreneurship Development Institute of India (EDII) at Ahmedabad as another institute exclusively devoted to entrepreneurship development. NIESBUD and EDII are considered national resource institutions for matters related to entrepreneurship development. Besides evolving model syllabi for training women entrepreneurs, they are constantly engaged in training trainers, de-

veloping training aid materials, undertaking researches related to entrepreneurs and promoting entrepreneurship.

Entrepreneurship development, in one form or other, has become part of six central ministries. These are Union Ministry of Industry, Ministry of Finance, Department of Science and Technology, Department of Rural Development under Ministry of Agriculture, Ministry of Labour and Human Resource Development (HRD) Ministry. Some of the non governmental organisations like Association of Women Entrepreneurs of Karnataka in Bangalore, Xaviers Institute of School Science in Ranchi, Self-employed Women's Association in Ahmedabad, NIMID Bombay, National Alliance of Young Entrepreneurs and Indian Council of Women Entrepreneurs, Delhi and International Centre for Entrepreneurship and Career Development at Ahmedabad are actively engaged in developing entrepreneurship and self-employment in more than one state. There are 105 central government, 41 semi-central government, 412 state government, 32 semi-state government/ state public sector, 28 sponsored bodies /public limited companies and 70 voluntary organisations presently engaged in developing entrepreneurship and self-employment.

3. Entrepreneurship for Women

In the late 70's, it became conspicuous that women possess great potential as entrepreneurs. Accordingly,

besides encouraging more women to join regular EDP, number of special programmes and strategies were thought, to encourage women to take up entrepreneurship as their career.

Role of SIDO

During 1978-87, Small Industry Development Organisation (SIDO) with its network of 26 Small Industries Service Institutes (SISI) spread throughout the country, conducted 240 courses exclusively for women, benefiting 8,904 potential women entrepreneurs. In addition to this 2,897 women entrepreneurs were also trained by SIDO, under general entrepreneurship/management development programmes. These training programmes were extended to rural/tribal women as well. The Entrepreneurship Development programme for women organised by SISI follows almost SIET integrated model with additional facilities for providing skill training for which they are additionally equipped. Special features of SISI support to women entrepreneurs were the services of common facilities centres. SISI is also popular amongst women entrepreneurs for its continuing education programmes related to small enterprise management. To encourage entrepreneurs, SIDO has instituted national awards for outstanding SSI entrepreneurs. Women entrepreneurs get special consideration by way of addition of 5 per cent more weightage to them for being women. SIDO is also responsible for executing a scheme for providing Self-employ-

ment to Educated Unemployed Youth (SEEUY). Under the scheme, unemployed educated youth including both men and women who are within the age group of 18-35 years, get composite loans for establishing industry, service ventures and small business. The percentage of women amongst the SEEUY beneficiaries is gradually increasing.

In order to meet the increasing need for counselling and also to co-ordinate with various developmental agencies and state governments regarding problems faced by women entrepreneurs, SIDO has organised a Women's Entrepreneurial Cell headed by women.

Role of IDBI

During 1986, Industrial Development Bank of India (IDBI), one of the strongest promoters of entrepreneurship development in the country launched "Special schemes for women entrepreneurs" with the following two objectives:-

- a) Providing training and extension training support to women entrepreneurs through a comprehensive package suited to their skills and, socio-economic status.
- b) Extending financial assistance on concessional terms to enable them to set up industrial units in small scale sector.

Under the IDBI special scheme, a subsidy of

Rs.10,000 per beneficiary is provided by SDBI to selected organisations to provide liaison, training, consultancy and extension support to women entrepreneurs.

The scheme emphasises the need to set up modern small scale units in electronic engineering, plastics, chemicals, etc., consistent with the knowledge, skills and personal background of the trainees. It further suggests that women trainers be included as far as possible and provide long lead time and the post training escort services by the conducting agency until the projects taken up by women entrepreneurs generally reach their break-even stage.

Besides this special scheme, IDBI sponsors about 100 EDP every year. Some of them are exclusively for women. Such programmes are conducted in different parts of the country by Technical Consultancy Organisations and other Non Governmental Organisations.

NSTEDB efforts

This board is established to promote entrepreneurship among science and technology personnel. Besides other work, the board sponsors entrepreneurship development programmes which are conducted in different parts of the country by the various Technical Consultancy Organisations and NGO's. The six weeks training is more or less as per national model syllabi. Since 1983, NSTEDB had sponsored many EDP's for both men and women.

Natinoal Level Standing Committee on Women Entrepreneurs

In September 1986, Government of India set up a national level standing committee on women entrepreneurs under the chairmanship of Honourable Minister of State for Youth Affairs, Sports, Women and Child Department. The standing committee makes suitable recommendations and suggestions to the government regarding development of entrepreneurship among women.

Cell For Women Entrepreneurs

In view of the growing importance of women entrepreneurship, several nationalised banks opened special cell for women entrepreneurs. Such a cell under the Indian Bank acts as a counselling unit for the women who wish to undertake entrepreneurial activity. It also gives detailed information regarding training, products and loans available to women. The Punjab National Bank has established similar special cell to monitor the progress made by the bank in financing women entrepreneurs, to collect and disseminate information to branches about the various facilities for women entrepreneurs, to establish liaison with specialised agencies, voluntary organisations, etc., involved in this task and to organise entrepreneurial training programme for women entrepreneurs. Besides this, State Bank of India through its "Shree Shakti" package and "Scheme for Financial Pro-

professionals and Self-employed" persons assists and encourages women entrepreneurs to avail financial assistance with comparatively less rate of interest than others. Bank of Baroda, too has its own role in promoting entrepreneurship among women by conducting training programmes and then subsequently helping them to establish their enterprises by offering term and working capital loans.

Besides Nationalised banks, Co-operative banks and Industrial banks too financially assist women to set up their enterprises by offering incentives in the form of facilities, subsidies, sales tax benefits etc.

Many State Financial Corporations have also developed special schemes for assisting women entrepreneurs. In Andhra Pradesh, a Women Co-operative Finance Corporation has been set up as a special scheme for women entrepreneurs. In Jammu and Kashmir, a separate cell has been established to assist women entrepreneurs. The Karnataka government has also a special scheme for women entrepreneurship development.

In Gujarat, an organisation known as Women Economic Development Corporation give loan upto Rs. One Lakh with 15 per cent subsidy to women entrepreneurs. Also Gujarat Small Industries Corporation Ltd., Industrial Extension Bureau, National Small Industries Corporation, Gujarat Industrial and Technical Corporate Organisation,

encourage women in Gujarat by providing technical guidance and assistance. Entrepreneurship Development Institute, Centre for Entrepreneurship Development, International Centre for Entrepreneurship and Career Development, and Indian Institute for Entrepreneurship Development organise women entrepreneurship training programmes within and outside the state and country in which skills among the selected women are boosted, directed, assisted and followed-up to initiate and run their enterprise independently.

Entrepreneurs Associations Role

In India, several entrepreneurs' associations are actively involved in promoting and supporting the cause of entrepreneurship development. Most of them are for general entrepreneurs having a separate women's wing. But there are some associations which are exclusively for women entrepreneurs.

National Alliance of Young Entrepreneurs (NAYE) set up a women's wing in 1975. This wing organises several activities like motivating women students in colleges and universities to take up entrepreneurial career, getting industrial sheds and other infrastructural facilities reserved for women entrepreneurs, and advocating special incentives and concessions needed for promoting entrepreneurship. It also organises campaigns and runs some training-cum production centres. The

women's wing of NAYE is also very active in organising national and international seminars and workshops for exchanging experiences.

Indian Council of Women Entrepreneurs (ICWE) at Delhi and Association of Women Entrepreneurs of Karnataka (AWAKE) at Bangalore are two very active associations of women entrepreneurs. They organise full Entrepreneurship Development Programme for women. The latter also offers a permanent forum for constant counselling to new women entrepreneurs. The role of such associations has been very effective and powerful for boosting up women entrepreneurship in the country.

4. Empirical Studies

There are a number of studies on male entrepreneurs, but very few studies are found on women entrepreneurs. Empirical studies conducted in India confined to women entrepreneurs only have been presented under this section. The heads under which these studies have been discussed are as follows:

4.1. Studies conducted in India

4.1.a. Methodology.

4.1.b. Socio-economic profile of women entrepreneurs.

4.1.c. Enterprise and entrepreneur related other aspects.

4.2. Studies conducted outside India.

4.1. Studies Conducted in India

4.1.a. Methodology:

Very few research studies could be located on women entrepreneurs. Most of them have been conducted in the North and very few in the Western part of the country.

The sample size of these researches varied from 20 to 100 women entrepreneurs. Purposive sampling technique along with interview and questionnaire method was utilised to collect the data (Nadkarni, 1982; Singh, 1986; Vinze, 1987; Singh and Gupta, 1990; Pandit et.al., 1990; Bali, 1992; Singh, 1992; Sharma, 1992; Hirway and Unni, 1995). Data collection through mailing technique was also utilized (Kohli, 1991). The basic sources of data were primary as well as secondary (Vinze, 1987; Singh, 1992). The application forms of the women trainees were also utilized as a basic source of data collection (Shah, year not mentioned). Case study method (2-5 cases) was used for qualitative analysis in two studies (Singh, 1986; Singh and Gupta, 1990).

4.1.b. Socio-Economic Profile:

The age of women entrepreneurs was no bar for their entrepreneurial career. Most of them belonged to the age group of 21-45 years (Patel, 1986; Singh, 1986;

Singh and Gupta, 1990; Kohli, 1991; Shah, (year not mentioned); Bali, 1992; Singh, 1992; Sharma, 1992; Hirway and Unni, 1995). Graduate level of education predominated among more than 50 per cent of the women entrepreneurs (Singh, 1986; Singh and Gupta, 1990; Kohli, 1991; Singh, 1992; Shah, (year not mentioned); Bali, 1992; Sharma, 1992; Hirway and Unni, 1995). Though there were post graduates and under graduates too, the minimum qualification obtained was upto primary level.

Women who had higher education opted for professional jobs like academic jobs, law or office jobs, in public and private sectors and those with less qualification went for typical traditional jobs like those of typists, telephone operators etc. (Singh and Gupta, 1990).

Majority of the women entrepreneurs were married. There were unmarried, divorced and widow women too (Nadkarni, 1982; Singh, 1986; Patel, 1986; Singh and Gupta, 1990; Kohli, 1991; Shah, (year not mentioned); Bali, 1992; Singh, 1992; Sharma, 1992; Hirway and Unni, 1995).

Nuclear families were more common among the women entrepreneurs (Singh, 1986; Singh and Gupta, 1990; Kohli, 1991; Bali, 1992; Singh, 1992; Sharma, 1992; Hirway and Unni, 1995).

The results of the study by Singh and Gupta (1990)

have shown that women entrepreneurs from joint families experienced less stress than women coming from nuclear families. Generally joint families have several advantages over nuclear families like presence of the family members, supporting help from others, low expenses etc.

Singh (1986) further highlighting the advantages of nuclear family added that in a nuclear family women have an equal say, are more open to new ideas and can easily convince their husbands as compared to women belonging to joint family.

44.6 to 55 per cent of the women entrepreneurs who originally came from service background were married into business families where their husbands' occupation was business (Singh, 1986 ; Kohli, 1991). There were others who came from business, service, farming, professionals, retired and self-employed background too (Nadkarni, 1982; Singh, 1986; Kohli, 1991; Bali, 1992; Singh, 1992).

Working experience of women entrepreneurs ranged from less than 3 years to more than 10 years. Kohli (1991) investigated that only one-fifth of the women possessed business experience before initiating their enterprise. The working experience of others varied in nature. Most of them were employed before entering into entrepreneurship (Patel, 1986; Singh and Gupta, 1990; Shah, (year not mentioned); Kohli, 1991; Singh, 1992;

Hirway and Unni, 1995).

Shah (year not mentioned) comparing the three groups of women entrepreneurs explored that science and technology group had more experience (above 4-5 years) than general and low income group.

Nearly two-third of the women entrepreneurs were untrained against 39.6 per cent who had undergone some kind of relevant training. 72.4 per cent of the untrained ones were not aware of the special incentives for women entrepreneurs whereas trained women entrepreneurs were either aware or partially aware about the incentives (Singh, 1986). It was found that 60-70 per cent of them undertook training before starting their enterprise (Kohli, 1991; Hirway and Unni, 1995).

Sharma (1992) reported that out of the total 52 women trainees in her study, 18 started their business after receiving training from the State Government's Entrepreneurship Training Institute. 5 women trainees started but discontinued after some time and 29 did not start.

More than 80 per cent of the women entrepreneurs were Hindus (Kohli, 1991; Sharma, 1992). A probe into the mother tongue of the female entrepreneurs highlighted that one-third of them were Gujarati speaking. There were Hindi, Punjabi and Marathi speaking ones too. Data

on the regionwise distribution of the women revealed that a larger percentage of them (44.3 per cent) belonged to Northern region (Bali, 1992).

Percentage of women coming from service class and from the income group of Rs. 1500 to Rs.3000 per month was more than that of women coming from business class (Singh and Gupta, 1990).

Patel (1986) observed that there was dominance of middle income group women entrepreneurs, though several belonged to lower middle class as well.

Their monthly earnings ranged from less than Rs.1000 to Rs.30000 (Kohli, 1991; Bali,1992).

4.1.c. Enterprise and Entrepreneur related aspects:

On an average 45 per cent of the women were involved in trading enterprises, followed by manufacturing (36.2 per cent) and service type (18.6 per cent) (Bali, 1992; Singh, 1992). But Singh (1986) explored totally a controversial picture. 66.6 per cent of the women in his study went in for manufacturing, followed by service (18.8 per cent) and trading industry (14.6 per cent).

Women entrepreneurs were involved in producing more of consumer goods (76 per cent) than producer goods (24 per cent) (Nadkarni, 1982).

As indicated by several researchers, the products

being manufactured by women entrepreneurs were in the field of engineering, electronics, plastics, rubber and textiles (Patel, 1986; Singh, 1986; Venkatasubramanian and Mathur, 1989). They were also found manufacturing, medicines, chemicals and dyes (Venkatasubramanian and Mathur, 1989; Kohli, 1991; Singh, 1992) and shoes and cartons (Singh, 1992). Some were manufacturing stationery items and food products (Singh, 1986; Venkatasubramanian and Mathur, 1989; Bali, 1992; Singh, 1992). Energy saving devices were also manufactured by some of them (Patel, 1986).

Singh and Gupta (1990) reported that 36 per cent of the women trainees opted for ancillary products, and second highest percentage i.e. 21 per cent opted for running a printing press. 18 per cent of them preferred handloom and garment industry, while 17 per cent gave preference to chemical industries. In the business of leather, canvas and food items the percentage of respondents was meagre (6 per cent and 2 per cent respectively).

Shah (year not mentioned) comparing the three distinctive groups; a) general group, b) science and technology group and c) low income group) in her study brought to light that the percentage of general group entrepreneurs (33 per cent) was comparatively higher in chemical industry. Chemical and electronic products dominated among science and technology group of women

entrepreneurs (47 per cent), whereas textile, plastic and hosiery industries were more prominent among low income group (46 per cent). It was also found that the respondent's educational background had little or no effect on the choice of the products.

Women entrepreneurs were also engaged in service industries viz. computer software and printing press (Venkatasubramanian and Mathur, 1989). Their involvement in fabrication work was also observed (Venkatasubramanian and Mathur, 1989; Kohli, 1991). Providing service of domestic grinding was also prevalent among them (Venkatasubramanian and Mathur, 1989; Singh, 1992). Tailoring was the most common servicing type of enterprise being operated by 54.54 per cent of the women. Servicing of auto-vehicles was also found among them (Singh, 1992). 10.4 per cent of the women entrepreneurs were found running beauty clinics (Singh, 1986). Some were running travel agency and gas agency too, and were providing the services of interior designing (Bali, 1992).

Among traders, running of grocery shops, gift and sweet shops were comparatively more (42.86 per cent) than the trading of garments (39.29 per cent). Trading in knitting wool and automobiles were also common practices among the women (Singh, 1992).

Proprietorship was dominant, followed by partnership and private limited enterprises (Nadkarni, 1982;

Kohli, 1991; Bali, 1992; Sharma, 1992). However, observations made by Singh (1986) deviated slightly. He found that private limited enterprises ranked second, succeeded by partnership enterprises among the women.

The investments made by the women entrepreneurs ranged from less than Rs.10 thousand to Rs. 50 lakhs. An indepth analysis of the pattern of investment highlighted that 11 to 76 per cent invested less than or equal to Rs. 1,00,000 (Patel, 1986; Singh and Gupta, 1990; Kohli, 1991; Shah, (year not mentioned); Bali, 1992; Sharma, 1992). Some preferred cottage industry with the project size not exceeding Rs. 25,000 with the main motive of availing 100 per cent loan including subsidy too (Patel, 1986; Shah, (year not mentioned)).

Banks were the major source of providing finance to 76 per cent of the women entrepreneurs. 13 and 55.74 per cent of the women entrepreneurs were financially assisted by financial institutions (Singh and Gupta, 1990; Sharma, 1992), whereas some relied on relatives (Kohli, 1991; and Bali, 1992) and their own savings (Singh, 1986) as the second important source of availing funds for their enterprise.

Singh (1992) investigated that nearly two-third of the women never or rarely availed of financial assistance from government and private sector whereas nearly one-third frequently availed of it. Besides financial

assistance women entrepreneurs sought moral support, help in administration, marketing, liaison and field-work, technical, accounts, project formulation and project implementation . Singh (1986) found that a higher percentage (41.1 per cent) of the women received moral and help in general administration whereas Singh and Gupta (1990) reported that a larger percentage (42 per cent) needed help in marketing. Husbands and relatives were the main source of providing such support to them (Singh, 1986; Singh and Gupta, 1990; Kohli, 1991).

60 per cent and above of the enterprises run by women, employed persons between 1 to 9 (Kohli, 1991; Singh, 1992; Sharma, 1992).

Various motives which motivated the women entrepreneurs to start entrepreneurship came to light. Some were forced into it due to the death of the family breadwinner and thus were responsible for running the house (Nadkarni, 1982). Some wished to keep themselves busy (Singh, 1986). For some it was an economic gain, utilisation of their qualification, free time and finance, independence, social prestige and better economic returns (Singh and Gupta, 1990; Anna and Pillai, 1990; Shah (year not mentioned); Bali, 1992; Sharma, 1992).

Further stressing the sources of motivators into business, "self-motivation" was found to be the dominat-

ing force (Singh, 1986; Singh and Gupta, 1990; and Singh, 1992). However, "advice by family members and husbands" were also reported as the major motivators to initiate their enterprises (Kohli, 1991; Bali, 1992).

Among the various given factors responsible for the choice of their product line, "high demand", "ready market", "requiring less mobility", "knowledge about the product" and "ease of starting" were reported to be dominant (Singh, 1986; Anna and Pillai, 1990; Singh, 1992; Bali, 1992; Sharma, 1992).

Problems encountered by the women entrepreneurs while fulfilling the procedural formalities prior to the establishment of their enterprise included: a) number of approaches to various agencies to obtain registrations, licences and permits, b) complexities of paper work and number of inspections, c) delayed decisions by the authorities with no time limit, d) dealings with corrupt officials, e) problems in the procurement of resources, specifically finance, due to lack of confidence in women's entrepreneurial ability (Sunder, 1983; Kohli, 1991; Nayak, 1991).

Some of the marketing problems faced by them were: a) stiff competition, b) lack, shortage, poor quality and high price of raw materials, c) power cut, d) delayed payment of bills, e) recovery of payments, f) mobility, g) advertising, and h) transportation to and

from markets (Nadkarni, 1982; Singh, 1986; Nayak, 1991; Bali, 1992; Singh, 1992).

Among the problems experienced under finance: a) untimely and inadequate finance, b) lengthy bank procedures, c) shortage of working capital, and d) inadequate credit orientation were the important ones reported by Nadkarni (1982), Nayak (1991), Bali (1992) and Singh (1992).

Production related major problems experienced by women entrepreneurs included maintenance of machinery and equipment, lack of technical know-how and inadequate quality testing (Kohli, 1991; Bali, 1992; Singh, 1992).

An overview of the major personnel management problems revealed that: a) non availability of skilled labour, b) labour demands, c) dealings with semi-educated or uneducated class of workers, were the prominent ones (Singh, 1986; Bali, 1992).

Lack of awareness about various schemes run by the government and private agencies/institutions, lack of knowledge about the sources of help and unawareness about the legal aspects were some of the constraints of serious nature expressed by the women entrepreneurs (Bali, 1992; Singh, 1992).

Problems arising because of being a woman were also studied by Sunder (1983); Singh (1986); Nayak



(1991); Sharma (1992), and Bali (1992). It was observed that excessive burden of work and responsibility, role of conflict and stress, dealings with the lower level of staff of various agencies, inability to resort to under-hand dealings, underestimation of their competence, negative outlook by the men, inability to work in night shifts, lack of mobility, securing accomodation (specifically in smaller towns) and negative outlook in entertaining the business parties were the important ones.

Singh (1986) found that there existed a direct correlation between higher age and the ability of woman to overcome problems.

4.1.d. Entrepreneurial Qualities :

Pandit et.al. (1990) concluded that most of the educated women, whether employed or unemployed, lacked the entrepreneurial qualities, but the unemployed educated women lacked entrepreneurial qualities to a greater extent. Comparatively they had lower level of achievement motivation, they declined to take risk, were generally less mobile and presented a picture of helplessness.

Shah (year not mentioned) analysing the behaviour pattern of women entrepreneurs on a selected sample of 60 from the total sample of the study, divided them into three groups viz. high success rate (group A) , average

success rate (Group B), and low success rate (group C). It was observed that amongst highly successful entrepreneurs, "need for achievement" was on the continuous rise after establishment, resulting in expansion/diversification. The same was the case with group B, but in this category "motivation" meant sustaining and managing their enterprise successfully. In the less successful group i.e. group C the "motivation" was found to have gone down after establishment as a result of some discouraging experiences. "Resource awareness" was found to be considerably improved among all the three groups of the respondents after receiving training until the operation of their unit. "Problem solving ability" which was not observed during initial and training stage was strongly observed during operation stage. In group A it was found to have been achieved while dealing with problems during implementation and establishment which was further developed and improved continuously, whereas in group C it was totally vice versa. This ability was not found to have been improved and increased in them. "Risk taking ability" was found to be considerably low among group C. Group A scored better than Group B in their "risk taking ability".

Gupta and Singh (1990) studied the motivational pattern of the women trainees. The findings highlighted that most of the respondents (50 per cent, 59 per cent and 72 per cent) achieved moderate scores on "Achieve-

ment", "Power" and "Affiliative" motivation respectively. Only 13 per cent scored high on "Achievement motivation" and 19 per cent on "Affiliative motivation".

The results obtained from "Thematic Appreciation Test (TAT)" also supported the above observations. Only 15 per cent of the respondents obtained highest score in "Achievement Imagery" while 47 per cent obtained moderate score. The remaining 38 per cent did not obtain any score.

Singh (1992) assessed the respondents for their general entrepreneurial traits and categorised them in three distinct classes viz. low, medium and high. The findings revealed that most of them were found having high level of "confidence" (60.94 per cent), "decision making ability" (59.37 per cent), "managerial ability" (62.5 per cent) and "independence" (79.69 per cent). On the other hand most of them possessed low degree of "credit orientation" (67.81 per cent), "risk preference" (40.62 per cent) and "resourcefulness" (45.31 per cent). The other traits studied (problem solving, foresightedness, rationality, creativity, communicability, skill competence, intelligence, perseverance, innovation, competitive spirit, change proneness, amicable nature, and high aspirations) were found to be of medium level.

The researcher further studied the types of motivations among the respondents with a motive to assess

the extent of motivational forces responsible for the initiation, growth and development of the enterprise. It was found that "power", "self actualisation" and "achievement motivational" forces played significantly high roles in establishing the enterprise of the respondents. The forces of "economic" and "affiliation motivation" were at low pitch while initiating the enterprises.

Vinze (1987) reports that women lacked "confidence" to initiate their own ventures. Social pressures restricting freedom of movement, society's lack of confidence in women and financial organisations not encouraging the women entrepreneurs were the reasons for women's unwillingness to come forward to take up entrepreneurship.

Bali (1992) measured the entrepreneurial traits among the female respondents and found persuasion, concern for high quality and persistence to be the dominating ones in the order of priority.

Comparing male and female entrepreneurs she also found that there was no significant variation between them in the management aspects of "problem solving". The dependency of women entrepreneurs on the family support was the only differentiating factor. Comparison between the business profile of both the samples showed no marked differences between them. Both the samples were

found to be equally successful, though the entrepreneurial traits among the female entrepreneurs were reported to be higher. The child rearing practices were equally good for both the sub-samples. Contrary to this, the awareness of infrastructure was found to be very poor among male and female entrepreneurs playing almost no role as a motivating factor for the respondents.

4.2 Studies Conducted outside India

Only three studies on women entrepreneurs could be located by the primary source through extensive reviewing, which are presented herewith. Discussions on some other studies reviewed through secondary sources of data are also mentioned.

A two page questionnaire was utilised to collect data from 22 "Made in Montana" entrepreneurs (response rate 59 per cent, only thirteen were returned) (Goetting et.al., 1988). Gitobu et.al. (1991) interviewed 52 randomly selected rural women entrepreneurs in MERU district, KENYA.

The comparison on the "information needs" sought by the pre-venture female entrepreneurs with those of women business owners in a large mid-western city elicited that there existed little difference between the "requested needs" of pre-venture women and women in business. The three important needs of the former included: a) information on Small Business Development

Center Services (including start-up informations), b) sources of capital and c) business plan. A greater percentage of women in business discussed assistance in marketing, record keeping, accounting, advertising and financial analysis. They required more detailed information than did pre-venture women (McCord, 1995).

Background characteristics of women entrepreneurs revealed that their age ranged from 26-54 years. 50 per cent and above were married (Goetting et.al., 1988; Gitobu et.al., 1991).

Gitobu et.al. (1991) reported that one-half of the women had education upto secondary level. Two-third of the women had children under the age of 10 at the time they started their business. A positive correlation was found between each entrepreneur's age and the number of years in business operation ($r = 0.51$, $p = 0.000$) and between her age and monthly income ($r = 0.36$, $p = 0.018$). A significant statistical relationship also existed between the age of the youngest child at the time of the woman's start of business and the number of years she had been in business ($r = 0.34$, $p = 0.007$). Women whose business had been in operation for many years had started their business when their youngest child was older than the children of women with fairly new business. Proprietorship predominated among three-fourth of the women entrepreneurs who believed them-

selves to be successful.

70 per cent of the business ventures of women entrepreneurs as reported by Hisrich and Brush (1986) were less than five years old. 90 per cent of their business units were service oriented. 4.1 per cent among these were in the area of educational service, 7.6 per cent each in retail sales, consultancy and public relations. Highly technological areas such as software production and computer services were also tapped by them. The high number of service-oriented undertakings owned by the women reflected their occupational experience and liberal arts college education.

Goetting et.al. (1988) too observed the involvement of urban women entrepreneurs (38 per cent) in retail establishments. But these retail establishments differed a lot from the retail establishments of rural Kenyan women entrepreneurs where retailing of groceries, agricultural produce, clothes and fabric were practiced. Others operated small business viz. operating small restaurants, food service and those with nursing background established health clinics. Very few were involved in manufacturing and processing business activities (Gitobu et.al. 1991). The urban retail establishments were related to computers, handicrafts, furniture, garments, food mart, kitchen and housewares etc. Nearly two-third women were also involved in home based business. Annual gross income from these entrepreneurial

efforts ranged from \$ 1,300 to more than \$ 30,000. Their business undertakings were in existence from eleven months to six years.

Various motives were cited by women entrepreneurs for opting for entrepreneurship. Some reasoned that "it gave them "freedom and flexibility to do their own things", and "economic independence". Some cited their "incomplete education" as the motive for opting for entrepreneurship (Gitobu et.al. 1991). While for some it was "need for independence", "job satisfaction" and "achievement" (Schwartz, 1979; and Hisrich and Brush, 1986). Others stated "economic necessity" as reported earlier also, "desire to be self-employed", "closure of the previous earning source" and "desire to increase earnings". Before initiating their business Montana home economists consulted friends, bankers, accountants, lawyers and other business people. For a few, workshops, publications and extension services proved to be quite helpful (Goetting et.al. 1988).

Women entrepreneurs acknowledged the psychological support and encouragement extended to them by their husbands and relatives. They also assisted them in their household work and in their job. Women entrepreneurs experienced time pressures in their daily activities which compelled them to limit their family and personal activities (Goetting et.al., 1988; Gitobu et.al., 1991).

Family funds and individual savings were cited as major sources utilised to start small scale undertakings. About one-fourth of the women obtained start-up capital from "co-operative saving societies" or "women's group" in which they had capital shares (Gitobu et.al. 1991).

The major responsibilities of the female entrepreneurs were selling and buying goods. A few cited responsibilities such as record keeping and banking. Most of them performed operational functions but deferred to others for basic managerial activities (Gitobu et.al. 1991).

Hisrich and Brush (1986) studied the personal characteristics of the women entrepreneurs. While assessing business management skills through their strong and weak points, it was found that for the majority, finance was rated as very weak, and marketing and business operations average. Their strength was manifested in idea generation/product innovation and in dealing with people.

Jacobson (1994) explored the common conflicting values (among 6 women entrepreneurs) which prompted the women to change from their corporate environment to an entrepreneurial business. These women significantly valued achievement/success, self-preservation, self-worth, play, expressiveness/freedom, health, education

and economics/profit. Achievement/success was the predominant value succeeded by creative expression in their current endeavours. Self-worth and self-esteem were the important forces for which they quit their employment.

McMurty (1995) found competition to be an opportunity "to strive together toward". The findings of his qualitative research involving 22 co-researchers on the experience of competition between women in business, further suggested that competition can be stimulating, motivating and provide a tension that leads to positive results.

Women entrepreneurs had problems with their business during start-up and current operations. Two-third of the rural Kenyan female entrepreneurs had problems in marketing their products and services. Just one-half of them experienced stiff competition. Keeping business records and maintaining the cash flow and capital needed to sustain business operations were also the major constraints experienced by them. Nearly one-half of them had problem in distributing the goods and in transportation. Customer credit and related problems and some of the legal issues viz. legal-price control checks and the availability of affordable labour were also experienced by them (Gitobu et.al., 1991).

Problems related to under-financing or weak collateral position, lack of business credit, difficulty in

obtaining credit/loan were also reported as stumbling blocks by women entrepreneurs (Hisrich and Brien, 1982; Hisrich and Brush, 1986; Goetting et.al., 1988).

Schwartz (1979) found that their major problem during start-up was credit discrimination. Underestimating operation and/or marketing costs was also a subsequent problem.

21 women who participated in a study of the demographic characteristics, motivations, and business problems of female entrepreneurs indicated that they had problem in overcoming society's belief that women are not as serious as men about business (Hisrich and Brien, 1981).

Problems in financial planning and lack of business training were also highlighted (Hisrich and Brien, 1982).

Entrepreneurs gave credit to their home economics background as being helpful in gaining business skills, as well as in the organisation and planning of their business. The majority agreed that home economics had contributed positively to their personal and family life too (Goetting et.al. 1988; Gitobu et.al. 1991).

DeCarlo and Lyons (1979) in their study on 122 black, white, Hispanic and American Indian women entrepreneurs found that the responses of both minority and

non minority women entrepreneurs differed significantly from those of women (non entrepreneurs) in general on tests measuring achievement, autonomy, aggression, conformity, independence, benevolence and leadership. Differences were also found between minority entrepreneurs reporting that they started their business at a later age than the non minority women.

Hisrich and Brien's (1982) study focussed on how the characteristics of women entrepreneurs varied according to the type of business. Female entrepreneurs in non traditional business areas (finance, insurance, manufacturing and construction) also differed from their counterparts in more traditionally "female" business areas (retail and wholesale trade). The latter group had particular difficulty in gaining access to external financial sources, from banks, informal investors, or venture capitalists.

Another study reporting the results of a nationwide in-depth survey of 468 women entrepreneurs profiled the "typical" women entrepreneur. She was the first born child of middle class parents, a self-employed father and a mother who does not work outside the home. After obtaining a liberal arts degree, she married, had children, and worked as a teacher, administrator, or secretary. Her first business venture in a service area began after she was thirty five, with her biggest problems

being finance, credit and lack of business training (Hisrich and Brush, 1984).

Hisrich and Brush (1986) reported that in some aspects women entrepreneurs possessed very different motivations, business skill levels and occupational backgrounds than their male counterparts. The start-up process of a business for women entrepreneurs differed from that of males, especially in terms of support systems, sources of funds and problems. Men were often motivated by the drive to control their own destinies, and to make the things happen. The drive was born from disagreements with the boss or from a feeling that they can run things better. In contrast, women were motivated by a need for independence and achievement that resulted from frustration they felt at not being allowed to perform on job at the level they were capable of. Both men and women entrepreneurs felt that the best solution to these problems was to venture out alone.

Start-up financing was another area in which male and female entrepreneurs differed. While males often listed investors and bank or personal loans in addition to personal funds as a source of start-up capital, women in nearly all cases relied solely on personal assets or savings.

Occupationally also, there were vast differences between men and women entrepreneurs. Although both

groups had experience related to their ventures, men recognised specialists in their field or were competent in a variety of business skills, the nature of their experience was in manufacturing, finance or technical areas. In contrast to this most women had administrative experience which was limited to the middle management level in the more service-related areas.

In terms of personality, there were strong similarities between male and female entrepreneurs : both were energetic, goal oriented, and independent. Men, however, were more confident and less flexible and tolerant than women which gave rise to different management styles.

The background of male and female entrepreneurs also tended to be similar, except that most women were a little older when they embarked on their venture (35-40 for women vs. 25-35 for men) and their educational backgrounds were also different. Male entrepreneurs studied technical or business related areas, while most women entrepreneurs were educated in liberal arts.

Support groups also provided a point of contrast between the two. Men usually had outside advisors (lawyers, accountants) as their most important supporters, with the spouse being secondary. Women considered their spouses to be their most important advisors, close friends next in importance and business associates third.

Moreover women usually relied heavily on variety of sources for support and information such as trade associations, and women's groups, while men did not seek as many outside supporters.

From the overview of the literature reviewed it is evident that emergence of women as entrepreneurs has begun. Their enterprises are not restricted to only feminine products. They possess certain behaviour pattern and encounter varied nature of constraints while initiating and running their ventures. They have marked their identity and status in the society. Similar generalisation could also be made regarding them only if some more comprehensive data is available to understand women entrepreneurs. Since the literature reviewed is restricted to only limited geographical areas and sample size, there is an imperative need to conduct a number of studies on women entrepreneurs to strengthen the existing database. Moreover some new aspects viz. managerial abilities, decision making potential of women entrepreneurs are not explored till date. The aspects incorporated in the present investigation are restricted to very few studies, which motivated the researcher to conceptualise the present study.