



## IMPACT OF SOCIO-ECONOMIC FACTORS ON WOMEN ENTREPRENEURSHIP IN INDIA: AN EMPIRICAL STUDY

**Uma Rani Bade\*** **Dr B. Ratan Reddy\*\*** **Mr P.Divakara Rao\*\*\***

*\*Research Scholar, Osmania University, Associate Professor & HOD, Department of MBA, Teegala Krishna Reddy, Engineering College, Medbowli, Meerpeta, Hyderabad, Telangana State.*

*\*\*Director, Ratan Global Business School, Toopran, Medak Dist, Telangana State.*

*\*\*\*Associate Professor, Department of Mechanical Engineering, JB Institute of Engineering & Technology, Yenkapally, Moinabad, Hyderabad, Telangana State.*

### **Abstract**

*In recent times, Indian women entrepreneurs have increased a lot because of varying socio-cultural environment and also because of increase in educational and developmental opportunities. Women entrepreneurship has been considered to be an important resource of economic growth of any nation. Women entrepreneurs create opportunities not only for themselves but also provide employment for others. Entrepreneurship development is a significant part of human resource development. Compared to other countries the development of women entrepreneurship is very low in India. This paper focuses on women entrepreneurship. The paper talks about the socio-economic factors of women entrepreneurs and the problems faced by them. Primary data is collected from women entrepreneurs in and around Hyderabad District in Telangana state. Secondary Data has been collected from number of articles, books, periodicals and websites. An extensive literature review is done on women entrepreneurs. The data was analyzed quantitatively using frequency distributions and descriptive statistics while Chi-square distribution was used to establish associations between variables. The study revealed that the major socio-economic factors influencing the women entrepreneurs in India are role ambiguity, Stress Management, lack of time management and proper social support. Both the government and private sectors have a major responsibility to promote entrepreneurship development for women. The development of women and women entrepreneurship cannot be achieved without their interventions.*

**Keywords:** *Entrepreneurship, Development, Women Entrepreneurs, Socio-Economic Factors, Problems, Challenges.*

### **I. INTRODUCTION**

The act of setting up an innovative business or invigorating an existing business in order to take advantages from new opportunities and take risk from new challenges is defined as Entrepreneurship. Entrepreneurs shape the economy by creating wealth and provide jobs to others and also are involved in creating innovative products and services. Indian Women has to play multidimensional roles in society. During the last two decades, there is a raise in number of Indian women entrepreneurs and are progressively changing the face of business today, both literally and metaphorically. Women have achieved a substantial development in their state of mind by being independent and by balancing both their personal and professional life thus creating employment opportunities for themselves. But still there are certain issues which are affecting them to take advantage of the potential available in India.

Women entrepreneurship is a crucial part of an undeniable developmental effort of any economy that seeks to empower the disempowered. Women empowerment requires a fundamental and dynamic change in their perception, expectations and a rationale understanding of their needs and problems. Women's economic participation and empowerment are important in strengthening women's rights and enabling women to have control over their lives and wield influence in the society. This lead to an immense growth in the entrepreneurship opportunities available to women.

### **II. REVIEW OF LITERATURE**

The study conducted by Kishore (2008), revealed that women empowerment emphasizes majorly on women's decision-making roles, their economic self-confidence, their legal rights, inheritance and protection against all forms of discrimination, in addition to the elimination of barriers such as access to education and information. According to Darrene, Harpel and Mayer, (2008), the study exposed the fact that the education achievement level is faster for self employed women than that for other managerial job.

The study conducted by Singh, (2008), revealed that major obstacles in the growth of women entrepreneurship are lack of interface with successful entrepreneurs, lack of social support for women entrepreneurs, low priority given by bankers to provide loan to women entrepreneurs, family responsibility, gender discrimination and missing network. Lall & Sahai, (2008), in his study identified Psychographic variables and entrepreneurs characteristics for future growth and expansion.



The study also recommended that in spite of significant growth in number of women taking up family owned business, still they have lower status and face more operational challenges in running business.

According to a study woman started entering into entrepreneurial activities to find innovative ways to make sure that they can financially support their families during catastrophe. (Woodward, 2007). Slate (2007) in his study revealed that to gain more flexibility and control over their work and personal lives, in an attempt to enhance work-life balance lots of women have started the businesses on their own. Schapira, (2005) studied that Women entrepreneurs are recognized to experience economic success, employing 19.1 million people and generating \$2.5 trillion in sales. However, achieving work-life balance for these women is a continuous challenge which entails balancing multiple roles such as business owners, mothers, and/or spouses in an effort to achieve flexibility and balance.

Center for Women's Business Research, (2007), revealed that the problem of work-life balance challenges for women entrepreneur will continue to increase as the number of women-owned businesses continues to grow at twice the rate of other U.S. firms. According to Global Entrepreneurship Monitor (GEM) report (2007), over 200 million women are employed across all industry sectors, out of which nearly 50% are from developing countries.

The study conducted by Roche and Baskerville (2007), suggested that Women entrepreneurs would benefit from employing success strategies through proactive approach that will assist them in achieving work-life balance. Boyum-Breen, (2006) opined that women changed the traditional family structure once our society knew by entering the workforce in great numbers and experienced the challenge of managing work and life responsibilities.

According to Jalbert and Susanne (2000), Women entrepreneurs have common characteristics like quick communication skills, innate people skills, consensus building competencies, and fostering integrating abilities. Women must use all these skills to make suitable decisions for their families and for themselves. Das, (2000) performed a study on women entrepreneurs of SMEs in Tamilnadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, Indian women entrepreneurs faced lower level of work-family conflict in comparison with western countries.

Charmes & Wieringa (2003), investigated the elements in women's empowerment process which includes awareness, alternatives, resources, influence, society, network and participation. This dimension of women's empowerment is related to develop women's capability to make both the strategic life choices and choices related to daily life. Lalitha (1997) in her study on rural women empowerment and development banking reported the profile of the effective women borrowers. Majority of them belonged to the middle age, were married, illiterate, belonged to backward caste of Hindu religion and were agricultural laborers.

Raju and Firdousi (1997) in their study on DWCRA women of Andhra Pradesh noticed that majority of DWCRA members were in the age profile of 20-40 years and studied women's development: issues, concerns and approaches in three districts of Andhra Pradesh. According to Jhamtani, (1995) rural women in India constitute 77 per cent of the women population. They share plentiful responsibility and perform a wide range of duties in managing the family, even then they suffer from being both economically and socially unnoticeable.

### III. OBJECTIVES

1. To examine the amount of impact of Socio economic factors on Women Entrepreneurship development.
2. To identify the factors of hindrance for women entrepreneurship.
3. To put forth certain suggestions and conclusions based on the findings that have been arrived.

### IV HYPOTHESES

**Null Hypothesis (Ho)** There is no significant impact of Socio economic factors on the development of Women Entrepreneurship.

Hypothesis- 1: There is no significant impact of Age on the development of women entrepreneurship.

Hypothesis- 2: There is no significant impact of Educational Qualifications on the development of women entrepreneurship.

Hypothesis- 3: There is no significant impact of years of prior experience on the development of women entrepreneurship.

### V. RESEARCH METHODOLOGY

The survey was conducted in Hyderabad District in Telangana state. Hyderabad is the capital city of Telangana state. The city has many trading, manufacturing and Service organizations which is suitable for conducting research. The study was

conducted using both the primary data and secondary data. Field survey method was employed to collect primary data from 50 respondents in Hyderabad District by using judgment sampling. The participants selected for this study consisted of women entrepreneurs of different small and medium scale industries in Hyderabad District. Structured questionnaire is used for data collection. Secondary data was collected from various books, journals, newspapers, magazines, reports, periodicals, reports, internet, unpublished thesis. The relevant literature published and accessed online through websites was also considered. The reliability of questionnaire was determined by using Cronbach's Coefficient alpha. The information thus collected has been analyzed using SPSS. In this study the raw data collected are classified, edited and tabulated for analysis. The data was analyzed quantitatively using frequency distributions and descriptive statistics while Chi-square distribution was used to establish associations between variables.

## V. DATA ANALYSIS

Reliability can be defined to the extent to which a variable is consistent in what it is intended to measure. In the present research, the reliability of questionnaire was determined by using Cronbach's Coefficient alpha.

**Table-1: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.804	.821	12

The reliability coefficient indicated that the scale for measuring is quite reliable. An alpha value of 0.796 or above is considered to be the criterion for demonstrating internal consistency of new scales and established scales respectively.

The data collected were put to statistical analysis using Statistical Package for Social sciences SPSS package version 22. The tools, which were employed to test the drafted hypothesis for analysis, included Chi-square Analysis.

### Hypotheses testing

**Hypothesis- 1: There is no significant impact of Age on the development of women entrepreneurship.**

Rating of Entrepreneurial experience \* Entrepreneurial Age.

**Table-2: Crosstab Rating of Entrepreneurial experience \* Entrepreneurial Age**

		Entrepreneurial Age					Total
		Below 20 years	21-30 years	31-40 years	41-50 years	Above 50 years	
Rate of Entrepreneurship experience	Count	3	24	13	5	5	50
	% within intensity of Entrepreneurial Age	6%	48%	26%	10%	10%	100.0 %
Total	Count	3	24	13	5	5	50
	% within intensity of Entrepreneurial Age	6%	48%	26%	10%	10%	100.0 %

**Table-3: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	126.829 <sup>a</sup>	4	.000
Likelihood Ratio	118.970	4	.000
Linear-by-Linear Association	87.2107	1	.000
N of Valid Cases	50		

**Inference:** The Cross tabs and Chi Square analysis indicated that the Null hypothesis is rejected which means 'There is no significant impact of age on the development of Women Entrepreneurship' is rejected. The analysis indicates that there is definitely a strong association of age on the women entrepreneurship development. The respondent's opinion towards their

business experience is well against null hypothesis indicating that age has a strong role to play in Women Entrepreneurship's success and growth.

**Hypothesis- 2: There is no significant impact of Education on the development of women entrepreneurship.**

Rating of Entrepreneurial experience \* Entrepreneurial Education

		Entrepreneurial Education					Total	
		Illiterate	Literate (without Formal education)	Primary Education	Secondary Education	Graduation completed		Post Graduation
Rating of Entrepreneurial Experience	Count	8	6	13	9	8	6	50
	% within Entrepreneurial Education	16%	12%	26%	18%	16%	12%	100.0%
Total	Count	8	6	13	9	8	6	50
	% within Entrepreneurial Education	16%	12%	26%	18%	16%	12%	100.0%

**Table-5: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	72.942 <sup>a</sup>	5	.000
Likelihood Ratio	69.944	5	.000
Linear-by-Linear Association	41.752	1	.000
N of Valid Cases	50		

**Inference:** Impact of Entrepreneurial Education has been proved to be essentials of entrepreneurial success .The survey's responses rejected the null hypothesis that indicated there is no impact of entrepreneurial Education over the success of women an entrepreneur.

**Hypothesis- 3: There is no significant impact of years of prior Experience on the development of women entrepreneurship.**

Rating of Entrepreneurship development\* years of prior experience

		Years of prior Experience				Total
		Less than 1 yr	1-3years	3-5years	Above 5 years	
Rate of Entrepreneurship development	Count	8	9	24	9	50
	% within Type of Years of prior Experience	16%	18%	48%	18%	100.0%
Total	Count	8	9	24	9	50
	% within Type of Years of prior Experience	16%	18%	48%	18%	100.0%

**Table-7: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.138 <sup>a</sup>	3	.000
Likelihood Ratio	47.245	3	.000
Linear-by-Linear Association	31.032	1	.000
N of Valid Cases	50		

**Inference:** The null hypothesis indicating that there is no significant impact of years of prior Experience on the development of women entrepreneurship has been proved to be rejected and hence proving their impact on success of women entrepreneurship.

## VI RESULTS AND DISCUSSION

The study established that most of the entrepreneurs (74%) were aged between 21 to 40 years with a mean age being 33 years. This depicts a youthful group of women entrepreneurs and when the age brackets are expanded, 84% of the respondents are below 45 years. This can be recognized that women entrepreneurs exploit new opportunities and also like to venture into micro and small enterprises to earn income and to support family.

On educational qualifications, the study established that most of the entrepreneurs had formal education, 13% had primary education, 9% secondary education, and 8% post-secondary education. It is observed that better educated entrepreneurs are entering the business and that higher level of education entails higher levels of business performance.

On whether the women entrepreneurs had prior experience in running the businesses, the majority (48%) indicated they had 3 to 5 years of experience in operating businesses. This experience helps the entrepreneurs to contribute positively to the performance of their enterprises.

## VII PROBLEMS ENCOUNTERED BY WOMEN ENTREPRENEURS

The basic problems encountered by women entrepreneurs are as follows:

1. Women are not treated equal to men and their business approval to start is decided by the head of the family. Male chauvinism is still prevalent, though our constitution speaks of equality between genders.
2. Even though there is an increase in women entrepreneurs, many women are still struggling to find the right work-life balance.
3. Women in India are overburdened with family responsibilities which take away a lot of their time and energy. It will be very difficult to ponder and run the enterprise successfully in such circumstances.
4. Women businesses are still perceived as risky by bankers, creditors and financial institutes and are not coming forward to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure.
5. Due to lack of proper education, women entrepreneurs are not aware of the technological development, new methods of production, marketing and other governmental support which will help them to prosper.
6. Traditions and customs stand as an obstacle before women to grow and flourish as successful women entrepreneurs as they are prevalent in the Indian society.
7. In competitive market, women entrepreneurs have to struggle hard to survive in the market against the organized sector and their competitive male counterpart who have huge experience and competence to adopt advanced technology in managing enterprises.

## VIII CONCLUSION

In today's era of modernization the women entrepreneurs in India are rapidly increasing. It is imperative to design programmes at policy level which will address issues like attitudinal changes, training, supportive services to women entrepreneurs. The vital prerequisite for women entrepreneurship development is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country. Implementation at national and state level policies should ensure that women entrepreneurs have equal opportunities to face the challenges.

## REFERENCES

1. Adams, G. A., King, L. A., & King, D. W. (1996) "Relationship of job and family involvement, family social support and work family conflict with job and life satisfaction", *Journal of Applied Psychology*, 81(4), 411–420.
2. Amanda Williamson, Kate Lewis and Claire Massey, "Work-Life Balance in Small Business: The Impact of Firm and Family Milestones"
3. Bharathamma G.U (2005) : Empowerment Of Rural Women Through Income Generating Activities In Gadag District On Northern Karnataka –Thesis
4. Choudhary, S., 1995, Awareness of Rural Women and Their Development – A Study. *Kurukshetra*, 43(12): 44-49.
5. Das, M. (2001). "Women entrepreneurs from India: Problems, motivations and success factors", *Journal of Small Business and Entrepreneurship*, 15(4), 67.



6. Deshpande Sunil and Sethi Sunita, Women entrepreneurship in India, Shodh, Samiksha aur Mulyankan, II(9-10), (2009)
7. Dr J.R.Jha (2012) :Socio-Economic Issues of Rural Dalit Women Entrepreneurs, Vikas Vani Journal, Vol.VI:No.1, Jan-Mar.
8. Giriappa, S., 1997, Women Empowerment and Decision Making Analysis In Rural Enterprises. Paper Presented at International Conference on Gender Equity through Women's Empowerment, 23-29 December, Lucknow.
9. Govindappa, G. T., 1999, Rural Women Entrepreneurship- Constraints and Strategies. Kurukshetra, 48(2): 11-14.
10. GurendraNath Bhardwaj, Swati "Women Entrepreneurship in India: Opportunities and Challenges"Parashar, Dr. BabitaPandey, PuspamitaSahu - Research Paper.
11. Hapke, M. H., 1992, An Experiment In Empowerment: Women In Decision-Making (Ed. Ranjanakumari), Vikas Publishing House Private Limited, New Delhi, Pp. 55- 65.
12. Hisrich and Ozturk (1999). "Women Entrepreneurs in a Developing Economy". The journal of management development, 18(2): 114-25.
13. Jalbert, Susanne, ph.d. (2000). "Women Entrepreneurs in the Global Economy Women: The Emerging Economic Force".
14. Kaushik Sanjay, Challenges Faced by Women Entrepreneurs in India, International Journal of Management and Social Sciences Research (IJMSSR), 2(2), (2013)
15. Kumaran, N. P., 1997, Self-Help Groups – An Alternative to Institutional Credit to the Poor –A Case Study in Andhra Pradesh. Journal of Rural Development, 16(3): 515-530.
16. Lalitha, N., 1997, Rural Women Empowerment And Development Banking, KaniskhaLeigh-Ann Harris & Barry Foster: "The Drivers of Work-Life Balance: A Critical Review"
17. Littunen, h. (2000). "Entrepreneurship and the Characteristics of the Entrepreneurial Personality", International Journal Of Entrepreneurial Behavior And Research 6(6), 295-310.
18. Mangasri, K., 1999, Empowerment of Dwcra Groups in Ranga Reddy District Of Andhra Pradesh. Ph. D. Thesis, Acharya N. G. Ranga Agricultural University,
19. Manjula, S., 1995, A Study on Entrepreneurial Behaviour of Rural Women in Rangareddy District Of Andhra Pradesh. M. Sc. (Agri.) Thesis, Andhra Pradesh Agricultural University, Hyderabad.
20. Mathew, R.V., & Panchanatham, N. (2009a). "Work life balance issues among the women entrepreneurs in South India" K. J. Cherian, & S. P. A. Mathew (Eds.), Emerging entrepreneurial strategies for self-development and skill development, India.
21. Meenu Goyal and Jai Prakash, Women Entrepreneurship in India-Problems and Prospects. International Journal of Multidisciplinary Research, 1(5), (2011).
22. Mitra, R. (2002). "The Growth Pattern of Women Run Enterprises: An Empirical Study in India," Journal of Developmental Entrepreneurship 7(2), 217-237.
23. Moore, D. P. & Buttner, E. H. (1997). "Women entrepreneurs: Moving beyond New Generation of Women Entrepreneurs Achieving Business Success".
24. Naidu, P., 1985, Impact Of Rural Development Programmes on Economic Status Of Women – A Case Study. Indian Journal of Agricultural Economics, 40(3): 270-271.
25. Orhan M. & Scott D. (2001), "Why women enter into entrepreneurship: an explanatory model", Women in Management Review, 16(5): 232-243.
26. Parekh, R. And Mehta, K., 1992, Empowerment Of Rural Women – A Case Study Of Pattanaik, B. K., 1997, Empowerment of Women and Rural Development. Yojana, 40(10): 24-27.
27. Prasad, C. H., 1998, Implementation Process of Women Development Programme (Ifad) – An Experimental Model. Journal of Rural Development, 17(4): 779-791. Publishers and Distributors, New Delhi.
28. Raju, Y. B. And Firdousi, A. A., 1997, Women's Development: Issues, Concerns and Approaches. Journal of Rural Development, 16(1): 113-122.
29. Rincy V. Mathew and N. Panchanatham, "An Exploratory Study On The Work-Life Balance Of Women Entrepreneurs In South India", Asian Academy of Management Journal, Vol. 16, No. 2, 77–105, July 2011
30. Rizvi, A. F., & Gupta, K. L. (2009). "Women Entrepreneurship in India – Problems And Prospects". OORJA Journal of Management and I.T., 7(2), 35–41.
31. Roshan Lal and Badrinarayan H.S., The role of women entrepreneur as a change agent in society, ZENITH International Journal of Business Economics and Management Research 1(1), (2011)
32. Sanjay Tiwari and Anshuja Tiwari, (2007), "Women entrepreneurship and economic Development" 1st Edition published by Swarup and Sons, New Delhi



33. Sarah Gurney, "Gender, work-life balance and health amongst women and men in administrative, manual and technical jobs in a single organization: a qualitative study", Thesis submitted for the degree of Doctor of Philosophy at the University of Glasgow, December 2009.
34. Soundarapandian. M. (2008), "Women Entrepreneurship - Issues and Strategies" published by Kanishka Publishers distributors, ISBN 978-81-7391-314-5.
35. Sudharani, K., Sreelatha Kishori, K. And Surendra, G., 2000, Empowerment of Women in Rural Areas. Rural India, Pp. 195-198.
36. Sunitaroy, 1999, Women Empowerment. National Conference On Empowerment of Udwada. Proceedings of the National Consultation on Gender Issues in Credit in the Rural Non-Farm Sector, 14-15 September, Organized by SNTD Women's University, Bombay.
37. Upadhye Jayashree, Entrepreneurship Among Poverty ridden Women: The Confidence Building Index, International Journal of Trade, Economics and Finance, 3(2), (2012).
38. Wendy A. Finlay, "Work-life balance in women entrepreneurs- A Phenomenological Study", Dissertation submitted to University of Phoneix, May 2008.