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## RESEARCH ARTICLE

### WOMEN ENTREPRENEURSHIP IN MSME

(With special reference to Coimbatore City)

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#### **Abstract**

Women Entrepreneurship plays a prime role in industrial development. India has always been a land of entrepreneurs and also occupied a strategic position in the Indian economy. Today the village and MSME units account for about 45% of the total industrial production, 30% of the country exports and estimated to employ 96 millions person in over 26 million units throughout the country. The government of India has defined women entrepreneurship based on women participation in equity and employed of a business enterprise. The researcher has taken this topic to identify the factors motivating women to become an entrepreneur, to identify the factors contributing to the success of women entrepreneurs and to analyze the relationship between industries related factors and success of entrepreneurs. The researcher has been selected 150 respondents from in and around Coimbatore City by convenience sampling method. The percentage analysis, weighted average rank analysis and chi-square statistical method are used for the study.

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#### **Introduction**

The word Entrepreneur is derived from the French word "entreprender" which means a person who undertakes the task of bringing together various resources and manages them to achieve desired results and take some share. Women entrepreneurship in India represents a group of women who are exploring new avenues of economic participation. The entry of the women in organized business is a fairly recent phenomenon. Women Entrepreneurship plays a prime role in industrial development. India has always been a land of entrepreneurs and also occupied a strategic position in the Indian economy. Today the village and MSME units account for about 45% of the total industrial production, 30% of the country exports and estimated to employ 96 millions person in over 26 million units throughout the country. The Government of India has defined women entrepreneurs based on women participation in equity and employed of a business.

#### **STATEMENT OF THE PROBLEM**

Traditionally our society is male-dominated and women were not treated as equal partners and they were confined to four walls of the house. In modern societies women have stepped out the house to participate in all sorts of activities. Today with the growth of MSME, many women have plunged into entrepreneurship and are also running their enterprises successfully. With the relevant education, work experience, improved economic condition and financial opportunities more women are venturing into business.

#### **OBJECTIVES OF THE STUDY**

- To identify the factors motivating women to become an entrepreneur.
- To identify the factors contributing to the success of women entrepreneurs.
- To analyze the relationship between industries related factors and success of entrepreneurs.

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## **HYPOTHESIS**

HO: There is no significant relationship between industrial related factors and success level of women entrepreneurs.

HI: There is significant relationship between industrial related factors and success level of women entrepreneurs.

## **METHODOLOGY**

Coimbatore city has been selected for the study. Statistical tools such as percentage analysis, weighted average rank analysis and chi-square analysis are used for the purpose. The primary data was collected through survey method using interviews schedules.

## **WOMEN ENTREPRENEURSHIP DEVELOPMENT IN INDIA**

The Indian economy has been witnessing a drastic change since mid -1991, with new policies of economic liberalization, globalization and privatization initiated by the Indian government. India has great entrepreneurial potential. At present, women involvement in economic activities is marked by a low work participation rate, excessive concentration in the unorganized sector and employment in less skilled jobs. Any strategy aimed at economic development will be lop-sided without involving women who constitute half of the world population. Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. Women entrepreneurship has gained momentum in the last three decades with the increase in the number of women enterprises and their substantive contribution to economic growth. The industrial performance of Asia-Pacific region propelled by Foreign Direct Investment, technological innovations and manufactured exports has brought a wide range of economic and social opportunities to women entrepreneurs. In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress.

In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programmes are being implemented for the development of women entrepreneurship in India. There is a need for changing the mindset towards

women so as to give equal rights as enshrined in the constitution. The progress towards gender equality is slow and is partly due to the failure to attach money to policy commitments. In the words of president APJ Abdul Kalam "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured.

## **MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)**

The President under Notification dated 9<sup>th</sup> May 2007 has amended the Government of India (Allocation of Business) Rules, 1961. Pursuant to this amendment, Ministry of Agro and Rural Industries (Krishi Evam Gramin Udyog Mantralaya) and Ministry of Small Scale Industries (Laghu Udyog Mantralaya) have been merged into a single Ministry, namely, "MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SUKSHMA LAGHU AUR MADHYAM UDYAM MANTRALAYA)"

Worldwide, the micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India too, the MSMEs play a vital role in the overall industrial economy of the country. In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession.

As per available statistics (4<sup>th</sup> Census of MSME Sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country.

## **SMALL AND MEDIUM ENTERPRISES IN TAMIL NADU**

Tamil Nadu is one of the well developed states in terms of industrial development. In the post-liberalization era, Tamil Nadu has emerged as one of the front-runners by attracting a large number of investment proposals particularly in recent times. Today, Tamil Nadu is the third largest economy in India and its current State Domestic Product is well over US \$ 23 billion. The Small and Medium Enterprises in Tamil Nadu today comprise of

automobile ancillaries, textiles and food processing. There is a growth in the automobile ancillaries industry because companies like Ford and Hyundai have come to Tamil Nadu. The food processing sector again is growing as there is a demand for processed and packaged food. Entrepreneurs are setting up cold storages and exporting frozen vegetables and fruit.

#### IMPORTANCE OF SME IN TAMILNADU

The SME sector has a major contribution to the economy of Tamil Nadu. The table given below indicates the trend in growth of small scale industries during the last ten years and the level of investment, employment, etc, it has created:-

Year	No. of Permanent Regd. Units	Investment (Rs. in Crores)	Production (Rs. in Crores)	Employment (No.)
1991-92	138404	3210.20	16747.00	1176700
1992-93	157892	3757.50	20219.00	1310500
1993-94	178114	4332.00	24048.00	1425300
1994-95	207357	5184.00	29436.00	1638200
1995-96	234409	5977.00	35161.00	1828600
1996-97	263845	6912.00	41687.00	2033000
1997-98	295004	7966.00	48675.00	2250900
1998-99	324627	9350.00	58432.00	2451000
1999-00	354939	10623.00	70987.00	2667200
2000-01	387597	11567.22	78261.66	2902122

Source: Directorate of Industries and Commerce, Chennai.

#### PERFORMANCE OF SME IN TAMILNADU



A look at the group-wise classification of SSI shows Hosiery and Readymade Garments units at the top list with 89,464 units accounting for a little over 22.2% of the total number of units. Other Manufacturing industries are far behind with 58,777 units which is around 15% of the total. Manufacturing sector is closely followed by Food Products with 37,152 units which is close to 10%. Share of all other groups are of single digit and the share of Jute, Hemp and Mesla Products and Beverages, Tobacco & Tobacco Products together is below 1%.

#### ANALYSIS AND INTERPRETATION

##### Percentage Analysis

**Table-1 Industrial Profile of the Respondents**

Factors	Particular	No. of respondent	Percentage
Nature of Industry	manufacturing	115	76.67
	Retailing	35	23.33
Experience in the Present Industry	Upto 10 years	63	42.00
	10-15 years	49	32.67
	Above 15 years	38	25.33
Type of Industry	Sole proprietorship	88	58.67
	Partnership	39	26.00
	Private limited company	23	15.33
Assets	Upto 10 lakhs	88	58.67
	10-20 lakhs	42	28.00
	Above 20 lakhs	20	13.33
Profit	Upto 2 lakhs	54	36.00
	2-5 lakhs	52	34.66
	Above 5 lakhs	44	29.34
Employment	Less than 30 member	54	36.00
	30 – 50 members	50	33.34
	Above 50 members	46	30.66
Capital Investment	Upto 10 lakhs	73	48.67
	10-15 lakhs	37	24.67
	Above 15 lakhs	40	26.66
Turnover	Upto RS.5 lakhs	67	44.66
	5-10 lakhs	40	26.66
	Above Rs. 10 lakhs	43	28.68
Marketing area	Locally	55	36.68
	Within the state	67	44.60
	Outside the state but within the country	18	12.00
	Outside the country	10	6.72



#### Data sources: Primary Data

- ❖ 76.67% of the entrepreneurs had owned manufacturing division.
- ❖ 42% of the entrepreneurs were having upto 10 years of experience in the present industry.
- ❖ 58.67% of the entrepreneurs were sole proprietors.
- ❖ 58.67 % of the entrepreneurs owned assets upto Rs.10 lakhs.
- ❖ 36% of entrepreneurs fall under low profit category.
- ❖ 36% of members are employed come under less than 30 person's category.
- ❖ Capital investment was upto 10 lakhs accounted for 48.66%.
- ❖ 44.66% entrepreneur had a turnover of upto Rs.5 lakhs.
- ❖ 44.60% of the respondents are marketing their product within the state.

**Table: 2 Motivating Factors to become an women entrepreneur**

Factors	Mean	Rank
Education and previous experience	36.86	1
Government policies/ assistance incentives /subsidies	36	2
To be authoritative/ independent/ creative	32	3
To get social / economic independence	31	4
To pay the way for the children in the same line	27.33	5

#### Data sources: Primary Data

Most of the respondents opined that education and previous experience and government policies/assistance incentives/subsidies was the first and second motivating factors which was ranked as top by them

**Table-3 Success factors of women entrepreneurship**

Factors	Mean	Rank
Achievement motivation	35.67	1
Human relation	33.66	2
Hard work	29.00	3
Honesty and integrity	28.86	4
Authoritative	28.53	5

#### Data sources: Primary Data

Majority of the respondents are opined that the important factors to keep success in their job were achievement motivation and human relation

**Table -4 level of Success**

Level of Success	No. of Respondents	Percentage
High	59	39.33
Medium	52	34.67
Low	39	26.00

**Table -5 Industrial profile and success of women entrepreneurship**

**Ho:** There is no significant relationship between industrial related factors and success of women entrepreneurs.

Factors	Calculated $X^2$ value	Table value	DF	Accepted/Rejected
Nature of the Industry	46.82	5.99	2	Rejected
Business Experience	17.43	9.49	4	Rejected
Forms Of Enterprise	46.54	9.49	4	Rejected
Assets	16.88	9.49	4	Rejected
Employment	36.97	9.49	4	Rejected
Capital Investment	28.52	9.49	4	Rejected
Turnover	41.67	9.49	4	Rejected
Marketing factor	43.02	12.59	6	Rejected

Since the calculated chi-square value is more than table value so all the hypothesis are rejected, which state that there is significant relationship between the industrial related factors and success of women entrepreneurs.

#### SUGGESTIONS

1. Women entrepreneurs could be trained and educated in order to make they successful with regard to access to capital, marketing of their

products, creation of assets, selecting the form of enterprise and the nature of industry.

2. It is observed that nearly half of the respondents are selling their products with the state. Hence, the necessary step should be taken to encourage women entrepreneurs to exports the product.

3. Another major problem of women entrepreneurs was lack of access to information technology. Inorder to be successful in business not only nationally but also internationally they need to be educated on information technology.

4. Women entrepreneur could be trained and educated in order to make they successful with regard to access to capital, marketing of their products, creation of assets, selecting the form of enterprise and the nature of industry.

### CONCLUSION

Women Entrepreneurship plays a prime role in industrial development. It has played very vital role in fulfilling the socio-economic objectives of the nation. Thus MSME is playing a remarkable role in widening the base of industrial entrepreneurship in

India. The main reason of success factors to become an women entrepreneur is achievement motivation and human relation. The contribution of the women entrepreneurs with the help of MSME to our national economy cannot be underscored. India has always been a land of entrepreneurs and occupies a strategic position in the Indian economy.

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