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**Catalyzing Growth with Persuading factors among Women Entrepreneurs – Referring to SME's in  
Bangalore, Karnataka.**

**Dr. U. M. Premalatha, Principal**

**Don Bosco Institute of Bio Science and Management Studies**

**Kumbalagodu, Mysore Road, Bangalore - 560074**

**ABSTRACT**

*Women entrepreneurship has been recognised as an important source of economic growth. They create new jobs for themselves and others by providing society with different solutions to management, organisation and business problems. There is no doubt that India is just behind US and China in terms of fastest growing SME market. Now, what is needed is the content should be hyper localized, simplified and personified. Women entrepreneurship can make a predominantly strong contribution to the economic well-being of the family, society poverty reduction. Thus, governments across the world as well as various training and developmental organizations are actively enterprising the promotion of women entrepreneurs through various programs, schemes, incentives and promotional measures.*

*Study focus on analysing various environmental factors that catalysed growth and influenced women entrepreneurs to take up business under the umbrella of SME's in urban Bangalore, Karnataka state. Primary data has been collected from 100 women entrepreneurs and the findings indicate that the married women having only school studies had undertaken sole entrepreneurship in service sector at the age ranging between 25-30 years.*

*The objective was to study the profile of the women entrepreneurs in urban Bangalore by identifying the consequence of personal factors over the financial sources and the knowledge of technical know-how, there by finding out motivational factors influencing the present business towards success.*

*Descriptive or Percentage Analysis was employed to study the profile and Chi-square and Average Rank Analysis was used to analysis the consequences of personal factors over the financial sources and the knowledge of technical know-how.*

*The analysis showed that there has been a significant influence of investment, experience, and profit over the financial sources and knowledge of technical know-how. It was also found that financial turnover, technical skill possessed, support from the government, business and industry advisory services and assistance are the motivating factors of women entrepreneurs in the SMEs.*

*It was observed that women initiate entrepreneurship due to economic factors like money, government policy, labor cost and interest rates. These factors pushed them to be on their own and urge them to do something independently. It was further seen that few women preferred to work from their own work residence, difficulty in getting suitable jobs and desire for social recognition motivated them towards self-employment.*

**Key words:** Environmental Factors, Small and Medium Enterprises, Financial Resources, Women Entrepreneurship.

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### INTRODUCTION

Technically, a “women entrepreneur” is any women who initiate, organize and manage to run a business enterprise, with considerable risk. However, quite often the term “women-owned enterprises” is used relative to government contracting. Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman run enterprise is defined as “an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women”. Women entrepreneurs constitute 10% of the number of entrepreneurs in our country.

SME sector of India is considered as the backbone of economy contributing to 45% of the industrial output, 40% of India’s exports, employing 60 million people, create 1.3 million jobs every year and produce more than 8000 quality products for the Indian and international markets. With approximately 30 million SME’s in India, 12 million people expected to join the workforce in next 3 years and the sector growing at a rate of 8% per year, Government of India is taking different measures so as to increase their competitiveness in the international market.

### GROWTH OF WOMEN ENTREPRENEURSHIP AND SME’S IN KARNATAKA

Karnataka, the seventh largest state in terms of Gross State Domestic Product (GSDP) and 6.9 % of industrial Cumulative Annual Growth Rate (CAGR) for 2004-13 put it among the top 10 fastest growing state economies in the country. Bangalore, which has been ranked among eight largest technology innovation clusters globally by MIT Technology review, Massachusetts, the US, has earned the tag of India’s start-up capital.

In reality, there is more to this growth than meets the eye. A report published by industry body ASSOCHAM and private sector lender, yes bank, entitled: “Karnataka’s Industrial Ecosystem 2013” points out that the growth is highly concentrated in urban areas of Bangalore district with 51% of total registered factories and MSMES in the state. This is followed by areas of Mysore and Belgaum with over 4% share each. Unfortunately, this means that the rest 90% of the districts have less than 40% of the total factories and MSMES.

There are several factors that have contributed towards the growth of Indian SME’s. Few of these include; funding of SME’s by local and foreign investors, the new technology that is used in the market is assisting SME’s add considerable value to their business, various trade directories and trade portals help facilitate trade between buyer and supplier and thus reducing the barrier to trade. Today Indian government is more concerned about the economic development of women and for this; development of “entrepreneurship” among women has become an important aspect of plan priorities. The Women Entrepreneurs Summit 2013 was being organized in Mumbai, India and is aimed at bringing together women entrepreneurs across the country from various sectors including SMEs. The focus point or theme of the summit for this year was to integrate and empower women entrepreneurs for better growth and development from various industries like Corporate, Banking, Small and Medium Industries, Finance, Marketing, Advertising, PR & Branding, IT, Service Industry, Entertainment, Logistics, PE/VC Funds, etc.

This has been a significant growth in self-employment of women with women now starting new ventures at three times the rate of men. Most of the women venture into services industry relating to hospitality, catering, educational services, consultation or public relations, beauty clinics, etc.

### STATEMENT OF THE PROBLEM

In the emerging complex social scenario, women have a central role to play. They can no longer be considered as mere harbingers of peace, but are rising as a source of power and symbol of progress towards sustainability. The task of co-ordination of various activities in a much useful manner is being well managed by Indian women in the families. A family is the nucleus of the society. Similarly an ‘Enterprise’ is the nucleus of economy. An enterprise (SME) is the basic unit of an economic organization towards progress. Now women have taken up entrepreneurial role in order to create a

meaning for themselves. The traditional roles of housewives are gradually changing into women entrepreneurs. Some of the factors accountable for these emerging changes are improved education, changing socio cultural values/customs, information accessibility, improved technical know-how and desire for supplementary income. When proper revelation is given, education is imparted and knowledge is transformed and learning is continued with new challenges and achievement. Indian women will prove themselves to be highly potential productive force for the development of the nation.

#### REVIEW OF LITERATURE

According to the Centre for Women's Business Research (2008), 10.1 million firms are owned by women (40% of privately owned businesses), employing more than 13million people and generating \$1.9 trillion turnover in United States (Paramjit Mahli, 2008). In India, women constitute around 48% of the population but their participation in the economic activities is only 34%. As per the Human Development Report (2007), India ranks 96th on the gender related development index of 137 nations. The gender empowerment measures, which estimate the extent of women participation in the country's economic and political activities, rank India as 110th of the 166 nations. In the sociological set-up, the Indian society is a male dominant one.

Women's reasons for starting business are not always often driven by positive factors but also due to negative circumstances such as low family income, lack of employment opportunities, and dissatisfaction with a current job or the need for flexible work (Robinson, 2011). These factors tend to be most predominant among women within developing economies. Women Entrepreneurs from various sectors are reaching the forefront to match with their male counterparts and have managed to achieve commendable success.

Thus the literature available serves a very limited purpose of finding into some of the facets of women entrepreneur in SME Sector. The present study proposes to fill this research gap in the existing literature and to gain a deeper understanding and insights into the recent phenomenon of motivational factors of women entrepreneurs in SMEs.

#### OBJECTIVES OF THE STUDY

- To revise the profile of the women entrepreneurs in Urban Bangalore, Karnataka.
- To ascertain the significance of person specific factors over the knowledge of information and technical know-how among SME's in Karnataka.

#### HYPOTHESIS

H0: Person specific factors have no significant influence over information and knowledge of technical know-how.

H1: Person specific factors have significant influence over information and knowledge of technical know-how.

#### RESEARCH METHODOLOGY

The study is descriptive and exploratory in nature. It was carried out in urban part of Bangalore, Karnataka with a sample of 100 women entrepreneurs who were into different types of business like hospitality, catering, educational services, consultation or public relations, beauty clinics, etc. Primary and secondary sources were used for collecting data for the study. On one hand, primary data was collected from selected women entrepreneurs in urban part of Bangalore through formal questionnaire. On the other hand, secondary data was collected from notices, bulletins, journals, magazines reports and newspapers. Other information useful was from the different SME's websites, India SME forum, Karnataka Small Scale Industries Association (KASSIA), D.I.C (District Industries Center), and Small Industries Service Institute (SISI).

The following tools were employed to analyse the data and interpret the results thereof.

- *Percentage Analysis* – This method is used as it represents raw streams of data as a percentage (a part in 100 - %) for better understanding of collected data. Further it helps to compare and evaluate various person specific factors and motivational factors.

- *Chi-square test* – A statistical test commonly applied to compare observed data with data that would be expected to obtain according to a specific hypothesis. It is used to know about the ‘goodness to fit’ between the observed and expected. This test is always testing what scientists call the *null hypothesis*, which states that there is no significant difference between the expected and observed result.
- *Average Rank Analysis* - Rankings make it possible to evaluate complex information according to certain criteria. Analysis of data obtained by ranking commonly requires non parametric test.

A *structured formal questionnaire* was framed and information was collected from 100 women entrepreneurs in urban part of Bangalore, Karnataka. The information collected through survey were processed and tabulated. The calculations are done using statistical package for social science (SPSS). The *descriptive analysis* has been mainly used to specify the consolidated opinion of the women entrepreneurs on various questions in the questionnaire. Percentage analysis is employed in this study to determine the response and view of women entrepreneurs on the following factors:

- Form of business ownership
- Nature and type of business commenced
- Background of women entrepreneurs – Education, learning and exposure
- Women Entrepreneurs age and experience
- Connubial Status of the Women Entrepreneurs

#### ANALYSIS AND INTERPRETATION

##### Application and results of Chi-Square Analysis

Factors considered for Chi-Square Analysis, have been divided into two categories:

###### Category 1:

Product type, family type, age, Form of business ownership, Connubial Status, qualification and Experience, Location of the unit, Initial investment, Profit and turnover of the unit.

###### Category 2:

The knowledge of information and technical know-how among SME are in Karnataka.

###### Testing hypothesis:

Person specific factors have/have no significant influence over information and knowledge of technical know-how.

*Table 1: Person specific factors and influence over technical know-how among women entrepreneurs SME's in Karnataka.*

Person specific factors	Chi-square Value	Probability	Significant/not significant
Product type	10.682	0.0987	NS
Age	6.014	0.4216	NS
Form of business ownership	3.453	0.3269	NS
Connubial Status	3.18	0.3647	NS
Qualification	6.868	0.8662	NS
Experience	1.865	0.7606	NS
Location of the unit	4.702	0.1950	NS
Initial investment	50.734	0.0000	S
Profit/residual earnings	17.132	0.0088	S
Turnover of the unit	29.525	0.0000	S

(Source: Primary – survey)

It is clear from the test that person specific factors have significant influence over information and knowledge of technical know-how.

**Application and Results of Rank Analysis:** The rank analysis was performed to determine the priority of women entrepreneurs on various issues. After calculating the average rank, the final rank was given by using the criterion “Lower the average rank more is the priority”.

The Table 3 gives the average rank and the final ranks for each of the marital status on growth and motivational factors.

Table 2: Average Ranks--Marital Status, Growth and Motivational Factors

Marital Status	Entrepreneurs ambition	Persuasive reasons	Facilitating factors	Factors for growth
<i>Unmarried:</i>				
Average rank	2.5	2.5	2.51	2.99
Final rank	1	1	2	3
<i>Married:</i>				
Average rank	2.49	2.52	2.48	3.02
Final rank	2	3	1	4
<i>Separated:</i>				
Average rank	2.5	2.5	2.5	3
Final rank	1	1	1	2

(Source: Primary – survey)

Entrepreneur’s ambition, persuasive reasons, facilitating factors, factors for growth are considered as Growth and Motivational Factors. It is observed that women entrepreneurs who are unmarried have given first rank for both entrepreneur’s ambition and persuasive reasons and second rank for facilitating factors. Married women entrepreneurs have given first rank for facilitating factors and second rank for entrepreneur’s ambition. And in the category of separated, have given first rank for entrepreneurs ambition; persuasive reasons and also for facilitating factors. It is also clear that the factors for growth were given last rank by the different category of women entrepreneurs.

Facilitating factors have been preferred as the best motivational factors among all the categories of women entrepreneurs. So following table highlights further distribution of ranks, considering the different motivational/facilitating factors for growth and sustainability.

Table 3: Facilitating Factors

Facilitating Factors	Rank 1	Rank 2	Rank 3	Rank 4	Average Rank	Final Rank
Success stories	39	10	40	11	2.3	1
Network and associations	38	14	32	16	2.3	1
Advice from family members	15	56	12	17	2.3	1

(Source: Primary – survey)

Major factor that determines the growth of the entrepreneurs is personality characteristics. The first being facilitating factor, second, third, fourth and fifth ranks are recorded for preference of ownership by the entrepreneurs, family back ground, education and government support respectively.

Table 4: Factors for Growth

Facilitating Factors	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Average Rank	Final Rank
Ownership chosen	6	2	70	5	17	3.5	2
Family background	25	22	4	26	23	3.6	3
Education	20	12	9	30	29	4.2	4
Govt. support	20	16	09	27	28	4.4	5

(Source: Primary – survey)

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Ownership chosen is found to be effective as it is ranked 2<sup>nd</sup> followed by the family background which is encouraging women entrepreneurs to take entrepreneurship with interest. Level of education has to be improved among most of women entrepreneurs so that increasing challenges can be faced with better learning and exposure. Government should regularise policies to encourage women entrepreneurship and to facilitate their contribution towards economic development.

#### **FINDINGS**

- When rank analysis was applied and tested, it was found that married women entrepreneurs have given first rank for facilitating factors and second rank for entrepreneur's ambition.
- Financial resources mobilized and the knowledge of technical know-how of women entrepreneurs are influenced by the initial investment, previous experience in the business, profit and turnover.
- Factors for growth were given last rank by the different category of women entrepreneurs.

#### **SUGGESTIONS**

- Growth factors like education and government support has to be extended and improved.
- Awareness about different training programmes and entrepreneurship courses related to line of business should reach Women entrepreneurs for better learning and continuous improvement. Audio-visual media should be effectively used to motivate women to become entrepreneurs. Screening video records of successful women entrepreneurs at colleges, and women organizations can go a long way in motivating new women to enter into entrepreneurship.

#### **CONCLUSION**

In their pursuit of supporting themselves and their families, entrepreneurs demonstrated that they possessed the entrepreneurial characters that are required to achieve the growth in the business. Women entrepreneurs are motivated to take the sole owner entrepreneurship to utilize the technical and professional skill possessed. Unmarried and separated women entrepreneurs motivating factors are profit and technical skill possessed. However, married women entrepreneur decision is based on the family member's advice and previous association. Thus, the women entrepreneurs revealed that profit, previous experience gained in the business and personality characters have influenced the women entrepreneurs to take the entrepreneurship.

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