

Determinants of Enterprise Development Among Women Entrepreneurs

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ABSTRACT

Entrepreneurship in the recent times has gained utmost importance while emerging as the major ingredient for economic development. An entrepreneur has been an important factor in the studies related to growth, production or distribution throughout the globe. Women entrepreneurship offers the possibility of independence and flexibility to combine income with family and other lifestyle choices. The study comprises of the urban women entrepreneurs of Indore city and semi-urban women entrepreneurs of Mhow. An attempt is made to find the impact of women entrepreneurial ventures on their enterprise development. The number of the respondents was 170 women entrepreneurs from the urban area and 85 women entrepreneurs from the semi-urban region. The analysis result depicts that the parameters of Enterprise Development, like variety of products and services, customer base, employment created etc. are found significant among urban and rural women entrepreneurs. In other words, the development of entrepreneurial activities in the study area affects urban and rural women entrepreneurs with varying strength. It clearly illustrates that in terms of enterprise development, women entrepreneurs in the urban areas are better placed as compared to their rural/ semi-urban counterpart.

Keywords : Enterprise Development, Women Entrepreneurs, Entrepreneurship.

INTRODUCTION

As entrepreneurs, women are contributing significantly, which can be measured in terms of financial prosperity which a woman entrepreneur adds by earning money and supplementing her family/ husband's income. At the same time by working as an entrepreneur, she is not only trying to become economically independent, but is also enhancing her say in decision making which places her socially at a higher esteem. Her dual role as an entrepreneur as well as a home maker earns her great respect and social acceptability not only in her own community but also on a wider canvas. The present study highlights the fact that women are gradually breaking barriers imposed on them by the society and very courageously many of them are successfully getting involved into entrepreneurial operations. This has not only provided the financial security to her but also the long desired freedom which she had been craving for, since ages.

In the following pages, an attempt is made to assess the development of women run enterprises in Indore district. The study comprises of the urban women entrepreneurs of Indore city and semi-urban women entrepreneurs of Mhow. The various entrepreneurial enterprises run by the urban and semi-urban women had several impacts on their personal, professional and enterprise level. In our study we will be evaluating the development of entrepreneurial activities with the help of an Enterprise Development Index. This will help the authorities in designing suitable strategies for development of entrepreneurship among women and also appreciate their contribution in the overall development of the region.

LITERATURE REVIEW

A research on the reflection of the Indian Women in the entrepreneurial world through the various decades was done by **Kollan Bharti and J Parikh Indira (2005)**. The study covers the women entrepreneurs of the fifties, sixties, seventies, eighties, nineties and finally the women of the 21st century. Their study shows the gradual and steady growth of the women entrepreneur in the Indian perspective and how it has contributed to their own identity. Their study focuses on the fact that the women of the 21st century are emerging with an expertise in the fields of IT, telecom and finance. Many of these industries are headed and guided by women

entrepreneurs. They have learnt over the years the art of negotiation and reconciliation and qualities of patience and understanding, along with an inherent quality of emotional intelligence.

Jalbert (2000) has explored the role of women entrepreneurs in a global economy. According to the author, women business owners are making significant contributions to global economic health, national competitiveness and their business associations are strengthening women's position in business and international trade. The study shows that the women possess certain inherent characteristics and abilities that help to build and maintain long-term relationships and networks. They are able to communicate effectively, organize efficiently and are aware of the needs of their environment thus promoting sensitivity to cultural differences.

According to **Jeya Ani J (2013)**, Women entrepreneurship is a recent phenomenon in India which emerged prominently in late 1970s. More and more women are venturing into entrepreneurship in multifaceted business activities. Initially women entrepreneurship developed only at urban areas; however, with passing time, it has also spread its wings in many rural and semi-urban areas. Although women entrepreneurs during seventies got primarily engaged in traditional activities only, however with spread of education and favorable environment, women are also observed taking up non-traditional activities.

The study conducted by **Kalyani and Chandralekha (2002)** explores how far women entrepreneurs are involved in the management of their enterprises. This will help for planning for appropriate interventions. The study makes an attempt to understand about women entrepreneurs take initiatives to start their own enterprises. It also analyzes those factors that motivate women to start their enterprises and also various constraints faced in managing the enterprises. The result revealed that the socio-economic and demographic characteristics have a significant impact on the involvement of women entrepreneurs when it comes to managing enterprises. There were several respondents who received help from their family members particularly males. The family/male members were a big support in carrying out activities related to physical labor or for travelling to distant places.

OBJECTIVES

1. To identify the parameters of enterprise development among women entrepreneurs
2. To estimate the enterprise development index for urban and rural women entrepreneurs.
3. To identify the gap in enterprise development index among urban and rural women entrepreneurs and test its significance.

RESEARCH METHODOLOGY

The various entrepreneurial enterprises run by the urban and semi-urban women of the study area had several impacts on their personal, professional and enterprise level. The impact on the Enterprise development can be understood by enumerating several factors which have helped the women entrepreneurs to a particular level. The Enterprise Development Index (EDI) consisting of 16 factors/dimensions is adopted. (**Table: 1 and Table: 2**). The mean score on likert scale represents the overall level of accomplishment or attitude towards various factors which are critical for development of women run enterprises in the district. These dimensions/factors are crucial to judge the level of enterprise development among women in the district. Some of the important dimensions included are as follows, Product/Service Variety, Market Penetration/ opportunities, Vertical & Horizontal Expansion, Decision Making on enterprise matters, Employment created, Customer Base, Market Infrastructure, Sale or turnover, Reinvestment in business, Profitability, Networking with stakeholders, etc. The impact may be different in the urban and rural/semi-urban areas and therefore keeping this in mind, a separate index for urban and rural enterprises is designed for comparative assessments. The number of the respondents was 170 women entrepreneurs from the urban area and 85 women entrepreneurs from the semi-urban region.

1= SU(Strongly Unfavourable), 2= SWU(Somewhat Unfavourable), 3= N(Neutral), 4= SWF(Somewhat Favourable), 5= SF(Strongly Favourable)

ENTERPRISE DEVELOPMENT INDEX OF WOMEN ENTREPRENEURS

Market Penetration and Opportunities:

The status of Market penetration and opportunities in the district, both in Urban and rural/semi-urban regions have largely depended on the customs, traditions, choices, purchasing power, trends, culture etc. According to the study, the urban women entrepreneurs were able to benefit more as far as market opportunities are concerned with a weighted mean of 3.41. On the other hand this was not so easy for the rural/ semi-urban women with a weighted mean of 3.14 who had fewer opportunities to enter new markets and make a place for their enterprise/product. Education, communication, large markets, institutional support and better infrastructural facilities are some of the reasons which helped the urban women to enter the new markets. The rural/semi-urban women entrepreneurs were not aware of such facilities and thus were not able to take advantage of the same.

Customer Base:

Women entrepreneurs have also started spreading their entrepreneurial activities and are able to relatively attract a bigger Customer base and thus position their enterprises. The weighted mean of 3.24 made it clear that the women entrepreneurs of the urban area were able to expand their enterprise and thus increase the number of their customers. They were able to utilize the marketing strategies, promotional schemes and easier transportation facilities in a better manner in the urban sector. The semi-urban women were not very well versed with such facilities and ideas and their weighted mean accounted to only 3.09, which was much less than their urban counterpart. The main reason for such unawareness and ignorance was illiteracy and also scarce resources to a certain extent.

Decision Making on Enterprise Matters:

In general, decision-making is a complex process, which may involve a series of stages and people. Decision making in business is a very sensitive issue as it involves key parameters and issues such as money, income, ownership and control. The weighted mean 3.56 of the urban women entrepreneurs makes it clear that the entrepreneurial venture has helped the women in the decision making power of their day to day activities. The functioning of the enterprise, managing the operational activities, procuring of raw material, investing and expanding, are some of the decisions which are taken by the women themselves. With the passage of time, these women have become confident of their actions and are able to take decisions on their own. Such confidence level in decision making was not to be seen in the rural/semi-urban women entrepreneurs. Their weighted mean score of 3.08 shows that lack of training & guidance, illiteracy, lack of technical and managerial support has led to a poor confidence level in the decision making process among rural/ semi-urban women in the district.

Variety of Products and Services:

The growth of an enterprise also depends upon variety of products and services that the women entrepreneurs are able to offer to their customers in the market. The mean score of 3.58 of variety of products and services reflects a pleasing score among women entrepreneurs of the urban areas, which clearly shows that these urban women have been offering a very good variety of products and services to their customers. On the other hand, women entrepreneurs in rural/ semi-urban areas with mean score of 3.04 are not able to explore the markets with much of variety in their products and services. The urban women entrepreneurs are able to procure the latest variety in their products and services through a number of wholesalers operating in the urban areas and

the internet services have also helped them to a substantial degree. Whereas, on the other hand rural women entrepreneurs are not exposed to such options due to lack of literacy. They are unaware of such facilities available and are using the old traditional methods of trying to bring innovation and variety in their enterprises.

Horizontal Expansion:

The women entrepreneurs in both, rural and urban areas, after reasonably positioning their products and services in the market, have been working hard to carry forward their future plans of Horizontal expansion of their enterprise. This is possible only when women are experienced enough to diversify their enterprises and they are in a position to induct more funds in business. The mean score among urban women entrepreneurs account to 3.29, whereas women entrepreneur in rural/ semi-urban areas have padded behind with a mean score of 2.89. Though there exists a small difference in the mean, it is really encouraging to note that women entrepreneurs in both urban as well as rural belts have been progressing well with their expansion plans. This reflects a positive sign for the growth of entrepreneurial activities in this region of Madhya Pradesh.

Vertical Expansion of Enterprises:

The expansion of business is the key factor for the development of entrepreneurial activities in the region. The mean score for Vertical expansion among urban women entrepreneurs stands at 2.98, which shows a respectable and hopeful growth of their enterprises. The financial institutions and banks are a big boon for the urban women to arrange for financial resources in order to expand their enterprises vertically. The mean score for Vertical expansion among rural/ semi-urban women entrepreneurs account to only 2.49, which clearly indicates that expanding the venture vertically they need to be more daring as far as finances and risk bearing is concerned. The SHGs and NGOs do try to help them but a lot of encouragement is still required for the women to have faith in the ideas and guidance given by these organizations.

Market Infrastructure:

Infrastructure plays an important role in economic development and acts as an effective catalyst for the entrepreneurial development among women in many ways. Entrepreneurial infrastructure enables entrepreneurs in initiating and sustaining their enterprises. The study finds that the mean score on the parameter of development of market infrastructure accounts to 3.14 in the urban areas. This has helped urban women entrepreneurs in the district to take advantage and to showcase their products and services in an effective manner in the market. On the other hand, the study helped us to understand that the rural/ semi-urban market infrastructure with a mean score of 2.88 needs to be developed so that the women and the other entrepreneurs could also benefit from it. In the rural/semi-urban areas of the study region, the poor market infrastructure does not charm the consumers to buy stuff from there, nor are the vendors very happy to showcase their produce in a poorly structured market place.

Institutional Support:

Integration with NGOs, SHGs, local Governing bodies and Government institutions is very essential for the growth of women run enterprises in the district. These institutions can help women entrepreneurs in many ways, right from providing guidance & counseling to the accessibility of various government schemes for initiating and sustaining their enterprises. The mean score in the rural/ semi-urban accounts to 2.73, which is lower as compared to mean score of 2.94 of the urban areas, with regard to the institutional support is concerned. However, it is encouraging to observe during the study that NGOs, SHGs, Gram Panchayats, and other governmental institutions have been continuously helping rural women to develop their enterprises and to position their products effectively in the respective markets.

Management of the Enterprises:

Managing the enterprise requires time and dedication. This is not only acquired with experience but training programs also hold equal importance for developing managerial skills in the entrepreneur. The mean score among urban women entrepreneurs was found to be 3.10, whereas among rural/semi-urban women entrepreneurs it accounted to only 2.62. This disparity among the two was basically due to lack of literacy amongst the rural/semi-urban women. The lower education level among rural women was a hindrance in understanding the techniques and intricacies of managing the enterprise.

Table 1 : Enterprise Development Index (EDP) of Urban Women Entrepreneurs

S. N	FACTORS	Strongly Unfavourable	Somewhat Unfavourable	Neutral	Somewhat Favourable	Strongly Favourable	Mean Score	Rank
		(1)	(2)	(3)	(4)	(5)		
1.	Product and Service Variety	13	13	49	52	43	3.58	1
2.	Decision Making on enterprise matters	13	13	52	49	43	3.56	2
3.	Market Penetration/ opportunities	11	19	58	53	29	3.41	3
4.	Employment provided by women Entrepreneurs	11	17	67	46	29	3.38	4
5.	Horizontal Expansion	13	21	62	51	23	3.29	5
6.	Road & Transportation facilities	27	23	35	49	36	3.26	6
7.	Customer Base	16	29	53	42	30	3.24	7
8.	Reinvestment in business	21	27	53	41	28	3.16	8
9.	Market Infrastructure	19	29	52	49	21	3.14	9
10.	Management of the Enterprise	19	44	37	41	29	3.10	10
11.	Networking with stakeholders	16	27	67	45	15	3.09	11
12.	Sale or turnover	17	25	69	47	12	3.07	12
13.	Profitability	19	29	69	38	15	3.01	13
14.	Time spent on enterprise	24	29	63	33	21	2.99	14
15.	Vertical Expansion	25	32	59	29	25	2.98	15
16.	Integration with NGOs, SHGs/ Govt/ Local bodies and other organizations	21	37	59	37	16	2.94	16

Table: 2								
Enterprise Development Index (EDP) of Rural Women Entrepreneurs								
S.N	FACTORS	Strongly Unfavourable	Somewhat Unfavourable	Neutral	Somewhat Favourable	Strongly Favourable	Mean Score	Rank
		(1)	(2)	(3)	(4)	(5)		
1.	Market Penetration/ opportunities	8	13	34	19	11	3.14	1
2.	Customer Base	9	15	32	17	12	3.09	2
3.	Decision Making on enterprise matters	11	19	25	19	06	3.08	3
4.	Product/Service Variety	10	17	28	19	11	3.04	4
5.	Horizontal Expansion	11	18	31	19	6	2.89	5
6.	Market Infrastructure	14	19	26	15	11	2.88	6
7.	Integration with NGOs/SHGs/ Local bodies etc.	13	19	37	10	6	2.73	7
8.	Employment provided by women Entrepreneurs	12	24	32	13	4	2.68	8
9.	Time spent on enterprise	14	25	26	15	5	2.67	9
10.	Management of the Enterprise	12	28	28	14	3	2.62	10
11.	Sale or turnover	16	17	37	13	2	2.62	11
12.	Profitability	19	23	24	12	7	2.59	12
13.	Road &Transportation facilities	21	24	19	14	7	2.55	13
14.	Vertical Expansion	13	27	36	8	1	2.49	14
15.	Networking with	19	21	36	7	2	2.44	15

Employment Opportunities:

It is noticed during the study that the women run enterprises are also providing employment to many people in the district. They have not only provided employment to the females, but also employed males on part time and hourly basis in their enterprises. The creation of employment opportunities scores a mean of 3.38 in urban areas, whereas rural/semi-urban women entrepreneurs stands low with mean score of 2.68. The urban and the semi-urban women entrepreneurs took help from the men employees basically for technical purposes or activities which required physical strength respectively. They preferred to provide employment opportunities to women who were skilled in some or the other field, be it computers, communication, managerial skill or other business proficiency as a matter of fact.

Time Devoted to Enterprises:

The success of an enterprise also depends upon the time factor, which plays a very important role. The urban women were spending more time 2.99 due to the size of their venture and the market demand. Their market was spread out over a large area and thus they were required to spend more time to their enterprise. On the other hand, the women entrepreneurs of the rural and semi-urban areas were spending comparatively lesser time 2.67. The rural markets are much smaller in size and have relatively a small variety of products and services to offer. Also, besides entrepreneurial activities, women in rural areas were also taking care of their cattle and allied activities.

Business Turnover:

The study depicts that the urban women entrepreneurs with a mean score of 3.07 were able to earn a substantial amount of turnover from their enterprise. A larger and stretched out market area in urban centers with the rising number of consumers helped in the rise of sales. The promotional and advertising activities also helped these women in raising their turnover. On the other hand the rural/ semi-urban women entrepreneurs could achieve a mean of only 2.62. The main reason which our study helped us to know for the lower sales/turnover among rural women entrepreneurs was the small market size and negligible means of promotional and advertising activities.

Profitability:

A direct linkage can be observed between sales/turnover and profitability. Women entrepreneurs in the district have opined a rise in their business sales over the years. This has been reflected in their gains; as rise in sales has led to profitability with the mean score of 3.01 among urban women entrepreneurs and 2.59 for rural/ semi-urban women entrepreneurs. The reason behind the low profit margins in rural/semi-urban areas is due to low volume of transactions, fewer consumers, less variety and thus low profitability. The higher mean score in the urban markets could probably be attributed to stretched market area, large number of consumers, variety of products, marketing strategies and favorable business environment.

Road and transport facilities:

Another important aspect which leaves a great impact on the development of the enterprises is the Road and transport facilities. This directly affects the sales/turnover and profitability of the women entrepreneurs in the region. The urban women enterprises are much better placed and enjoyed improved road and transport facilities with a mean score of 3.26, whereas the score for rural/ semi-urban women entrepreneurs accounts to only 2.55. These figures clearly indicate that the women enterprises in rural/semi-urban markets need to be connected better as far as transport facilities are concerned.

Networking with Stakeholders:

Networking with stakeholders is an important aspect which helps the business women to grow their enterprise and enjoy the benefits of good relations. The mean score with context to building proficient network accounts

to 3.09 among urban women entrepreneurs, whereas this accounts to only 2.44 among rural/semi-urban women entrepreneurs. The difference between the urban and rural women entrepreneurs is basically due to the difference in literacy level and the capacity to communicate & the power of convincing the other party. Besides these factors, lack of awareness and managerial skills among rural women has also deprived them to build a strong network with their stakeholders.

Reinvestment in Business:

Reinvestment in the business leads to higher range of variety and usually an increase in the profit margins. It is found during the study that urban women are more into reinvesting their returns/profits into business with mean score on the higher side at 3.16, whereas in the rural/semi-urban areas the mean score is only at 2.27. The study shows that the urban women entrepreneurs are able to manage to reinvest a portion of their profit back in the business; however it is at times more difficult for the rural /semi-urban women entrepreneurs to do the same. The study revealed that the majority of rural and semi-urban women entrepreneurs entered into the entrepreneurial venture basically due to economic constraints in their life and so their earnings gets consumed in their daily household needs and they are left with very meager amount for reinvestment purpose.

Analysis and Findings:-

An attempt was made to judge the impact of entrepreneurship on enterprise development among urban and rural/semi-urban women entrepreneurs and how it has led to the improvement in their socio-economic status. It is really enlightening to observe that there has been a remarkable surge in entrepreneurial activities in the district and this has brought social and economic enhancement in their Standard of living. Does the enterprise development among women entrepreneurs differ significantly in urban or rural/semi-urban areas in the district? For this purpose, a hypothesis has been framed as below.

H₁: There has been substantial development of women run enterprises in urban and rural/semi-urban areas of Indore district.

The analysis will help in designing suitable strategies for development of entrepreneurship among urban and rural/semi-urban women for their improved entrepreneurial growth leading to better standards of living.

In order to test this hypothesis, the weighted Arithmetic mean score of each parameter, namely, Enterprise Development index, and their standard deviations with respect to the opinion sought of urban as well rural/semi-urban women entrepreneurs were calculated. The results of these tests are illustrated in Table: 3

Table 3 : Test of Significance for difference between the mean scores of Urban and Semi-urban/Rural Developmental Parameters:-

S. N.	Parameters	URBAN			RURAL/ SEMI-URBAN			Test of Significance	
		No.	Mean	S.D	No.	Mean	S.D	Z Value	Result* at $\alpha=5\%$
1.	Enterprise Development	170	3.20	0.20	85	2.74	0.26	14.33	(H ₁) _{6.1} Significant *

The result depicts that the parameters of Enterprise Development are found significant. It means that these developmental parameters differ significantly among urban and rural women entrepreneurs. In other words, the development of entrepreneurial activities in the district affects urban and rural women entrepreneurs with varying strength. The study clearly illustrates that in terms of enterprise development, women entrepreneurs in the urban areas are better placed as compared to their rural/ semi-urban counterpart. The development of entrepreneurial activities in the region has been more effective in bringing about a considerable change in economic and social status of urban women entrepreneurs, whereas more efforts are needed to boost entrepreneurial activities in rural areas. The reasons are quite obvious as women in rural areas have to counter many odds at personal as well as family & professional front to enter into entrepreneurship and establish their enterprises. Lack of literacy, awareness, financial liquidity, lack of skills, rigid mind set of the society etc. are some of the inherent factors, which slow down the entrepreneurial activities in the rural areas, which adversely affect them economically and socially. However, it's really heartfelt to observe that even against all odds, more and more rural women are entering into entrepreneurship, and thus bringing incremental change in their economic and social status.

CONCLUSION

On the basis of the above discussions, several points have contributed in the enterprise development among women entrepreneurs in the urban and semi-urban areas. The profit earned in the business venture has helped the women not only to elevate the development of their entrepreneurial activities, but also to uplift their standard of living. The improvement in their entrepreneurial development and their economic conditions, have made women entrepreneurs to be more confident and strong enough to handle the ups and downs of their life with a practical approach. The rise in the confidence is gained by moving out of the house and trying to prove their worth in a man's world. The results of the study are very encouraging as majority of women respondents have reported to have enhanced their income-generating opportunities due to the increase in entrepreneurial activities in the district. This has led to an enhancement in their socio-economic status and hence showing acceleration in their standard of living, which is a commendable achievement for women of this region.

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