

# Influence of Motives and its Impact on Women Entrepreneurs of India

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## Abstract

During the last two decades, there is an increasing trend of Indian women entering the field of entrepreneurship. They are also gradually changing the face of business both literally and figuratively, but still they have not capitalized their potential in India the way it should be. This paper makes an attempt to analyse the motivational factors that influenced the women entrepreneurs to undertake business in Erode district of Tamilnadu state. Primary data have been collected from 150 women entrepreneurs from the list 1 of SHGs and 200 from the list 2 of other women entrepreneurs. The findings indicate that positive attitude and self-confidence to work with the other people and to succeed are motivational factors that support top ranking goals of acquiring power and money through entrepreneurship for women entrepreneurs. It also indicates that convenient and low cost loans from banks are important pull factors for women to avail institutional loans and to avoid liquidity constraints. In push factors, the two groups have different perception on what pulled them to be entrepreneur.

**Keywords:** Entrepreneurship, SHG, Pull Factors, Push Factors

## 1. Introduction

“Woman’s liberation is not a luxury for India, but an urgent necessity to enable the nation to move ahead to a life which is more than satisfying materially, intellectually and spiritually.”- Smt. Indira Gandhi

Economic strength is the basis of social, political, and psychological power in society. Thus, women’s current status is seen to stem from their low economic status and consequent dependence on men and lack of independent decision making power. If women gain economic strength, they gain both visibility and a voice in homes, work place and community. Thus, Women’s economic development is a powerful precursor to women’s empowerment. This has an impact on their social status in terms of increase in their literacy, education of their children and family well-being.

With economic independence, women have acquired a high self-esteem and have also discovered that, they are able to deal with situations independently. Women would therefore, stand up to make their own statement of goals and make difficult choices (Parikh, 1999).

## 2. Empowerment

Government of India declared the year 2001 as the Year of Women’s Empowerment. A National Policy for the Empowerment of Women was announced by the Government on 20th March, 2001. The main objective of this policy is to bring about the advancement, development, and empowerment of women, to eliminate all forms of discrimination against women and to ensure their active participation in all spheres of life and activities.

In the policy and programmes to empower women, entrepreneurial development of women has received priority for its contribution to the self development of women.

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### 3. Women Entrepreneurship

Entrepreneurship has gained currency across the sphere and female entrepreneurship has become an important module. India is one of the fastest emerging economies and the importance of entrepreneurship is realized across the gamut. “Women Entrepreneurship” means an act of business ownership and business creation that empowers women economically increase their economic strength as well as position in society. Women entrepreneurs have been making a considerable impact in all most all the segments of the economy.

#### 3.1 Reasons of Women Opting for Entrepreneurship

Since 21st century, the status of women in India has been changing as a result to mounting industrialization and urbanization and social legislation. Over the years, more and more women are going in for higher education, technical and professional education and their proportion in the workforce has also been increased. With the spread of education and awareness, women have moved from the kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities. The Government and financial institution has also laid special steps in promoting entrepreneurial traits for women to enable them to start their own ventures. This has rebound the women entrepreneurs on the economic scene in the recent years and various forces urge them to start up their own enterprises.

A study identifies the reasons and influencing factors behind entry of women in entrepreneurship. It explains the characteristics of their businesses in Indian context and also obstacles and challenges. Study also mentions the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. Suggested the remedial measures like promoting micro enterprises, unlocking institutional

frame work, projecting and pulling to grow and support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry and social and welfare development ministry of the Government of India (Singh, 2008).

A detailed exploration of men and women entrepreneurs’ motivations, background and experiences were studied. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial and psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement and financial support of business partners, experiences and well developed professional network (Cohoon, Wadhwa and Mitchell, 2010).

Self-determination, expectation for recognition, self esteem, and career goal are the key drivers for taking up entrepreneurship by women (Moore and Buttner, 1997). Sometimes, women chose such career path for discovering their inner potential, caliber in order to achieve self satisfaction. It can also provide a mean to make best use of their leisure hours. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities.

#### Performance of Women Entrepreneurs

A study was conducted to explore the role of women entrepreneurs in a global economy. The analysis is performed on the basis of facts and data collected through field work (surveys, focus groups, and interviews) and through examining the existing published research. The study has shown that the women business owners are making significant contributions to global economic health, national competitiveness and community commerce by bringing many assets to the global market. As per the analysis of the research study, women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks to communicate effectively, to organize efficiently, to be fiscally conservative, and to be aware of the needs of their environment and to promote sensitivity to cultural differences. Researchers contend

that women business owners possess certain specific characteristics that promote their creativity and generate new ideas and ways of doing things. These characteristics include focus, high energy level, personal motivations, self-employed father, social adroitness, interpersonal skills etc (Jalbert, 2000).

A study on performance of women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala were conducted. 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 and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries (Das, 2000).

#### 4. Problem Statement

The knowledge of the factors influencing entrepreneurship of women, their success and pay-off is necessary and helpful to make the programmes for making women entrepreneurs more pragmatic and productive. The present study meets this need, *albeit* in a small scale in Erode district, Tamilnadu. Empowering women is an accepted policy and organizing women to be entrepreneurs is mission to achieve the goal supported by women-focused institutions and programmes.

The SHGs have emerged as institutional innovation that has found wide adaption and fast growth, especially in Tamilnadu. Their success needs to be studied for both factors that helped the success and the problems faced by them, so that policies and programmes may be fine-tuned or restructured to ensure their sustainable growth.

#### 5. Self-Help Groups (SHGs)

It has been realized in many parts of the world that an effective way to tackle poverty and to enable communities to improve the quality of life is through social mobilization of disadvantaged people, especially into Self-Help Groups (SHGs). Self-help group is a trust, belief, and conviction that the community, no matter how backward, has

resources that can be mobilized for meeting individual's local needs and that of the community for making local improvements and bringing about social change.

The concept of self-help groups is based on the idea of community participation, as sustainable community development requires the active participation of the entire community. Popular participation ensures that, the benefits of development are equitably distributed. To further this, proposals are made for the decentralization of the authority so as to ensure redistribution of wealth, improved access to education and other social services.

Consequently the focus of self-help groups is to develop the capacity of the disadvantaged, particularly women, and to organise them, so that they can deal with socio-political and socio-economic issues that affect their lives.

### 6. Methodology

The response of women to the programmes is large and widespread in Tamil Nadu. The success of those women entrepreneurs will significantly speed up the progress of economic development and removal of poverty in the state. In this context, the question arises, how do the women entrepreneurs in general and those in SHG in particular perform? To find answer to this question, a sample of woman entrepreneurs is selected and studied.

#### 6.1 Sampling Method

Two categories of women entrepreneurs are recognized viz., those in SHGs and those outside. The register of enterprises in Small Scale Industries (SSI) with District Industries Centre (DIC) has the list of all small scale enterprises, consisted of 2650 women entrepreneurs in the district. Thus, there were two lists of women entrepreneurs: one for those in SHGs (list 1) and those outside SHGs but registered with DIC (list 2). There were 1136 women entrepreneurs in list 1 and 1514 in list 2. In probability proportion to the number in each list to the total of (2650) women entrepreneurs in the district it was decided to select 150 women entrepreneurs from SHGs and 200 from the list 2 of other women entrepreneurs.

The required number of women entrepreneurs were selected by the systematic random sampling (SRS) method applied to the lists separately. They were the source of primary data collected for this study.

**Table 1: Prime Motivators for Women Entrepreneurs**

| Sl. No. | Source of Motivation | Women Entrepreneurs in |    |        |    |
|---------|----------------------|------------------------|----|--------|----|
|         |                      | SHG                    |    | Others |    |
|         |                      | No.                    | %  | No.    | %  |
| 1.      | Self                 | 66                     | 44 | 130    | 65 |
| 2.      | Family head*         | 36                     | 24 | 100    | 50 |
| 3.      | Other relatives      | 15                     | 10 | 12     | 6  |
| 4.      | Neighbours           | 24                     | 16 | 32     | 16 |
| 5.      | Education            | 21                     | 14 | 36     | 18 |
| 6.      | Support Agencies     | 36                     | 24 | 10     | 5  |
| 7.      | Others               | 6                      | 4  | 16     | 8  |
| 8.      | NGO                  | 19                     | 13 | 8      | 4  |

Note : \*-Father or Husband, Other relatives - such as grandfather, uncle, elder brothers etc.

## 7. Motivation and Performance

Several factors influence women to take up entrepreneurship, some are personal and others are push or pull factors. Eleven personal factors were identified in the preliminary works, to have influenced women to become entrepreneurs. The mean score for all the respondents of each factor was used to rank the factors for the order of their importance.

### 7.1 Prime Motivators

Women entrepreneurship is still an upcoming phenomenon as far as India is concerned. An Indian woman is typically characterised by strong family bonds. For a woman to venture into entrepreneurship, it takes the involvement and support of all her family members and society. If a woman takes up entrepreneurship, it may have been so because she was permitted by her family members to do so. Only after her family, neighbours, and relatives have consented, can women seek the support of Government and other agencies. Though self-motivation to become an entrepreneur may be strong, it is largely depending on the attitude of the family members. In most cases, parents and husband exercise their decision for the women and act as decision making units when it comes to deciding their career. The prime motivators of the women entrepreneurs are presented in Table 1.

Self-motivation ranks at the top, as 44 percent of women in group 1 and 65 percent of women in group 2 have reported. For women in group 1, support agencies and NGO's are also important motivators accounting for 24 percent and

these sources of motivation are less important in Group 2. Heads of the family, mostly father or husband or other elders, are also motivators as reported by 24 percent and 50 percent of women in group 1 and 2 respectively.

Neighbours are a source of motivation to women in both groups (16%). Relatives and other (non-relatives, non-neighbours) persons act as motivators for 10 percent or less of women in the both the groups. Supporting agencies, government departments, banks, educational, and training institutions are a very important source of motivation for SHG women (24%) but less important for women in group 2 (5%). Education of women gives them skill and confidence to become entrepreneurs. It is reported as a source of motivation by 14 percent and 18 percent of women in group 1 and 2 respectively.

In group 1, even women with low education are helped to form SHGs and take up enterprises by their collective will and effort. They gain confidence in their collective efforts and willingness to share, the responsibilities and even risk as per the opinion of those women. The government policies and schemes support this effort.

### 7.2 Personal Factors

Though motivators help in bringing awareness of opportunities and encouragement to become entrepreneurs, women have their own personal desires, ambitions and goals to realize and these personal factors are shown in Table 2.

As can be seen in Table 2, all but one personal factors have mean scores larger than three showing agreement.

**Table 2: Personal Factors Encouraging Entrepreneurship**

| S.No. | Personal Factors    | SHG        |      | Others     |      | 't'   | Sig. |
|-------|---------------------|------------|------|------------|------|-------|------|
|       |                     | Mean Score | Rank | Mean Score | Rank |       |      |
| 1.    | Desire for success  | 3.33       | 6    | 3.06       | 6    | -1.07 | NS   |
| 2.    | Personal skills     | 3.45       | 4    | 3.42       | 1    | -0.11 | NS   |
| 3.    | Risk taking ability | 3.44       | 5    | 3.04       | 7    | -1.78 | NS   |
| 4.    | Confidence          | 3.32       | 7    | 3.08       | 5    | -0.98 | NS   |
| 5.    | Innovation skills   | 3.62       | 2    | 3.12       | 3    | -2.17 | **   |
| 6.    | Tolerance           | 3.32       | 7    | 3.00       | 8    | -1.35 | NS   |
| 7.    | Make money          | 4.48       | 1    | 3.06       | 6    | 2.68  | **   |
| 8.    | Gain power          | 3.14       | 8    | 3.10       | 4    | -0.17 | NS   |
| 9.    | Persistence         | 2.22       | 9    | 1.98       | 9    | -1.05 | NS   |
| 10.   | Independence        | 3.46       | 3    | 1.84       | 10   | -2.73 | *    |
| 11.   | Competitiveness     | 3.45       | 4    | 3.22       | 2    | -0.83 | NS   |

**Table 3: Push to Entrepreneurship of Women**

| Sl.No. | Push Factors                         | Group 1    |      | Group 2    |      | 't'   | Sig. |
|--------|--------------------------------------|------------|------|------------|------|-------|------|
|        |                                      | Mean Score | Rank | Mean Score | Rank |       |      |
| 1.     | Unemployment of self / family member | 1.83       | 5    | 1.87       | 5    | 0.15  | NS   |
| 2.     | Diversification of economic interest | 4.27       | 2    | 4.29       | 2    | -1.60 | NS   |
| 3.     | Making use of idle funds             | 4.21       | 3    | 4.33       | 3    | -1.35 | NS   |
| 4.     | Excess free time                     | 4.33       | 1    | 4.35       | 1    | 0.36  | NS   |
| 5.     | Death of father / spouse             | 2.29       | 4    | 2.30       | 4    | 0.36  | NS   |
| 6.     | No other means of livelihood         | 1.14       | 6    | 1.16       | 6    | 2.55  | **   |

Need for money has the largest mean score (4.48) showing strong agreement. It is ranked as the first (top) factor. The women with skills for innovation, risk taking, and skill for interpersonal relationship opt to entrepreneurship. Competitiveness, risk taking, their desire for success, tolerance, confidence, independence and readiness to compete give them confidence to earn money and power of decision making. Persistence to realize these personal preferences is however weak as shown by a mean score of 2.22 (less than three).

For women in group 2, the top ranking personal factor is their interpersonal skill, followed by the willingness to take on competition, innovative skill, and desire to gain decision making power and these give them required confidence to become entrepreneur and to earn money. Persistence and independence are not important personal factors for them. Innovative skills in the form of new ideas for organization, production and marketing is an important personal factor (ranks 2 and 3) for women in both groups, but it is significantly stronger for group 1, while independence is ranked third for group 1, it is ranked

10 by group 2 and the mean scores differ significantly.

This is due to the fact that women in group 2 are already independent, while SHG women have to earn independence. Apart from these personal factors of ability and preferences, there are factors making it necessary for women to get a job.

### 7.3 Push Factors

The respondents identified six push factors. They are ranked and presented in Table 3.

Availability of free time to be engaged productively is the most important reason that pushed women into workforce. This has rank one for both the groups. Next comes the desire to diversify economic activities, while making use of funds available for investment is ranked third. The other three factors have low mean scores in both the groups showing that they are not important factors to influence women to become entrepreneurs. The factors are death of supporting male members of the family, unemployment

**Table 4: Pull Factors to Entrepreneurship of Women**

| Sl.No. | Pull Factors                               | Group 1    |      | Group 2    |      | t'    | Sig. |
|--------|--|------------|------|------------|------|-------|------|
|        |  | Mean Score | Rank | Mean Score | Rank |       |      |
| 1.     | Success stories                            | 4.10       | 4    | 3.14       | 6    | -2.71 | *    |
| 2.     | Technical and professional skills          | 4.40       | 3    | 4.98       | 1    | -2.52 | **   |
| 3.     | Availability of skilled people             | 4.62       | 2    | 2.84       | 7    | -0.96 | *    |
| 4.     | Family support                             | 2.38       | 7    | 4.16       | 4    | -4.11 | *    |
| 5.     | Participating in EDP                       | 3.05       | 6    | 3.68       | 5    | 5.87  | *    |
| 6.     | Availability of expert advice/ consultancy | 4.06       | 5    | 4.92       | 2    | 3.10  | *    |
| 7.     | Availability of incentives                 | 5.41       | 1    | 4.28       | 3    | 1.54  | *    |

**Table 5: Extent of Fulfillment of Expectations from Support Agencies**

| Sl.No. | Agencies                      | SHG        |      | Others     |      | t'    | Sig. |
|--------|-------------------------------|------------|------|------------|------|-------|------|
|        |                               | Mean Score | Rank | Mean Score | Rank |       |      |
| 1.     | Commercial Bank               | 4.40       | 1    | 4.54       | 1    | 0.98  | NS   |
| 2.     | DIC                           | 3.96       | 2    | 3.86       | 3    | -0.84 | NS   |
| 3.     | State Financial Corporation   | 3.61       | 4    | 3.76       | 4    | 1.10  | NS   |
| 4.     | Women Development Corporation | 3.71       | 3    | 4.14       | 2    | 3.07  | *    |
| 5.     | NGO's                         | 3.55       | 5    | 3.50       | 5    | -0.43 | NS   |

of self or other members in the family and no other means of livelihood.

#### 7.4 Pull Factors

There are factors that pull women to entrepreneurship. The factors and their ranks based on mean scores are presented in Table 4.

For entrepreneurs in group 1, availability of incentives in various government schemes is the most important pull factor. Women with skill in specific job come together in SHG to start enterprises. Therefore, it ranks second. Some women with special technical and professional skills as in software, electronic equipment maintenance, etc., take support of other women to form SHG and run enterprise; it ranks third. Success stories of some women entrepreneurs provide motivation for other women and this is ranked fourth among pull factors. Other pull factors are (i) advice by experts, (ii) training in entrepreneurial development and (iii) support of family members (mostly elder men), in that order.

For women of group 2, possession of technical and professional skills, ranks first. It is followed by advice

from experts, availability of incentives, and family support in that order. Awareness gained by participation in entrepreneurial development programmes, success stories of other women and availability of skilled people are ranked in the last three grades.

#### 7.5 Support of Agencies

The incentives include loans from banks, state financial corporations, advice and guidance from DIC, encouragement and assistance from Women Development Corporation, and services of other NGOs. How far did the respondent's women realize their expectations from these agencies? The question is answered by the details in Table 5 below.

The fulfillment of expectations of women entrepreneurs from different agencies have received high scores, making mean scores to be larger than three-a measure of agreement to strong agreement. It is the same case for both the groups. While support from DIC ranks second for (SHG) group 1; it is the support from Women Development Corporation for group 2 and the position is reversed in rank three. The role of state financial corporation and NGO's receive fourth and fifth ranks, in both groups.

## 8. Inferences

A very positive attitude and self-confidence to work with the other people and to succeed are motivational factors that support top ranking goals of acquiring power and money through entrepreneurship for women entrepreneurs of both SHG and also others.

Convenient and low cost loans from banks are important pull factors for women to avail institutional loans and to avoid liquidity constraints.

There are few women entrepreneurs who find difficulty in availing institutional loans. Their problems can be solved by counseling women on project preparation and appraisal.

The policies and programmes implemented by the governments have succeeded in entrepreneurial development of women with the motivation, advice, guidance and assistance.

In the push factors, the two groups show significant difference in this mean scores revealing that the women in the two groups have different perception on what pulled them towards entrepreneurs and their order of ranking also differed accordingly.

When women prefer to be entrepreneurs rather than wage earners, factors become pulling for entrepreneurship development.

## 9. Conclusion

The study brings out that though women differ in the forms of their entrepreneurship, the economic activity have certainly influenced the quality of their living. Though, the government has formulated lots of policies in empowerment of women, the extent of awareness alone determines, its success. A very positive attitude and self-confidence to work with other people are motivational factors for SHGs. With defined goals and rational use

of profit, the women entrepreneurs are committed to the performance and success of the enterprise. They are successful in terms of net worth, profit and sales value. Since, the study supports the significance of policies in empowering women; measures should focus on its reach. New forms of entrepreneurship like Group Women Entrepreneurship, as derived from SHG's will result in better performance of these entrepreneurs. If women gain economic strength, they gain visibility and a voice at home, workplace and community. This has an impact on their social status in terms of increase in their literacy, education of their children and family well-being. Therefore, empowerment of women has a rich payoff in economic development and egalitarian goals of the society.

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