

Entrepreneurship and Women

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Abstract. The entrepreneurship of women is considered to be an effective instrument to the economic development and empowerment of women. The Self Help Groups is considered to be institutional innovation that fosters empowerment of economically and socially deprived women. This paper discusses the differences between women in other forms of enterprises and the Self Help Groups, and attempts to identify the strength of these two forms of enterprising in empowering women.

Keywords: Entrepreneurship, empowerment, Self Help Groups, Enterprise differentiation

1. Introduction

The entrepreneurship of women is considered to be an effective instrument to the economic development and empowerment of women (Bisht, et.al., 1991). Empowerment of women has five components: women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resource; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally(single et.al.,1998). While various opportunities are there for women empowerment, the Self Help Groups (SHG's) help even economically poor and socially backward women to come together and succeed by their collective efforts(Dant, Rajiv, P. et.al.,).

Hence, a study was conducted in Tamilnadu to assess the performance of women as entrepreneurs. Thus, there were two lists of women entrepreneurs: one for those in SHGs (list I) and those outside SHGs but registered with the District Industries Centre (DIC) (list II). It was decided to select 150 women entrepreneurs from SHGs and 200 from the list II of other women entrepreneurs. In every stage of the analysis, the two groups viz., (i) group-I of SHGs and (ii) group-II of other entrepreneurs were compared to know their relative performance. Finally, a discriminant function was specified and estimated to identify the factors that differentiate the two groups.

2. Benefits of Entrepreneurship

The women entrepreneurs were asked to give specific benefits from their experience as entrepreneurs for 10 year or longer. Their response is summarized in Table: 1.

Table 1. Benefits of Entrepreneurship - Empowerment

S.No.	Benefits of Entrepreneurship	Mean Scores	
		Group I	Group II
A.	Rise in Economic Status		
1	Increased income	4.15	4.21
2	Increased consumption	3.63	4.01
3	Control over spending	3.90	3.47
4	Confidence in sustaining trend	4.68	4.27

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B	Self worth		
5	Finds greater ability to lead	3.72	3.28
6	To work in groups	4.08	3.43
7	To resolve conflict	3.65	3.58
8	Freedom to make		
	- business decision	3.86	3.93
9	- on life	3.68	3.30
10	Gets recognition in work	4.24	3.86
C	Self confidence		
11	To be proactive	4.10	4.21
12	To face critics	4.56	3.92
13	To take risks	3.82	4.15
14	To influence others	3.60	3.54
D	Social status		
15	Positive image	4.20	4.34
16	More gender equality	3.50	3.38
17	Sociability – net working	4.18	3.96
18	Involvement in community works	3.52	3.28
19	Involvement in political activities	2.16	3.22
20	Encouraging other women to entrepreneurship	4.35	3.08
E	Over all group mean score	3.879	3.721

All but one item had mean score values larger than three in group. One exception is involvement in political activity. For group II, all items have mean score values larger than three. The mean score values larger than three show positive improvement in the variables : economic status, self worth, self confidence and social status of women entrepreneurs. These are the variables that define empowerment of women.

Therefore, inference is that : ‘Entrepreneurship has Empowered women’. As shown by the overall mean score, women entrepreneurs in SHG are more empowered than other (non SHG) entrepreneurs. The difference of mean scores is statistically significant ($t = 2.897$). This difference suggested discriminant analysis to identify variables that discriminated the two groups.

3. Discriminant Function

Nine variable were identified as likely causes of differences between the two groups of empowerment, by them four variables were dropped because they had very weak correlation with the index of empowerment (mean score over 20 items of Table 1. for each respondent). With the remaining five variables a canonical discriminant function was specified and estimated for the pooled data of 350 respondents. The estimated CDF and parameters are presented below:

$$Z = 6.405 + 0.136X_1 + 0.431X_2 + 0.098X_3 + 0.216X_4 - 0.079X_5$$

Where,

- Z = Discriminant index
 X_1 = Age of the enterprise (in years)
 X_2 = Size of the enterprise in sales value (in Rs. ‘000)
 X_3 = Age of the entrepreneur (in years)
 X_4 = Educational level of the entrepreneur as measured by number of years of schooling and training (in years)
 X_5 = Confidence index (Mean score for items 11 to 14 in Table 5.40 expressed as percentage to the maximum possible score of 5 (%))

Table 2. Test for Equality of Group Means

Variables	Wilk's lambda	F	Sig.
X1	0.877	15.129	0.000
X2	0.801	26.782	0.000
X3	0.976	12.621	0.018
X4	0.753	17.308	0.000
X5	0.955	15.147	0.000

Box's M = 64.465 F = 6.772 Sig : 0.000

Eigen value = 0.392 Cumulative Variance 100%

Canonical correlation = 0.746

Wilk's lambda = 0.718

Chi. Square = 34.800

Significance = 0.000

Cutting Score (Zc) = 0.337

The estimated CDF showed that, the five variables significantly discriminated the two groups of women entrepreneurs. The discriminating power is seen by the percentage of correct classification of members of the two groups. The classification is shown below:

Table 3. Classification results

	Groups	Predicted Group Members		Total
		Group I	Group II	
Original count members	G-1	129	21	150
	G-2	14	186	200
%	G-1	86.0	14.0	100.0
	G-2	7.0	95.0	100.0

Total correctly classified (%) = 89.5

The result of classification shows a high predictive power. The relative discriminating power of the five variables are studied by calculating R_j as follows :

4. Relative Discriminating Power of the Variable

Sl.No.	Group I Means	Group II means	Discriminant co-efficient	I_i	R_j
1	9.9400	13.9667	0.13586	0.4032	0.1847
2	5.4406	12.6934	0.43105	0.7253	0.3323
3	37.9400	35.2833	0.09792	0.2656	0.1217
4	13.2200	16.3167	0.21577	0.3097	0.1419
5	85.3600	90.1500	0.07901	0.4791	0.2194
				2.1829	1.0000

Note: $I_j = 1/(K_j \text{ Mean } (X_{j0} - X_{j1}))$; $R_j = I_j/EI_j = 1, 2, 3, 4, 5$

As seen in the values of R_{js} , size of the enterprise (X_2) is most discriminating between the groups. It is followed by confidence of the women entrepreneur (X_5), age of the enterprise (X_1) educational status of the entrepreneur (X_4) and lastly, by age of the entrepreneur. The results are consistent. It reveals that, effort must to taken to strengthen self confidence of the entrepreneurs through education-formal and training for technical and managerial skills. Entrepreneurs have to be encouraged to increase the size of business (sales value).

5. Conclusion

The study shows that, all the enterprise of women are in the category of SME. In SHGs, each enterprise is managed by a group of not more than 20 women, who live in close proximity and have similar community status. The proximity and close working are sources of security and risk sharing for the enterprise (.Buttner et.al.). For women, the social status seems to rank as first goal, making money being the next goal. They agree that a business is for making money. But, with it they want to achieve better quality of life and social status.

If women gain economic strength, they gain both visibility and a voice at home, workplace and community (Kirve1993). 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 and SHG's seem to be the most viable option for empowering the backward women.

6. References

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