

Success of Women Entrepreneurs: An Empirical Study on Indian Women Entrepreneurs

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Abstract

This study endeavored to primarily investigate the success factors of small and medium scale women run businesses in Kolkata, India. Other crucial objectives of the investigation included finding about the challenges faced by these female entrepreneurs, difference in perception of success factors by educated and uneducated women entrepreneurs, and the factors that compel (push) & motivate (pull) these women to start their own business. The study is exclusively based on primary data collected through a self-administered questionnaire filled by over 130 women entrepreneurs. Descriptive statistical tools such as percentage, frequency, rank order, weighted average and standard deviation were used to analyze the data. T-test analysis was conducted to analyze the difference between the perception of success factors for educated and uneducated women entrepreneurs. The results reveal that women consider personal attributes like skills, business ethics and good customer relation as the most crucial success factor to a business. Challenges faced are mostly gender based leading to low self-esteem. Unemployment pushes women into entrepreneurship whereas desire for economic independence pulls or motivates them to enter entrepreneurship.

Keywords: Women, entrepreneurs, India, small-scale industries, success factors, challenges.

SECTION I

Introduction

Entrepreneurs have existed in India since centuries but the 21st century has seen unprecedented growth in entrepreneurship in India. Along with technological advancement, there is also a shift in mindset. The past four decades have seen the rise of women into every sector of economy including entrepreneurship. Women now have become aware of their rights and they no longer fear societal backlash. The 21st century women wear their identity like a badge and are no longer accepting the treatment that they earlier received. In the

competitive world of businesswomen have stepped to carve their own niche. It should not be considered that business and entrepreneurship are meant only for urban and educated women. The rural sector has a mighty role to play in development of the economy and in improving the ratio of men to women in business. The small-scale industry employs lakhs of women both from rural and urban India. The total number of women employed in small scale industries either as owners or managers is estimated to be over 2 million (Development Commissioner, MSME). About 13% of these enterprises are registered and 87% are unregistered. The total number of female employees in SSI sector is estimated to be around 33, 17,496 (Data as per MSME). There are significant schemes initiated by the Government of India with the objective of promoting female contribution to entrepreneurship. However, according to the World Economic Forum's GenderGap Index 2018, India ranks 142 out of 149 countries in terms of economic participation and opportunity. Female labour force participation is one-third of male labour force participation.

For the purpose of the study, we have organized the whole paper into five sections. Section I includes Introduction. The rest of this paper is organized as follows: Section II contains an overview of the existing literature, objectives and hypotheses. Section III describes research methodology used for this study. Section IV presents the results and discussion of the study and Section V provides a conclusion.

SECTION II

Literature Review, Objectives and Hypothesis Development

Looking at past researches, there is no consensus on what really leads a woman-run business to success. However, there are some factors which are discussed more than others like personal factors, economic factors and social factors. Majority of researchers used primary data and self-administered questionnaire to collect data face to face. Many researchers have compared India's low female participation ratio to other countries (Danish Ahmad Ansari, 2016). The transcend of women from the fifties till the 21st century highlights that women still face societal hurdles but have moved past psychological barriers and social stereotypes (Bharti Kollan and Indira J Parikh, 2005).

A study by Syed Shah Alam, Mohd Fauzi Mohd Jani and Nor Asiah Omar (2011) postulated hypothesis based on four factors responsible for success of women in business namely, (a) Support from family, (b) Strong social ties, (c) Internal motivation, (d) Information and Communication Technology (ICT). It was concluded that success of women as entrepreneurs is affected by the support from family, social ties and internal motivation but not from innovation through ICT.

In an article by Seema Johar “A study on the Development of Women Entrepreneurship in Ghaziabad, UP, India (2015)”, 43% of the women accepted that their husband motivates them to become an entrepreneur. 94% of the respondents opined that after becoming an entrepreneur their self- confidence skyrocketed. Whereas the paper by E. Holly Buttner “Female entrepreneurs: How far have they come? (1993)”, shows that men often have economic reasons for becoming entrepreneurs, whereas women cite family reasons.

A study by Dr V. Basil Hans in the paper “Women entrepreneurship in India- changes and challenges (2018)” proved that there was no significance difference between entrepreneurs of rural and urban India regarding proprietary ownership. An investigation carried out by Ranbir Singh and O.P. Monga (2014) along similar lines suggests that only 29.3% women are aware of the various government schemes and financial institutions that aid women entrepreneurs leading to under-utilization of resources.

The objective of our study is to find out whether there is any significant difference between the perception of success factors for educated and uneducated women entrepreneurs, among other objectives. Previous studies have found that there might be inconsistency in how uneducated entrepreneurs view success factors and how educated entrepreneurs view it. Studies also show that most educated individuals prefer high-end desk jobs over starting their own ventures (Mary Suganthi Bai J, 2014). Studies have also found that females are more likely to benefit from education and apply it in their business than their male counterparts (Van Der Sluis, Van Praag and Vijverberg 2008). A study by Frédéric Meunier, Yulia Krylova and Rita Ramalho suggests that economies where women have obtained higher number of years of formal education are also characterized by relatively high numbers of new female entrepreneurs.

Objectives

The target population is the women entrepreneurs based permanently in Kolkata city. The primary focus of this research is to study the success factors of women entrepreneurs which might lead further researchers to condense the gender gap. The objectives laid down for the research are:

- To identify and study the success factors of women entrepreneurs in Kolkata, India.
- To identify the differences, if any, between the perception of success factors by educated and uneducated entrepreneurs
- To examine the challenges faced by women entrepreneurs

- To analyze the motivating and compelling factors faced by women for starting a business

Hypothesis of the Study

For the purpose of the study, the hypothesis which will be tested is as follows:

Null Hypothesis H_0 : There is no significant difference between the perception of uneducated women entrepreneurs and educated women entrepreneurs with respect to the success factors critical to business.

The null hypothesis is established on the pedestal that successful businesses are run by both educated and uneducated women given that they have the requisite skill set to nurture and sustain the business. The said hypothesis will be tested in MS-excel by using t-test assuming unequal variance.

SECTION III

Research Methodology

i) Research Method

The study has been conducted by quantitative research methodology. This is a very controlled method of research. Data is collected following a structured process and then converted to numerical data for further analysis. The study is exploratory in nature.

ii) Study Site

The unit of analysis for this study is women entrepreneurs in Kolkata. Kolkata is the capital of West Bengal and the largest city in the state. West Bengal has the highest number of women entrepreneurs in the country as per a report published by Micro, Small and Medium Enterprise Ministry in 2019. The study was conducted from December 2019 to March 2020 in Kolkata.

iii) Population and Sampling

The population of the research consists of small and medium scale business based in the main city of Kolkata, India whose ownership and control lies majorly (more than 51% ownership) with women. The sampling criterion was to pursue women entrepreneurs who are not just a “face” to the business but are the actual decision makers. For the study, we used non-probability sampling technique. Samples were selected through convenience sampling and snow-ball sampling. The first five entrepreneurs were selected on convenience sampling

technique, then certain women entrepreneurs referred other entrepreneurs and we reached out to those entrepreneurs who were easily accessible.

iv) Instrument and Data Collection

The survey instrument is a structured five-part Questionnaire prepared particularly for the purpose of this study based on previous literature. All the questions in the questionnaire were close ended so that they can be easily converted to numerical values to compute results. Part 1 covered demographic questions and Part 2 covered the business profile of the respondent. In part 3 of the questionnaire, there were a total of 28 challenges mentioned, divided into appropriate heads. Entrepreneurs could select as many challenges as they faced. In part 4 of the questionnaire, a five-point Likert scale was used to determine the importance of each success factor. Entrepreneurs had to rate the factors ranging from 1 to 5 on the scale where 1 is unimportant and 5 implied extremely important. In part 5 of the questionnaire, entrepreneurs ranked the elements of push factors from 1 to 5. Similarly, entrepreneurs ranked the pull factors from 1 to 6 in order of significance. The raw data was checked for inconsistencies like omissions, incomplete information and unclear responses. 34 samples were rejected in the process and the remaining 92 were tabulated serially in ms-excel as per appropriate heads. Data was analysed in MS-excel for calculating percentages, frequencies, mean, standard deviation, and two tailed t-test.

SECTION IV

Results and Discussion

i) Descriptive Statistics

According to the analysed data, 67 out of 92 women are below 40 years of age, representing 73% of the surveyed women which implies that our study has a young concentration of women. Majority of women (60.9%) i.e. 56 started their business by investing a capital of less than or equal to INR 1,00,000 while 39.1% of these women had an initial investment of more than INR 1,00,000. 66.3% of participating women are Hindu while 18.43% are Muslims, which are the two most practiced religions in the city of Kolkata. They data implies that most of highly educated women prefer to work as professionals as salaried individuals rather than starting their business. We have only 18 women who are post-graduates and only 1 PhD holder which is 20.6% of the total sample. We can infer that most women entrepreneurs lack higher education. Only 3 out of 92 women said that their financial position has not improved after starting their own venture. All these women have educational

qualification of standard 10th or less. Data analysis suggests that majority of the women are engaged in the business of Garments retailing, tailoring, manufacturing handicrafts and bakery.

ii) Critical Success Factors

The respondents were asked to rank each success factor from 1 to 5 on a Likert scale, 1 being “unimportant” and 5 being “extremely important”. Personal attributes such as management skills, hard work, skillset and risk-taking ability was considered the most important success factors by women entrepreneurs with a mean score of 4.42 out of 5. Social factors like gender, education and age come second with 4.29. Technological advancements are also crucial as per the surveyed women with a mean score of 3.73. Political factors like economic stability, trade regulations and corruption are not considered vital to success (3.20). Economic factors like recession, inflation, exchange rates and GDP are considered least important as a factor contributing towards success of a business (3.12).

iii) Perception of success factors by educated and uneducated entrepreneurs

A two-tailed t-test was conducted assuming unequal variance. According to our null hypothesis, there is no significant difference between educated businesswomen and uneducated businesswomen on the perception of success factors. In all the cases, we fail to accept the null hypothesis because the calculated value of p is less than 0.05 i.e. $p < 0.05$. Thus, we accept our alternate hypothesis and conclude that there is significant difference between perception of success factors by educated and uneducated entrepreneurs. In our survey, there are 56 entrepreneurs who are college pass-out or above and 36 who are educated till higher secondary or lower. Thus, the ratio of educated to uneducated is 61:39. Both educated and uneducated women view “personal attributes” (4.61) (4.11) as the most important factor responsible for the success of a business. The second most important success factor is “social factors” (4.48) (4.00). There is stark difference between the mean response of educated (4.29) and uneducated (2.86) about the perception of “technological factors”. The factor which is perceived as least important by educated entrepreneurs is “economic factors” but in the case of uneducated entrepreneurs it is “political factors”.

**Table 1: Perceived success factors (in Mean scores)
of Educated vs. uneducated entrepreneurs**

Serial No.	Success factors	Educated mean	Uneducated mean	Total mean	P-value
1	Personal Attributes	4.61	4.11	4.42	0.00019
2	Political Factors	3.54	2.67	3.20	0.0000383
3	Economic Factors	3.38	2.72	3.12	0.00438
4	Social Factors	4.48	4.00	4.29	0.000279
5	Technological Factors	4.29	2.86	3.73	0.000021

Source: Authors' own calculation

(5=extremely important, 4=very important, 3=can't determine, 2=not very important, 1=unimportant)

iv) Challenges faced by women in business

There were 28 challenges listed in the questionnaire were divided into five heads namely personal, social, financial, product-related and institutional. Majority of women faced fear of failure (72%). Maintaining work-life balance was also of the hurdles faced by maximum women (68%). Other major challenges faced were Competition in market, lack of self-confidence, male dominance and lack of risk bearing ability. Least number of women faced the challenge of procuring raw materials (20%), high cost of technological acquisition (22%), poor retention of employees (23%) and improper stocking technique (24%).

v) Push and Pull Factors

The questionnaire was prepared in a manner that entrepreneurs had to rank the motivating factors and compelling factors from 1 to 5 with 1 being the most important motivating or compelling factor and 5 being the least motivating or compelling factor to start a business. As per the data, women entrepreneurs consider "economic independence" as the most significant factor that motivates them to start their own business. This is followed by "use of personal skills" at rank 2 (15.6%), and "recognition" at rank 3 (15.4%). Financial independence is evidently most motivating factor for them to pursue entrepreneurship. The factor that is least motivating to them is "family business tradition" and "Success of other entrepreneurs".

The factor that "pushed" women to start new ventures is the fact that they had "no other alternative" and "Unemployment" (27.36%). Similar results were found by Kumar (1999)

and Mamun (2000). “Family hardship” is at rank 3 with 17.39%. “Lack of higher education” is not the most crucial factor forcing women to set up a business (14.13%). Only 13.5% women were dissatisfied from previous job, so they decided to quit and start their business.

SECTION V

Conclusion

This study was conducted with the intention to identify and examine the factors responsible for success of business owned and controlled by women in India. The study was conducted in urban Kolkata with 92 women entrepreneurs being interviewed. The samples were collected mainly by non-probability snow-ball sampling technique and convenience sampling. It was concluded that personal attribute is the most crucial factor. We found that the perception of educated women differ from uneducated ones regarding all five success factors is different. Women run businesses face significant challenges as compared to men. We can infer that women face gender discrimination, are bothered by male dominance, and are pushed into entrepreneurship due to unemployment.

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