



A STUDY ON OCCUPATIONAL AND ECONOMIC BACKGROUND OF WOMEN ENTREPRENEURS IN THOOTHUKUDI CITY, TAMIL NADU

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ABSTRACT Women constitute half of the total world population. So in India also, they are, therefore regarded as the better half of the society. In traditional societies, they were confined to the four walls of houses performing household activities. In modern societies, they have come out of the four walls to participate in all sorts of activities. Women are performing exceedingly well in different spheres of activities like academic, politics, administration, social work and so on. Now, they have started plunging into industry also and running their enterprises successfully. This present article, therefore, aims at discussing the growth and problems of women entrepreneurs in Thoothukudi city situated in Tamil Nadu.

KEYWORDS : Entrepreneurs, Motivation, Problems of women entrepreneurs

Introduction

Women entrepreneurs may be defined as a women or group of women who initiate, organize and run a business enterprise^[1]. As an entrepreneur, a woman has to perform all functions involved in establishing an enterprise. These include idea generation and screening, determination of objectives, project preparation, product analysis, and determination of form of business organisation, completion of promotional formalities, raising funds, procuring labourers, machines, materials and operation of business.

The attitude towards women in not as rigidly unfavourable as it was in the past. Today, the changing attitude, outlook and attitude of women and the ever rising economic needs has led women to work outside the families and to financially support their families. When women moves forward the family moves, the village moves and the nation moves^[2]. These are the golden words of Pandit Jawaharlal Nehru which are often repeated because it is an accepted fact that only when women are in the main stream of progress, they can make any economic and social development be meaningful.

Statement of the problem

Women have a good combination of entrepreneurial spirit, ambition, discipline and perseverance. All these help them to succeed in these highly volatile markets. The most common field for women is formal employment. However, lack of sufficient employment opportunities in the organised sector force women to seek alternatives. It is entrepreneurship that can enable women not only to participate in the process of economic development, but also empower them. Women are most successful entrepreneurs. But many women faces challenging constraints in the form of finance, scarcity of raw materials, stiff competition, limited mobility, family ties, lack of education, male-dominated society and lack of risk-bearing ability. At this juncture, an attempt has been made by the researcher to study the occupational and economic background of women entrepreneurs in Thoothukudi city, Tamil Nadu.

Objectives of the study

- To study the personal profile of women entrepreneurs in Thoothukudi.
- To analyse the factors that motivated women to start business enterprises.
- To ascertain the occupational background of women entrepreneurs in Thoothukudi.
- To ascertain the economic background of women entrepreneurs in Thoothukudi.
- To analyse the problems faced by women entrepreneurs.
- To offer suggestions to women entrepreneurs so as to overcome their problems and to improve their economic background.

Methodology

Data was collected from 50 women entrepreneurs in Thoothukudi city in the months of June and July 2017. Convenience sampling method was followed to select the sample. Primary data was collected using structured questionnaire. Secondary data was collected from books.

Statistical tools

Statistical tools used in the study are percentage analysis and Garrett ranking.

In this article, the personal profile of women entrepreneurs, their occupational background, economic background and problems faced by them are analysed and interpreted so as to draw a meaningful conclusion.

Personal profile of women entrepreneurs

Personal profile of women entrepreneurs which include age, religion, community, marital status, type of family and educational qualification are studied and presented in Table 1.1. All these personal factors influence womens' entry into business activities in one way or the other.

Table 1.1
Personal Profile of Women Entrepreneurs in Thoothukudi

Personal factors	No. of Women Entrepreneurs	Percentage
Age		
20-30 years	24	48
30-40 years	16	32
40-50 years	9	18
Above 50 years	1	2
Total	50	100
Religion		
Hindu	42	84
Muslim	1	25
Christian	7	14
Total	50	100
Community		
Backward Class	8	56
Most backward class	14	28
SC/ST	4	8
OC	4	8
Total	50	100
Education		
Below SSLC	7	14
SSLC	10	20
Higher Secondary	11	22
Degree	22	44
Total	50	100
Marital status		
Married	37	74
Unmarried	13	26
Total	50	100
Type of family		
Joint family	13	26
Nuclear family	37	74
Total	50	100
Size of the family		
Up to 3 members	7	14
4 members	22	44
5 members	8	16
More than 5 members	13	26
Total	50	100

Table 1.1 highlights the fact that 48 per cent of the women entrepreneurs belong to the age group of 20 to 30 years, followed by 32 per cent belonging to the age group of 30 to 40 years. Thus it is clear that young women aged 20 to 40 years having the capacity to work hard, desire for high achievement and high degree of optimism form a greater proportion of women entrepreneurs in the study area. Majority of the women entrepreneurs (84 per cent) are Hindus who form a predominant portion in India. It should be understood from the table that 56 per cent of the women entrepreneurs belong to the backward community because in India and especially in Tamil Nadu, a major proportion of the entrepreneurial class belong to the backward community.

The survey also reveals that a greater proportion of women entrepreneurs (44 per cent) are degree holders. It can be said that education which gives confidence and courage has motivated these surveyed women entrepreneurs to take up entrepreneurial activities. Generally, married women have more duties to perform and moral responsibilities to shoulder and hence mostly married women (74 per cent) living in a nuclear family are involved in entrepreneurship. A greater proportion of women entrepreneurs (44 per cent) have a family which consist of 4 members.

Sources of motivation

An attempt was made to identify the factors that motivated women entrepreneurs in Thoothukudi to start business enterprise. Garrett ranking technique was used to find out the most important factors influencing the entry of women into business activities and the results are exhibited in Table 1.2.

Table 1.2
Sources of Motivation-Garrett Ranking

Motives	Garrett Mean Score	Rank
Previous experience in the same field	57.82	I
High demand for the product or service	52.94	II
Low family income	47.64	VI
No other job	46.56	VII
Desire to become an entrepreneur	50.84	III
Profits earned by friends in similar business	50.66	V
Have acquired training in the same field	51.22	IV
Advice of family members	41.52	VIII

Table 1.2 highlights the fact that the top 3 factors which motivated women to become entrepreneurs are:

- Previous experience in the same field
- High demand for the product or service and
- Desire to become an entrepreneur

The researcher has also found out the low family income and no other job have also motivated women to become entrepreneurs.

Occupational Background of Women Entrepreneurs

Table 1.3 exhibits the occupational background of women entrepreneurs in Thoothukudi.

Table 1.3
Occupational Background of Women Entrepreneurs

Nature of Business	No. of Women Entrepreneurs	Percentage
Manufacturing (food products)	9	18
Retailing (fancy store, grocery)	12	24
Services (Tailoring, beauty parlour and play school)	29	58
Total	50	100
Type of Ownership		
Sole proprietorship	28	56
Partnership	22	44
Total	50	100
Registration of Business		
Registered	21	42
Not Registered	29	58
Total	50	100

Location of the Business Enterprise		
Residence	38	76
Near the residence	11	22
Far away from the residence	1	2
Total	50	100
Initial Capital Invested in the Business		
Less than Rs.1,00,000	15	30
Rs.1,00,000-Rs.3,00,000	32	64
Rs.3,00,000-Rs.5,00,000	1	2
Above Rs.5,00,000	2	4
Total	50	100
Sources of Initial Capital		
Own funds (deposits/sale of assets)		
Loan from banks	43	86
Loan from friends/relatives	6	12
Borrowings from private Money lenders	1	2
	-	-
Total	50	100
No. of Workers Employed		
2 workers	13	26
3 to 6 workers	19	38
7 to 10 workers	17	34
More than 10 workers	1	2
Total	50	100
Amount of Working Capital Required per Month		
Less than Rs.25,000	21	42
Rs.25,000-Rs.50,000	26	52
More than Rs.50,000	3	6
Total	50	100

Source: Primary data

It is clear from table 1.3 that 58 per cent of the women entrepreneurs carry on entrepreneurial activities in service sector like beauty parlour, tailoring, fashion designing, play school and catering. Of this 58 per cent, tailors, beauticians and women running play schools constitute a major portion. It is also found that 24 per cent are involved in retailing activities by running grocery shops and fancy stores. Only 18 per cent are involved in manufacturing of food products namely masala powder, pickles, papads and other snacks.

Majority of the women entrepreneurs (56 per cent) are sole proprietors. Since sole proprietorship does not require compulsory registration, majority of the women entrepreneurs (58 per cent) have not registered their business. Family commitments and the nature of business done by them have made most of the women entrepreneurs (76 per cent) prefer their residence to establish their business unit.

64 per cent of the respondents had invested an amount ranging from Rs.1,00,000 to Rs.3,00,000 to start the enterprise. Thus, it could be said that the surveyed women entrepreneurs are doing business only at a small level. Nearly four-fifths of the women entrepreneurs used their own funds to start the business without depending on banks, friends, relatives and money lenders. Generally, women do not have property in their own names and so they do not rely on external source like banks.

Table 1.3 also reveals that 38 per cent of the women entrepreneurs have employed 3 to 6 workers, followed by 34 per cent of them employing 7 to 10 workers. It is also noticed from the survey that all the women have employed only women as employees in their enterprises. Thus, women entrepreneurs in Thoothukudi play a significant role in providing employment opportunities to nearly hundreds of women in Thoothukudi.

Working capital is required for operating the business, that is, for meeting the day-to-day expenses of the business. The survey reveals the fact that 52 per cent of the women entrepreneurs need up to Rs.50,000 per month and 42 per cent require less than Rs.25,000 per month to meet their working capital requirements. Few women entrepreneurs also require a monthly working capital of above Rs.50,000.

Economic Background of Women Entrepreneurs

The following table reveals the economic background of women entrepreneurs in Thoothukudi.

Table 1.4
Economic Background of Women Entrepreneurs

Net Monthly Income from the Business	No. of Women Entrepreneurs	Percentage
Less than Rs.10,000	17	34
Rs.10,000-Rs.20,000	21	42
Rs.20,000-Rs.30,000	3	6
More than Rs.30,000	9	18
Total	50	100
Sources of borrowings		
Banks	10	29
Money lenders	7	21
Friends/relatives	17	50
Total	34	100
Purpose of borrowings		
For business purpose	20	59
For the education of children	7	20
For medical treatment	2	6
For constructing a house	5	15
Total	34	100
Savings		
Bank	39	78
Chit funds	4	8
Insurance	7	14
Total	50	100
Amount saved per month		
Less than Rs.1,000	24	48
Rs.1,000-Rs.2,000	18	36
More than Rs.2,000	8	16
Total	50	100
Assets owned		
Land	11(22)	50
House property	39(78)	50
Two wheeler	46(92)	50
Car	2(4)	50
Jewels	50(100)	50
Silver articles	50(100)	50
Monthly household expenditure		
Less than Rs.10,000	17	34
Rs.10,000-Rs.20,000	30	60
Rs.20,000-Rs.30,000	2	4
Above Rs.30,000	1	2
Total	50	100

Source: Primary data Figures in parentheses indicate percentage

The survey highlights the fact that a greater proportion of the women entrepreneurs (42 per cent) earn a net monthly income of up to Rs.20,000 followed by 34 per cent of them earning a net monthly income less than Rs.10,000. The average net monthly income from business after deducting all the business expenditure is worked out to be Rs.15,800.

The monthly household expenditure of 60 per cent of women entrepreneurs is between Rs.10,000 to Rs.20,000 followed by 34 per cent of them incurring a monthly expenditure of less than Rs.10,000. The average monthly expenditure is worked out to be Rs.12,400.

The survey also reveals the fact that 78 per cent of the women entrepreneurs save their surplus money in banks. Regarding the amount saved per month, nearly one-half of the women entrepreneurs could save less than Rs.1,000. A considerable proportion of women entrepreneurs (36 per cent) could save up to Rs.2,000. Only 16 per cent of the entrepreneurs can save more than Rs.2,000 per month. The monthly average savings of women entrepreneurs is worked out to be Rs.1,180.

Though all the surveyed women entrepreneurs have earned a moderate income from business, it is found from the survey that, out of 50 women entrepreneurs, 34 entrepreneurs (68 per cent) have borrowed funds from various sources. Huge household expenditure and lack of adequate savings would have forced these women entrepreneurs to borrow loans in order to meet unexpected expenses and contingencies.

Of this 34 women entrepreneurs, 50 per cent of them have borrowed from friends and relatives. Only 29 per cent of them have borrowed funds from banks. Nearly, three-fifths of the women entrepreneurs have borrowed mainly for business purpose, that is, for meeting their working capital requirements.

Regarding the assets owned by women entrepreneurs a vast majority of them (92 per cent) have two wheelers. 78 per cent of the women entrepreneurs have house property. It must be mentioned here that, of this 78 per cent, only very few women entrepreneurs (8 per cent) have house property in their own names. Same is the case with land also. All the surveyed women entrepreneurs have gold jewels and few silver articles which were mostly given by their parents as streedhan. It is also observed from the survey that these women entrepreneurs have gold jewellery worth less than 25 sovereigns.

Problems Faced by Women Entrepreneurs

Table 1.5 presents a list of problems faced by women Entrepreneurs in Thoothukudi with garret mean score.

Table 1.5
Problems Faced by Women Entrepreneurs

Problems	Garrett Mean Score	Rank
Stiff competition	76.1	I
Financial problems	45.4	VII
Lack of financial assistance from banks	62.48	III
Lack of support from family members	55.02	V
Male domination	27.72	IX
Low demand for the product	63.48	II
High rate of interest	48.04	VI
High price of raw materials	57.54	IV
Limited mobility	44.96	VIII

Source: Computed data

Table 1.5 reveals that the most important problem faced by women entrepreneurs is stiff competition which scores 76.1 points and gets I rank. As a result of stiff competition, the demand for the products/services tend to decrease. Hence the problem 'low demand' secures II rank with 63.48 points. The third important problem faced by women entrepreneurs is 'lack of assistance from banks'. This problem is faced by majority if the women entrepreneurs mainly due to lack of adequate securities in their names. High price of raw materials occupies IV rank with 57.54 points. Lack of support from family members is another important problem faced by women entrepreneurs. Due to lack of support from family members, women entrepreneurs find it very difficult to maintain a proper balance between business and family. The reasons high rate of interest charged by money lenders, financial problems and limited mobility secures VI, VII and VIII ranks respectively. The reason 'male dominated society' is not at all considered as a major issue by women entrepreneurs and hence this problem gets the last rank. Thus, stiff competition, low demand, lack of assistance from banks and high price of raw materials are some of the most important problems faced by women entrepreneurs in the study area.

Findings:

- Young women aged 20 to 40 years form a greater proportion of women entrepreneurs in the study area.
- Majority of the women entrepreneurs (84 per cent) are Hindus who form a predominant portion in India.
- 56 per cent of the women entrepreneurs belong to the backward community
- The survey also reveals that a greater proportion of women entrepreneurs (44 per cent) are degree holders.
- Mostly married women (74 per cent) living in a nuclear family are involved in entrepreneurship.
- A greater proportion of women entrepreneurs (44 per cent) have a family which consist of 4 members.
- The top 3 factors which motivated women to become entrepreneurs are previous experience in the same field, high demand for the product or service and the desire to become an entrepreneur.
- 58 per cent of the women entrepreneurs carry on entrepreneurial activities in service sector like beauty parlour, tailoring, fashion designing, play school and catering.

- Majority of the women (56 per cent) entrepreneurs are sole proprietors. Since sole proprietorship does not require compulsory registration, majority of the women entrepreneurs (58 per cent) have not registered their business.
- Family commitments and the nature of business done by them have made most of the women entrepreneurs (76 per cent) prefer their residence to establish their business unit.
- 64 per cent of the respondents had invested an amount ranging from Rs.1,00,000 to Rs. 3,00,000 to start the enterprise.
- Nearly four-fifths of the women entrepreneurs used their own funds to start the business without depending on banks, friends, relatives and money lenders. Generally, women do not have property in their own names and so they do not rely on external source like banks.
- It is also found from the survey that 38 per cent of the women entrepreneurs have employed 3 to 6 workers. It should be noted here that all the workers are women.
- The survey reveals the fact that 52 per cent of the women entrepreneurs need up to Rs.50,000 per month to meet their working capital requirements.
- A greater proportion of the women entrepreneurs (42 per cent) earn a net monthly income of up to Rs.20,000.
- The monthly household expenditure of 60 per cent of women entrepreneurs is between Rs.10,000 to Rs.20,000.
- 78 per cent of the women entrepreneurs save their surplus money in banks.
- Regarding the amount saved per month, nearly one-half of the women entrepreneurs could save less than Rs.1,000.
- It is found from the survey that, out of 50 women entrepreneurs, 34 entrepreneurs (68 per cent) have borrowed funds from various sources.
- A vast majority of them (92 per cent) have two wheelers. 78 per cent of the women entrepreneurs have house property. It must be mentioned here that, of this 78 per cent, only very few women entrepreneurs (8 per cent) have house property in their own names. Same is the case with land also. All the surveyed women entrepreneurs have gold jewels and few silver articles which were mostly given by their parents as streedhan.
- Stiff competition, low demand, lack of assistance from banks and high price of raw materials are some of the most important problems faced by women entrepreneurs in the study area.

Suggestions:

- Government, banks, MSME and various trade associations should create an awareness about the different types of assistance and schemes available to promote women entrepreneurship.
- Generally, women do not have properties in their names. So they have to depend on their friends, relatives and money lenders who charge high rate of interest on loans. To eliminate this problem banks should offer unsecured and interest free loans to women entrepreneurs.
- Entrepreneurship training programmes should be conducted in all colleges to motivate young women to take up entrepreneurial activities with courage and confidence.

Conclusion

Women entrepreneurs in Thoothukudi have self confidence in life and their status in the society has considerably improved. However, their income from business is very moderate. This is mainly due to stiff competition and huge household expenditure. Government and various agencies should provide financial, marketing and legal assistance to women entrepreneurs to make them survive in this competitive business environment. Today, business is a complex and risky venture. So women entrepreneurs should keep face with the latest trends and technological developments. They should adopt the latest methods of production, follow a new sales approach and take their business to the next level.

References:

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