Research Paper Social Science

Women Entrepreneurs in Small Scale Sector: An Empirical Study on Resource Constraints

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ABSTRACT

The aim of this research was to explore and identify the underlying dynamics in women entrepreneurship in Chittoor district. While the main focus was on Resource constraints, women in business face in general, the paper also specifically puts forth self-reported challenges about obtaining resources in the form of skills constraint, funding and network, information and marketing. The goal is to understand the experiences of the Chittoor women entrepreneurs and recognize the constraints in resource requirements at varied stages of their business. To achieve the objective, a sample of 110 entrepreneurs was taken from Chittoor district. To analyze the various resource constraints faced by the entrepreneurs, a Likert type five-degree scale was developed.

KEYWORDS | Women entrepreneur, resource constraints, technology, marketing, infrastructure, information.

Introduction

Women's enterprises are largely informal. It is common knowledge that women are dominant members of the informal economy and are less present as owners of formal enterprises (JUDAI, 2002; ILO, 2002b). Most of the existing research would suggest that this is so because of the women entrepreneurs' lack of know-how about technology and their lack of financial resources for accessing such technology (UDEC, 2002). Several development initiatives have set out to specifically help women improve their technology know-how and their use of appropriate technologies, especially relating to processes in the food sector, but these initiatives would appear to have had mixed results (Tsegaye, 1998).

Women engaged in business largely confine themselves to local markets where access, mobility and networks are easier for them to negotiate (Zewde & Associates, 2002). Women's ability to penetrate markets outside of their local area is affected not only by physical mobility issues, but also by the types of businesses women engage in (UDEC, 2002).

Background of the study

Women's businesses are primarily micro rather than small enterprises. The main reasons behind this are that women are seen to have "inappropriate attitudes" to business (UDEC, 2002, p. xiii), are "risk averse", and not "growth oriented" business owners. These sectors are likely to be in saturated markets and or have low margins of return. Parker (1996) researching in Zambia found that women not only dominated the informal sector but that they were concentrated in particular sectors: "trading and retailing counted for 65 per cent of all women in the formal sector" (JUDAI, 2002). Keeping in view the significance of small scale sector, an attempt has been made in this paper to analyze the resource constraints faced by the small entrepreneurs, which become more imperative in the era of free markets. This area needs intensive study because resource constraints cannot be tackled by individual entrepreneurs.

Statement of the Problem

There is no sufficient previous literature on women entrepreneurship development with regard to Chittoor district. These women need to be recognized to highlight_their constraints and needs. This study tries to explore the issues related to resource constraints of women entrepreneurs.

Review of Literature

According to USAID's Chief Economist Steve Radelet, there are five major constraints to women's entrepreneurship.

Hookimsing and Essoo (2003) identified 2 main problems faced by women entrepreneurs in Mauritius: i) lack of market ii) ability to raise capital.

Taylor and Brooks bank (1995) examined the marketing practices by small New Zealand organizations by taking a sample of 427 small business owners. Their findings revealed that the small business firms look at the marketing practices differently from their larger counterparts.

A study by Soyeon Shim and Eastlick (1998) found 10 business problem areas: sales and profit forecasting; obtaining lines of credit; capital management; working capital management; pricing strategies; customer database management.

Mambula (2002) analysed the major constraints faced by the SMEs in Nigeria. A sample of 32 small business entrepreneurs was taken. The analysis of data revealed that majority of the SMEs faced the problem of finance and infrastructure while managing their businesses.

Richardson, Howarth and Finnegan (2004) on women entrepreneurs revealed that many women entrepreneurs feel they lack abilities, skills and expertise in certain business matters.

Alagappan and Nagammai (2003) examined the entrepreneurs' perception of financial institutions. The study showed that the entrepreneurs had average level of satisfaction with the lending practices of financial institutions.

Objectives of the study

- To study the characteristics of women entrepreneurs in the study area.
- To study the constraints related to technological changes, Marketing, Information and Infrastructure.

Sample Area

To achieve the objective, sample of 110 entrepreneurs was taken from Chittoor district. To analyze the various issues related to resource constraints faced by the entrepreneurs, Likert scale was developed.

Methodology

The chi-square test and ANOVA test were used to decide the significance of association between factors. A well designed questionnaire was distributed to the entrepreneurs.

Formulation of Hypothesis

1. There is no association between the age of entrepreneurs &

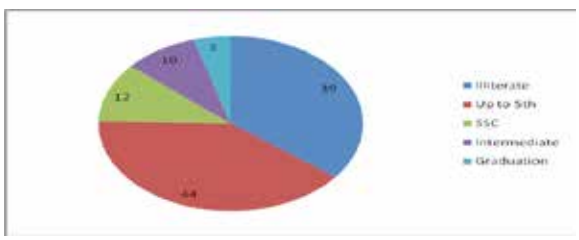
the problem of getting information.
2. Education of women entrepreneurs & problems related to technological changes are independent.

Data Analysis & Interpretation
TABLE – 1 AGE OF THE RESPONDENTS

Age	Number of Respondents	Percentage
20 years	24	20.8
21-30	29	26.3
31-40	32	29.0
41-50	15	13.6
Above 50	10	9
Total	110	100

It shows that more than 29% of the entrepreneurs in the age group between 31 - 40 years, 26% of respondents are in the age between 21- 30 years, 20% are in the range of 20 years.

TABLE – 2 EDUCATION OF RESPONDENTS



It reveals that 40% of the entrepreneurs studied upto 5th class only and remaining 40% of respondents are finished their graduation.

TABLE -3 PROBLEMS RELATED TO TECHNOLOGICAL CHANGES

Opinion	Number of Respondents	Percentage
To a great extent	41	37.2
To a large extent	37	33.6
Neutral	14	12.7
To Some extent	14	12.7
To a little extent	4	3.6
Total	110	100

It reveals 37% of the sample entrepreneurs were facing the problem of technological changes in a great extent, 33% of respondents were facing to large extent.

ANOVA TEST
Problems with Technological Changes

Education	To a great extent	To a large extent	Neutral	To a small extent	To a less extent	TOTAL
Illiterate	15	14	4	5	1	39
Up to 5th	15	16	7	4	1	44
SSC	9	1	1	1	0	12
Intermediate	2	8	2	0	0	10
Graduation	0	0	0	3	2	5
Total	41	37	14	14	4	110

H_0= Education of women entrepreneurs & problems related to technological changes are independent
H_1= Education of women entrepreneurs & problems related to technological changes are dependent

X_1	X^2	X_2	X_2^2	X3	X_3^2	X_4	X_4^2	X_5	X_5^2
15	225	14	196	4	16	5	25	1	1
16	256	16	256	7	49	4	16	1	1
9	81	1	1	1	1	1	1	0	0
2	4	6	36	2	4	0	0	0	0
0	0	0	0	0	0	3	9	2	4
41	566	37	489	14	70	14	51	4	6

Step1: Total sum of all items of various varieties is given by

Correction factor = (T) 2/n
= (110)2/5=484

Step2: Sum of squares of deviation for total variable is given by
=1182-484 = 698

Step3: Sum of squares of deviations between the variations
=2206

Step4: Sum of squares with in varieties
= step 2 – step 3
=492
Degree of freedom = 25-1=24

ANOVA TABLE

Source of variation	Sum of squares (a)	Degree of freedom(b)	Variance (a/b)
Between the varieties	206	4	51.5
Within the varieties	492	24	20.5

F calculated value=51.5/20.5 = 2.51
F table value@ 5% LOS = 2.78

Hence table value is greater than calculated value, H_0 is rejected. Therefore, education of women entrepreneurs and problems related to technological changes are independent.

TABLE -4 PROBLEMS RELATED TO MAN POWER SHORTAGE

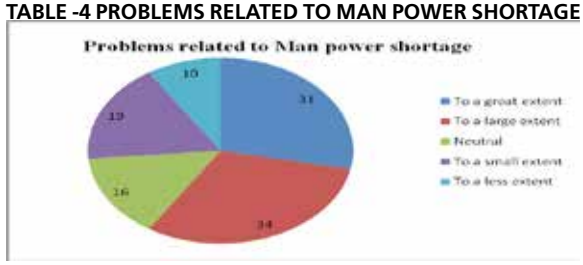


TABLE -5 PROBLEMS RELATED TO MARKETING AND INFORMATION GATHERING
Chi - Square test

Problems related to Marketing & Information Gathering						
Age of respondents	To a great extent	To a large extent	Neutral	To a small extent	To a less extent	TOTAL
20 years	10	11	16	5	2	44
21-30	8	7	11	8	4	38
31-40	3	3	4	2	2	14
41-50	2	5	1	0	1	9
Above 50 years	1	3	0	0	1	5
Total	24	29	32	15	10	110

H_0:There is a significant relationship between the age of women entrepreneurs and problems related to marketing & information gathering.
H_1:There is no significant relationship between the age of women entrepreneurs and problems related to marketing & information gathering.

Calculated value of X^2

0	€	0-€	$(0-€)^2$	$(0-€)^2/€$
10	9.6	0.4	0.16	0.01
8	8.2	-0.2	0.04	0.004
3	3.0	0	0	0
2	1.9	0.1	0.01	0.005
1	1.0	0	0	0
11	11.6	-0.6	0.36	0.03
7	10.0	-3	9	0.9
3	3.6	-0.6	36	10

5	2.3	2.7	7.29	3.16
3	1.3	1.7	2.89	2.22
16	12.8	3.2	10.24	0.8
11	11.0	0	0	0
4	4.0	0	0	0
1	2.6	-0.4	0.16	0.06
0	1.4	-1.4	1	0.71
5	6	-1	1	0.16
8	5.1	2.9	8.41	1.64
2	1.9	0.1	0.01	0.005
0	1.2	-1.2	1.44	1.2
0	0.6	-0.6	0.36	0.6
2	4	-2	4	0
4	3.4	0.6	0.36	0.10
2	1.2	0.8	0.64	0.53
1	0.8	-0.8	0.64	0.8
1	0.4	-0.4	0.16	0.04
			$\sum (0-€)^2/€$	= 22.374

Chi-square test	Calculated value of X^2	Tabulated value at 5% level of significance	Result
Degree of freedom = (r-1) (c-1) = 16	22.374	26.30	H_o Accepted

Result

Since the calculated value of X^2 is lesser than the tabulated value, the null hypothesis is accepted. It is concluded that there is a significant relationship between the age of women entrepreneurs and problems related to marketing & information gathering.

Suggestions

1. Women entrepreneurs need to have more and better access to information about their rights and entitlements.
2. The Government, Advocacy bodies and associations of women entrepreneurs need to work together to challenge prevailing cultural norms which result in men having greater (informal) control over resources.

Conclusion

The women entrepreneurs of the Chittoor District must be recognized as an important unit contributing to the economic growth of the country. They must be supported by the Governmental organizations involved in the growth and development of entrepreneurship. Their constraints must be recognized and a structured and organized strategic plan put in place to help them overcome these limiting factors. The A.P Government, Non-Governmental Agencies, Women's Networks can greatly enhance the entrepreneurial capabilities of these women through funding and skill development. Information needed by the small scale sector should be provided easily through various agencies. There should be frequent interaction between the government agencies and the associations of small scale enterprises.

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