



Women in Rural Odisha – Factors That Drive Them To Become Entrepreneurs

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ABSTRACT

Odisha, one of the poorest states of the Indian Union, has the majority in rural areas living below the poverty line. Increasing the entrepreneurial base could alleviate such poverty. Not only men entrepreneurs, but, women entrepreneurs per se can also play a crucial role in economic growth. Quite a few women entrepreneurs of Odisha have shown enormous potential in bringing prosperity to their area, thereby suggesting that encouraging women entrepreneurs is vital to the growth of the economy. So, it becomes imperative to understand the motivational factors associated with the new venture creation by women. But, however, lack of empirical research is still evident in Odisha and little is known about the motivation of the Odia women becoming entrepreneurs. The current study aims to fill this gap and explore the motivational factors of women entrepreneurs as they bear substantial influence on their willingness to venturing into business.

KEYWORDS

Women entrepreneurs, EDP, New business Venture

INTRODUCTION

Women were the first humans to taste bondage. Man has always played the role of a lord; as a result, his physical and mental development took place at a good pace befitting his occupation and field of interest. On the contrary, the overall growth of women remained stunted. Women were denied the benefit of education. They had no opportunities to develop their natural capacities and became helpless, illiterate, narrow-minded and peevish. Of the world's one billion illiterate adults, two-third is women. Economically too, women were completely dependent upon men.

However, in recent times, more and more women are taking up employment or entrepreneurship. Women become entrepreneurs due to several factors. It could be out of work experience, exposure to education and urbanization that the potential source of women entrepreneurs has emerged.

Woman entrepreneur: A woman who owns more than 51% of the shares of a company and at least 51% of their workforces are women.

EDP training: Entrepreneurship development trainings given to increase the skills to become entrepreneurs.

New business venture: First time business.

STATEMENT OF THE PROBLEM

The need for a broad based entrepreneurial class in Odisha (specially the rural women) arises from the need to speed up the process of activating the factors of production, creation of employment opportunities, and improvement in the quality of life of the rural people as well as the involvement of all in inclusive growth of the nation necessitates the study of the factors which motivate women to become entrepreneurs.

REVIEW OF LITERATURE

"Development and Empowerment – Rural women in India" edited by Jaya Arunchalan and U.Kalpagam throws light on the issues of rural development while "Women and Society" – edited by I.Satya Sundaram (1997) contains all the aspects of rural development in the Indian context. He says rural development remains an uphill task and a multidimensional approach with cost-effective solutions can reduce these problems. According to Mohiuddin (2006) women (in his study) became entrepreneurs due to (a) Economic needs. (b) As a challenge to satisfy some of their personality needs like power, achievement, novel experience etc. (c) Utilize their knowledge

(d) Family occupation and (e) As leisure time activity. The exploratory study of successful women entrepreneurs by Singh, Sengal, Tinani and Sengupta (1986) examined their motivational factors to a great extent.

SCOPE OF THE STUDY

Information on their socio-economic profile of the sample women entrepreneurs as well the factors which motivated them to become entrepreneurs.

Database will be useful in formulating policies and programs for women entrepreneurs.

OBJECTIVES OF THE STUDY

To study the socio-economic background of women entrepreneurs.

To examine the factors responsible for undertaking entrepreneurial activities.

To make suggestions, in the light of the findings of the study, for increasing the number of the women business enterprises.

METHODOLOGY

The study was conducted in the state of Odisha during 2014-2015. Convenience sampling method was used for the sample size of 216 & data was collected from 21 out of the 30 districts of Odisha. Only primary data (structured questionnaire) is used in the study. SPSS was used to analyze the data using tools like summary statistics, regression & factor analysis.

LIMITATIONS

Relevant only to Odisha and also to the present situation and not to future.

Due to paucity of time only limited data is being presented in this study.

ANALYSIS

GENERAL PROFILE OF THE RESPONDENTS

Table-1 shows the general profiles of the sample women entrepreneurs. Out of the 216 sample of women entrepreneurs, 66.7% of them belonged to lower strata of society; 65.5% were married; 6.02% illiterate while 54.6% were middle school pass; 62 % lived in a joint family system; 40.3% were first generation entrepreneurs; 5.56% had no previous experience of work while 94.4% got any family support; they took support from the family mainly in manual(37.5%) and advices

(46.8%); they do get financial support from the family sometimes (15.7%); 28.7% contributed up to 25% towards their family income while another 37.5% contributed 25-50%; majority of them (45.8%) spent 4-8 hours in their business; 47.2% run their business from their own house; 44.4% of them manufacture what they sell; 64.4% of them sell both on cash as well as credit; only 11.6% of them could start their business with their own funds; 38.9% started their business on borrowed funds only; and the source of borrowing was mainly SHGs & relatives(67.1%).

Table-1: Showing the general profile of the sample women entrepreneurs

SL.NO.	PARTICULARS	CLASSIFICATION	NUMBER	%
1	Community	Upper strata	72	33.3
		Lower strata	144	66.7
2	Marital status	Married	142	65.7
		Unmarried	46	21.3
		Divorced	9	4.17
3	Literacy level	Illiterate	13	6.02
		Middle school	118	54.6
		HSC pass	36	16.7
		Degree	31	14.4
4	Family type	Nuclear	82	38
		Joint family	134	62
5	Category	First generation entrepreneurs	87	40.3
		Parents as entrepreneurs	73	33.8
		In-laws as entrepreneurs	56	25.9
6	Experience	Yes	204	94.4
		No	12	5.56
7	Support from family members	Yes	190	94.4
		No	26	12
8	Form of help from family	Manual	81	37.5
		Advices	101	46.8
		Financial help	34	15.7

9	Contribution to the family	Up to 25%	62	28.7
		25-50%	81	37.5
		50-75%	52	24.1
		75-100%	21	9.72
10	Time spent on business	Up to 4 hours	67	31
		4-8 hours	99	45.8
		8-12 hours	37	17.1
		> 12 hours	13	6.02
11	Nature of the factory building	Part of the house	102	47.2
		Separate building	114	52.8
12	Type of enterprise	Manufacturing	96	44.4
		Trading	79	36.6
		Service	41	19
13	Mode of sales	Cash	77	35.6
		Both cash & credit	139	64.4
14	Sources of finance	Own funds only	25	11.6
		Own & borrowed funds	107	49.5
		Borrowed funds only	84	38.9
15	Sources of borrowings	Relatives & friends	78	36.1
		Moneylenders	45	20.8
		Commercial banks	26	12
		NGO & SHG	67	31

Source: Primary data

FACTORS MOTIVATING WOMEN TO BECOME TO BECOME ENTREPRENEURS

In order to find out the factors influencing women to become entrepreneurs 16 attributes that can influence their decisions were identified. The respondents were requested to express their opinion on the influence of those attributes on a 5 point Likert scale. The rotated factor matrix is shown below. (Table-2)

Table-2: Showing the factors motivating the sample women entrepreneurs

	Component						
	1	2	3	4	5	6	7
Can get finance easily	0.777	0.373	0.097	-0.317	-0.029	-0.087	0.201
Have self confidence	0.772	0.37	-0.067	0.07	0.002	0.038	-0.145
Encouragement from NGO/SHG	0.768	0.363	0.109	-0.284	-0.092	-0.04	0.231
Undergone EDP	-0.467	0.781	0.062	0.03	-0.047	-0.039	0.055
Have entrepreneurial experience	-0.374	0.683	-0.012	0.087	0.052	-0.016	-0.046
Have technical knowledge	-0.383	0.678	-0.176	-0.077	0.002	0.076	-0.112
Economic independence	-0.035	-0.017	0.648	-0.238	-0.224	0.268	-0.264

Husband unemployed	-0.107	-0.016	0.481	-0.396	0.142	0.08	-0.534
Have Infrastructural facilities	-0.036	-0.207	0.446	0.223	-0.51	-0.028	0.426
Self motivated	0.114	0.051	0.204	0.669	0.188	0.378	-0.023
Seek challenges	0.386	0.115	0.39	0.479	0.036	-0.016	-0.112
Increase in social status	-0.073	0.06	0.297	0.126	0.627	-0.331	0.07
Was unemployed	-0.022	-0.077	0.265	-0.235	0.582	0.129	0.459
Want to employ others	-0.096	0.124	-0.143	-0.138	0.068	0.813	0.234
Have good network	-0.352	0.566	0.276	0.074	-0.175	-0.157	0.202
Market potential	0.65	0.278	-0.188	0.217	0.073	0.085	-0.234

Source: Computed data

Extraction method: Principal Component Analysis

Rotation method: Oblimin with Kaiser Normalization

Rotation converged in 9 iterations

Table-3: Showing the extracted motivating factors for women entrepreneurs

Sl.No.	Factors	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
		Eigen Value	% of Variance	Cumulative %	Total
1	Husband unemployed	3.031	18.942	18.942	2.808
2	Self confidence & encouragement	2.425	15.157	34.099	2.562
3	Employing others	1.396	8.723	42.822	1.294
4	Easy access to finance	1.284	8.024	50.846	1.503
5	Undergone EDP training	1.153	7.208	58.054	1.21
6	Infrastructure facilities	1.061	6.632	64.685	1.112
7	Encouragement from NGOs/SHGs	1.048	6.551	71.236	1.265

Source: Computed data

Kaiser-Meyer-Olkin measure of sampling adequacy: 0.638

Bartlett's test of sphericity: Chi Square: 1074.159

Degrees of freedom : 120

Significance : 0.000

Factor analysis of sixteen variables relating to motivating factors for women entrepreneurs identified seven motivating factors and the results are presented in Table 3. These factors account for 71.235% of variance in the data.

Eigen value of the 1st factor "Husband unemployed" is 3.031 which indicate that this factor contains very high information than the other factors. It provides the maximum insights of the motivation forces of women entrepreneurs in the study area and suggests that the respondents felt that when the husband is unemployed they are forced to start their own enterprise to run the family.

The other motivating factors suggest that women became entrepreneurs when there is encouragement coupled with self confidence, they want to become entrepreneurs to remove unemployment, easy access to finance, EDP training, available infrastructure and encouragement from NGOs helps them in the process.

RELATIONSHIP BETWEEN MOTIVATIONAL FACTORS & OVERALL MOTIVATIONAL BEHAVIOUR OF THE WOMEN ENTREPRENEURS

After extracting the main factors involved in starting business enterprise, the next step was to find out the relationship between the motivational factors and the overall motivational behavior of women entrepreneurs in the study area. 'Multiple

regression analysis' was done to identify the relationship between the factors and the overall motivational behavior. The relationship is shown in the below equation:

$$\text{Overall motivation} = 88.17 + 0.026X^1 - 0.190 X^2 + 0.033 X^3 + 0.311 X^4 + 0.027 X^5 - 0.021 X^6 - 0.065X^7$$

Where X¹, X², X³, X⁴, X⁵, X⁶, X⁷ stand for Husband unemployed, Self confidence, Employing others, Easy access to finance, EDP training, Infrastructure available & Encouragement from NGOs respectively.

FINDINGS

More than half of the women entrepreneurs are from the lower strata (66.7%) in society and are either illiterate or semi literate (60.08%).

65.7% of these women entrepreneurs are married, taking independent decisions are difficult.

45.8% of them work for 4-8 hours in a day for their business and contribute to their family's income.

They are mostly into manufacturing (44.4%) and sell both in cash & credit (64.4%).

16 different factors played its role in making women entrepreneurs.

The major factors were Husband unemployed, Self confidence & encouragement, Knowledge & experience, Easy access to finance, EDP training, Available infrastructure, Giving employment and Encouragement from NGOs & SHGs.

Self confidence, Infrastructure & Encouragement were found to be statistically insignificant.

The motivating factors of women were influenced by their husbands being unemployed. 1% increase in the factor would increase the motivational level of women by .026% from its mean level.

Similarly the factors Employing others, Easy access to finance &EDP training were statistically significant.

IMPLICATIONS

Repeated counseling is needed to help the women realize their potential or their strength areas. Mentoring is crucial for women- owned business which can be done by NGOs & other women entrepreneurs.

Easy loans should be granted to efficient women entrepreneurs.

Awareness amongst women and support agencies can be achieved by publicity. The products prepared by the women entrepreneurs can be exhibited or film slides can be prepared or TV interviews and panel discussions can be arranged. Single women & housewives can be trained to start business.

A "Women Entrepreneur Guidance Cell" to handle various problems can be set up by the Government.

Infrastructure, in the form of industrial plots and sheds, can be set up with the help of either the Government or other funding agencies.

CONCLUSION

Women need to be motivated to become entrepreneurs. Once they enter into the field of entrepreneurship their empowerment begins and they gradually educate and learn the necessary skills from the environment in which they are working. No wonder Sara Blakely rightly said "Don't be intimidated by what you don't know. That can be your greatest strength and ensure that you do things differently from everyone else."

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