

CHAPTER VII

Conclusions and Suggestions

The women entrepreneurship, particularly in MSME Sector, occupies a significant place in an economy. The importance of women entrepreneurship and its multi-dimensional role in the economy supports the fact that development of women entrepreneurship is crucial for the growth and development of an economy. This study has aimed to assess the position and the performance of the women entrepreneurs in the MSME Sector of India. The importance of MSME Sector in the context of development of the economy has also been discussed in this study.

The overall position of women enterprises has shown an improvement over the years. The number of women enterprises has shown a tremendous increase in India. The share of women enterprises in MSME sector of most of the States/UT has increased over the years except some few States/ UT like Sikkim, Kerala, Orissa, Dadra and Nagar Haveli, Madhya Pradesh, Bihar, Haryana, Daman and Diu, Gujarat and Lakshadweep. Though the number of women enterprises has increased but it is much less than that of the enterprises owned by the male entrepreneurs. The relative position of women entrepreneurs is not at par with male entrepreneurs. The share of the women enterprises in MSME Sector of India as a whole, in all the States and rural and urban areas of India is much less than the share of the enterprises owned by male entrepreneurs. Only 13.82% of the MSMEs in India are the women enterprises relative to 86.18% of the MSMEs owned by the male entrepreneurs. The share of women enterprises in Gross output produced, in employment provided by the MSME Sector, in Exports from MSME Sector and in Market value of Fixed Assets and Original value of Plant and Machinery is much less than the share of enterprises owned by male entrepreneurs.

Various studies have been conducted at national and international level in the context of role and performance of women entrepreneurship, influential factors for women entrepreneurs and the constraints faced by the women entrepreneurs. This study has scrutinised the characteristics of the enterprise, socio-economic profile of the entrepreneurs, personal ability of entrepreneur,

support received by entrepreneurs from the government, motivational factors for taking up entrepreneurship, factors for choice of product, socio-cultural issues, entrepreneurial issues faced by the entrepreneurs and performance of the entrepreneurs with the help of Entrepreneurial Success Index (ESI). The relationship of ESI with the socio-economic profile of entrepreneurs, personal ability/constraints of entrepreneur, profile of enterprise, support received from the government, motivational factors and issues faced by entrepreneur with Entrepreneurial Success Index has been examined. The impact of certain variables such as human resources, financial resources and entrepreneurial issues faced by the entrepreneurs on the entrepreneurial performance of the entrepreneurs has also been analysed.

As per the primary study, most of the women as well as male entrepreneurs have proprietary form of organisation. The average scale of the enterprises of women as well as male entrepreneurs is small. The scale of the enterprise, form of organisation, source of raw material, market area of final product, amount of total investment in fixed assets, amount of working capital, amount of borrowed capital and source of credit describes the characteristics of the enterprises.

Women entrepreneurs included in the sample are more integrated with the world economy for raw material as well as for marketing of the final product. The percentage of entrepreneurs who purchase raw materials from the other States of India rather than Delhi or some other countries rather than India is higher in case of women relative to men. The percentage of women entrepreneurs who export their final product is higher than the percentage of male entrepreneurs who export their product.

The average total investment in fixed assets is ₹50.56 lakh in case of women entrepreneurs relative to ₹ 144.96 lac in case of male entrepreneurs. The total investment in fixed assets in the women enterprises differ by a larger amount from than that in case of enterprises owned by male entrepreneurs. The amount of working capital in women enterprises is ₹75.06 lakh and that in case of male entrepreneurs is ₹63.48 lakh. The amount of borrowed capital is ₹17.3 lakh in case of women entrepreneurs and ₹ 8.12 lakh in case of male entrepreneurs. It reflects from the primary data that the borrowed capital is higher in case of male entrepreneurs relative to women entrepreneurs. A larger number of women entrepreneurs relative to male entrepreneurs have

availed credit from either institutional or non-institutional source. Half of the male entrepreneurs have not availed credit from any of the sources.

The average age group of women and male entrepreneurs is 40 – 50 years. Most of the male entrepreneurs are married. However, apart from the married women entrepreneurs, there are some women entrepreneurs who are single. The average level of education among women entrepreneurs is post-graduation relative to graduation among male entrepreneurs. The percentage of women entrepreneurs who have pursued post-graduation is higher than the percentage of male entrepreneurs who have pursued post-graduation. Sixty eight percent of the women entrepreneurs and 66% of the male entrepreneurs were either employed in same line of activity or were involved in some other business prior to the involvement in the present enterprise. The average entrepreneurial experience of the women entrepreneurs is 13.66 years and that of male entrepreneurs is 19.06 years. A larger percentage of the male entrepreneurs relative to the women entrepreneurs live in a joint family. However, a larger percentage of women entrepreneurs as compared to the male entrepreneurs have entrepreneurial family background.

Business planning skills, decision making skills, budgeting skills, production management skills, staffing skills, marketing skills, accounting skills, credit/debit control skills, computer operating skills, internet using skills, number of hours spent and risk taking ability have been examined to analyse the personal ability/ constraints of the entrepreneurs. In the initial phase, most of the entrepreneurs had medium level of all the skills. The percentage of entrepreneurs having medium level of skills in the initial phase has been observed as more than the percentage of entrepreneurs having low or high level of skills. Entrepreneurship had positive impact on the level of skills of most of the entrepreneurs. In the present phase, the level of all the skills is high in case of women as well as male entrepreneurs. Risk taking ability is high in case of both women and male entrepreneurs. On an average, women entrepreneurs spend 8.3 hours and male entrepreneurs spend 9.7 hours for the enterprise in a day. As per the primary study, the level of skills is high in case of women entrepreneurs but they can not spend more time for enterprise, as they have to perform dual responsibilities.

The performance of entrepreneur has been evaluated with the help of **Entrepreneurial Success Index (ESI)**. Entrepreneurial Success Index has been calculated with the help of turnover, net

profit margin, net profit, return on investment, level of exports, number of employees in the enterprise, diversification, perception of success, sustenance of enterprise and impact on personal economic position of the entrepreneur. Entrepreneurial Success Index lies in the range of 0.6 to 9.8. The average ESI of women entrepreneurs is higher and significantly different from that of male entrepreneurs. Significant difference in terms of net profit margin, return on investment, level of exports, employment level, and diversification in product line has resulted in significant difference in the level of ESI with 5% level of significance.

The level of turnover, net profit margin of and the level of exports is more in case of women entrepreneurs relative to male entrepreneurs. The turnover of male entrepreneurs lies in the range of ₹ 50 to 75 lakh and that of women entrepreneurs lies in the range of ₹75 lakh to 1 crore. The average net profit margin of women entrepreneurs is 16-20% and that of male entrepreneurs lies in the range of 11-15%. The results of t-test for equality of means reflect significant difference in net profit margin among women and male entrepreneurs at 1% level of significance. Thirty two percent of women entrepreneurs are able to earn net profit margin above 20% relative to 14% of male entrepreneurs. The Return on Investment of women entrepreneurs is significantly different from that of male entrepreneurs with 10% level of significance. The return on investment of women entrepreneurs is 1.03 relative to 0.503 of male entrepreneurs. The average level of net profit in case of women entrepreneurs is ₹ 38.11 lakh and that in case of male entrepreneurs is ₹ 24.32 lakh. Level of net profit of women entrepreneurs does not differ significantly from that of male entrepreneurs. The average level of exports of women entrepreneurs is ₹ 25 – 50 lakh whereas that in case of male entrepreneurs is ₹ 0 to 25 lakh. The level of exports of women entrepreneurs differ significantly from that of male entrepreneurs at 1% level of significance. The average number of employees in an enterprise of women enterprise is 108 whereas that in case of male entrepreneurs is 28. Women entrepreneurs differ significantly from male entrepreneurs in terms of employment at 10% level of significance. Women entrepreneurs have taken up larger number of diversifications relative to male entrepreneurs. The perception of success level of women entrepreneurs does not differ significantly from that of male entrepreneurs. On an average, women as well as male -entrepreneurs perceive themselves to be successful. According to the response of all the entrepreneurs, the performance variables such as turnover, Net Profit Margin, Net Profit (after tax and interest deduction), Proportion of profit reinvested, employment and exports, reflect a constant trend, on an average, in the past several

years. Impact of entrepreneurship on personal economic position is similar in case of women and male entrepreneurs. The personal economic position of entrepreneurs has improved as a result of entrepreneurship.

The relationship of the ESI with the socio-economic profile and some of the characteristics has been observed. Age of the women entrepreneurs has positive correlation with their success level. In case of male entrepreneurs, success index has negative correlation with the age group of the entrepreneurs. The average ESI of single male entrepreneurs is lower than the average ESI of married male entrepreneurs. The average ESI of the entrepreneurs who live in a joint family is more than the average ESI of the entrepreneurs who live in a nuclear family. ESI of the entrepreneurs who spend more number of hours is higher than the ESI of the entrepreneurs who spend relatively lesser number of hours.

The scale of the enterprise has significant positive correlation with the ESI in case of both women and male entrepreneurs. ESI of the medium enterprises is higher than the ESI of micro and small enterprises.

The impact of human and financial resources on the entrepreneurial success index has been analysed. Human and financial resources includes education level of the entrepreneurs, previous occupation, entrepreneurial experience, skills of the entrepreneurs, entrepreneurial family background, amount of borrowed capital, amount of investment in fixed assets and source of credit.

The factors which have positive impact on the success index of the women entrepreneurs are: education level of the entrepreneurs, entrepreneurial experience of the entrepreneurs, previous occupation, entrepreneurial family background, business management skills, amount of borrowed capital, amount of investment in fixed assets and institutional source of credit.

The factors which have positive impact on the success index of the male entrepreneurs are: education level of the entrepreneurs, business management skills, investment in fixed assets, entrepreneurial family background and institutional or non-institutional source of credit. The performance of the entrepreneurs with higher education level has been better than the performance of entrepreneurs with relatively lower level of education.

Education level has positive impact on the level of ESI of the entrepreneurs and the impact is significant in case of women entrepreneurs. The level of business planning skills and computer operating skills has positive impact on the performance of the entrepreneurs.

Motivational factors, factors for choice of product and issues faced by entrepreneur also play significant role for the success of the entrepreneur. In case of women entrepreneurs, self-interest, self-confidence, desire to achieve equality at par with men, desire to attain freedom and independence have been the most prominent influential factors in taking up entrepreneurship. These factors had high level of influence in case of more than 60% of women entrepreneurs. In case of male entrepreneurs, self-confidence, self-interest, desire to improve quality of life, desire to face challenges, desire to attain freedom and independence, economic necessity, competitiveness in the market, inspiration from success of others and family support are the most influential factors in taking up entrepreneurship.

The prominent factors influencing the choice of product were own perception of entrepreneur, demand of product, knowledge of product/service, feasibility of market of final product, uniqueness of product, easy availability of raw material, low capital requirement and presumption of high level of profit in case of both women and male entrepreneurs. Suggestion of financial institution has been the least influencing factor for the choice of product.

Socio-cultural issues along with the entrepreneurial issues faced by the entrepreneurs in the initial phase as well as in the present phase have been analysed. In the initial phase, dual responsibilities of women had the highest score on likert scale in case of the women entrepreneurs and support from family had the highest score in case of the male entrepreneurs. The issue of dual responsibilities of women was a minor problem for the women entrepreneurs. In case of women entrepreneurs, apart from dual responsibilities of women, gender discrimination in dealing with government department, in receiving training and support from government, in dealing with legal issues, in receiving support from family were the minor problems faced by the women entrepreneurs in the initial phase. Apart from the problem of gender discrimination in dealing government department, other minor problems faced by women entrepreneurs are the problem of dual responsibilities of women, gender discrimination in dealing with legal issues and gender discrimination in receiving support from government.

Issue of support from spouse, support from family, interference from family, support from friends, support from community, dual responsibilities of women, gender discrimination in receiving support from family, gender discrimination in selling final product in the market, gender discrimination in dealing with the legal issues are negatively correlated with the success level in case of women entrepreneurs.

In case of women entrepreneurs, adequacy of working capital, dealing with the government departments, implementation of the schemes, dealing with the legal issues, knowledge of benefits of the schemes, competition with the large enterprises, productivity of workers, availability of raw material at favorable prices, rigid lending policies, information about legal formalities to be completed, credibility, awareness of the schemes of the government, management of the workers, provision of collateral, absenteeism of workers, knowledge of competition in the market were the moderate problems faced by the women entrepreneurs in the initial stage. In the present phase, dealing with the government departments, implementation or outreach of the schemes, price of electricity, absenteeism of workers, competition with the large enterprises, knowledge of the benefits of the schemes, level of wages and dealing with the legal issues are the moderate problems faced by the women entrepreneurs in the present phase. As per the mean score on likert scale, adequacy of the working capital was the dominant problem for the women entrepreneurs in the initial phase whereas dealing with the government departments is the dominant problem faced by the women entrepreneurs in the present phase.

In case of male entrepreneurs, implementation of the schemes, dealing with the government departments, adequacy of working capital, supply of electricity, adoption and application of best technology and availability of raw material at favorable prices were the moderate problems faced by the male entrepreneurs in the initial phase. Price of electricity, implementation or outreach of the schemes, dealing with the government departments, adequate availability of the workers and competition with the large enterprises are the moderate problems faced by the male entrepreneurs in the present phase. Implementation of the schemes was the dominant problem for the women entrepreneurs in the initial phase whereas price of electricity is the dominant problem faced by the women entrepreneurs in the present phase as per the mean score on likert scale.

In the initial phase, the level of the problems related to the issue of credibility, rigid lending policies, adequacy of working capital, information pertaining to best technology, competition

with large enterprises, level of wages, labour unionism, dealing with legal issues, issue of supply of electricity faced by women entrepreneurs was significantly different from the level of the same problems faced by male entrepreneurs. In the present phase, the level of the problems related to the issue of demand of product, dealing with the legal issues, knowledge of benefits of schemes, location of the enterprise faced by the women entrepreneurs are significantly different from the level of the problems faced by the male entrepreneurs.

In case of women entrepreneurs, issues related to finance, issues related to information, issues related to raw material, issues related to production and productivity, issue of market dealing, issues related to the schemes of the government and legal issues have negative impact on the success index. The impact of the issues related to finance, issues related to information, issues related to raw material is significant with 1% level of significance and the impact of issues related to production and productivity is significant with 5% level of significance.

In case of male entrepreneurs, issues related to finance, issues related to information, issues related to raw material, issues related to production and productivity, issues related to the schemes of government, issues related to the market competition, legal issues have negative impact on the success index of the entrepreneurs. Impact of issues related to finance, issues related to production and productivity is significant with 1% level of significance. Impact of issues related to information is significant with 10% level of significance.

As per the views expressed by the women entrepreneurs, following recommendations can be inferred:

- Basic infrastructure such as water supply, electricity, roads should be improved
- Inflation and wage rate should be checked
- Schemes to provide financial benefits to exporters should be implemented
- Some data bank of prices of raw materials and appropriate prices of product should be availed to entrepreneurs to remain informed about prices
- More of buyer-seller meet should be organised
- New/small exporters should be supported with the help of schemes
- Proper resourcing of raw materials
- Labour saving technology should be introduced by government.

- The taxation policies should be improved.
- The limit of turnover to levy excise duties should be increased
- Awareness, Transparency and implementation of schemes should be improved
- One window clearance for legal formalities
- Guidance for registration and other legal formalities should be provided
- The formalities & procedures for registration of enterprise should be eased out
- Dealings with government departments should be made smooth & corruption free.
- More people should be encouraged to pay taxes rather than increasing tax slabs for the current tax payers.
- Labour laws should be improved. There should be more laws favoring the employer as compared to employees since labor laws are always misused and highly attract corruption at all levels.
- Training programmes should be conducted by government for development of entrepreneurship.
- Paper work should be reduced to get the registration easily.
- Awareness of Programs by Government through different sources such as newsletters, television etc.
- License Raj should be reduced.
- The finance schemes should be promoted to young entrepreneurs.
- Training at school level from Primary education centre children should be allowed to think out of the box and try different things
- Subsidies and SEZ for small & medium scale enterprises
- Among women, for entrepreneurship promotion, our cities/ country must be made SAFE for women.
- financial support should be provided to entrepreneurs for acquiring plant and machinery
- Special mechanisms should be created to inform the entrepreneurs about the schemes.
- Govt formalities should be reduced to receive the license from government
- Encourage entrepreneurship among the younger age group.
- There should be less of red tape and long queues should be removed when any work has to be done in any government organization.

- Policies should be SME friendly
- Government should remove age limit for training programmes.
- Facilities provided by government should reach the entrepreneurs.
- Training programmes should be conducted for development of entrepreneurship and women should be equally encouraged.
- Gender discrimination should be reduced.
- Success of entrepreneurs is the success of economy.
- Potential of entrepreneurs should be realized.
- Govt should encourage development of entrepreneurs rather than discourage them.
- Government should recognize the efforts of women entrepreneurs and should take initiatives for their development
- Infrastructure like road, transport, freight corridors should be provided by government so that Indian products are competitive in the International market.
- Indian Enterprises really need to improve adaptation & implementation of latest technology & machinery.
- Skilled & specific training programs
- Basic skill training of labour should be enhanced so their efficiency & production speed/capability improves, hence enabling an entrepreneur in service industry to accomplish more targets. Also, respect for women leaders needs to be more acceptable, which is currently not the case.
- Safety of women staff and environment should be taken care of
- Banks should be more friendly, for loans, they should have a better view and look at business in a better light. Licenses should be issued in easier manner. Municipal and industrial license are received in a long time, it should come easier and faster.

Multidimensional forces act for the development of entrepreneurship. The success level of entrepreneur is ramification of socio-economic profile of entrepreneur, characteristics of enterprise, skills of entrepreneur, support from government, influential factors for taking up entrepreneurship and problems faced by entrepreneurs. Therefore, investigation of all the factors

and examination of functions performed by each one of them is exigent for further development of entrepreneurship.

The conclusions from the primary study can be taken up as the basis for the promotion, development of women entrepreneurship. The analysis of the impact of various factors on the success level of the entrepreneurs has diverted the attention towards the issues and the concerned areas which are to be focused upon for the development of women entrepreneurship. The factors having positive impact on the success index of the entrepreneurs such as education level, business management skills, level of investment, availability of credit should be focused upon. Special training programs for development of skills of the entrepreneurs prior to establishment of the enterprise and even while running the enterprise would improve the performance level of the entrepreneurs.

Suggestions

Though, government and other institutions have taken up remarkable initiatives for the development and promotion of women entrepreneurship, a lot of effort is still to be put in. Apart from the schemes to be implemented, a monitoring and evaluation system is to be formulated by the Government. Micro level studies could be conducted to find out the factors responsible for the disparity between male and women entrepreneurship. Efforts could be made to overcome those factors. Motivational and awareness programmes could be conducted by Government to encourage women to take up entrepreneurship. With the joint effort of every individual, development of women entrepreneurship will definitely prove to be a helping hand in the development of economy.

The factors having positive influence on the Entrepreneurial Success Index should be stressed upon by the government and other organisation working for the promotion of women entrepreneurship. Education level has been observed to have positive impact on the success level in case of women entrepreneurs. Therefore, government should take steps to improve the education level especially among female students. The principles and importance of entrepreneurship should be inculcated in the curriculum with the perspective to encourage students to take up entrepreneurship as a career.

Awareness of entrepreneurship should be spread among general public through various channels such as television, internet, newspapers, magazines, etc. Awareness among general public will work in multi-dimensional ways for women entrepreneurship. Joint family has positive impact on success level of entrepreneurs. Awareness of importance of women entrepreneurship among family members will improve cooperation and support from family members which would further act as a motivational factor to take up entrepreneurship. The problem of support and cooperation from family faced by entrepreneurs will be reduced with realization of importance of entrepreneurship.

The socio-cultural problems faced by women entrepreneur also require attention of government. Strict measures by government are required to take care of the problem of gender discrimination in dealing with government and legal departments. Certain special guidelines should be issued for the government departments with the objective to support women entrepreneurs.

The entrepreneurial issues having negative correlation with ESI such as issue of unfavorable rate of interest, issue of adequacy of working capital, transportation cost of raw material, knowledge of competition in the market, awareness of schemes of government, implementation of schemes should be overcome by government. Special financial schemes should be formulated for women entrepreneurs. Women entrepreneurs should be able to avail collateral free loans at a lower rate of interest. Certain exclusive newsletters inclusive of all the information for benefit of women entrepreneurs should be issued by government.

The suggestions and recommendations of women entrepreneurs should be incorporated by government. Personal interaction of government departments with women entrepreneurs is required for improvement in formulation and implementation of schemes. Action research to evaluate the outreach of schemes is very much essential. It is not only the initiatives of government which can promote and develop women entrepreneurship but efforts of educational institutes, institutes providing vocational training, associations of women entrepreneurs and Non-Government Organisations for development of women entrepreneurship are equally required to be expended. All the citizens of nation are required to comprehend the importance of development of women for betterment of economy and exhaustion of joint effort of all the citizens for the same is the need of hour.