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Factors motivating women to become entrepreneurs in Chittoor district

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Abstract

Entrepreneurship plays a major role in developing society of a fast developing country like India. Entrepreneurs are agents who perform a vital role in the economic development of a country and are linked to the overall industrial development of a nation. The traditional roles of house wives are slowly but surely changing into women capacity and willingness to develop, organize, and manage a business along with any of its risks in order to make a profit entrepreneur. Today's women are taking more and more professional and technical degrees to cope up with market need and are flourishing as entrepreneurs and exploring new avenues of economic participation. In view of the above an attempt has been made to study the influence of the motivational factors on women to become entrepreneurs. The research was conducted on 722 women entrepreneurs of Chittoor district. The study found the seven factors through factor analysis which motivated women greatly to become entrepreneurs such as, Generation of Income, Economic Independence, Interest, Self-Dependent, Family Encouragement, Social Status and Self Prestige out of sixteen attributes.

Keywords: Women Entrepreneur, Society, Motivational Factors, Business, Enterprises.

Introduction

Entrepreneurship plays a major role in developing society of a fast developing country like India. India is one of the fastest emerging economies and the importance of entrepreneurship is realized across the globe. Entrepreneurship is more significantly recognized as an important driver of economic growth, productivity, innovation and employment and it is widely accepted as a key aspect of economic dynamism. Entrepreneurs are agents who perform a vital role in the economic development of a country and are linked to the overall industrial development of a nation. Despite the emergence of women entrepreneurs' the contribution to the national economy by the women is much less compare to men.

Before the 20th century, women used to operate businesses as a way to supplement income. They were considered as home makers with little to do with economy or commerce. However with the turn of the century, women have become more employment / career oriented. It has resulted in some positive outcomes. Women entrepreneurs have broken away from the beaten track and are exploring new vistas of economic participation.

According to Government of India, "an enterprise owned and controlled by a woman having a minimum financial interest of 51 percent of the capital and giving at least 51 percent of the employment generated by the enterprise to women".

Kamal singh a woman entrepreneur from Rajasthan, has defined woman entrepreneur "as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life" (cited by Yogitha Sharma, 2013).

The hidden entrepreneurial potential of women gradually been changing with the growing sensitivity to the role of economic status in the society (Prema latha, 2010)^[10].

At present women have characterized by taking of financial risks in the hope of profit; entrepreneurial role in order to create a meaning for themselves. A few of the circumstances responsible for these changes are better education, changing socio cultural values and need for additional income. In modern India, more and more women are taking up entrepreneurial activity especially in Micro, Small and Medium scale enterprises.

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Several studies (Alstete, 2003; Hughes 2006; Kirk wood, 2009; Mc Clelland *et al* 2005; Wang *et al.*, 2004) [6] [4] [8]. Have documented that pull and push factors encouraged Indian women to enter into entrepreneurial world. The push factors are responsible for entrepreneurship, where in women establish enterprise due to financial hardships and family responsibilities. The pull factors are the opportunities identified by women.

In view of the above an attempt has been made to study the influence of the motivational factors on women to become entrepreneurs with the following objectives.

Objectives

- To study the socio-economic demographic profiles of Micro, Small, Medium and Large scale (MSMLEs) women entrepreneurs in Chittoor district of Andhra Pradesh.
- To know economic activities carried out by women in MSMLEs.
- To identify the motivational factors that influence women to become entrepreneurs.

Methods

The study was conducted in Chittoor district of Andhra Pradesh.

Chittoor district is divided into three revenue divisions namely Chittoor, Madanapalle and Tirupati having 66 mandals. These three revenue divisions consists of 1540 revenue sources in rural, semi urban and urban areas. Among these, representative sampling was done to identify MSMLEs run by women for inclusion in the current study.

Sample selection

Addresses of the women who benefited from different

support-systems like Banks, DIC (District Industrial Centre), SFC for the start and establishment of their enterprises were collected. A list of these women was prepared and all the women entrepreneurs (802) were taken for the study.

Sector wise the details of these women entrepreneurs are given in Table.1

Table 1: Sector wise details of women entrepreneurs

S.no	Sector	Sample Size				Total
		Micro	Small	Medium	Large	
1	Service	110	36	1	1	148
2	Production	175	8	4	3	190
3	Business	232	221	11	0	464
	Total	517	265	16	4	802

Among the 802 enterprises run by women, 517 are Micro enterprises, 265 Small enterprises, 16 Medium and 4 are Large scale enterprises. Among these 802 women entrepreneurs a small number of sample that is 80 women entrepreneurs (51 Micro, 26 Small, 2 Medium and 1 Large scale) was taken for pilot study. Hence a total of 722 women entrepreneurs were included for the final study.

Tools developed

An interview schedule was developed to collect the data for the women entrepreneurs and the motivational factors were rated by the respondents on a 5 point Likert scale.

Results and Discussion

In the present study majority of the women entrepreneurs (36.29 percent) were in the age group of 31 to 40 years. According to United States Global Entrepreneurship Monitor (2013), women over 35s who have the best chance of success.

Table 2: Age of respondents

Age	Micro	Small	Medium	Large	Total
20 to 30 Years	25 (5.37)	21(8.79)	0(0.00)	0(0.00)	46(6.37)
31 to 40 Years	161(34.55)	94(39.33)	6(42.86)	1(33.33)	262(36.29)
41 to 50 Years	160 (34.33)	68(28.45)	5(35.71)	2(66.67)	235(32.55)
51 and above years	120(25.75)	56(23.43)	3(21.43)	0(0.00)	179(24.79)
Total	466	239	14	3	722

*Note: Figures in parenthesis are percentages to the total in the tables.

Nearly one third of the women entrepreneurs (36.15 percent) were graduates, 21.61 percent had studied up to higher Secondary, 20.91 percent had post graduate degree, 18.28 percent had primary education and only 3.05 percent were illiterates. It was noticed that a high percent (85.71) of women in Medium scale enterprises were post graduates. In the wake of growing importance to the education in the present study more than half post graduates.

This is a significant observation irrespective of their educational status. The entrepreneurial spirit was the driving force to establish economic independence too. Skinner (2005) [6]; Cassar (2004) in their studies revealed that a majority of women entrepreneurs belonged to the educated class and there is positive relationship between education and entrepreneurship development.

Table 3: Educational Qualifications of respondents

Education	Micro	Small	Medium	Large	Total
Post-Graduation	48(10.30)	91(38.08)	12(85.71)	0(0.00)	151(20.91)
Graduation	151(32.40)	105(43.93)	2(14.29)	3(100.00)	261(36.15)
Higher Secondary	132(28.33)	24(10.04)	0(0.00)	0(0.00)	156(21.61)
Primary School	113(24.25)	19(7.95)	0(0.00)	0(0.00)	132(18.28)
Illiterates	22(4.72)	0(0.00)	0(0.00)	0(0.00)	22(3.05)
Total	466	239	14	3	722

A high percent of women entrepreneurs (80.33 percent) belonged to nuclear families and only 19.67 percent belonged to joint families. A large number of Micro, Small and

Medium enterprises run by women respondents were in trade sector (47.2; 87.87; 71.43 respectively). In the present study 65.65 percent of the women entrepreneurs started their

enterprises in urban area. 26.04 percent women enterprises existed in semi urban areas and rest 8.31 percent enterprises located in rural areas. A high percentage of women enterprises (70.91) were started 10 years ago which are in establishing stage. Majority of the women entrepreneurs (65.65 percent) had business background.

Factors motivating women to become entrepreneurs

In order to find out the factors influencing the women to become entrepreneurs, 16 attributes that can influence their decision were identified such as Generation of Income, Economic Independence, Interest, Self-Dependent, Family Encouragement, Social Status, Self-Prestige etc. (Table-4). It is concluded from the analysis that the seven factors such as Generation of Income, Economic Independence, Interest, Self-Dependent, Family Encouragement, Social Status and Self Prestige were extracted out of the sixteen variables. These factors account for about 87.24 per cent of variance in the data. Eigen value for the first factor ‘Generation of Income’ is 3.32 which indicate that this factor explains more information than the other factors. The first factor,

‘Generation of Income’ provides the maximum insights of motivating forces of women entrepreneurs in the study area and explains 20.77 per cent of variation. This indicates that women entrepreneurs wanted to generate income on their own to support their families. The second important factor called ‘Economic Independence’ account for 16.49 per cent variation to the dependent variable and the Eigen value of this factor is 2.64. The respondents prefer to be economically independent.

The third factor ‘Interest’ accounts for 13.55 per cent of variance with the Eigen value of 2.19 indicating that women entrepreneurs started the business enterprise on the basis of her own interest and necessities. The other factors ‘Self Dependent’, ‘Family Encouragement’ ‘Social Status’ and ‘Self Prestige account for 12.80, 10.37, 6.72 and 6.53 per cent of variance with the Eigen values of 2.05, 1.67, 1.08 and 1.05 respectively. The above seven important factors contributing 87.24 per cent of variation to the dependent variable. Thus, it is clear from the results that these seven factors are important in making decision as to starting business enterprises.

Table 4: Principal Component Analysis- Component Matrix

Variables	Component Matrix						
	1	2	3	4	5	6	7
Generation of income	0.743	-0.222	0.071	0.123	-0.181	-0.378	0.234
Economic independence	-0.662	0.328	-0.156	0.537	0.158	-0.146	0.069
Interest	0.531	0.140	-0.321	-0.459	-0.254	0.262	0.101
Self dependent	0.525	0.080	-0.417	0.347	0.313	0.321	0.267
Family encouragement	0.504	0.383	-0.212	-0.448	0.052	-0.427	0.241
Social status	-0.072	0.737	0.261	-0.015	0.229	-0.155	-0.179
Self-prestige	0.349	0.637	0.344	0.376	-0.053	-0.082	0.360
Experience	0.507	0.623	-0.161	-0.272	0.306	0.135	-0.269
Generation of employment	-0.504	0.390	0.633	-0.100	0.096	-0.044	0.073
Market potential	0.371	0.248	0.598	0.222	-0.133	0.588	-0.111
Education	0.422	-0.351	0.474	0.606	-0.175	-0.124	0.240
Continue family business	0.235	0.424	-0.418	0.573	0.156	-0.200	-0.230
Dissatisfaction with the present status	-0.134	-0.347	-0.218	0.240	0.702	0.219	0.363
Financial assistance	-0.132	0.474	-0.281	0.161	-0.595	0.218	0.210
Unemployment	0.542	-0.161	0.453	-0.199	0.368	-0.589	-0.131
Use of idle funds	-0.475	0.293	0.097	-0.533	0.192	0.093	0.540

Note: Extraction Method: Principal Component Analysis. 7 components extracted.

Table 5: Principle Component Analysis- Motivating factors for respondents

S. No.	Motivational Factors	Eigen Values	Percentage Variance	Cumulative Percentage Variance
1	Generation of income	3.32	20.77	20.77
2	Economic independence	2.64	16.49	37.27
3	Interest	2.19	13.55	50.82
4	Self-dependent	2.05	12.80	63.62
5	Family encouragement	1.67	10.37	73.99
6	Social status	1.08	6.72	80.71
7	Self-prestige	1.05	6.53	87.24

Extraction Method: Principal Component Analysis.

Relationship between motivational factors and the overall motivational behaviour of the women entrepreneurs

After finding out the factors involved in starting business enterprise, the next step is to find out the relationship between the motivational factors and the overall motivational behaviour of women entrepreneurs in the study area. ‘Multiple regression analysis’ has been done to identify the impact of the factors on the overall motivational behaviour. The function in log form is as follows:

$$\text{Log } Y = \log b_0 + b_1 \log X_1 + b_2 \log X_2 + \dots + b_7 \log X_7 + e_u$$

Where,

Y: Overall score on decision behaviour

X₁: Generation of Income

X₂: Economic Independence

X₃: Interest

X₄: Self Dependent

X₅: Family Encouragement

X₆: Social Status

X₇: Self Prestige

b₀, b₁, b₂ . . . b₇ are the parameters of independent variable to be estimated.

b₀: Regression constant

e_u : error term

In order to test the significance of the estimated parameters, $b_1, b_2 \dots b_7$, t-test of the following formula has been used.

$$t = \frac{b_i}{SE(b_i)}$$

Where,

SE (b_i): Standard Error of b_i .

Table 6: Impact of motivating factors on the overall motivational behaviour

S. No.	Motivational Factors	Elasticity Coefficient	Standard error	t-value
1	Constant (b_0)	0.135	0.041	3.293*
2	Generation of Income (x_1)	0.209	0.014	14.929**
3	Economic Independence (X_2)	0.149	0.011	13.545**
4	Interest (X_3)	0.016	0.026	0.615@
5	Self-Dependent (X_4)	0.381	0.021	18.143**
6	Family Encouragement (X_5)	0.125	0.012	10.417**
7	Social Status (X_6)	0.186	0.011	16.909**
8	Self-Prestige (X_7)	-0.011	0.026	-0.423@

Source: Computed Data

Note: @: Not Significant

*: Significant at 5 per cent level

**: Significant at 1 per cent level

R² = 0.84

F-Test = 378.69

Table-6 presents the elasticity's of the multiple regression analysis, the standard errors and the t-values of the coefficients. From the analysis of the results, the t-values of the regression coefficients are all significant at 1 per cent level except the coefficients of the variables 'Interest' and 'Self Prestige'. It is implying that there is a significant contribution of the five factors on the overall motivational behaviour. The multiple correlation coefficient (R^2) and 'F' statistics are significant at 1 per cent level indicating that the seven factors having a significant influence on taking the decision as to starting business enterprises of the sample women.

Conclusion

Women entrepreneurship development is an essential part of human resource development. The role of women entrepreneurs in economic development is inevitable. Women entrepreneurs enter into business field with some motives like Generation of Income, Economic Independence, Interest, Self-Dependent, Family Encouragement, Social Status and Self Prestige. Women entrepreneurship must be moulded properly with required entrepreneurial traits and skills to achieve their goals and meet the changes in trends, challenges and to be competent to excel in the entrepreneurial arena.

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