

CHARACTERISTICS OF WOMEN ENTREPRENEURSHIP IN KERALA AND TAMIL NADU

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ABSTRACT

Background

Women perform an important role in building the real backbone of a nation's economy. There is considerable entrepreneurial talent among women. In the closing years of the 21st century, multi- skilled, productive and innovative women entrepreneurs are inextricable for achieving sustained economic growth.

Materials and Methods

The respondents of the study consist of registered women entrepreneurs of both Kerala and Tamil Nadu .The sample consists of 327 women entrepreneurs from Kerala and 160 from Tamil Nadu. For the purpose of analysis, statistical tools like percentages, rank test, chi-square test and proportion test were used.

Results

The study revealed that the women entrepreneurs in Kerala are highly educated, compared with the women entrepreneurs in Tamil Nadu. Most of the women entrepreneurs in Kerala and Tamil Nadu are first generation entrepreneurs and employ fewer than five employees. Most of the women entrepreneurs in Kerala and Tamil Nadu manage their businesses independently and utilised own funds and bank

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funds for the business. A few in Tamil Nadu have borrowed from money lenders apart from using their own funds.

Keywords

Women Entrepreneurs, Women headed households, proportion test, Women Enterprise Building, Entrepreneurial Development Programme

MANUSCRIPT

Introduction

Women in Enterprise Building has emerged as an agenda for many policy makers, researchers, and trainers and as well as for associations and organisations involved in women development. If women acquire skills, they can carve a niche for themselves in the outside world too. This is the reason why women entrepreneurship development has become a subject of great concern and serious discussion in recent times.

Statement of the Problem

In India, women are relatively powerless with little or no control over resources and little decision making power. Women in the informal sector are found to be home-based workers, engaged in the petty manufacture of goods, either on piece rate basis or on own account, petty traders and petty shopkeepers or service specialists. Kerala presents a positive picture as far as women's development is concerned. The statistical data also show that the number of women SSI units is increasing every year. Even though women entrepreneurs in Kerala have essential education, they are not outstanding in their role as entrepreneurs, as the majority of them undertake less risky ventures. Today, most of the enterprises set up by women entrepreneurs are of simple consumer products, like readymade garments, food products, toys, handicrafts or are in the service sector, such as X-rays, clinic, tailoring, beauty parlours, data processing, advertising, departmental stores and photo-copying. Only a few have entered steel furniture, electronics, plastics and other industries that require higher technology and innovative production process. In Tamil Nadu each

city has its own set of products that are manufactured by women entrepreneurs using indigenous skills. Most of these products are made with locally available materials and the skills available in production are seldom found in other cities. Though traditional activities like production and sale of domestic items such as garments have been taken up by women since long, entrepreneurship on the modern lines has been found in industry and trade and service concerns only for the last one decade or so. In most parts of Tamil Nadu, women occupied a very low status in medieval and early modern society in the Madras Presidency. The heavy industrialisation and urbanisation in the State made significant development in the areas of women's empowerment and social development. Modern women entrepreneurs in Tamil Nadu possess organisational abilities, marketing skills, entrepreneurial skills and efficiency and novel ideas and reaped the rewards of a globalising economy. The present study has been undertaken to assess the characteristics of women entrepreneurship in Kerala and Tamil Nadu.

Review of Literature

Singh and Senguptha (1985)¹ conducted a study on 45 women who were attending the entrepreneurial development programme held in November-December 1983 to determine the characteristics of women who were at the threshold of starting their businesses. The conclusions drawn from the study were majority of the potential entrepreneurs had clarity about their projects, but needed moral support from male and other family members for setting up their enterprises. Women entrepreneurs preferred to combine their need for excellence with emotional dependency. They had inner uncertainty of their own capabilities and needed male support to pave their way either with money, business know-how or moral support. Jayasree (1997)² studied the entrepreneur's access to household resources in Madras and Pondicherry by selecting a sample of 140 women entrepreneurs. She found that the major and foremost source of finance mobilisation was from family and personal saving only. Members of the family played greater roles in decision making, starting and checking the work routine and financial management. Krishnaveni Motha (2004)³ in a study about women entrepreneurship in rural areas of India observed that many women themselves were running the enterprises effectively

and belonged to low socio- economic groups. The study also revealed that women entrepreneurs who received family support could manage the enterprise more effectively.

Scope of the study

The present study has been undertaken to assess the characteristics of women entrepreneurship in Kerala and Tamil Nadu. The assessment has been made by considering the perception of sample women entrepreneurs in Kerala and Tamil Nadu. The study is confined to registered SSI units managed by women in Kerala and Tamil Nadu.

Objective of the Study

The main objective of this study is to investigate the characteristics of the women entrepreneurship in Kerala and Tamil Nadu.

Hypothesis of the Study

H₀₁ There is no difference in the characteristics of the women entrepreneurs in Kerala vis-à-vis Tamil Nadu.

Selection of Sample

For selecting the women entrepreneurs, the States of Kerala and Tamil Nadu have been first divided into three zones-souths, central and north. From these zones, one district each representing south, central and north (Alappuzha , Ernakulam and Malappuram in Kerala and Madurai, Dharmapuri and Chennai in Tamil Nadu) have been selected at random. There were in all 6541 women managed SSI units in the selected districts of Kerala(2522 in Alappuzha,3037 in Ernakulam and 982 in Malppuram) and 3130 in Tamil Nadu (671 in Madurai,1617 in Dharmapuri and 842 in Chennai)as on 31-3-2001.5% have been chosen at random for the study. Thus, the total number of women entrepreneurs selected as sample has come to 327 for Kerala and 160 for Tamil Nadu.

Collection of Data

The data required for the study were collected from both primary and secondary sources. The primary data were collected from the respondents based on structured interview schedule. The secondary data were collected from reports, books, periodicals and from various web sites.

Tools of Analysis

The data collected were suitably classified and analysed keeping in view the objectives of the study. For the purpose of analysis, statistical tools like percentages, rank test, chi-square test, and proportion test were used. The chi-square test was applied to examine the significance of variation in the opinion among the women entrepreneurs in Kerala and Tamil Nadu. The proportion test was conducted to assess whether the ratio of the number of respondents in favour/ to the total number of respondents in Kerala and Tamil Nadu is equal or not.

Period of the Study

The study covers a period of ten years from 2000 to 2009. The survey was made in Kerala and Tamil Nadu during July 2007 - February 2009.

CHARACTERISTICS OF WOMEN ENTREPRENEURS IN KERALA AND TAMIL NADU-ANALYSIS

The study revealed that a majority of the women entrepreneurs (>75%) in Kerala and Tamil Nadu fall under the age group of 20 to 50. Further, women entrepreneurs in the age group of 50 to 60 are relatively high in Tamil Nadu, (29%) compared with that of Kerala (17%). The chi-square test also shows this difference as to age between the women entrepreneurs of Kerala and Tamil Nadu (Table 1). The percentage of women entrepreneurs in the general category is more in Kerala (87%) than in Tamil Nadu (78%). It is also observed that the percentage of women entrepreneurs who belong to SC/ST category (11%) is more in Tamil Nadu, compared with that in Kerala (3%). The chi-square test also establishes this difference at 5 per cent level. There is a close relationship between the place of

birth and the individual exposure. In order to succeed in business, an entrepreneur needs exposure which he/she gets when he/she lives in city or town, as it is the main centre for business. 48 per cent of the women entrepreneurs are from urban areas and 47 per cent from rural areas in Kerala, where as the majority of the women entrepreneurs (77%) are from urban areas and only a limited section (22%) of the rural women is engaged in business in Tamil Nadu. Again, the chi-square test also shows a significant difference in the place of birth of the women entrepreneurs in Kerala and Tamil Nadu (Table 3). The percentage of women entrepreneurs in the divorced/ separated/ widow category in Tamil Nadu and Kerala is one and the same (i.e. 16 %). The chi-square test also confirms the above observation at 5 per cent level (Table 4). Women headed households are the result of widowhood, desertion or illness, unemployment or the addictive habit of their husbands. The number of families having husband or others as head of household is greater in Kerala and Tamil Nadu. 73 per cent of the families of the women entrepreneurs in Kerala and 53 per cent in Tamil Nadu are headed by their husbands. However, when compared with Kerala (22%), in Tamil Nadu, a greater number of the women entrepreneurs (46%) are heads of households. The chi-square test reveals a significant difference in the head of household of the women entrepreneurs in Kerala and Tamil Nadu (Table 5).

Most of the families of the women entrepreneurs in Kerala and Tamil Nadu are nuclear in nature (Table 6). It is 83 per cent in Kerala and 89 per cent in Tamil Nadu. 17 per cent of the families of the women entrepreneurs in Kerala are from joint families, whereas it is 11 per cent in Tamil Nadu. The chi-square test also reveals no significant difference in the nature of family of the women entrepreneurs in Kerala and Tamil Nadu. For the majority of the women entrepreneurs in Kerala (68%) and Tamil Nadu (66%), the number of members in the family is less than five, since most of them have a nuclear family (Table 7). For another 32 per cent in Kerala and 34 per cent in Tamil Nadu, the family size is five and above. The chi-square test also proves no significant difference in the number of members in the family members of the women entrepreneurs in Kerala and Tamil Nadu. Women entrepreneurs in Kerala are highly educated, compared with the

women entrepreneurs in Tamil Nadu. 49 per cent of them in Kerala are either graduates or post graduates. But, in Tamil Nadu, it comes to 32 per cent. The percentage of women entrepreneurs who are either illiterate or below S.S.L.C. is higher in Tamil Nadu (29%) than in Kerala (8%). It also reveals that in Kerala, no single woman entrepreneur is illiterate. The chi-square test also establishes the above observation at 5 per cent level (Table 4.8).

45 per cent of the women entrepreneurs in Kerala and 48 per cent in Tamil Nadu are engaged in trading and manufacturing activities. Again, 13 per cent in Kerala and 25 per cent in Tamil Nadu are involved in trading activities. Meanwhile, 42 per cent in Kerala are engaged in service sector, in Tamil Nadu it comes to 27 per cent. The chi-square test also shows a significant difference in the entrepreneurial activities of the women entrepreneurs in Kerala and Tamil Nadu (Table 4.9). Regarding the location of business of the women entrepreneurs, 50 per cent in Kerala and 78 per cent in Tamil Nadu are concentrated in urban areas. In Kerala, the rest 50 per cent are in semi-urban or rural areas. But in Tamil Nadu only 20 per cent are in rural areas and two per cent in semi-urban areas. The chi-square test also depicts the difference at 5 per cent level (Table 10).

Sole proprietorship seems to be more popular. In both the States of Kerala and Tamil Nadu, most of the women entrepreneurs opted for sole proprietorship for unified control. The number of women engaged in sole proprietorship business is greater in Tamil Nadu than that of Kerala, as most of them run small units. The relative percentages in the two States are 70 and 91 respectively. The chi-square test also shows the difference at 5 per cent level (Table 11). Regarding the number of owners in the business, 70 per cent of the women entrepreneurs in Kerala and 91 per cent in Tamil Nadu have fewer than two as most of the businesses are in the form of sole proprietorship. However, the percentage is relatively high in Tamil Nadu compared with that of Kerala. 30 per cent in Kerala have more than two members whereas, in Tamil Nadu it is nine per cent. However, the chi-square test reveals a significant difference in the number of owners in the business of the women entrepreneurs in Kerala and Tamil Nadu

(Table 12). The study reveals that there is uniformity in the number of male owners in the business of the women entrepreneurs in Kerala and Tamil Nadu. 96 per cent of the women entrepreneurs in Kerala and 100 per cent in Tamil Nadu have fewer than two male owners.

Spouse is one of the owners in the business in the case of eight per cent of the women entrepreneurs in Kerala and six per cent in Tamil Nadu. The chi-square test also observed no significant difference in this regard (Table 13). 94 per cent of the women entrepreneurs in Kerala and 97 per cent in Tamil Nadu are first generation entrepreneurs. It is also observed that most of them have started the business with their own initiative and not with the support of their family members. The number of women entrepreneurs who have purchased the business in both the States is zero. Six per cent of the respondents in Kerala and three per cent in Tamil Nadu inherited the business of their parents or husbands. The chi-square test also finds no significant difference in the nature of origin of the business of the women entrepreneurs in Kerala and Tamil Nadu (Table 14). 58 per cent of the respondents in Kerala and 66 per cent in Tamil Nadu are running business in their own building, whereas 42 per cent in Kerala and 34 per cent in Tamil Nadu are in rented building. The study also reveals that 50 per cent of the entrepreneurs in the service sector are running business in rented buildings in both the States. The chi-square test also finds no significant difference in the nature of ownership of the premises of the women entrepreneurs in Kerala and Tamil Nadu (Table 15).

Most of the respondents (58%) in Kerala and (57%) in Tamil Nadu established their business during 1995-2000. 10 per cent of the respondents in Kerala and six per cent in Tamil Nadu set up their business before 1980. The percentage of women entrepreneurs who set up their business during 1985-1990 is higher in Tamil Nadu (18%) than in Kerala (11%). But the proportion test result finds no significant difference in the year of establishment of business of the women entrepreneurs in Kerala and Tamil Nadu except for the period 1985-1990 (Table 16). Regarding the number of employees engaged by the women entrepreneurs, 54 per cent in Kerala and 65 per cent in Tamil Nadu employ fewer than five. 25 per cent in Kerala and

23 per cent in Tamil Nadu engage 5 to 15 employees and only a few (10 per cent in Kerala and one per cent in Tamil Nadu) have more than 35 employees. The proportion test result also shows a significant difference in the number of employees among the women entrepreneurs in Kerala and Tamil Nadu with certain exceptions (Table 17).

Regarding the management of business of the women entrepreneurs in Kerala and Tamil Nadu, 70 per cent in Kerala and 91 per cent in Tamil Nadu are managed by the respondents themselves. Both in Kerala and Tamil Nadu, the percentage of unit managed by the spouse is zero. 20 per cent of the units in Kerala and three per cent in Tamil Nadu are managed by all the members of the business. The chi-square test also justifies this observation at 5 per cent level (Table 18). It is seen from that 71 per cent of the women entrepreneurs in Kerala and 46 per cent in Tamil Nadu have utilised own funds and bank funds for the business. Nine per cent in Tamil Nadu have borrowed from money lenders apart from using their own funds. But in Kerala only one per cent depends on money lenders apart from bank. The chi-square test also reveals a significant difference in the source of funds of the business of the women entrepreneurs in Kerala and Tamil Nadu (Table 19). The analyses on the characteristics of women entrepreneurship indicate that women entrepreneurs in Kerala and Tamil Nadu differ markedly in most of the characteristics. They are similar only in some of the aspects. **On this basis, the null hypothesis H_{01} stating that there is no difference in the characteristics of the women entrepreneurs in Kerala vis-à-vis Tamil Nadu stands rejected.**

Conclusion

Women entrepreneurs in Kerala are highly educated, compared with the women entrepreneurs in Tamil Nadu. Most of the women entrepreneurs in Kerala and Tamil Nadu are first generation entrepreneurs and are running business in their own building and established their business during 1995-2000. Regarding the number of employees engaged by the women entrepreneurs, most of them in Kerala and Tamil

Nadu employ fewer than five. Most of the women entrepreneurs in Kerala and Tamil Nadu manage their businesses independently and utilised own funds and bank funds for the business. A few in Tamil Nadu have borrowed from money lenders apart from using their own funds.

Table 1

Age of the Women Entrepreneurs

Age(in years)	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Less than 20	-	-	-	-
20-30	41	12	11	7
30-40	101	31	42	27
40-50	117	36	58	36
50-60	54	17	47	29
60 and above	14	4	2	1
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 15.594$ with 4 degrees of freedom; significant at 5 per cent level.

Table 2

Community of the Women Entrepreneurs

Community	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
General	283	87	126	78
OBC	34	10	17	11
SC/ST	10	3	17	11
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 11.878$ with 2 degrees of freedom; significant at 5 per cent level.

Table 3

Place of Birth of the Women Entrepreneurs

Place of birth	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Urban	157	48	123	77
Semi-Urban	17	5	1	1
Rural	153	47	36	22
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 39.545$ with 2 degrees of freedom; significant at 5 per cent level.

Table 4

Marital Status of the Women Entrepreneurs

Marital status	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Married	257	79	130	82
Single	16	5	3	2
Divorced/Separated	4	1	9	5
Widow	50	15	18	11
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 0.649$ with 2 degrees of freedom; not significant at 5 per cent level.

Table 5

Head of Household of the Women Entrepreneurs

Head of household	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Respondent	72	22	74	46
Husband	238	73	84	53
Others	17	5	2	1
Total	327	100	160	100

Source: Primary data.

$X^2 = 32.020$ with 2 degrees of freedom; significant at 5 per cent level.

Table 6

Nature of Family of the Women Entrepreneurs

Nature of family	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Joint family	55	17	18	11
Nuclear	272	83	142	89
Total	327	100	160	100

Source: Primary data.

$X^2 = 2.615$ with 1 degree of freedom; not significant at 5 per cent level.

Table 7

Number of Members in the Family of the Women Entrepreneurs

Number of members	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Less than 3	13	4	13	8
3-5	209	64	93	58
5 and above	105	32	54	34
Total	327	100	160	100

Source: Primary data.

$X^2 = 4.134$ with 2 degrees of freedom; not significant at 5 per cent level.

Table 8

Educational Background of the Women Entrepreneurs

Educational background	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Illiterate	-	-	6	4
Below S.S.L.C.	27	8	41	25
S.S.L.C.	65	20	25	16
P.U.C	74	23	36	23
Degree	108	33	42	26
Above degree	53	16	10	6
Total	327	100	160	100

Source: Primary data.

$X^2 = 30.447$ with 4 degrees of freedom; significant at 5 per cent level.

Table 9

Nature of Business of the Women Entrepreneurs

Nature of business	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Trading	41	13	40	25

Trading &					
manufacturing	148	45	77	48	
Service	138	42	43	27	
Total	327	100	160	100	

Source: Primary data.

$\chi^2 = 17.012$ with 2 degrees of freedom; significant at 5 per cent level.

Table 10

Location of Business of the Women Entrepreneurs

Location of business	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Urban	165	50	125	78
Semi-urban	32	10	3	2
Rural	130	40	32	20
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 35.769$ with 2 degrees of freedom; significant at 5 per cent level.

Table 11

Form of Business of the Women Entrepreneurs

Form of business	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Sole proprietorship	228	70	146	91
Partnership firm	30	9	14	9
Co-operative or trust owned	39	12	--	--
Limited company	30	9	--	—
Total	327	100	160	100

Source: Primary data.

$X^2 = 40.265$ with 3 degrees of freedom; significant at 5 per cent level.

Table 12

Number of Owners in the Business of the Women Entrepreneurs

Number of owners	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Less than 2	228	70	146	91
2-4	48	15	13	8
4-6	11	3	1	1
6-8	12	4	--	--
8-10	8	2	--	--
10-12	16	5	--	--
12 and above	4	1	--	--

Total	327	100	160	100
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Source: Primary data.

$\chi^2 = 25.527$ with 1 degree of freedom; significant at 5 per cent level.

Table 13

Number of Male Owners in the Business of the Women Entrepreneurs

Number of male owners	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Less than 2	315	96	160	100
2-4	12	4	--	--
4 and above	-	-	--	--
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 0.935$ with 1 degree of freedom; not significant at 5 per cent level.

Table 14

Nature of Origin of Business of the Women Entrepreneurs

Nature of origin	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage

Inherited	19	6	5	3
Purchased	---	--	--	-
Newly started	308	94	155	97
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 1.654$ with 1 degree of freedom; not significant at 5 per cent level.

Table 15

Nature of Ownership of the Premises of the Women Entrepreneurs

Nature of ownership	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Owned building	191	58	106	66
Rented building	136	42	54	34
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 2.776$ with 1 degree of freedom; not significant at 5 per cent level.

Table 16

Year of Establishment of the Business of the Women Entrepreneurs

Year of establishment	Kerala		Tamil Nadu		T-value
	Number	Percentage	Number	Percentage	
Before 1980	34	10	9	6	1.744
1980-1985	21	7	9	6	0.344
1985-1990	37	11	29	18	-2.062*
1990-1995	44	14	21	13	0.101
1995-2000	191	58	92	57	0.191
Total	327	100	160	100	-

Source: Primary data.

* Significant at 5 per cent level.

Table 17

Number of Employees in the Business of the Women Entrepreneurs

Number of Employees	Kerala		Tamil Nadu		T-value
	Number	Percentage	Number	Percentage	
Less than 5	177	54	104	65	-2.281*
5-10	48	15	25	16	-0.275
10-15	32	10	11	7	1.063
15-20	20	6	12	7	-0.579
20-25	6	2	3	2	-0.031

25-30	8	2	4	2	-0.036
30-35	4	1	-	-	1.405
35 and above	32	10	1	1	3.778*
Total	327	100	160	100	-

Source: Primary data.

* Significant at 5 per cent level.

Table 18

Management of the Business of the Women Entrepreneurs

Person managing the business	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Self	229	70	146	91
Husband	-	-	-	-
Both	26	8	10	6
Permanent employees	3	1	-	-
All jointly	66	20	4	3
Others	3	1	-	-
Total	327	100	160	100

Source: Primary data.

$\chi^2 = 32.929$ with 2 degrees of freedom; significant at 5 per cent level.

Table 19

Source of Funds of the Women Entrepreneurs

Source of funds	Kerala		Tamil Nadu	
	Number	Percentage	Number	Percentage
Own contribution	67	21	60	37
Own & husband	2	1	2	1
Own & bank	233	71	75	46
Own, husband & bank	7	2	1	1
Husband & parents	2	1	1	1
Commercial bank	4	1	4	3
Private money lender	-	-	1	1
Own & private money lender	-	-	14	9
Own, friends & bank	8	2	2	1
Own, bank & private money lender	4	1	-	-
Total	327	100	160	100

Source: Primary data.

$X^2 = 31.278$ with 3 degrees of freedom; significant at 5 per cent level.

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