

# A Study to Assess the Impact of Entrepreneurship on Women Empowerment

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## Abstract

*Entrepreneurship is an area where few women wish to venture. In spite of being looked upon as a risky venture of late a lot number of women entrepreneurs are witnessed. The study focuses on identifying the factors empowering women entrepreneurs, association between the profile variables and empowering factors, association between the empowering factors and perceived difference in sole proprietorship and partnership form of entrepreneurship. For the purpose of the study data was collected from 200 respondents in Salem district by using convenience sampling. 100 respondents from sole proprietors and 100 respondents are in partnership business. The data was collected with the use of structured questionnaire. The tools used for analysis are Factor analysis, ANOVA, correlation, multiple regression and independent t test. The factors identified are financial independence, social recognition, attitude, self-improvement and leadership quality. Leadership Quality and Financial Independence are the most empowering factor in sole proprietorship. The most empowering factor among the partnership form of business is Financial Independence and Attitude.*

**Keywords :** Entrepreneurship, Empowerment.

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Entrepreneurship is dependent on the individuals' readiness to take risk and interest in commencing a business. An individual's age education and background are the driving forces in venturing as an entrepreneur. Government has sensed that the women entrepreneur as an untapped area and has provided a lot of support to women entrepreneurs. The cultural and the religious barriers have for a long period of time hindered women to take up entrepreneurship. The emergence of entrepreneurs is linked to the emergence and growth of small business and also to the shift from produce oriented economy to the service oriented economy.

For the last few years the Indian business witnesses a number of women entrepreneur especially in the SME sector. The growing pace of the women entrepreneur can be attributed to the factors like reserved support from the government, NGO and the urgency and need on the part of the women to be independent and supportive to the family the elited groups of Indian women are empowered, while the poorer group are still exploited and discriminated. With a view to improve the situation and empower the women a number of policy and programmers has been carried out. An Indian women need to be empowered socially, legally, politically, financially etc. Empowering basically required educating, developing and building skills, participating in various activities, social awareness, etc. Empowering women will

enable them to gain confidence, self-sufficiency and independence.

Women entrepreneurship in India has grown to a very great extent from petty papad & pickle maker to engineering & electronics, consultancy, garment export etc. The SHGs have grown in a big way too and has vital role in empowering the women. Its success is so magnanimous that it has been contagious among the women and has in a great way empowered women. The Government and various organizations have also in a great way helped the promotion of women entrepreneur by providing finance, materials assistance and training. With the growing number of women entrepreneurs and the interest of the Government in promoting them, this article attempts to study how the women are empowered? How they perceive their empowerment as sole proprietors and as partners?

### **Review of Literature**

Rajinder Kaur and Shally Bawa (1999) have revealed that young women entrepreneur who are educated are found to be capable of running business capably and they need to be trained on risk taking and access to institutional and marketing support. Poonam Sinha (2003) have concluded that the successful emergence of women entrepreneurship in North East India can be attributed to the factors of family background, motivation and facilitation factors, ambition, attitude of family/society.

The study has also stated that an organization promoting women entrepreneurship need to be supported.

Colette Dumas (2001) found that the training testimonials, networking with the classmates and mentoring that have taken place at centre for women and entrepreneurs programme have helped the participants to establish their own business to empower themselves and achieve self sufficiency. SanjibDulla and VidyaKamble (2004), The SEWA indentified people in small trade and enhanced their bargaining power and enabled them to buy raw material at lower rate. SEWA also introduced new modern tools and method of doing things apartform preceding credit to co-operative societies for the purpose of covering various costşs such as raw materials cost, wages, marketing etc.

Sasi Mishra and Sendilkumar (2002) have started that the entrepreneurship behavior is depended on the perception of opportunity and creation of organization. It includes the process of opportunity search, opportunity recognition, sense making, opportunity organization creation exchange and growth.Urmi Nanda Biswas (2000) has found that irrespective of the entrepreneurs being male/female the employees do not perceive any difference in leadership characteristics of the entrepreneur and the organizational climate. PusbaBasu (2004), the SHG in rural area promoted by NGO's are very successful and in improving the socio economic conditions of rural families.

Crowther and Jatana (2005), the corporate social responsibility of many big companies are for the betterment of the social development, environment and non financial area such as human rights, women empowerment, business ethics etc.

The Tatas recognize the talents of the rural women in Gujarat though TATA Chemical Society for Rural development (TCSRSD) through it handicraft development project. It has also created awareness among the women on the banking, book keeping, running co-operative etc through their programme. The TCSRSD conduct training programme for the SHGs.Hero Honda has set up a vocational training center to help its rural women on tailoring, embroidery, and knitting also trained them to stitch uniform for their employees.

### **Objectives of the Study**

The objectives of the study are: To identify the factors those empower women; To analyze the association between profile variables and empowerment factors; To know the association between various empowerment factors; To know the level of perception of women towards empowerment factors in sole proprietorship and partnership form of business.

### **Research Methodology**

A sample of 200 respondents was selected from the women entrepreneurs spread out in

the Salem district. The convenience sampling procedure was adopted and the data collected by structured questionnaires through personal interview. Out of the 200 respondents 100 respondents were independent entrepreneur the rest 100 were in partnership business. The reliability was tested with the use of Cronbach alpha. Further the statistical tools of factor analysis, ANOVA, inter correlation, regression and independent 't' test has been used for the analysis.

### Analysis and Interpretation

The empowerment variables were ranked by the entrepreneurs on five point Likerts scales. The statement were framed with the view to collect data on materials possession, savings

habit, income generation, economic states, respect in family, society, problem solving, exposure, independence etc. The reliability generated with the use of Cronbach Alpha yielded a result of 0.908.

### Factor Loading of Empowerment variable

The data collected was subjected to factor analysis which yielded five factors. The factors are financial independence, social recognition, attitude, self improvement and leadership quality. The reliability statistics, Eigen value & percentage of variance explained are listed in the table below.

**Table 1:** Factor loading of customer's loyalty variable

Factor	No Of Variables	Reliability	Eigen Value	Percentage of Variance explained
Financial Independence	5	0.847	7.02	39.002
Social Recognition	5	0.84	1.785	9.915
Attitude	3	0.772	1.336	7.698
Self Improvement	3	0.726	1.336	7.424
Leadership Quality	2	0.601	1.117	6.205
KMO measure of sampling adequacy: 0.792				
Bartlett's' test of sphericity: Chi Square value: 1040*				

\*Significant at zero percent level

The Kaiser Meyer Ohlin measure and Bartlett’s test of sphericity was conducted to test the data validity for factor analysis. The KMO measure of 0.792 and the Chi-Square value of 1.040 significant at zero percent satisfy the condition for use of factor analysis. The most important factors indentified with the use of factor analysis is financial independence with Eigen value of 7.020 and reliability of 0.847, the percentage of variance explained to the extent of 39.002 percent. The second the third factor indentified are social recognitions and attitude with the Eigen value of 1.785 and 1.386 respectively. The reliability of empowerment factors social recognition and attitude is 0.840 and 0.772 and the percentage of variance is explained to the extent of 9.915 and 7.698

percent respectively. The fourth and the fifth factor identified are self improvement and leadership quality with Eigen value of 1.336 and 1.117 respectively with a reliability statistics of 0.726 and 0.601, their percentage of variance explained to the extent of 7.424 and 6.205 percent respectively.

**Association between profile variables and Empowerment Factors**

The use of ANOVA enables to establish associate between empowerment factor and the profile variable. The level of significance are generated and the value listed in the table 2.

**Table 2:** Association between profile variables and Empowerment variables

<b>Profile Variables</b>	<b>Financial Independence</b>	<b>Social Recognition</b>	<b>Attitude</b>	<b>Self Improvement</b>	<b>Leadership Quality</b>
Age	0.441	0.757	0.698	0.849	0.777
Education	1.374	1.057	1.926	1.283	0.639
Marital Status	0.955	0.934	0.466	0.936	0.374
Family Size	1.994	1.798	2.278*	1.345	1.421
No. of Working Members	0.946	0.716	0.902	0.741	0.567

\*Significant at 5 percent level.

While studying the association of empowerment variable with that of profile variable it has been found that financial independence is not significant with any of the profile variable. Hence it is concluded that there is no significant association between the empowerment factor of financial independence and the profile variable of age, education, marital status, family size and no of working members in the family. Similarly with regard to empowerment factor social recognition, there is no significant difference among social recognition and profile variables. On establishing association between attitude and profile variables it is found that family size is significantly associated with attitude with f statistics of 2.278 and significant at 5 percent level. Expecting family size all other profile variables (i.e.) age, education, marital status

and number of working members are not significantly associated. With regard to that empowerment factor of self improvement and Leadership Quality is not significantly associated with the profile variables. Hence it is concluded that there exists no difference among profile variable and empowerment factors of self improvement and leadership quality.

### Inter correlation Between the Empowerment factors

The study has identified five empowerment factors their level of significance was generated with the use of Karl Pearson coefficient. The study of inter correlation matrix enables to understand the relationship between the empowerment factors. The results are tabulated in Table 3.

**Table 3: Inter correlation Between the Empowerment factors**

Factors	Social Recognition	Social Recognition	Attitude	Self Improvement	Leadership Quality
Financial Independence	1	0.652**	0.435**	0.424**	0.362**
Social Recognition	0.652**	1	0.427**	0.614**	0.398**
Attitude	0.435**	0.427**	1	0.387**	0.251*
Self Improvement	0.424**	0.614**	0.387**	1	0.335**
Leadership Quality	0.362**	0.398**	0.251*	0.335**	1

\*\*Significant at 0.01 level

\*Significant at 0.05 level

The result generated show that the empowerment factors are positively correlated. Financial independence is found to be significant at 0.01 level and positively correlated with the other empowerment factor of social recognition, attitude, self improvement and Leadership Quality, their correlation coefficient being 0.652, 0.435, 0.424, and 0.362 respectively. The factor social recognition is found to correlate with Attitude, Self improvement and leadership quality with correlation coefficient of 0.427, 0.614 and 0.398 respectively and is significant at 0.01 level. Attitude is found to be positively correlated with the factors of self improvement and leadership quality with coefficient of 0.387 and 0.251 respectively and significant at 0.01 present level. <sup>111</sup>

### Women Empowerment among the Respondents

To study the women empowerment among the respondents the empowerment index has been computed. The index was calculated using the formula.

$$\sum_{i=1}^n WEV$$

Women Empowerment Index= -----

$$\sum_{i=1}^n MWEV$$

Where,  $WEV_i$  = Women Empowerment Variables,  $MWEV_i$  = Maximum score of women empowerment variables,  $i=1, \dots, n$ , no. of empowerment variable

The women empowerment index was confined to less than 50 percent 51-60 percent, 61 to 70 percent, 71 to 80 percent; the distribution of which is shown in the Table 4.

**Table 4: Women Empowerment Index**

Women Empowerment Index	No. of Respondents	Percentage to Total
Less than 50	36	18
51 -60	36	18
61 -70	80	40
71 -80	48	24
Total	200	100

The most empowering index among the respondent is 61 – 70 percent which amount to 40 percent. The second empowering index is 71 -80 percent account to 24 percents. Thirdly the empowering index is <50 percent and 51 – 60 percent each contributing to 18 percentages.

### Impact of factors on Women Empowerment

In order to study the impact of factor of women empowerment the multiple regression analysis was administered and index value was generated. The impact of the factors on the women empowerment was

studied with the use of function.

$$Y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + b_5 x_5 + e$$

Where, Y= Women empowerment, X<sub>1</sub>= Financial independence, X<sub>2</sub>= Social recognition, X<sub>3</sub>=Attitude, X<sub>4</sub>= Self improvement, X<sub>5</sub>= Leadership Quality, b<sub>1</sub>= Regression co-efficient of Financial Independence, b<sub>2</sub>= Regression co-efficient of Social Recognition, b<sub>3</sub>= Regression co-efficient of Attitude, b<sub>4</sub>= Regression co-efficient of Self improvement, b<sub>5</sub>= Regression co-efficient of Leadership Quality, a is constant and e is the error. The result of the regression analysis is shown in the table 5.

**Table 5: Impact of factors on Women Empowerment**

Independent Variable	Regression Co-efficient	Standard Error	T- Statistics	P value	R <sup>2</sup>	F Statistics
Financial Independence	0.410	0.379	14.736	.000	0.968	727.352
Social Recognition	0.443	0.307	17.923	.000		
Attitude	0.243	0.222	11.574	.000		
Self Improvement	0.110	0.337	4.684	.000		



The use of regression analysis has identified four factors namely Financial Independence, Social Recognition, Attitude and Self Improvement with the regression co-efficient of 0.410, 0.443, 0.243, and 0.110 respectively with their T statistic being 14.736, 17.923, 11.574 and 4.684 respectively. The F statistic of 727.532 significant at zero level, implementing the model is highly valuable. The co-efficient of determinant ( $R^2$ ) is found to 0.968, this study reveals that change in factors leading to women empowerment explains the changes in the empowerment to the extent of 96 percent.

### **Women Empowerment in sole proprietorship and partnership form of business**

The women empowerment factor in sole proprietorship and partnership form of entrepreneurship has been studied with the help of the mean score of the factors namely Financial Independence, Social Recognition, Attitude, Self improvement, and Leadership Quality. The score of each of the factor was computed with the mean score of variables in each factor. The perception of women empowerment among the two group of entrepreneur was established with the use of t statistic. The results are shown in table 6.

**Table 6:** Significant difference among two group of Women Entrepreneurship on Sole Proprietorship and Partnership

Factor	Mean Score on Factor		T Statistic
	Sole Proprietorship	Partnership	
Financial Independence	3.0600	3.3400	- 1.762
Social Recognition	3.0520	3.2520	- 1.376
Attitude	2.7500	3.2900	- 2.976*
Self Improvement	2.9600	3.000	- 0.287
Leadership Quality	3.4800	3.2600	- 1.501

\*significant at 0.05 percent

Among the sole proprietorship the most empowering factor are leadership quality and financial independence with a mean score of 3.4800 and 3.0600 respectively. The most empowering factor among the partnership form of business is financial independence and attitude with a mean score of 3.3400 and 3.2900 respectively. It is important to note that Attitude is significant at 0.05 percent with t statistics of - 2.976. Moreover the mean score of the factor attitude among sole proprietor and partnership forms are 2.7500 and 3.2900 respectively, leading to the conclusion that there is a significant difference on attitude among the two groups.

### **Findings and Discussion**

The use of factor analysis led to the identification of five empowering factors namely financial independence, social recognition, self improvement and leadership quality.

The use of ANOVA has shown that there is no significant association between the profile variables and the empowerment factors of financial independence, social recognition, self improvement and leadership quality. However with regard to empowering factor, attitude the profile variable family size is significantly associated leading to the conclusion that attitude differs significantly with the size of the family of the entrepreneur. Financial independence, social recognition, self improvement and leadership

quality do not differ significantly with the profile of the women entrepreneurs.

The use of intercorrelation has shown that there is a positive correlation among the empowering factors of financial independence, social recognition, attitude, self improvement and leadership quality and are significant with each other

The use of regression analysis shows that factors of financial independence, social recognition, attitude and self improvement results in higher empowerment of women.

Among the sole proprietors the most empowering factor is leadership quality, followed by financial independence. In the case of partnership the most important factor is financial independence followed by attitude.

### **Conclusion and Scope for further research**

The study has shown that the women are empowered financially, socially recognized, shaped in attitude, self improved and developed leadership quality, being an entrepreneur. This will ultimately result in better standard of living for their family which will in turn contribute to the economic development of the country. Therefore the Government and organizations involved in the promoting entrepreneurs can promote women entrepreneurship by providing assistance in the form of financial support,

training in their areas of interest helping them to market their products etc. This study confines only to Salem district and sole proprietorship and partnership form of women entrepreneurs. Future research can be done on a wider geographical area covering other forms of entrepreneurs too.

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