

A Study on the role of Government

The focus on growth of women entrepreneur in small scale sector.

***Dr.S.Chitra Devi**

***Associate Professor, MBA Department, GKM College of Engineering, Chennai.**

Abstract: The small and medium enterprise the plays the major in role in the uplift of the women in the Indian economy and provides the employment opportunity which brings the idea and capabilities in the growth of the SSI. This paper helps study role of government to provide the skills and ability to uplift the women entrepreneur in small scale sector in Chennai city. The major finding involve that the government raise the funds in promoting women entrepreneur and induce the women to participate in many promotional activities.

Keywords: Small scale industries, District industrial centre.

Introduction:

The government of India announced a new policy for small and tiny sector and raised the investment to Rs.5 lakhs, irrespectively of location of the unit. The government has accepted the recommendation of the Abid Husain Committee regarding enhancement in investment ceiling and raised the same for the small scale sector.

The government raised the investment limit in plant and machinery of the small scale sector to Rs. 3 crores, from the prevailing Rs.60 lakhs with effect from February 7, 1997. The investment limited for the ancillary sector and for export oriented units had been raised from Rs. 75 lakhs to 3 crores. The investment ceiling for the tiny sector had also been increased five fold to Rs. 25 lakhs from the prevailing Rs.5 lakhs.

The scope of small scale industries as recommended by the small scale industries board in 1996 is defined as Small scale Industries will include all industrial units with a capital investment of not more than Rs. 7.5 lakhs irrespectively of the number of person employed. Capital investment for this purpose will mean investment in plant and machines only.

Women in several industries:

Women entrepreneurs have been making a significant impact in all segments of business like retail trade, restaurants, hotels, education, culture, cleaning, insurance and manufacturing. Women and their business skills are not properly utilized across the world, Even though a large number of women set up their business, they are still facing a lot of problems from the society They have to put up more efforts to prove their efficiency rather than men. The hidden opportunities of women should identify themselves and adopt the best entrepreneurial style to run their business. Different styles of entrepreneurial and leadership skills are adopted by successful Women entrepreneur of India. Ekta Kapoor of Balaji Telefilms, Kiran Mazumdar Shaw of Deacon and Shahnaz Husain and her beauty products business and Lijat papads are shinning some examples of women's business power.

Today we find women in different types of industries, traditional as well as non traditional such as engineering, electronics, readymade garments, fabrics, eatables, handicrafts, doll-making poultry, plastics, soap, ceramics, printing, toy making, nurseries, crèches, drugs ,textile designing, dairy, canning, knitting ,Jewellery design ,solar cooker etc. According to Mclelland and winter, motivation is a critical factor that leads one towards entrepreneurship. This apart, the challenge and adventure to do something new, liking for business and wanting to have an independent occupation, deeper commitment to entrepreneurial ventures propel women to business.

Defining of Small Scale Units:

- In order to boost the development of small scale industries and to ensure their rapid growth, Government has decided:
- To increase the limit of investment in the case of tiny units from Rs.1 lakh to Rs.2 lakhs;
- To increase the limit of investment in the case of small scale units from Rs. 10 lakhs to Rs. 20 lakhs; and
- To increase the limit of investment in case of ancillaries from Rs.15 lakhs to Rs. 25 lakhs.

Objective:

1. To analysis the supportive factor of government with women entrepreneur in small scale sectors.
2. To study the views of women entrepreneur about the government role

Review of literature:

A study by Madhuri Modekurti (2007¹) analyzes the participation of women in entrepreneurship and examines the impact of specific norms of different countries that support women entrepreneurship. The study reveals the contributing push factors to

¹ Madhuri Modekhurti, (2007). "The Normative Context for Women's Participation in Entrepreneurship", The ICFAI Journal of Entrepreneurship Development Vol.IV No.1 (Pp 95).

female entrepreneurship are the lack of opportunities, economic and institutional deficiencies, dissatisfaction with one's wage, unemployment etc. The lucrateness of greater returns to skill is also instrumental in contributing in this direction. Besides these push factors there are certain pull factors, which are encouraging women to venture into entrepreneurship like greater independence, initiative, creativity and flexible working hours which provide more time for the family.

Tagoe et al (2005²) has examined the financial challenged facing by urban SMEs under financial sector liberalization in Ghana. Main challenges faced by urban SMEs are access to affordable credit over a reasonable period. To manage this challenge SMEs should manage record keeping in an effective manner. Moreover, availability of collateral improves SMEs access to formal credit. But better availability of investments avenues further reduces the accessibility.

While women were considered less willing to delegate responsibility and control to others, the evidence from the agencies and providers suggested that, unlike men, women valued the flexibility derived from owning the business more than the opportunity to be their own boss. They also preferred collegial rather than hierarchical managerial relationships inherent in conventional models of business expansion, a finding supported by Clifford (1996³).

Sabbagh.Z (1996⁴) Women on family lies at core of society playing the major role in political, economic, social and religious behaviour. People are conscious of each others family, membership. Family links facilities that access to institutions jobs and government services.

Annadurai (2006)⁵ A problem pertinent to Malaysian women entrepreneurs as generally there is a lack of entrepreneurship training and skills development in Malaysia where most women entrepreneurs acquired their skills and experience through their family

² Tagoe et al.(2005) 'financial challenges facing urban SMEs under financial sector liberalization in Ghana',Journal of small business management, 43,pp331-343.

³ Cliff, J.E. (1998), ``Does one size fit all ± exploring the relationship between attitudes towards growth, gender and business size'', Journal of Business Venturing, Vol. 13 No. 6, pp. 523-42.

⁴ Sabbagh.Z pp194-95 (1996) Arab women between defiance and restraint, olive branch press New York.

⁵ Ayadurai, S., & Wan Rosnah, A. (2006). A Study on the Critical Success Factors of Women Entrepreneurs in Small and Medium Enterprises (SMEs) in Malaysia. Retrieved August 14, 2007, from <http://www.asiaentrepreneurshipjournal.com/AJESII>

members, friends and previous experiences [3]. Efforts are thus needed to increase the level of awareness among women entrepreneurs of existing training

Issues in research:

This paper provides a guideline to the women entrepreneurs in understanding what the prerequisites to be successful in their business ventures. In a nutshell, the women entrepreneurs should be able to have a good understanding of the financial assistance available to them. Additionally, they must also understand the importance of social and business networking to their business success. They must take the initiatives to participate in any training programmes organised for them. Finally, the women entrepreneurs should realise the opportunities brought about by E-commerce as virtual outlet and therefore make efforts to employ them in their businesses. Indications are that the government can do more in providing special assistance to women entrepreneurs on a continuous basis.

From the financial perspective, the women entrepreneurs must be made to understand on the advantages of external sources of financing for their businesses. Understanding the limitation of grants that could be provided by the government even by increasing the allocation, the government should encourage more banks and micro institutions through tax incentives to provide a wider range of financial services with flexible terms and conditions so as to assist women in establishing and expanding their own enterprises.

.The government should think of an effective mechanism to get support from women entrepreneurs towards the programmes planned for them. One of the ways would be to involve their spouses in these programmes. By understanding the businesses of their wives, the husbands are in better position to lend their support to the wives and their businesses. In addition, the government should improve the conditions and infrastructure for well-functioning business networks especially aimed at women, both locally and internationally. Women entrepreneurs must be made to realise the importance of network in gaining access to capital/loans and information from various stakeholders.

Data analysis**Risk is the major factor in the growth of entrepreneurs:**

Most important in promoting small and medium enterprises, which generates more jobs and often use Labour intensive methods of production. Industries and business of smaller size also work towards promoting better income distribution and development of entrepreneurship by expansion diversification and modification the business to increase the profit earnings. This table shows the following aspects of the growth of business.

Table 1: Risk is the major factor in the growth of entrepreneurs

Factors		Frequency	Valid Percent
Valid	Expansion	76	31.7
	Diversification	92	38.3
	Modification	72	30.0
	Total	240	100.0

Source: Primary data

Interpretation:

The above table shows the diversification of business 38.3% required factor on government policy, 31,7% on expansion , 30% on modification of business venture.

Government policy for small scale enterprises:

Development of small scale sector has been imbued with multiplicity objective. Important among these are 1) the generation of immediate employment opportunities with relatively low investment, 2) the promotion of more equitable distribution of national income, 3) effective mobilization of untapped capital and human skills and 4) dispersal of manufacturing activities all over the country, leading growth of women entrepreneur the government plays the important role in developing such industries. This table shows the women entrepreneur attitudes towards the government.

Table 2 : Government policy for small scale enterprises

Government policy		Frequency	Valid Percent
Valid	high satisfy	33	13.8
	moderate	81	33.8
	satisfy	81	33.8
	partial	40	16.7
	not	5	2.1
	Total	240	100.0

Source: Primary data

Interpretation:

The above table shows the high satisfaction on 13.8% on government policy, moderate satisfaction and satisfied with government policy 33.8%, partial satisfaction with 16.7% and not satisfied with supportive factor of government policy with 2.1%.

Factor analysis for factors of Motivation focused on Government role:

Table: 3(a) Factor analysis for factors of Motivation focused on Government role

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.076
Bartlett's Test of Sphericity	Approx. Chi-Square	923.811
	Degree of freedom	10
	Sig.	.000

Source: Primary data

Table :3 (b) Total Variance for motivation factor

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.625	32.503	32.503	1.496	29.919	29.919
2	1.369	27.377	59.879	1.331	26.625	56.545
3	1.047	20.941	80.820	1.214	24.276	80.820
4	.950	18.998	99.818			
5	.009	.182	100.000			

Extraction Method: Principal Component Analysis.

Interpretation:

From the above table it is found that the KMO measure of sample accuracy 0.076. The Chi square value is 923.111 is statistical significance of 5% level. The 5 variables of motivation explained 80.820% of variance with three components and Eigen values 1.496, 1.331 & 1.214. Individually the 3 factors explained 29.919%, 26.625% & 24.276% respectively. This really shows that 5 variables are suitable for the application of factor analysis with high variance of opinion of women entrepreneur. It further implies the women entrepreneur vary in their opinion about motivational factors which influence them to be a successful women entrepreneur. The 5 variables are converted into 3 components with following loadings.

Table :3 (c) Ranking components for the variables

Ranking factor	Component		
	1	2	3
Seminar\ conference	-.924		
Private agency	.761		
Newspaper		-.832	
Association		.792	
Government			.997

Interpretation:

Hence this factor is called '**Basic Motivation**' which is based on the seminar and conference & private agency with the variables 0.924 & 0.761. The second variables comprises of Newspaper and Women Association. The respective variables loading 0.832 & 0.792. Therefore this factor predominately named as '**Public Motivation**'. The factor consists of unique variables government loading 0.997. Hence the named of the factor can be given as '**Government Motivation**'.

Conclusion :

The factor analysis over 5 variables of business related technology polices and methods are completely based on good acquaintance of women entrepreneur with properly accelerated ideas and indispensable motivation from the public sources. Both central and state government are playing vital role in motivating the successful women entrepreneur in their business venture.

Findings:

- High satisfaction on 13.8% on government policy was represented by the respondent.
- Majority of respondents views that diversification of business 38.3% required factor on government policy,
- Hence the factor is called '**Basic Motivation**' which is based on the seminar and conference & private agency with the variables 0.924 & 0.761.

Suggestion:

- The NGOs, psychologists, managerial experts and technical personnel should be provided assistance to induce the self confidence and lack of success in existing and emerging women entrepreneurs.
- The Women Entrepreneur's Guidance Cell set up to handle the various problems like social, psychological, financial factors of women entrepreneurs all over the state and central government.
- The study focus to the Involvement of Non Governmental Organizations and governmental organizational in women entrepreneurial training Programmes and counseling should be given to overcome the factors affecting the entrepreneurial while starting their business venture.

- Central and state government should come forward to arrange seminars and meeting should arrange regularly by the entrepreneur cell to develop the women in all sorts of their business venture.
- The study focused the governmental rules in small and medium enterprises of women entrepreneur to promote the training programmes in suitable managing capabilities in the sources of risk in developing the infrastructural activities and scarcity of resources.

Conclusion:

. Majority of women entrepreneurs, especially in small sized industries, choose to manufacture food based, beauty, computer centre, departmental stores, book stall products because their technical knowledge comes in low factor and in other factor there is necessary to depend on the male support for the technical and technological needs. Most state governments and their appointed agencies offer financial and technological, technical support as development of women entrepreneurship is important for women's development as well as the development of the women entrepreneur in the economy.

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