

Critical Factors And Rural Women Entrepreneurship Development – A Perspective Of Bengaluru Rural, Karnataka, India.

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Abstract

This paper aims to examine the four specific dimensions, namely financial support, Government support, personal traits factors contributing to success, and challenges faced by rural women entrepreneurship. The focus was on the SME sector in Bengaluru, rural India. This paper uses a quantitative research methodology with a structured questionnaire. Data were collected using the face-face interview to study the fifty respondents of rural women entrepreneurs. The study highlights that Financial support, Government support, and personal traits play a significant role in encouraging rural women to engage in entrepreneurial activities and influence decisions. Each factor being interrelated, achieving the integration among them will considerably enhance entrepreneurial success. The main limitation is the narrow scope, emphasizing only four factors and their interrelations. There are implications for further work on other types of capital. The study being SMEs specific limits generalization. It contributes insights into the need for MSMEs examinations in the review of the literature. Rural women's entrepreneurship needs align with understanding government and institutional financial supporting factors and their interrelations. The role of Government and other institutions varies between prior and non-prior entrepreneurial experience. This study provides information on the role of Government and institutional financial support factors on rural women entrepreneurship. It contributes to a better understanding of how each variable is accumulated and utilized in rural women entrepreneurship development using SMEs' perspective in Bengaluru Rural, India.

Keywords: Women Entrepreneurship, Government support, Financial Institutions support, Family support, Rural women.

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Introduction

An entrepreneur is a person who sees the opportunity in the existing circumstance and dares to think beyond the picture, who takes a risk, and is committed to his goal with all efforts to transform the current events. Women are naturally gifted creations who identify their ability to manage, take the risk, create jobs and wealth in the society. Contemporary women are no longer restricted to the home and household but are at the forefront in many fields. The families and governments never counted women's contribution/efforts, but now women have shredded the old belief system and headed for the new world. In a world where women are seen as job creators, contributing to GDP and improving our economy, Kiran Majumdar is the best example. She started her entrepreneurial distinct when no companies were willing to offer a brewing job to a woman. Kiran Majumdar is known as the founder of BIOCON, one of India's largest biotechnology companies. Women entrepreneurs have changed the scenario by their commitment, passion, and abilities in doing business, which is evident by their contribution to the economy. The women entrepreneurs have successfully changed people's mindset towards their capability and contribution to the nation's economy.

Women are naturally blessed with innovative ideas and managing skills, which will benefit the economy in controlling unemployment and economic growth. Governments also play an essential role in encouraging women as entrepreneurs. Chief Minister of Karnataka BS Yediyurappa announced special packages that are focused on empowering women in the state. As much as Rs 4,531 crore has been granted for women-oriented projects in the budget of 2021-22. Chief Minister also announced that women setting up service sector businesses could receive Rs 2 crores on loan at four percent from Women's Development Corporation of Karnataka State Finance Corporation.

A market for women entrepreneurs' products

in major cities of the state exhibited for a week in cities; technical assistance to small businesses has also been proposed. Annual Fair Organization and E-Market Facilitation at the Divisional level to provide marketing for products made by Women Self Help Associations and Women Entrepreneurs has been mentioned in the budget. Sanjeevani Range Rural Women Self Help Groups across the state will support six thousand small business establishments through Panchayat Raj Organizations, which is expected to benefit 60 thousand women.

The Government came out with many innovative schemes to encourage women entrepreneurs in the next five years. Governments came out with the following areas of development to promote women's entrepreneurship.

→ The Government planned to promote two industrial areas in the state for women at potential locations such as Hubli/Dharwad and Harohally in Kanakapurataluk.

→ The Government intended to reserve 5% of plots/sheds in the industrial areas/estates developed by KIADB/KSSIDC for women entrepreneurs for their future industrial aspirations.

→ The Government planned to start a whole cluster for women in textiles, Gems & Jewellery.

→ The state government planned to provide the entrepreneurs trained by CEDOK or recognized training institutions with low-interest startup loans (with interest subsidy) and a flexible repayment schedule.

→ The state has decided to introduce Entrepreneurship Development Programs exclusively for prospective women entrepreneurs.

→ The Government wants to extend many concessions for women entrepreneurs in the state. Karnataka is the first state to announce an industrial park dedicated to women. MSMEs and startups by women in this park are at subsidized prices.

Review of Literature

History is evident for first scholarly article on female entrepreneurship was reported in the U.S., this was evidenced by the work done in forty years by Eleanor Schwartz (1976). Large percentage of women's force though are considered treated on par with men in the society are subject to lots of discrimination in the business world. The major percentage of females are restricted to domestic chores which has never allowed their talent and skills to be noticed and they could never add value for the development of either families nor the country. Many studies were done to find out the logic and factors responsible for entry of women in entrepreneurship. There are many studies that tried to explain the attributes of women's doing business, their strengths and the challenges they face in our country.

The slow growth in women entrepreneurship is very much evidenced in developed and the developing economies and also the motivating factors and the obstacles they face in the process. Female entrepreneurship is leading to notable economic and social developments globally. Finally Jacques Ascher (2012) the study revealed that women entrepreneurship was neglected. The journey for women entrepreneurs was never easy right from their inception through their struggles till they prove their business and their abilities, They have to face the challenges throughout their journey(Kalpana, 2016; Malika, 2001). Some of the studies pointed out the barriers for women entrepreneurs growth is lack of required abilities to run the businesses and no or limited knowledge (Malika, 2001; Subhash and Sunita, 2007). Many researchers pointed that even after governments schemes to help the women entrepreneurs studies revealed that women had more funding challenges as compared against men in the field (Hassan and Mugambi , 2013). Women had to be under the cultural limitations which was always stopping them in making a career in business other than gender discrimination and finances. Many studies identified various factors influencing females from becoming entrepreneurs (Balemba et al., 2014; Hassan and Mugambi, 2013). Many researchers focused on the elements that encouraged women in their entrepreneurial journey which are support from family members, their perception, the environment to which they were exposed, age factor, exposure gained from formal learnings, support from their spouses and extended families, exposure towards practical way of dealing with the things, percentage of unemployment, reach to the finances, innovative thoughts and skills to predict losses to circumvent them (Balemba et al., 2014; Hassan and Mugambi, 2013). This is clearly evident that women entrepreneurs face many problems than their male counterparts as entrepreneurs from the creation, to the effective operation of their business Women also lack the necessary networks and social status that can allow them access to aid, financial resources and necessary information to create and manage their firms (Malika, 2001). A study in China & Turkey identified various policies and structures of developing countries regarding women entrepreneurship, some particular components, which are economic and non-economic BerkKucukaltan (2021). Cito M, Andrea S and James (2020) studied the state of SME performance and growth of women entrepreneurs in Congo which is increasing. In spite of a surge in growth women entrepreneurs are facing challenges such as lack of gender discrimination and very limited or no access to financial resources required for running the

business. The studies reflect that women have all the capability but social stigma is impacting its growth to a large extent. Lack of sufficient finances and stigma is pushing the aspiring women to rear ends. Research on female entrepreneurs should be a separate study field rather than a general one. although research on female entrepreneurship as a focused study field has slightly increased over the decades, there is still room for improvement Natanya Meyer (2018).

Research methodology

The study was designed to be exploratory and used a quantitative method to explore the unique respondent's situation, interpret their present support from the Government, Financial institutions, family support in their success, and the challenge faced by the rural women entrepreneurs. The researcher used a purposive sampling method to select the respondents' information and find SMEs' central issues. We focused on fifty small and medium enterprises operated by Rural Women in Doddabullapur area, Bengaluru rural, Karnataka. This area has been continually developed and encouraged by various government policies to stimulate women's employment rate, such as implementing the power-loom cluster development programs focused on rural women. The criterion for respondent selection includes women who lived in rural areas of Bengaluru, engaged in the power-loom sector, and other micro and small enterprises.

We collected primary data using structured questionnaires and interviewed at business premises, and used local translators to ensure complete comprehension of the local language. The questionnaire items covered Financial support, various Government schemes, family support, and challenges the women entrepreneurs. The study is significant from the economic and Social perspective of rural women in India. Women with all the education and expertise are no longer a burden to the families and economy but are sources for generating income for the families and to the nation. The nation can benefit with their abilities, strength and variety. The country has reached greater heights in all areas but when it is about contribution of women and crediting it, we are lagging far behind and it is time we acknowledge their abilities and role in creating wealth for the country and the motivation and encouragement that she should get. The data for the study was collected from primary sources and secondary sources. A structured questionnaire was constructed to collect data from respondents. Four factors variables, i.e., Financial support, Government support, Success Factors, and challenges faced by women entrepreneurs, were considered for this study. The secondary data source from various research works is collected to understand the conceptual framework, identify the research gap, and analyze its four segments.

Objectives of the study

1. To study the various government support schemes extended towards the women entrepreneurs.
2. To know the satisfaction of women entrepreneurs on the financial support schemes extended by the Government.
3. To identify the factors that make women entrepreneurs successful.
4. To know the various challenges faced by women entrepreneurs in doing business.

Hypothesis

Hypothesis 1: There is no significant impact of socio-economic factors influencing the development of women entrepreneurs.

Hypothesis 2: There is no impact of economic policies of Government on women entrepreneurship development.

Hypothesis 3: There is no significant relationship between the personality traits of women entrepreneurship and their success.

Results & Discussion:

To test the validity and reliability of the instrument, Cronbach's Alpha is used. The result was shown in table 4.1. The test was applied for all the four factors that influence the female entrepreneurs to establish the enterprise. Alpha test as a reliability test has been implemented in this study has been done at four stages dividing the variables into four different segments.

Table no. 4.1 Summary of reliability test for the four factors.

Factors	No. of Items	Cronbach's Alpha	Scale Statistics Mean	Scale statistics S.D	Scale statistics Variance
Financial Support	16	0.768	43.59	4.55	19.36
Government support	12	0.798	77.90	5.43	18.29
Personal traits	20	0.724	184.66	4.39	17.89
Challenges	21	0.786	66.90	3.50	11.26

Factor 1: Financial support and rural women entrepreneurship:

The reliability test performed for Financial support services and Women Entrepreneurs' perception indicates that the variables are interrelated. There are few variables as 'inadequate finance.' 'Penalties on Default' and 'Demand for collateral' show the women entrepreneurs' united voice against the practical financial scenario and the importance those attributes have on their business. In all, as a consolidated inference for the Financial support service parameters, there is a slight deviation or variance in their opinion, and the variables are all well related. The respondents' views have indicated that their prominence towards these attributes is very high, yet their support is comparatively less.

Factor 2: Government support and rural women entrepreneurship:

The analysis performed over the attributes about Government support mechanisms concludes that the policies and support mechanisms are more in number but less in impact and support. Factors as 'communication skills and 'Managerial skills' are taking a back seat, but various attributes have supported the women entrepreneurs in performing their professional responsibilities to a better extent. The deviation in opinion, along with the variance, is thought process is still under control.

Most of the attributes are well related and have reliable connectivity in giving out a unified opinion. The responses over the Government summarize, stating that the support mechanisms are adequate. Still, the processes associated with it and the bureaucratic, corrupt, and complexity parameters delay and degrade such support mechanisms' utility level.

Support of other agencies and associations encouraging women entrepreneurship indicates that associations' support has been immense and helped women's entrepreneurship reduce wastage, better public contracts, quality management, mechanization, diversification, and expansion. Even for these set of attributes, the opinion variation was considerable, despite few responses traveling to the extremes indicating that the association's support hasn't been the same all over.

Factor 3: Personality traits and rural women entrepreneurship

The analysis of the factors leading to women's entrepreneurship success indicated a massive difference in the respondents' opinions for various factors. Different factors are a willingness to take the risk, customer behavior, and negotiations related aspects. There isn't much focus or confidence built-in among the women entrepreneurs.

The responses' consolidation indicates that professional experience, apprenticeship experience, proper awareness, and government support access frame up a business's success factors. Various other factors such as Self-motivation, Business Experience, and adequate marketing and sales promotion strategies support their success.

Factor 4: Challenges and rural women entrepreneurship:

The analysis of Challenges that women entrepreneurs face in their business activities give the following outcome

- The vast competition was among the significant challenges.
- Limited resources, both financial capital and human capital, have been hampering the performance of women entrepreneurship.
- The untimely funding and support mechanisms and services running at their own pace and schedules deteriorate their businesses' productivity.
- Ultimately the hampering of various challenges keeps them stuck with mounting stress levels, pulling them down in risk-taking abilities and building up the confidence to move forward.

The responses carried almost common perception among all the respondents indicating the well related and reliable nature of attributes and their logical arrangement.

Statistical Results:

This table shows how the factors influence the development of rural women entrepreneurship. The results were shown below:

Socio-economic factors and development of rural female entrepreneurship

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	136.839	16	.000
Likelihood Ratio	128.980	16	.000
Linear-by-Linear Association	89.207	1	.000
N of Valid Cases	50		

Chi-Square analysis indicated that the Null hypothesis is rejected, which means 'There is no significant impact of Socio-economic factors on the development of Women Entrepreneurship' is denied. The analysis indicates that there is a strong association between the socio-economic factors on women's entrepreneurship development. The respondent's opinion towards their business experience is well against the null hypothesis, indicating that socio-economic factors play a vital role in Women's Entrepreneurship's success and growth.

Government support and development of rural women entrepreneurship

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	78.732	12	.000
Likelihood Ratio	81.437	12	.000
Linear-by-Linear Association	23.192	1	.000
N of Valid Cases	50		

The hypothesis test has given out an inference stating that the impact of economic aspects affects women entrepreneurship's business process and would significantly impact their business success. This test outcome is due to the null hypothesis being rejected and an opinion indicating 'There is a significant impact of economic factors on Women Entrepreneurs' success.

Personality traits and development of rural women entrepreneurship

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	74.962	20	.000
Likelihood Ratio	72.994	20	.000
Linear-by-Linear Association	42.702	1	.000
N of Valid Cases	50		

Impact of Entrepreneurial attributes as a willingness to take risk, self-confidence, desire to change and innovation, tolerance to ambiguity, and the need for achievement have been proved to be essentials of entrepreneurial success. The survey's responses also confirmed the same rejecting the null hypothesis. Thus, the opinion indicating that there is an impact of entrepreneurial attributes over women entrepreneurs' success.

DISCUSSION

Most of the attributes are well related and have reliable connectivity in giving out a unified opinion. The Government's responses summarize that the support mechanisms are adequate, but the processes associated with it and the bureaucratic, corrupt, and complexity parameters are delaying and degrading the level of utility of such support mechanisms. Inference for the financial support service parameters indicated a slight deviation or variance in their opinion. The variables are all well related; respondents' views have suggested that their prominence towards these attributes is very high, yet their support is comparatively less. The details indicating the support of other agencies and associations encouraging women entrepreneurship show that associations support has been immense and helped women entrepreneurship in various aspects as Reduction of wastage, getting better public contracts, quality management, mechanization, diversification, and expansion. Even for these set of attributes, the opinion variation was considerable, despite few responses traveling to the extremes indicating that the association's support hasn't been the same all over. The consolidation over the reactions means that professional experience and apprenticeship experience, and proper awareness and access to government support frame up a business's success factors. Various other factors such as Self-motivation, Business Experience, and proper marketing and sales promotion strategies support their success.

1. The vast competition was among the significant challenges.
2. Limited resources, both financial capital and human capital, have been hampering the performance of women entrepreneurship.
3. The untimely funding and support mechanisms and services running at their own pace and schedules deteriorate their businesses' productivity.
4. Ultimately the hampering of various challenges keeps them stuck with mounting stress levels, pulling them down in risk-taking abilities and building up the confidence to move forward.

CONCLUSION

The study on Women Entrepreneurship Development in Small and Medium Scale Industries has given a beautiful learning experience by taking to greater practical insights of Women Entrepreneurship in India and special reference to Bengaluru rural Karnataka. Understanding Women as leaders and Entrepreneurs has been an amazing experience. Government has given out a vast menu of support mechanisms and wonderful opportunities to women in order to a lot them their deserved freedom of establishing themselves in the world of business.

The research outcome was as below,

- There are various government policies and support mechanisms that have been open towards the encouragement of Women towards Entrepreneurship. Yet awareness of such policies and the comfort in accessing such policies has been a Herculean task. Moreover, there is an impact of red-tapism and bias based on various aspects hindering the performance of policies and encouragement of Government reaching right aspirants.

- Despite becoming leaders, Women still carry forward the base

- psychological nature of Indian Women respecting the tradition of taking good care of home and family. Most of the Women Entrepreneurs associate their success with the encouragement rendered from family members.

- Entrepreneurial skills as Formal Communication, Managerial and personnel management skills have been good challenges for women to learn and implement in their day-to-day business activities.

- Government and supporting associations' impact has been less but was accepted to be essential for women entrepreneurs' success.

- There was excellent stint of gender discrimination in various aspects associated with the success of Women entrepreneurs.

The respondents being entrepreneurs, gave out their valuable inputs as the need for an apprenticeship, experience in corresponding business lines, and expertise in handling team have a great impact in establishing oneself as an entrepreneur successfully and would also help them innovate and grow at a dynamic pace. The respondents have also given out their preference towards modernization, mechanization and need for change through innovation. Moreover, these SMEs are opportunity entrepreneurship which contributes to economic growth by considerably reducing unemployment particularly for women, generating revenues for Government and enhancing human capital skills. The study suggests an investment in SMEs owned by women and an investment in education and skills of those women in order to positively affect economic growth. Many studies have focused their attention on the relationship between SMEs and economic growth, but few attempted to evaluate the theoretical assumptions in case studies and in a gender perspective.

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Author's Profile



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