

## FINANCIAL SUPPORTING FACTORS FOR WOMEN ENTREPRENEURS' SUCCESS IN SMALL & MEDIUM ENTERPRISES

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### ABSTRACT

*Entrepreneurship is not restricted to one gender in our country. The women entrepreneurs are performing outstandingly in the area of promoting and succeeding in business in present market. The lacking factors for them is not family neither society, but the financial support for them to run their business successfully. The small and medium industries (SME's) in Hyderabad indicating progressive growth in the state among these some are specially owned and functioned by women entrepreneurs. The various problems and procedures faced by women in this regard and the government initiations to solve this problem and various schemes and their success rate towards women entrepreneurs. The government is responding positively towards women entrepreneurs financial problems and allocating special budget for betterment of this situation. This paper is narrated to explain various measures taken by governments for women empowerment and measures accordingly.*

**KEYWORDS:** Support, Finance, R &D, Facilities.

### Introduction

Due to drastic changes in Indian family culture and government initiations in Indian education system by establishing women quota in education and special universities for them leads to, plenty of women candidates became good scientist and creators in their respective fields. The outcome of this system open, more opportunities to women's to start their carriers as entrepreneurs in small and medium industries. The nature and style of women working nature in families and fair maintenance transfer to their business operations also which became successful business units.

### Concept of Women Entrepreneurs

Women Entrepreneur(s) may be defined as a women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Once upon a time women entrepreneurship is restricted to in house manufacturing small industries which are less investment and least risk oriented products like papad making, Tailoring and food items preparation, candle making etc.. Hence the investment and risk is very less comparatively with large scale manufacturing. Due to dynamic changes in the business environment, the entrepreneurs are moving to large scale manufacturing with highly technical equipments, which required a lot of efforts in monetary and non monetary. These phenomena created a lot of financial support to purchase machinery and transportation followed by marketing and destitution charges. On the other hand the bankers are not

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ready to issue loans to women entrepreneurs thinking that it became NPA, because of only women ownership as a silly reason. The government of India, with the above issues raised by emerging women entrepreneurs and bankers myths, they are designed special plans and packages in the budget to promote women entrepreneurs especially with tax shelters and addition subsidies only for them, which leads to progress in the women entrepreneurs thought and efforts into action. In some areas of the country some reputed corporate in the name of CSR activity they are offering financial aid and support to poor women to stand in the society with pride.

**Literature**

Vijaya kumar, A. and Jayachitra (2013) A distinguishing feature of a woman entrepreneur is the willingness to work hard. She has to follow the principle, "Hard-work is the key to success A woman entrepreneur is an achievement oriented lady, not money hungry. She highlighted women strength and force to run the business without any hurdles and able to get success to give small lift in terms of financial aid followed by some marketing tactics to do their business in profitable mode. She also focused their analytical and marketing skills are not less compare with men in the business environment.



Source: Deepa Vinay (2015)

Golam Rabbania (2013) explains Business women are also contributing in the national economy of Bangladesh. (Daily Star December 29, 2009).The highly restricted and orthodox family culture for womens, the countries like Bangladesh is able to success in promoting women entrepreneurship by offering micro finance to them to start their micro ventures in their domestic places and households to satisfy their family financial needs up to at least food needs of their families.

Lisa K Gundry et. al (2014) explained, that the both our understanding on family-owned firms and family firms owned and managed by women. A recent study on Russian female entrepreneurs suggests that they often need to be very competitive and make bold decisions, and the challenge of being women in a turbulent environment adds to the necessity for taking calculated risks (Iakovleva et al. 2013). The present study shows that Russian women are very capable of exhibiting those behaviors in order to sustain their self-identified family firms. Deepa Vinay (2015) revealed that , response for the needs of women it requires devising measures to integrate women as decision-makers, participants and beneficiaries in all relevant development activities and to address the totality of problems women face as entrepreneurs, due to the wide spectrum of elements affecting the equitable participation of women in

development. A plan or strategy must be designed and implemented in close collaboration with various development partners in different specialized areas, notably: education, health, human rights as well as environment and energy. According to Florabel (2015), the women social entrepreneurs in the Kingdom of Saudi Arabia are able individuals and groups who possessed knowledge and skills on how to prioritize their needs according to the ventures they implement. They demonstrate a genuine commitment to their mission as well as clear understanding of their individual challenges and support needs. Social entrepreneurship is playing a strong role in generating social inclusion benefits, community strengthening and positive impact in Saudi Arabia. The country's women social entrepreneurs were not spared from challenges specially during starting-up phase. Some of these challenges were carried during scale-up and implementation of various entrepreneurial ventures.

**Methodology**

**Objectives**

- To know the Women Entrepreneurs encouraging factors in Hyderabad city
- To evaluate financial institutes support to Women Entrepreneurs
- To study organizational support to Women Entrepreneurs.

**Hypothesis**

**H<sub>01</sub>** : There is no significant association between location (Urban/ Rural) and their opinions on credit term of banks to issue loans

**H<sub>02</sub>** : There is no significant association between educational qualification and their awareness on raw material cost

**Sample and Sample Size**

For the purpose of above proposed study , Women entrepreneurs who are successfully running ( with profitability) their micro, small and medium enterprises from last 5 years i.e companies existing before 2009 are consider as a valid sample in Hyderabad and Rangareddy districts region. A sample of 500 respondent's opinion considered in this regard.

**Analysis**

**H<sub>01</sub>** : *There is no significant association between location (Urban/ Rural) and their opinions on credit term of banks to issue loans*

**Table 1: Chi-Square Tests values for location and Bank loans**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.826 <sup>a</sup>	3	.002
Likelihood Ratio	14.978	3	.002
Linear-by-Linear Association	13.034	1	.000
N of Valid Cases	474		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 29.84.

From the above table chi square is significant (sig. value is < 0.05), reject null hypothesis. It means that there is a significant association between location and their opinions on credit term of banks are flexible

**H<sub>02</sub>** : *There is no significant association between educational qualification and their awareness on raw material cost.*

**Table 2: Chi-Square Tests values for Education and Awareness**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.797 <sup>a</sup>	6	.015
Likelihood Ratio	19.771	6	.003
Linear-by-Linear Association	.047	1	.828
N of Valid Cases	495		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 3.72.

From the above table chi square is significant (sig. value is < 0.05), reject null hypothesis. It means that there is a significant association between qualification and their opinions on raw material cost.

**Regression (Scheme Effectiveness)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.351a	.123	.116	.859
a. Predictors: (Constant), 37. Credit terms of banks are flexible, 36. I can provide collateral to get loans, 35. I can raise working capital, 34. I can raise long term loan				

The regression table summarizes the model performance through the following statistics

**R:** Represents the multiple correlation coefficients with a range lies between -1 and +1. Since the R value of 0.351 it means dependent variable Women entrepreneurship schemes are effective has a positive relationship with independent variables raise long term loan, raise working capital, provide collateral to get loans and Credit terms of banks are flexible

**R Square:** Represents the coefficient of determination and ranges between 0 and 1. Since the R square value is 0.123, it means 12.3 % of the variation in Women entrepreneurship schemes are effective is explained by raise long term loan, raise working capital, provide collateral to get loans and Credit terms of banks are flexible.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.400	4	11.850	16.059	.000a
	Residual	337.234	457	.738		
	Total	384.634	461			
a. Predictors: (Constant), 37. Credit terms of banks are flexible, 36. I can provide collateral to get loans, 35. I can raise working capital, 34. I can raise long term loan						
b. Dependent Variable: 38. Women entrepreneurship schemes are effective						

From the above ANOVA table F value is significant (significant value is less than 0.05) it means dependent variable women entrepreneurship schemes are effective is more efficient.

Model		Unstandardized Coeff.		Standardized Coeff.	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.497	.201		7.466	.000
	34. I can raise long term loan	.108	.047	.107	2.282	.023
	35. I can raise working capital	.049	.048	.047	1.013	.312
	36. I can provide collateral to get loans	.234	.045	.239	5.175	.000
	37. Credit terms of banks are flexible	.123	.039	.140	3.153	.002
a. Dependent Variable: 38. Women entrepreneurship schemes are effective						

The model coefficient table reports the coefficients of raise long term loan, raise working capital, provide collateral to get loans and Credit terms of banks are flexible along with their sig. values. The low sig. values of less than 0.05 of the variables raise long term loan, provide collateral to get loans and Credit terms of banks are flexible are very strong impact on dependent variable women entrepreneurship schemes are effective. The high sig. value of greater than 0.05 for the variable raise working capital is very less sig. impact on dependent variable women entrepreneurship schemes are effective. The required regression line is:

**Effective Women Entrepreneurs** = 1.497 + 0.108(raise long term loan) + 0.049(raise working capital) + 0.234(provide collateral to get loans) + 0.123(credit terms of banks are flexible)

**Discussion of Results**

The finance for women entrepreneurs is another major problem to them to sustain in the market. Very few bankers are honoring women thoughts and encouraging them to start venture. There is no

separate subsidies for women entrepreneurs in issuing loans and discount in interest rate etc.. Human resource availability in another problem, very few companies are get succeed in getting intellectuals for their company domain and also very tough to maintain skilled labor for long time. Almost all women entrepreneurs agreed that they are very good quality of work life in their enterprise.

### **Conclusion**

The above study results revealed that, there are many problems among the micro, small and medium entrepreneurs. The important problems are financial, marketing, and social problems. The degree of problems varied among the male and female entrepreneurs. The female entrepreneurs' perception of the problems is higher among than the male entrepreneurs. The level of perception on problems is significantly associated with the profile of entrepreneurs especially personality trait. The highly indebted entrepreneurs highly perceive the problems. The prospects of micro, small and medium enterprises are high as viewed by both male and female entrepreneurs. Encouragement for women entrepreneurship is one of the ways for that. Apart from the responsibility of the state and society, absence of a definite agenda of life, absence of balance between family and career obligations of women, poor degree of financial freedom for women, absence of direct ownership of the property to women, paradox of entrepreneurial skill & finance in economically rich and poor women, no awareness about capacities.

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