

## FACTORS INFLUENCING TO START ENTERPRISES AND PROBLEMS ENCOUNTERED BY THE WOMEN ENTREPRENEURS

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### Dr. C. Vethirajan

Professor & Head, Department of Corporate Secretaryship, School of Management,  
Alagappa University, Karaikudi – 630 003, Sivagangai District, Tamil Nadu, India.  
Mobile: +91 9443493474, Email: [drvethirajan@gmail.com](mailto:drvethirajan@gmail.com)

### Dr. A. Mahalingam

Assistant Professor, PG Department of Commerce, Manonmaniam Sundaranar University College,  
Govindaperi, Cheranmahadevi-627414, Tirunelveli District, Tamil Nadu, India.  
Mobile: 9443542145, Email: [mahalingam5580@gmail.com](mailto:mahalingam5580@gmail.com)

### Dr. A. Arul Kamalraj

Assistant Professor and Head, Department of Commerce, Einstein College of Arts and Science,  
Tirunelveli – 12, Mobile: 9944205967, Email: [arulsly82@gmail.com](mailto:arulsly82@gmail.com)

### N.Ariyadevi

Research Assistant, Department of Corporate Secretaryship, School of Management, Alagappa  
University, Karaikudi – 630 003, Sivagangai District, Tamil Nadu, India.  
Mobile: 8248173203, E-mail – [ariyahr1994@gmail.com](mailto:ariyahr1994@gmail.com)

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### ABSTRACT

*The role of entrepreneurship in economic perspective is economic development varies from economy to economy depending upon the availability of material resources, of the political climate and the responsiveness of the political system to the entrepreneurial function. The present study is descriptive in nature and uses both quantitative and qualitative data for the analysis with the aim of describing the factors influencing women entrepreneurs to start enterprises and problems encountered by the women entrepreneurs in their enterprises. Apart from this, the present study has defined objectives and framed methodology to fulfill the objectives of the study. Tirunelveli district one of the well-educated district in Tamil Nadu here most of the women entrepreneurs completed SSLC. Women entrepreneurs run the business enterprises solely and do not have any previous years' experience of running business ventures. All the internal factors like, a low cost loan, economic independence, self-employment, to provide employment opportunity, unemployment, urge to achieve, government policies, risk-bearing ability, encouragement of NGO, presence of experience and EDP training helped and influenced the Women entrepreneurs to become an entrepreneur. Regular practice makes success any activity; regular practice is habit that forms the entrepreneurial traits of a person.*

**KEY WORDS:** *Entrepreneurship, Economic development, Factors, Problems and Women entrepreneurs*

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## 1. INTRODUCTION

Entrepreneurs seek to bring about change and new opportunities, both for themselves and for the communities they belong to. In this way, entrepreneurs often play an important role as the engine of change in a market-based economy, since they are responsible for introducing innovation, adaptation and new ideas. Economies – and societies, for that matter – do not change simply because of an inevitable set of circumstances or trends; they can only transmute when there are people who individually set new directions, suggest new ways of doing and then successfully become role models.

The role of entrepreneurship in economic perspective is economic development varies from economy to economy depending upon the availability of material resources, of the political climate and the responsiveness of the political system to the entrepreneurial function. In entrepreneurship, there are the two strategies available to the country, one they are Growth-led entrepreneurship and another is the Entrepreneurship led growth, for our country, the second strategy is more suitable. First, entrepreneurial growth is expected to be attained through the promotion of the required activities and then there is every scope for automatic economic growth. Instead of growth chasing entrepreneurs, it should be entrepreneurship that chases the growth of any country.

## 2. STATEMENT OF THE PROBLEM

Women entrepreneurs in India have to cope with various socio-economic problems. Society's attitude and support are the major determinants of women's entrepreneurial success. The social and cultural roles played by women may place an additional burden on them. As a part of their social binding, women have to perform household duties with simultaneously operating as business owners. A woman entrepreneur is expected to perform the roles of wife, mother, daughter, daughter-in-law and businesswoman. Tirunelveli district is the industrially backward area when it is compared with other districts. Tirunelveli district has been endowing with several facilities for the conducive growth of women entrepreneurs when compared to other districts in Tamil Nadu. So, it is felt that this district is ideally suited for a study on factors influencing to start enterprises and problems encountered by women entrepreneurs.

Nowadays it's too difficult to survive in the society with men earning in a family. In order to strengthen the economic condition of family women also need to contribute their part. The rural place of India has special characters like poor educational background, low infrastructure facilities, unhealthy economic conditions and so on. These are very big drawbacks meet by women entrepreneurs in rural areas. Government and NGOs offered

numerous training programmes and workshops to women entrepreneurs regarding selection of products, techniques of production, packing, ability to manage the business and other training but still it is not adequate because they are poor in education and experience.

### 3. OBJECTIVES OF THE STUDY

The study has the following objectives.

- 1) To identify the factors influencing women entrepreneurs to start enterprises.
- 2) To analyse the problems encountered by the women entrepreneurs in their enterprises and to offer suggestions.

### 4. METHODOLOGY

The present study is descriptive in nature and uses both quantitative and qualitative data for the analysis with the aim of describing the factors influencing women entrepreneurs to start enterprises and problems encountered by the women entrepreneurs in their enterprises. Apart from this, the present study has defined objectives and framed methodology to fulfill the objectives of the study.

### 5. SAMPLING DESIGN

In Tirunelveli district, as on March 31, 2019, the total numbers of registered micro units run by women entrepreneurs from five major industries amounted to 1500. For the purpose of survey, 10 per cent of the samples were selecting by using proportionate stratified sampling method.

### 6. LIMITATIONS OF THE STUDY

- ✓ The instrument which is used for collecting data may be another source of error. The interview schedule used for this study and presenting is another source of error.
- ✓ The sample selected for the study is limited to a few villages in Tirunelveli district, the result may be applicable only to the women entrepreneurs and cannot be generalized.

### 7. ANALYSIS AND INTERPRETATION

**TABLE 1**  
**FACTOR INFLUENCING THE WOMEN ENTREPRENEURS TO START BUSINESS**

	Mean	SD	t-value	P-value	Mean diff.	95 per cent Confidence Interval of the Difference	
						Lower	Upper
Low cost loan	1.49	.717	50.903	.000	1.490	1.43	1.55
Economic independence	1.67	.658	61.944	.000	1.665	1.61	1.72
Self -employment	1.70	.798	52.018	.000	1.704	1.64	1.77
Provide employment opportunity	2.58	1.040	60.423	.000	2.577	2.49	2.66
Unemployment	1.94	.749	63.241	.000	1.935	1.87	2.00

Urge to achieve	2.43	1.036	57.348	.000	2.425	2.34	2.51
Government policies	2.71	1.107	59.878	.000	2.707	2.62	2.80
Risk bearing ability	2.19	.702	76.482	.000	2.193	2.14	2.25
Encouragement of NGO	2.96	1.090	66.401	.000	2.955	2.87	3.04
Presence of experience	2.12	.849	61.193	.000	2.120	2.05	2.19
EDP training helped	2.12	.840	61.645	.000	2.115	2.05	2.18

*Source: Primary data.*

Since ‘p’ value is less than 0.01, the null hypothesis is rejected at 1 per cent level of significance with regard to factor motivates them to start enterprises. Hence, the level of impact among women entrepreneurs is lower than the average level (mean=3). The mean of many variables has been attained between one and two, which clearly demonstrates that the impact level is higher than the average level (very high assigned point 1, high assigned 2 points and so on).

The mean score of the factor “Low-cost loan” is 1.49 which is lower than the Average value (mean 3). The mean difference lies between the lower limit 1.43 and the upper limit 1.55 with a 95 per cent confidence interval of the difference. Low cost of the loan is the important factor influencing to become an entrepreneur.

The mean score of the factor “Economic independence” is 1.67 which is lower than the average value (mean 3). The mean difference lies between the lower limit 1.61 and the upper limit 1.72 with a 95 per cent confidence interval of the difference. Economic independence is an important factor influencing to become an entrepreneur.

The mean score of the factor “Self -employment” is 1.70 which is lower than the average value (mean 3). The mean difference lies between the lower limit 1.64 and the upper limit 1.77 with 95 per cent confidence interval of the difference. Self- employment plays a significant role in influencing to become an entrepreneur.

The mean score of the factor “To provide employment opportunity” is 2.58 which is lower than the average value (mean 3). The mean difference lies between the lower limit 2.49 and the upper limit 2.66 with a 95 per cent confidence interval of the difference. The factor to providing employment opportunity is one of the most important factor influencing to become entrepreneurs.

The mean score of the factor “Unemployment” is 1.94 which is lower than the average value (mean 3). The mean difference lies between the lower limit 1.87 and the upper limit 2.00 with a 95 per cent confidence interval of the difference. Unemployment plays a significant role in influencing to become entrepreneurs.

The mean score of the factor “Economic Urge to achieve” is 2.43 which is lower than the average value (mean 3). The mean difference lies between the lower limit 1.87

and the upper limit 2.51 with a 95 per cent confidence interval of the difference. Urge to achieve this is a significant factor that influences to become entrepreneurs.

The mean score of the factor “Government policies” is 2.71 which is lower than the average value (mean 3). The mean difference lies between the lower limit 2.62 and the upper limit 2.80 with a 95 per cent confidence interval of the difference. Government policies are important factor influencing to become entrepreneurs.

The mean score of the factor “Risk bearing ability” is 2.19 which is lower than the average value (mean 3). The mean difference lies between the lower limit 2.14 and the upper limit 2.25 with a 95 per cent confidence interval of the difference. Risk bearing ability is an important factor influencing to become entrepreneurs.

The mean score of the factor “Encouragement of NGO” is 2.96 which is lower than the average value (mean 3). The mean difference lies between the lower limit 2.87 and the upper limit 3.04 with a 95 per cent confidence interval of the difference. Encouragement of NGOs is an important factor influencing to become entrepreneurs.

The mean score of the factor “Presence of experience” is 2.12 which is lower than the average value (mean 3). The mean difference lies between the lower limit 2.05 and the upper limit 2.19 with a 95 per cent confidence interval of the difference. Presence of experience is an important factor influencing to become entrepreneurs.

The mean score of the factor “EDP training helped” is 2.12 which is lower than the average value (mean 3). The mean difference lies between the lower limit 2.05 and the upper limit 2.18 with a 95 per cent confidence interval of the difference. Risk bearing ability is an important factor influencing to become entrepreneurs.

## **PROBLEMS FACED BY WOMEN ENTREPRENEURS IN THEIR ENTERPRISES**

The study analyzed the problem faced by women entrepreneurs. The researcher has identified and listed various problems faced by women entrepreneurs with regard to their business concern in the questionnaire and factor reduction method is used to find the constrains in to groups.

Sampling adequacy measured using the Kaiser-Meyer-Olkin of 0.888 was taken as acceptable. Thus the factor analysis may be considered an appropriate technique for analyzing the data.

**TABLE 2**  
**PROBLEM FACED BY WOMEN ENTREPRENEURS IN ENTERPRISES**  
**- KMO AND BARTLETT'S TEST**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.888
Bartlett's Test of Sphericity	Approx. Chi-Square	12804.291
	Df	150
	Sig.	.000

20 variables can be extracted. But only those factors can be extracted which have more than one. By retaining only the variables with Eigen value greater than one, we can infer that 51.958 per cent of variance is explained by factor 1, 10.988 per cent of variance is explained by factor 2, and 9.288 per cent of variance is explained by factor 3.

The extraction sum of squared loading is also used for problems faced by women entrepreneurs in enterprises. Table 3 indicates that of the total 72.235 per cent variance, all were not uniformly distributed across all the factors, since it is evident that the first component itself accounts for 51.958 per cent of the variance.

The principal component analysis is a multivariate technique for identifying the linear components of a set of variances. The ten factors extracted together account for 72.235 per cent (under rotation sum of squared loadings) of the total variance. This is pretty good because it can economies on the number of variables (from 20, it has been reduced to three underlying factors), while only about 27.675 has been lost (72.235 per cent is retained by three factors extracted out of 20 variables). This percentage can be disregarded. The initial Eigen values, extracting sums of squared loadings and rotation sums of squared loadings are given in Table 3.

**TABLE 3**  
**PROBLEM FACED BY WOMEN ENTREPRENEURS IN ENTERPRISES**  
**TOTAL VARIANCE EXPLAINED**

Comp onents	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	Percent of Variance	Cumulative percent	Total	Percent of Variance	Cumulative percent
1	10.392	51.958	51.958	5.946	29.728	29.728
2	2.198	10.988	62.946	5.775	28.877	58.605
3	1.858	9.288	72.235	2.726	13.630	72.235
4	.887	4.436	76.671			
5	.795	3.977	80.648			
6	.628	3.139	83.787			
7	.597	2.985	86.772			
8	.490	2.449	89.221			
9	.412	2.058	91.279			
10	.331	1.653	92.932			
11	.308	1.538	94.470			
12	.256	1.280	95.750			

13	.185	.927	96.677			
14	.164	.818	97.495			
15	.128	.639	98.134			
16	.104	.522	98.656			
17	.092	.462	99.118			
18	.075	.375	99.492			
19	.064	.319	99.811			
20	.038	.189	100.000			

#### Extraction Method: Principal Component Analysis

Table 3 shows the component loadings that have correlations between the variables and the components. This is the central output of the factor or principal factor components analyzed; this can be taken as the basis for inputting a label to different factors of components. It is a general practice that while interpreting a component, importance is given to the larger size of the component loading for a variable. Also, the first component is generally highly correlated with the variables than the second and the subsequent following variables. It can be seen from the table that variance is now evenly distributed in a range of 29.728 to 72.235 per cent, this is 51.958 to 72.235 per cent. The following screen plot shows that ten components have Eigen value more than one.

The women entrepreneurs in various activities had been divided under the following broad categories of Political, Social, Economic and Technological related problems.

**TABLE 4**  
**FACTOR ANALYSIS FOR PROBLEM FACED BY WOMEN ENTREPRENEURS**  
**IN ENTERPRISES**

<b>Rotated Component Matrix</b>			
	Component		
	1	2	3
Lack of committed wages	<b>.828</b>	.255	-.009
Lack of skilled labour	<b>.811</b>	.302	.187
Lack of knowledge	<b>.800</b>	.390	.003
Low quality	<b>.799</b>	.255	.226
Lack of managerial skill	<b>.781</b>	.485	.153
High price	<b>.691</b>	.108	-.036
Lack of self confidence	<b>.675</b>	.577	.063
Scarcity	<b>.661</b>	.234	.183
High competition	<b>.524</b>	.054	.332
Lack of support from financial institutions	.192	<b>.820</b>	.060
Lack of resource and support from family	.320	<b>.818</b>	.012
Poor risk taking ability	.413	<b>.817</b>	.083
Underutilization capital	.216	<b>.797</b>	.108
Inadequate predicting efforts	.331	<b>.795</b>	.238
Lack of proper training	.514	<b>.721</b>	.226
Shortage of own funds	.121	<b>.688</b>	.247
High interest rate	.467	<b>.523</b>	.478

Lack of marketing facilities	.121	.109	<b>.870</b>
Inadequate transport facilities	.270	.032	<b>.858</b>
Lack of marketing skills	-.139	.457	<b>.745</b>

Source: Primary data

Table 4 exhibits the rotated factor loading for 20 statements (factor) of problem faced by women entrepreneurs in enterprises. It is clear from the table that all the 20 statements had been extracted into ten factors, namely, F1, F2, and F3. These new factors were identified with new names comprehensively to designate the factors that influence problems are discussed in the following sections.

### PRODUCTION

The first factor characterizing the problem faced by women entrepreneurs in enterprises is named as 'Production'. Production needs Men, Material, labour and other factors. The factor loading of the variables of these factors depicts, lack of committed wages for the labourers have scored 0.828, lack of skilled labour have scored 0.811, lack of knowledge has scored 0.800, low quality has scored 0.799, lack of managerial skill has scored 0.781, high price has scored .691, lack of self-confidence has scored 0.675, scarcity factor has scored 0.661 and high competition has scored 0.524.

**TABLE 5**  
**PRODUCTION - FACTOR 1**

S. No.	Variable	Factor Loading	Eigen Value	Percentage of Variance
1.	Lack of committed wages	.820	10.392	51.598
2.	Lack of skilled labour	.818		
3.	Lack of knowledge	.817		
4.	Low quality	.797		
5.	Lack of managerial skill	.795		
6.	High price	.721		
7.	Lack of self confidence	.688		
8.	Scarcity	.523		
9.	High competition	.820		

Source: Primary data

The table presented above indicates that all the nine factors of entrepreneurial problem, namely, the variables of these factors such as lack of committed wages, lack of skilled labour, lack of knowledge, low quality, lack of managerial skill, high price, lack of self-confidence, scarcity and high competition have higher positive loadings on factors 1. Hence, F1 is termed as Production. The Eigen value for the above factor 1 was 10.392 and the percentage of variance was 51.598. It is concluded that the problems of entrepreneurial activities were mainly based on the variables such as lack of committed wages, lack of



skilled labour, lack of knowledge, low quality, lack of managerial have higher positive loadings on factors.

### FINANCE

The second factor characterizing the problems faced by women entrepreneurs in enterprises is named as 'Finance'. Finance is a blood of every business activity it needs proper management otherwise it gives bad impact to the organization. The factor loading of the variables of this factor lack of support from financial institutions was 0.820, lack of resource and support from family was 0.818, Poor risk-taking ability was 0.817, underutilization capital was 0.797, inadequate predicting efforts was 0.795, lack of proper training was 0.721, shortage of own funds 0.688 and high interest rate 0.523 as shown in Table 6.

**TABLE 6**  
**FINANCE -FACTOR 2**

S. No.	Variable	Factor Loading	Eigen Value	Percentage of Variance
1.	Lack of support from financial institutions	.820	2.198	10.988
2.	Lack of resource and support from family	.818		
3.	Poor risk-taking ability	.817		
4.	Underutilization capital	.797		
5.	Inadequate predicting efforts	.795		
6.	Lack of proper training	.721		
7.	Shortage of own funds	.688		
8.	High-interest rate	.523		

Source: Primary data

The table above displays that all the nine factors of entrepreneurial problem, namely, the variables of this factor, lack of support from financial institutions was, lack of resource and support from family, poor risk-taking ability, underutilization capital, inadequate predicting efforts, lack of proper training, shortage of own funds and high-interest rate are with higher positive loadings on factors 2. Hence, F2 is termed as Finance. The Eigen value for the above factor 2 was 2.198 and the percentage of variance was 10.988. It is concluded that the Problems of entrepreneurial activities based on the variables has resulted lack of support from financial institutions was lack of resource and support from family, poor risk-taking ability, underutilization capital, inadequate predicting efforts, lack of proper training, shortage of own funds and high-interest rate are with higher positive loadings on factors.

## MARKETING

The third factor characterizing the problems faced by women entrepreneurs in enterprises is named as 'Marketing'. Women entrepreneurs need to know if there is a demand for a new service or product that they are thinking of introducing. Perhaps respondents need to know how their product is faring among the competing brands. Members may want to assess brand awareness after observing the advertising and promotional campaigns. The factor loading of the variables of this factor lack of marketing facilities has scored 0.870, inadequate transport facilities have scored 0.858 and lack of marketing skills have scored 0.745 as shown in Table 7.

**TABLE 7**  
**MARKETING - FACTOR 3**

S. No.	Variable	Factor Loading	Eigen Value	Percentage of Variance
1.	Lack of marketing facilities	.870	1.858	9.288
2.	Inadequate transport facilities	.858		
3.	Lack of marketing skills	.745		

Source: Primary data

The table given above shows that all three factors of entrepreneurial problem, namely, the variables of this factor, the factor loading of the variables of this factor lack of marketing facilities, inadequate transport facilities and lack of marketing skills were with higher positive loadings on factors 3. Hence, F3 is termed as 'Marketing'. The Eigen value for the above factor 3 was 1.858 and the percentage of variance was 9.288. It is concluded that the Problems of entrepreneurial activities based on the variables has resulted that the factor loading of the variables of these factors lack of marketing facilities, inadequate transport facilities and lack of marketing skill are with higher positive loadings on factors.

## 8. SUGGESTIONS

- ✓ Women entrepreneurs are advised to attend short term training to handle the money properly.
- ✓ The important suggestions for improvement are the progress of skill-oriented training programmes, support of good leadership in the group and constant guidance and support through the government and non-government programmes.
- ✓ It is suggested that the women entrepreneur should have enough confidence that they can become a great entrepreneurs.
- ✓ It is also suggested that women entrepreneurs should be treated as human being and they also have some family responsibilities in terms of economic

## 9. CONCLUSION

Tirunelveli district one of the well-educated district in Tamil Nadu here most of the women entrepreneurs completed SSLC. These women entrepreneurs run the business enterprises solely and do not have any previous years' experience of running business ventures. All the internal factors like, a low cost loan, economic independence, self-employment, to provide employment opportunity, unemployment, urge to achieve, government policies, risk-bearing ability, encouragement of NGO, presence of experience and EDP training helped and influenced the women entrepreneurs to become an entrepreneur. Regular practice makes success any activity; regular practice is habit that forms the entrepreneurial traits of a person.

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