

## **Constraints faced by women entrepreneurs in cottage industry**

**MS. A. ANUSUYA\***

**DR. V. DARLING SELVI†**

### ***Abstract***

*Entrepreneurship has been a recent concern amongst women throughout the globe. There have been innumerable studies discussing about the path taken up by the women and challenges faced by them when they step out to carve their own niche in the business world. The study analyzes the constraints and challenges faced by the women entrepreneurs in Tirunelveli district. Women entrepreneur face difficulties in getting finance which is a critical resource for venture creation. Cottage Industry plays a key role in the industrialization of the country. Women Entrepreneurs in rural areas are dependent on cottage industries for many of their needs and it has generated employment opportunities for them and save their society from decay.*

**Keywords:** *Women Entrepreneur, Cottage Industry, Women Empowerment, Constraints*

**JEL Classification:** *L62*

### **Introduction**

Women entrepreneur may be defined as the process where women organize all the factors of production, undertake risks, and provide employment to others. Cottage Industry is a form of unorganized industry, predominantly rural and are mainly engaged in craftsmanship works such as handicraft, pottery, knitting, handloom, etc. In rural areas, it has been found that the cottage industries have given economic independence to the women. Through the cottage industries women are having decision making power and are also contributing to the growth process and changes that are never ending thus cottage industries have become a channelized route for the empowerment of women entrepreneur. They were facing several challenges but cottage industry provided them a platform for empowerment. Within the scope of the cottage industry, women entrepreneurs' participation is remarkable. A large number of rural women entrepreneurs are engaged in making various hand-made products.

---

\* Research Scholar, Department of Commerce, Rani Anna Government College for Women. Gandhi Nagar. Tirunelveli. Email: anusuyaumantha@gmail.com

† Assistant Professor, Research Department of Commerce, Rani Anna Government College for Women., Tirunelveli. Email: prof.darlingselvi@gmail.com

## **Review of Literature**

**Iyer (1993)** studied on women entrepreneurs in small scale industries with special reference to the Association of Women Entrepreneurs of Karnataka (AWEK). The study highlighted the problems faced by women entrepreneurs and provides certain techniques, which could be used to become successful women entrepreneurs.

**D'Cruz (2003)** conducted a study on the constraints on Women Entrepreneurship Development in Kerala. The study revealed that the biggest problem was reported in the areas of procurement of raw materials and canvassing of orders. Staying away from home for long hours, particularly late in the evening, attending meetings, meeting and discussing with government officials and taking care of family problems alongside all these responsibilities were reported to be a serious setback along with lack of facilities and lack of time to attend to their familial roles, rent payment and additional labour cost.

**Rahmatullah & Zaman (2014)** examined the small enterprise in three regions (Dhaka, Chittagong and Rangpur) of Bangladesh at two levels: the individual and the enterprise. The investigated the constraints female entrepreneurs faced during their initial stage and continued operation of their business, and the work-family conflicts they faced. It also looked at the reasons for starting a new business and their success factors.

**Dutta (2016)** found that the problems of women entrepreneurs were far more than their men counterparts due to the existence of societal taboos and restrictions. Considering the economic importance of developing entrepreneurship among women, the Government should design a suitable scheme to attract women towards entrepreneurship and to help their enterprises to survive.

## **Objectives of the Study**

1. To study the major constraints faced by the women entrepreneurs.
2. To assess the satisfaction level of the women entrepreneurs towards cottage industries.

## **Research Methodology of the Study**

The present study is empirical and descriptive in nature. The nature of data used in the present study is primary which have been collected by using a structured questionnaire. The respondents were selected based on purposive sampling. The questionnaires were filled up by 80 respondents of Tirunelveli city. In the present study, demographic profile, satisfaction of women entrepreneurs through cottage industry and constraints faced by women entrepreneurs were analyzed with the help of Percentage and factor analysis.

## **Data Analysis and Interpretation**

Table 1 shows that out of 80 respondents 65 percent were above 40 years of age and 35 percent belong to the age group of 20 – 40 years. The aged group people can actively participate in cottage industry. Out of 80 respondents, 92.5 percent were Hindu, 6.2 percent were Muslim and 1.2 percent were Christian. Out of 80 respondents, 92.5 percent were married and 7.5 percent were single. Hence it is understood that many of the sample respondents who are involved in cottage industry are married women. Further, it shows

that out of 80 respondents 71.2 percent were upto SSLC, 10 percent were HSC, and again 10 percent were Diploma, 6.2 percent were Under Graduate and 2.5 percent were Post Graduate and above.

**Table 1: Demographic Profile**

| Category                         | No. of Respondents | Percent      | Cumulative Percent |
|----------------------------------|--------------------|--------------|--------------------|
| <b>Age</b>                       |                    |              |                    |
| 20-40 years                      | 28                 | 35.0         | 35.0               |
| Above 40 years                   | 52                 | 65.0         | 100.0              |
| <b>Total</b>                     | <b>80</b>          | <b>100.0</b> |                    |
| <b>Religion</b>                  |                    |              |                    |
| Hindu                            | 74                 | 92.5         | 92.5               |
| Christian                        | 1                  | 1.2          | 93.8               |
| Muslim                           | 5                  | 6.2          | 100.0              |
| <b>Total</b>                     | <b>80</b>          | <b>100.0</b> |                    |
| <b>Marital Status</b>            |                    |              |                    |
| Married                          | 74                 | 92.5         | 92.5               |
| Single                           | 6                  | 7.5          | 100                |
| <b>Total</b>                     | <b>80</b>          | <b>100.0</b> |                    |
| <b>Educational Qualification</b> |                    |              |                    |
| Upto SSLC                        | 57                 | 71.2         | 71.2               |
| HSC                              | 8                  | 10.0         | 81.2               |
| Diploma                          | 8                  | 10.0         | 91.2               |
| Under Graduate                   | 5                  | 6.2          | 97.5               |
| Post Graduate and Above          | 2                  | 2.5          | 100.0              |
| <b>Total</b>                     | <b>80</b>          | <b>100.0</b> |                    |

**Source:** Primary data

**Table 2: KMO and Bartlett's Test for Constraints faced by Women Entrepreneurs**

|                                                  |                    |         |
|--------------------------------------------------|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .739    |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 490.763 |
|                                                  | Df                 | 210     |
|                                                  | Sig.               | .000    |

**Source:** Primary data

Kaiser-Meyer-Olkin measure is an index which define of Sampling Adequacy. **Kaiser (1974)** recommends accepting values greater than 0.5 as acceptable. Furthermore, values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values

between 0.8 and 0.9 are great and values above 0.9 are superb. For these data the value is 0.739, which falls into the range of being good and valid to conduct data reduction technique.

**Table 3: Constraints faced by Women Entrepreneurs in Cottage Industry**

| Constraints                                       | Components            |                           |                       |
|---------------------------------------------------|-----------------------|---------------------------|-----------------------|
|                                                   | Marketing Constraints | Technological Constraints | Financial Constraints |
| Lack of marketing experience                      | .761                  | -.139                     | -.069                 |
| Lack of supply of raw-materials                   | .720                  | -.192                     | -.021                 |
| Lack of experience in the field                   | .716                  | -.236                     | -.148                 |
| Poor risk taking ability                          | .714                  | -.152                     | .274                  |
| Difficulty in getting money after credit sales    | .690                  | .200                      | -.119                 |
| Slackness in demand                               | .655                  | .229                      | .090                  |
| Recruitment of personnel                          | .649                  | -.167                     | -.134                 |
| Arrangement of finance                            | .591                  | .116                      | -.041                 |
| Inadequate infrastructure                         | .534                  | .220                      | -.262                 |
| Difficulty in handling technical, financial       | -.280                 | .583                      | -.065                 |
| Non-availability of skilled workers               | .314                  | .580                      | -.196                 |
| Lack of transport facility                        | .511                  | .525                      | -.001                 |
| Labour problems                                   | .298                  | .494                      | -.115                 |
| Non-availability of modern technologies           | -.078                 | .455                      | .068                  |
| Ineffective services by government agencies       | -.188                 | .347                      | .220                  |
| Lack of fund for fixed assets                     | -.059                 | -.074                     | .580                  |
| Absenteeism                                       | -.188                 | .224                      | .546                  |
| Inadequate assistance from financial agencies     | -.071                 | -.011                     | .544                  |
| Excessive burden of work                          | .465                  | .198                      | .532                  |
| Difficulty in maintenance and repair of machinery | -.055                 | -.021                     | .484                  |
| Inadequate installments for repayment             | .096                  | -.140                     | .233                  |
| <b>Eigen value</b>                                | <b>4.966</b>          | <b>1.943</b>              | <b>1.791</b>          |
| <b>Percent variation</b>                          | <b>23.646</b>         | <b>9.250</b>              | <b>8.528</b>          |
| <b>Cumulative percent</b>                         | <b>23.646</b>         | <b>32.987</b>             | <b>41.425</b>         |

**Source:** Primary data

**Note:** Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

The Bartlett's test of Sphericity helps a researcher to decide, whether the results of factor analysis are worth considering and whether we should continue analyzing the research work. Bartlett's Test of Sphericity significant to a level of significance is  $<0.001$  which shows that there is a high level of correlation between variables, which make it adequate to apply factor analysis.

The idea of rotation is to reduce the number of factors on which the variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. Rotation makes it so that, as much as possible, different variables are explained or predicted by different underlying factors and each factor explain more than one variable. Constraints faced by women entrepreneurs based on twenty one variables and the finding of the principal component analysis which is used to extract the number of variables by using the eigen value is given in Table 3.

The first factor namely 'Marketing Constraints' has nine variables with the high factor loading of 0.761 named as 'Lack of Marketing Experience'. The eigen value of Marketing Constraints is 4.966 with 23.646 percent of variance. The second factor namely 'Technological Constraints' has six variables with the high factor loading of 0.583 named as 'Difficulty in handling technical, financial'. The eigen value of Technological Constraints is 1.943 with 9.250 percent of variance. The final factor namely 'Financial Constraints' has six variables with the high factor loading of 0.580 named as 'Lack of fund for fixed assets'. The eigen value of Financial Constraints is 1.791 with 8.528 percent of variance.

Table 4 shows that out of 80 respondents 96.3 percent were satisfied with the business and 3.7 percent were not satisfied with the business. Majority of women entrepreneur were satisfied with the job, because they earned more from these industries.

**Table 4: Satisfaction Level**

| Satisfaction | No. of Respondents | Percent      | Cumulative Percent |
|--------------|--------------------|--------------|--------------------|
| Yes          | 77                 | 96.3         | 96.3               |
| No           | 3                  | 3.7          | 100.0              |
| <b>Total</b> | <b>80</b>          | <b>100.0</b> |                    |

**Source:** Primary data

## **Conclusion**

The study concludes that majority of the women entrepreneurs belong to the age of above 40 years because these age groups have no employment opportunities as well as they want to become entrepreneur. Most of the married women entrepreneurs take challenging opportunities as they have the mental ability to overcome risks and become a successful entrepreneur. Variables of constraints faced by women entrepreneurs were related to Marketing Constraints, Technological Constraints and Financial Constraints. Promotion of women entrepreneurship ensures economic independence. Social emancipation of women gains social status. Women constitute almost half of the total population in India but they are not enjoying their freedoms, equalities, privileges, on par with their male counterparts.

## **References**

- D'Cruz, N. K. (2003). *Constraints on women entrepreneurship development in Kerala: An analysis of familial. Social, and Psychological Dimensions*, Centre for Development Studies, Thiruvananthapuram.
- Dutta, S. (2016). Women entrepreneurship development through Self Help Group in Assam. *3rd International Conference on Multidisciplinary Research & Practice, IV* (I).
- Iyer, L. (1993). *Women entrepreneurs: Challenges and strategies*. Friedrich Eperb Stiftwing, New Delhi.
- Rahmatullah, M. & Zaman, F. (2014). Female entrepreneurship in Bangladesh: Constraints, motivation and success. *Bangladesh e-Journal of Sociology*, 11(2), 65-77.

....\*\*\*....