Dynamics of Women Entrepreneurship in Kerala - An Analysis

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I. INTRODUCTION

Micro-enterprise, a key component of entrepreneurship, is considered a vital factor contributing to the economic development of society. Women today are successful elements of micro-enterprises owing to their desirable qualities. Women entrepreneurs generally view their enterprise as a source of personal empowerment where they tend to be their boss, pay their salary, define how they want to work and make their work-life balance more manageable. Running their enterprises also offers them an opportunity to hire other ambitious, like-minded women, fostering a new generation of women in entrepreneurship roles. Women in India make up a significant portion of the labour force overall, and their economic contributions to the nation's economic growth cannot be overlooked. Women's outstanding position and financial independence are the main drivers of economic development. Within this category, the evolution of entrepreneurship is directly associated with advancements in socioeconomic, religious, cultural, and psychological domains (Ganesan and Duraipandian, 1999). This is evident in the increased involvement of Indian women in the workforce and the economy.

In India, women started their own businesses in the early 1970s and rose to prominence in the 1980s, particularly in the second half of that decade. Finding work that fits in with their family duties is not always simple for women. As a result, many people are becoming self-employed in businesses that allow them to manage their jobs and household responsibilities flexibly (Dhameja, 2002). At first, women-only microbusinesses were a natural outgrowth of their culinary endeavours, which included pickling, powdering, and snacks production. However, over time, women began to enter non-traditional industries like beauty parlours, photostats, etc. The majority of women who engage in micro-entrepreneurship come from impoverished backgrounds. Their ease of entry and operational flexibility draw them to micro-enterprises (Yasmeen and Gangaiah, 2014). A few of these businesses might expand to become significant businesses. Market share, profit, sales turnover, and other metrics are used to quantify this increase. Another characteristic of women in microenterprises is that, in contrast to men, they care more about family support than the profitability of their ventures (Singh and Sharma, 2011).

II. WOMEN ENTREPRENEURSHIP IN KERALA

In India, Kerala state represents the highest literacy level, providing a conducive atmosphere for the emergence and development of women's entrepreneurship. Women in Kerala are more privileged than the rest of India. Over the last three decades, Kerala has experienced a significant rise in the number of women taking up entrepreneurial roles. This phenomenon is most noticeable in the small-scale sector and is mainly due to the government's contribution since the eighties (Koshy and Joseph, 2001). Various training and financing programmes were initiated in the state, clearing the way for more business opportunities and capital for Kerala women. Apart from that, self-employed rural enterprises have the scope of generating employment for women, particularly in rural areas of Kerala where female unemployment is climbing heights.

The state has witnessed a tremendous increase in the number of enterprises owned by women. Regarding

the top ten states in MSMEs with women owners, Kerala enjoys the ninth position accruing a share of four per cent (Annual Report, MSME, 2017-18). It can be called a sign of women's empowerment and gender equality. This increase is over and above the general growth rate in the small-scale industrial sector. Kerala has the highest number of women in the manufacturing industry because women have historically dominated industries like coir, cashew, bamboo and handloom and, to a specific extent, fish processing. It may be the proper education of women that might have motivated women to enter into entrepreneurship. Besides education, the state government provides finance, marketing, and training assistance to women who want to venture into entrepreneurship. The state's most successful programmes to promote women's entrepreneurship include the Women Industries Programme, District Industries Centers (DICs), Small Industries Development Organization (SIDO), etc. The government ensures assistance in financing through Kerala Khadi and Village Industries Board (KVIB), Kerala Finance Corporation (KFC), and Small Industries Development Corporation (SIDCO). Women's desire to work at the place of their residence, difficulty in getting other jobs, etc., served as motivating factors for entrepreneurship.

Despite all these positive symptoms concerning women entrepreneurship, the industrial climate has not been in favour of her over the years (Koshy and Joseph, 2000). This is reflected in the deficient number of women entrepreneurs compared to their male counterparts. As per the Report of the Sixth Economic Census in Kerala, prepared by the Department of Economics and Statistics, Government of Kerala, out of the total 3355004 establishments, only 913917 (27.24%) establishments are owned by women. This is a lean figure as far as a progressive state like Kerala is concerned. Under this context, the present study seeks to provide a comprehensive overview of the condition of women entrepreneurs in Kerala. To this end, the study tries to gather information on the dynamics of business enterprises started by Kerala women, with its focal point to see in which sectors and districts they are active.

III. OBJECTIVES OF THE STUDY

The main objectives of this study are:

1. To evaluate micro-enterprises in Kerala with particular emphasis on women-operated enterprises.
2. To analyse the extent of performance of women entrepreneurship in the micro-enterprises of Kerala.
3. To assess the impediments to women entrepreneurship in Kerala.

IV. METHODOLOGY

The study has followed an exploratory research approach. Empirical data were used to collect information about women's entrepreneurship. The study was conducted among female micro-entrepreneurs from the sample population hailing from three districts of Kerala, namely Kozhikode, Thrissur, and Thiruvananthapuram, on the basis of the highest number of women-owned enterprises in the state compared to other districts. Both primary and secondary data were used for this study. Primary data were collected through field investigation from a sample of 100 respondents selected from each of the three districts identified. Secondary sources of data collection include district-wise data of women-owned enterprises of Kerala as provided by the Directorate of Industries and Commerce, Government of Kerala Thiruvananthapuram, Reports of the Directorate of Economics and Statistics, Government of Kerala, District Industries Centre of various districts, Census reports, National Sample Survey Organization (NSSO) and print and electronic media. The study employs a multi-stage stratified sampling technique based on the data provided by the Directorate of Industries and Commerce, Government of Kerala. Apart from descriptive statistics, several statistical tools such as Exploratory Factor Analysis, Chi-square test, ANOVA and the Wilcoxon Signed Ranks test. were used to arrive at a meaningful conclusion.

V. RESULTS AND DISCUSSION

A proper study of an enterprise's physical characteristics is crucial in entrepreneurship. The physical aspects of an enterprise focus on its outward traits, such as the location chosen for starting the enterprise. Another element is the type of enterprise and its area of activity.

Table 1: Enterprise Location

Location	Frequency
Rural	194 (64.7)
Urban	106 (35.3)
Total	300 (100)

Source: Primary Data, 2022

It is evidenced that most enterprises (64.7%) operate in rural areas, followed by urban areas (35.3%). The largest concentration of rural area enterprises is evidenced in Kozhikode district and that of the urban area enterprises in Thrissur district.

The distribution of enterprises based on their type to which category they belong is presented in Table 2.

Table 2: Type of the Enterprise

Type	Frequency
Perennial	299(99.7)
Casual/Seasonal	1(0.3)
Total	300(100)

Source: Primary Data, 2022

It is evidenced that 99.7 per cent of enterprises are perennial, followed by one per cent of casual nature.

Details regarding the firm's main activity are presented in table 3.

Table 3: Main Activity of the Firm

Main Activity of the Firm	Total
Trade	19(6.3)
Manufacturing	120(40)
Service	141(47)
Agriculture & related	9(3)
Others	11(3.7)
Total	300(100)

Source: Primary Data, 2022.

It is evidenced that the majority of the firms (47%) indulge in service, followed by manufacturing (40%), trade (6.3%), other activities (3.7%) and agriculture and related activities (3%).

The legal status of the enterprises presents details on sole ownership and joint ownership. An idea of whether the enterprise is a family business taken over by women entrepreneurs is also examined. Information regarding which enterprises are of proprietary status, Self-help groups (SHGs) and partnership status are also unveiled in Table 4.

Table 4: Legal Status of the Firms

Firms' legal status	Frequency
Sole Ownership	97(32.3)
Joint Ownership	2(0.7)
Family business	8(2.7)
Proprietary	185(61.7)
SHG	4(1.3)
Partnership	1(0.3)
Others	3(1)
Total	300(100)

Source: Primary Data, 2022.

It is evidenced that the majority of the firms (61.7%) are proprietary, followed by sole ownership (32.3%), family business (2.7%), Self-help groups (1.3%), other than those listed in the table (1%), joint ownership (0.7%) and partnership (0.3%).

Details regarding the primary source of start-up funding are presented in Table 5

Table 5: Main Source of Start-up Funding

Source of Start-up Funding	Frequency
Personal savings	147(49)
Households	69(23)
Microfinance Institutions	11(3.7)
Borrowed from Banks	71(23.7)
others	2(0.7)
Total	300(100)

Source: Primary Data, 2022.

It is evident that the majority of the respondents (49%), started their enterprises with personal savings. The second source of funding is borrowings from banks (23.7%) followed by households' incomes (23%), micro-finance institutions (3.7%) and other sources (0.7 %).

VI. EXTENT OF BUSINESS PERFORMANCE

The extent of the business performance of these enterprises was recorded. The degree of performance

in terms of sales, business expansion, customer retention, waste and cost reduction are included to measure the extent of performance. The extent of enterprise performance also indicates whether there is a deceleration in terms of performance. The replies received are shown in Table 6.

Table 6 The extent of Business Performance

Statements	Very Low	Low	Neither High nor low	High	Very High	Mean	S D	F	Sig.
Increased Sales	77 (25.7)	47 (15.7)	67 (22.3)	103 (34.3)	6 (2.0)	2.7133	1.23676	.661	.517
Business Expanded	25 (8.3)	56 (18.7)	12 (4.0)	104 (34.7)	103 (34.3)	3.6800	1.33549	1.895	.152
Customer Retention	6 (2.0)	121 (40.3)	12 (4.0)	58 (19.3)	103 (34.3)	3.4367	1.36585	1.139	.321
Increased Stock	25 (8.3)	99 (33.0)	67 (22.3)	6 (2.0)	103 (34.3)	3.2100	1.42102	1.405	.247
Waste Reduction	6 (2.0)	71 (23.7)	70 (23.3)	98 (32.7)	55 (18.3)	3.4167	1.09867	1.474	.231
Cost Reduction	6 (2.0)	108 (36.0)	82 (27.7)	48 (16.0)	55 (18.3)	3.1267	1.14965	1.291	.276
Deceleration of Performance	6 (2.0)	61 (20.3)	3 (1.0)	57 (19.0)	173 (57.7)	4.1000	1.25509	1.201	.302
Source: Computed									

It is evidenced from the table that the factor most crucial to the extent of business performance is "Deceleration of performance", marked by the highest mean value 4.1000 and Standard deviation 1.25509. Other factors of crucial importance include, "Business expanded" (Mean = 3.6800 and Standard Deviation = 1.33549), followed by "Customer retention" (Mean = 3.4367 and Standard Deviation = 1.36585), "Waste reduction" (Mean = 3.4167 and Standard Deviation = 1.09867), 'Increased stock" (Mean = 3.2100 and Standard Deviation = 1.42102), and "cost reduction" (Mean =3.1267 and Standard Deviation = 1.14965). The factor," Increased sales" is of least significance as far as the extent of business performance is concerned as is evidenced from the low mean values for the factor. It is evidenced that no significant difference between districts exists for the extent of business performance as is evidenced from P values greater than 0.05 and significantly low F values.

VII. FACTOR ANALYSIS FOR THE EXTENT OF BUSINESS PERFORMANCE

Factor analysis was performed to detect the extent of performance of the enterprises run by women. Seven factors were identified for the study. The Rotated Component Matrix for these factors understudy is given in Table 7.

Table 7: Principal Component Analysis of the Extent of Business Performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.649
Bartlett's Test of Sphericity	Approx. Chi-Square	3701.006
	df	21
	Sig.	.000
Rotated Component Matrix[a]		

Statements	Factors	Component	
		1	2
Increased Sales	Scaling up factors	.814	.502
Business Expanded		.940	-.122
Customer Retention		.903	.372
Increased Stock		.943	.295
Cost Reduction		.807	.470
Waste Reduction	Scaling down factors	.557	.719
Deceleration of Performance		.049	.958
Eigenvalues		5.199	1.162
Per cent of total variance explained		74.277	16.601
Cumulative per cent of the variance explained		74.277	90.878
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 3 iterations.			
Source: Computed from survey data (2019-2020)			

Factor loadings in the Rotated Component Matrix show that the first factor strongly loads on five items. The highest loading is .943 for "Increased stock" and the minimum loading .807 for "Cost reduction". The second factor loads on two items, maximum loading for "Deceleration of performance" .958 and minimum loading for "Waste reduction" .719. The factor analysis extracted two components significant to the extent of business performance, namely, scaling up factors and scaling down factors. These factors account for 90.878 per cent of the variance in the data. The first component scaling up factors comprise of five items. The Eigenvalue for the factor is 5.199, which indicates that this factor contains very high information than the other factors. This factor accounts prime importance among factors influence enterprise performance positively in the study area. The second component scaling down factors accounts for 16.601 per cent variance in the data with Eigen value1.162. It shows that despite the positive indicators of performance; enterprises are currently functioning in the decelerating phase. The factor, waste reduction, actually focuses on the minimisation of wastage of products produced and, in that sense, it accounts for the positive aspect to the performance of enterprises. But in actual practice, it was evidenced from the survey that firms who could not introduce innovative practices in business met with low waste reduction and as such, this formed part of scaling down element.

Value of Kaiser-Meyer-Oklin (KMO) Test of Sampling Adequacy (.649) indicates that the correlation between the pairs of variables explained by other variables. Thus, factor analysis is considered appropriate for this model. The Bartlett's Test of Sphericity for factors determining the extent of business performance, approximate Chi-Square 3701.006 with degrees of freedom twenty-one and P less than 0.000 show patterned relationship between the items and the correlation matrix measures are significantly making the factor analysis appropriate.

VIII. IMPEDIMENTS TO ENTERPRISE PERFORMANCE

An inquiry into the factors impeding enterprises' performance levels was ascertained. Most respondents cited Inadequate availability of capital as a crucial impediment to business performance (33%). This is because the majority of the entrepreneurs are from poor background and finds it challenging to sustain financial availability and the business as a whole in the later phases. Shortage of labour was cited as another important factor. Majority of the entrepreneurs face an acute shortage of labour from Kerala. Therefore, they are forced to rely on labourers from outside Kerala. This also affects the quality of the business. There is an acute shortage of adequate labour. The existing worker lacks appropriate skills in doing business. Unskilled or low-skilled labour poses

another problem, and it stands in the way of business performance. Lack of access to raw materials was not cited as a vital factor hindering business performance. The intensity of competition was found to be the most critical factor affecting business performance.

Table 8: Impediments of Enterprise Performance

Statements	Mean	F	Sig.
Inadequate Availability of Capital	6.99	6.317	.002
Inadequate Availability of Suitable Labour	5.03	11.113	.000
Low Skilled Labour	8.33	.112	.894
Lack of Access to Raw Materials	11	2.140	.119
Lack of Market Demand	11.18	1.447	.237
Intensity of Competition	7.53	3.730	.025
Lack of Support Services	12.52	.925	.398
Management Team so Small	9.63	1.419	.244
Lack of Space	8.46	3.569	.029
Source: Computed			

It is clear from the table that, since P is less than 0.05 for four factors, a significant difference exists in the impediments to enterprise performance between districts for these factors. Therefore, Thiruvananthapuram district (Mean= 2.68) differs slightly with Thrissur district (Mean = 2.19) and Kozhikode district (Mean = 2.12) for the factor "Inadequate availability of capital". For the factor, "Inadequate availability of suitable labour", Thiruvananthapuram district (Mean = 1.96) differs slightly with Thrissur district (Mean = 1.59) and Kozhikode district (Mean = 1.48) for this factor. For the factor, "Intensity of competition", Thiruvananthapuram district (Mean = 2.86) differs slightly with Thrissur district (Mean = 2.36) and Kozhikode district (Mean = 2.31) for this factor. Finally, regarding the factor, "Lack of space', Thiruvananthapuram district (Mean =3.16) differs significantly with Thrissur district (Mean = 2.67) and Kozhikode district (Mean = 2.63) for this factor. No significant difference between districts for the rest of the factors, as is revealed from P values greater than 0.05 and significantly low F values.

IX. FINANCIAL POSITION BEFORE AND AFTER ENTREPRENEURSHIP

The financial situation before and after entrepreneurship is a decisive element in measuring the degree of performance of enterprises. Asset development over the last five years has been ascertained to examine changes in financial status. In addition, the monthly income, savings, and expenditures before and after entering the current business were analysed. The respondents were asked to express their opinion on whether these three variables have experienced a decline or increase before and after entrepreneurship. The responses received are as follows. The entrepreneurs ' survey responses regarding asset development over the last five years are presented in Table 9.

Table 9: Asset development over the last Five Years

Asset Development	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	S D
Declined to a severe extent	23 (7.7)	103 (34.3)	80 (26.7)	63 (21)	31 (10.3)	2.9200	1.12746
Declined to a moderate extent	34 (11.3)	90 (30)	66 (22)	110 (36.7)	0 (0)	2.8400	1.04788
Remained the same	46 (15.3)	71 (23.7)	55 (18.3)	107 (35.7)	21 (7)	2.9533	1.22043
Increased to a certain extent	13 (4.3)	65 (21.7)	70 (23.3)	140 (46.7)	12 (4)	3.2433	.98013
Increased to a very	16 (5.3)	117 (39)	95 (31.7)	26 (8.7)	46 (15.3)	2.8967	1.13885

high extent							
Source: Computed							

It is evidenced from Table that 34.3 percent of the respondents disagree that asset development has declined to a severe extent. A 21 percent agree and 10.3 percent strongly agree that asset development has declined to a severe extent over the last five years. Some respondents (36.7%) agree that asset development has declined to a moderate extent. Some others (35.7%) agree that asset development has remained the same over the years. A 46.7 percent agree that assets development has increased to a certain extent and the majority of the respondents (39%) disagree that asset development has increased to a very high extent. The mean and Standard Deviations presented in the same table show that the statement asset development has increased to a certain extent have a mean score of above three. Hence this factor is significant about asset development over the years. Therefore, the factor crucial to asset development over the years is asset development has increased to a certain extent with Mean = 3.2433 and Standard Deviation = .98013. No other factors are crucial to asset development, as is evidenced by the low mean values.

X. OWNERSHIP OF ASSETS

To understand whether women entrepreneurs' assets before and after entrepreneurship, questions were asked about the same. The responses received are presented in Table 10.

Table 10 : Ownership of Assets before Entrepreneurship

Ownership of Assets before Entrepreneurship	Frequency	$\chi 2$ (p-value)
No	188(62.6)	3.306[a] (.508)
Yes	112(37.3)	
Total	300(100)	
Source: Computed		

It is evidenced from Table 10 that the majority of women entrepreneurs (62.6%) did not own any kind of assets before venturing into entrepreneurship. The chi-square test reveals that there exists no significant difference among women entrepreneurs across regions as far as the ownership of assets is concerned.

XI. SUSTENANCE OF FAMILY EXPENSES

To ascertain how much entrepreneurship in the present business helps women entrepreneurs to maintain their family expenses, an inquiry on the same was conducted.

Table 11: Expenses Sustained Through Entrepreneurship.

Opinion	Frequency	$\chi 2$ (p-value)
Never	47(15.7)	26.238 (.000)
Sometimes	12(4)	
Almost every time	67(22.3)	
A great deal	174(58)	
Total	300(100)	

Source: Computed

It is revealed from Table that the majority of the respondents (35.6%) had the opinion that entrepreneurship in the present activity helps to a great deal in sustaining the family's living expenses. It is understood from the response of the women entrepreneurs that this business activity is the primary source of income for maintaining family expenses. This highlights the fact that the opportunity-based women entrepreneurs in the micro-enterprises in Kerala succeed to a certain extent in realizing their goal of self-fulfilment through sustenance of life expenses via entrepreneurship. The chi-square test reveals a significant difference among women entrepreneurs across regions as far as expenses sustained through entrepreneurship is concerned at five percent level of significance.

XII. MONTHLY INCOME

The Wilcoxon Signed Ranks Test is conducted to check any improvement in monthly income or not of the women entrepreneurs from entrepreneurship.

Table 12: Wilcoxon Signed Ranks Test on monthly income

Monthly income	N	Mean Rank	Sum of Ranks
Monthly income after < Monthly income before	12	196.00	2352.00
Monthly income after > Monthly income before	266	136.95	36429.00
Monthly income after = Monthly income before	22[c]		
Wilcoxon Signed Ranks Test			
Z(Sig)	-13.072 (.000)		

Source: Computed

H0: There is a significant difference in the monthly income before starting the enterprise compared to after

It is statistically proved that there is a significant difference in the income level of the entrepreneurs after starting the enterprise compared to their level before starting the enterprise. The significant value of Wilcoxon Signed Ranks Test as revealed from Table 8.22 confirms the view that there is a significant improvement in the level of income for the entrepreneurs is made.

Savings

The Wilcoxon Signed Ranks Test performed on the savings of the entrepreneurs is presented in Table 13.

Table 13: Wilcoxon Signed Ranks Test on Savings

Savings	N	Mean Rank	Sum of Ranks
Savings after < Savings before	53[a]	157.16	8329.50
Savings after > Savings before	216[b]	129.56	27985.50
Savings after = Savings before	31[c]		
Wilcoxon Signed Ranks Test			
Z (Sig)	-8.129(.000)		

Source: Computed

H0: There is a significant difference in the monthly saving before starting the enterprise compared to after

It is statistically proved that there is a significant difference in the saving level of the entrepreneurs after starting the enterprise compared to their level before starting the enterprise. The significant value of Wilcoxon Signed Ranks Test confirms the view that there is a significant improvement in the level of saving for the entrepreneurs is made.

Expenditure

The Wilcoxon Signed Ranks Test on monthly expenditure is presented in Table 14.

Table 14: Wilcoxon Signed Ranks Test on Monthly Expenditure

Expenditure after - Expenditure before	N	Mean Rank	Sum of Ranks
Expenditure after < expenditure before	165	129.98	21447.00
Expenditure after > Expenditure before	57	58.00	3306.00
Expenditure after = expenditure before	78[c]		
Wilcoxon Signed Ranks Test			
Z (Sig)	-9.777 (.000)		

Source: Computed

H0: There is a significant difference in the monthly expenditure before starting the enterprise compared to after

It is statistically proved that there is a significant difference in the level of expenditure of the entrepreneurs after starting the enterprise compared to their level before starting the enterprise. The significant value of the Wilcoxon Signed Ranks Test confirms the view that there is a significant reduction in the level of expenditure for the entrepreneurs. This is because the income derived from entrepreneurship helped these enterprising ladies to tide over the family expenses to a certain extent. Expenditure before accepting the current business was very high. The available income was insufficient to meet these expenses.

XIII. CONCLUSION

Micro-enterprises among women promise encouraging results. Micro-enterprises promote productivity and economic independence, thereby producing social repercussions for women and their social environment. Their productive activities empower them economically and enable them to contribute to overall development. The study made an

attempt to explore the dynamics of micro-entrepreneurship among women. Most of them had ventured into entrepreneurship, expecting to create a favourable impact on the lives of their family members with a prime focus on educating their children. The study also evidences increased possession of assets held by the women entrepreneurs. The hypotheses tested also prove an increase in the level of income and savings of the entrepreneurs after venturing into entrepreneurship.

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