

Volatility in Sustainable Financial Growth through Predictive Analytics for Women Entrepreneurs in Tamilnadu

Mrs. Radha T.^a, Dr. J. Prabhakaran^b, Dr. K. Bharat^c, Mr. K. Hareesh^d

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Abstract - The primary goal of any developing nation like India has been achieving sustainable economic growth since independence. Development of an economy of a country and the society could be achieved through sustainable growth of women especially in rural India equivalent to urban region. The government of India has been framing many developmental schemes and policies for promoting women entrepreneurs. But still, the sustainable growth of rural women entrepreneurs is a big dream. The problems and factors behind such volatility are multidimensional and need to be examined well. This empirical paper aims to analyze the factors for volatility in the sustainable growth of women entrepreneurs. 180 rural women entrepreneurs registered under Tamilnadu MSME have been selected from Virudhunagar district using a questionnaire and personal interview through stratified random sampling. The study finds that the level of engagement of rural women in the entrepreneurial arena has been swiftly increasing every year which is not matching with the economic growth of women due to multidimensional challenges such as lack of knowledge in accessing resources, demographic reasons, lack of competency, lack of awareness and education, lack of entrepreneurial and technical skill, etc. Apart from framing policies and promotional schemes, the government has to take measures to ensure the reach of the same in rural areas for attaining the sustainable growth of women entrepreneurs and the rural economy as well.

Keywords: - Women Entrepreneurs, Sustainable Growth, Challenges to Entrepreneurship, Tamilnadu.

I. Introduction

The sustainable growth and rural development of a nation's economy can be successfully achieved through the growth of women sector especially when they are involved in entrepreneurial activities. There is no doubt that this will upgrade the economic condition of women themselves, the society and the entire region. It is evidenced from the report of MSME-DI, Chennai that there is an upward slope in the number of women entrepreneurs registering under UDYAM every year especially in micro-level enterprises. It creates greater employment opportunity for rural women community through their social entrepreneurial activities which turn the economic status of rural women to a better level. In recent years, women entrepreneurs are changing their commitment to compassion by undertaking all kind of business including exports to overcome their problems as well as the problem of their society by way of eradicating poverty, generating employment, improving family

income, and standard of living. This will either directly or indirectly boost up the progress of the entire economic development. However, they do not taste the sustainable growth in the entrepreneurial arena and are not free from facing multidimensional issues being an entrepreneur. This paper aims to examine the challenges behind the volatility in the sustainable growth of women entrepreneurs in Tamilnadu.

Women Entrepreneur & Entrepreneurship:

A female who gets herself employed and provide employment opportunities to others, able to mobilize and manage all resources. The MSME defines, "An enterprise owned and governed by a woman having a minimum economic interest oh 51% of the investment and giving at least 51% employment created for women in their enterprise called women entrepreneurs". Schumpeter definition: "Any Woman who builds, adopts or reproduces a business industry is called as woman entrepreneur".

Challenges behind Women's Entrepreneurial Growth:

In this technological era, women as an entrepreneur have been encountering many challenges which are multidimensional. The major issues are mostly related to their demographic conditions, business capital & investment, production, marketing and sales, human capital and also from the community. The degree of these problems faced by rural women segments is even more difficult than urban enterprises run by women. Despite problems they are able to earn more income in some years.

^a Research Scholar, Department of Business Administration, Kalasalingam Business School, Kalasalingam Academy of Research and Education, Tamilnadu, India

radha.t@klu.ac.in

^b Associate Professor, Department of Business Administration, Kalasalingam Business School, Kalasalingam Academy of Research and Education, Krishnankoil, Tamilnadu, India

praba.psg@gmail.com

^c Associate Professor, Department of Business Administration, Sanjivani College of Engineering, Kopargan, Maharashtra, India

^d Assistant Professor, Department of Business Administration, Hindusthan College of Arts and Science, Coimbatore, Tamilnadu, India

Corresponding Author Details: praba.psg@gmail.com

In some years despite their hard work, they face loss of income too. The present study focuses to observe the major factors contributing to such volatility of their business growth from their past experiences. For that 180 women entrepreneurs who have registered their units under MSME, run their units for more than 5 years period have been chosen to collect primary information for the study purpose.

II. Literature Review

Suneetha and Sankaraiah (2014)¹ their study about the “Problems of MSMEs and Entrepreneurs in Kadapa Dt in Andhra Pradesh” reveals that nearly 87% of women-owned enterprises have been facing capital-related problems and 63% out of them belong to Micro enterprises. The majority of 44.3% suffers inadequate assistance from government agencies. Neeru Garg (2014)² highlighted in her study, “Micro, Small and Medium Enterprises in India: Current Scenario and Challenges” that the growth of small and micro enterprises majorly lies on the overall growth of rural sector enterprises and also brought out various problems encountered by them in general. Padmasani & Karthika (2013)³ analyzed the problems and identified the factors affecting small scale enterprises. They found that majority of enterprises facing financial problems, insufficient training and development, and inadequate knowledge of accessing government support to succeed in their business. Shankar (2013)⁴ studied the grounds for the deliberate growth of women entrepreneurs of an Indian economy and various government initiatives for their promotion and development. The study reveals that the majority of women entrepreneurs faced problems from their family and society. The prime aim of women entrepreneurs is not only profit-oriented but is their self-satisfaction and self-reliance.

Scope and Limitations:

The current study will be useful to understand and analyze

the factors behind the volatility of sustainable growth of rural women entrepreneurs in Tamilnadu. It deeply has taken efforts to bring out those multidimensional problems and challenges of MSME women owned enterprises in rural Tamilnadu. The study is entirely focused on only the registered women entrepreneurs in rural parts of Virudhunagar district. Un-registered women entrepreneurs were excluded from the study.

Objectives:

1. To analyze the demographic profile of the women respondents
2. To outline the reasons for the unsustainable growth of women respondents

III. Methodology

Data Collection:

Both primary and secondary data were needed for the present study. Primary data were collected from the sample using questionnaire and personal interview method. Secondary data were collected from the annual reports of MSME, DRDA, and DICs, various journals and websites of relevant organization in Tamilnadu.

Period of the Study: February 2023 to October 2023

Tools: Percentage Analysis, Descriptive statistics, ANOVA

Sampling Method and Size

Samples for the present study have been selected through random sampling method. Virudhunagar district in Tamilnadu state is identified for sample selection which has three revenue division and 10 taluks which are tabled below. The sample size confined to 180 women entrepreneurs who have registered their units under Tamilnadu MSME- UDYAM registration and run their units more than 5 years in their respective industry.

Table I: Sample Design of the Study

DIVISION	TALUKS	NO.OF SAMPLES	TOTAL
Sivakasi(D1)	Sivakasi	18	54
	Srivilliputtur	18	
	Watrap	18	
Sattur(D2)	Sattur	18	54
	Rajapalayam	18	
	Vembakkottai	18	
Aruppukottai	Aruppukottai	18	72

(D3)	Virudhunagar	18	
	Tiruchuli	18	
	Kariapatti	18	
Total	10	180	

Data Analysis and Interpretation

The present work attempt to examine the reasons for the volatility in the constant growth of registered micro-enterprises run by women entrepreneurs belong to Virudhunagar districts of Tamilnadu state. It critically examined the opinions given by those women about their practical problems and challenges which are related to capital fund, human capital, production, marketing &

sales, technology, personal and social issues.

Demographic Profile of the Women Respondents

In order to study the factors contributing to ups and down in the entrepreneurial growth of women entrepreneurs in the study area, it is important to analyze their socio-economic backgrounds. The following table exhibits clearly the demographic profile of the respondents.

Table II: Demographic Profile

CATEGORY		F	%
Age Group	Up to 25 years	42	23.33
	25-30 years	37	20.56
	30-40years	86	47.78
	Above 40 years	15	8.33
Family Type	Nuclear	55	30.56
	Joint	125	69.44
Family size	Upto3	27	15.00
	4-6	118	65.56
	6-8	22	12.22
	Above 8	13	7.22
Level of Education	primary	12	6.67
	Higher secondary	46	25.56
	Graduate	85	47.22
	others	37	20.56
Location of Enterprise	Rural	84	46.67
	Urban	59	32.78
	Semi Urban	37	20.56
Age of the Enterprise	5 years	78	43.33
	5 – 10 years	86	47.78
	Above 10 years	16	8.89
Type of Business	Production	82	45.56
	Trading	27	15.00
	Service	71	39.44
Ownership	Single owner	119	66.11
	Partnership	58	32.22
	Company	3	1.67
Labour Size	Less than 10	112	62.22
	10 – 15	23	12.78
	15 – 20	28	15.56
	Above 20	17	9.44
Income Level per month	Up to 15,000	21	11.67
	15,001 – 20,000	43	23.89
	20,001 – 25,000	64	35.56
	Above 25,000	52	28.89
External Motivators	Spouse	38	21.11
	Family Members	109	60.56
	Friends	33	18.33

Source- Primary

Problems Pertaining To Capital Fund

Finance is always inevitable among all resources of the business despite its nature, size and type. Table III

exhibits the problems related to raising fund for both starting and operating their business unit in the study areas.

Table III: Problems Pertaining to Capital Fund

S.No	Nature of problem	D1		D2		D3		TOTAL	
		F	%	F	%	F	%	F	%
1	Quantum of Loan	19	35.19	11	20.37	16	22.22	46	25.56
2	Collaterals	3	5.56	7	12.96	11	15.28	21	11.67
3	Rate of Interest	22	40.74	28	51.85	32	44.44	82	45.56
4	Tenure of Loans	1	1.85	2	3.70	5	6.94	8	4.44
5	Financial Position	4	7.41	3	5.56	4	5.56	11	6.11
6	Repayment of Loans	5	9.26	3	5.56	4	5.56	12	6.67
Total		54	100	54	100	72	100	180	100

Source- Primary

Among 180 women entrepreneurs, 45.56% have been encountering financial problems due to the high rate of interest charged on their loans borrowed from external sources. Secondly, they have been struggling with an

insufficient amount of finance from both internal and external sources.

Problems Pertaining To HR and Labour Welfare

Table IV: Problems Pertaining to HR and Labour Welfare

S.No	Nature of problem	D1		D2		D3		TOTAL	
		F	%	F	%	F	%	F	%
1	High Wages	21	38.89	18	33.33	25	34.72	64	35.56
2	HR Management	2	3.70	4	7.41	6	8.33	12	6.67
3	Safety & Welfare	2	3.70	1	1.85	3	4.17	6	3.33
4	High cost of Skilled Labour	9	16.67	2	3.70	2	2.78	13	7.22
5	High Labour Turn-over	15	27.78	26	48.15	34	47.22	75	41.67
6	No HR problems	5	9.26	3	5.56	2	2.78	10	5.56
Total		54	100	54	100	72	100	180	100

Source- Primary

Out of several human resources, problems faced by women-owned enterprises, the problem of high labour turn over (41.67%) stands first and the problem of inability to meet the demand for higher wages (35.56%) by the human forces stands second in all the divisions of Virudhunagar districts.

Table V: Problems Pertaining to Production

S.No	Nature of problem	D1		D2		D3		TOTAL	
		F	%	F	%	F	%	F	%
1	Machineries	19	35.19	23	42.59	21	29.17	63	35.00
2	Raw Materials	15	27.78	14	25.93	29	40.28	58	32.22
3	Transport & Storage	2	3.70	2	3.70	3	4.17	7	3.89
4	Modernization	5	9.26	3	5.56	3	4.17	11	6.11
5	Power Failure	12	22.22	9	16.67	14	19.44	35	19.44
6	Others	1	1.85	3	5.56	2	2.78	6	3.33
Total		54	100	54	100	72	100	180	100

Source- Primary

The above table represents the factors causing production-related problems to women entrepreneurs which in turn affect their sustainable growth in the long run. Among 180 respondents, a 35percent of women are encountering the problem of accessing high-cost machinery and equipment

for production. 32.22 per cent facing difficulty in procuring the required raw materials at right time.

Problems Pertaining To Sales and Marketing

Table VI: Problems Pertaining to Sales and Marketing

S.No	Nature of problem	D1		D2		D3		TOTAL	
		F	%	F	%	F	%	F	%
1	Lack of assistance	7	12.96	9	16.67	12	16.67	28	15.56
2	Heavy competition	9	16.67	8	14.81	4	5.56	21	11.67
3	Sales reduction	18	33.33	16	29.63	27	37.50	61	33.89
4	Promotional issues	12	22.22	15	27.78	19	26.39	46	25.56
5	Collection of bad debts	6	11.11	5	9.26	8	11.11	19	10.56
6	Impact of credit sales	2	3.70	1	1.85	2	2.78	5	2.78
Total		54	100	54	100	72	100	180	100

Source- Primary

COVID-19 pandemic has an extremely negative impact on the sales quantum of those women-owned enterprises. The study shows that all the divisions (33.89%) faced the problem of reduction in sales volume during a pandemic and they are still struggling to overcome the same. Lack of sales promotion (25.56%) and lack of knowledge in getting government support measures regarding

marketing assistance is also a major issue among the micro-enterprise. Other problems like heavy market competition with large scale units, the collection of bad debts also encountered among the respondents.

Problems Pertaining To Technology

Table VII: Problems Pertaining to Technology

S.No	Nature of problem	D1		D2		D3		TOTAL	
		F	%	F	%	F	%	F	%
1	Business network	7	12.96	6	11.11	9	12.50	22	12.22
2	Training and development	21	38.89	17	31.48	35	48.61	73	40.56
3	Capacity utilization	9	16.67	6	11.11	2	2.78	17	9.44
4	Adapting new technology	14	25.93	23	42.59	21	29.17	58	32.22
5	others	3	5.56	2	3.70	5	6.94	10	5.56
Total		54	100	54	100	72	100	180	100

Source- Primary

The above table interprets 40.56% women respondents said that poor training and development facility is the main cause for their growth in recent years. In division 2, 42.59% registered their opinion that they are lag in adopting new technology due to high-cost machinery and equipment.

Problems Pertaining To Personal and Social Issues

Apart from all problems and challenges pertaining to

Table VIII: Problems Pertaining to Personal and Social Issues

S.No	Nature of problem	D1		D2		D3		TOTAL	
		F	%	F	%	F	%	F	%
1	Motivation	8	14.81	9	16.67	15	20.83	32	17.78
2	Family issues	8	14.81	8	14.81	9	12.50	25	13.89
3	Balanced work life	17	31.48	14	25.93	19	26.39	50	27.78
4	Red-tapism	13	24.07	10	18.52	9	12.50	32	17.78
5	Un favorable mind-set	5	9.26	9	16.67	17	23.61	31	17.22
6	Self insufficiency	3	5.56	4	7.41	3	4.17	10	5.56
Total		54	100	54	100	72	100	180	100

Source- Primary

various factors, the most negatively influencing factor is the personal and social back round of women entrepreneurs despite whether they run the business unit in rural and/or urban area. Unbalanced work-life balance is the major personal as well as social issue in all the three divisions followed by an unfavorable attitude of family members, family ties, lack of motivation from family and society.

IV. Findings

- 47.78% women entrepreneurs are between the age group of 30-40.
- 69.44% belong to joint family type.
- 62.22 % of the enterprises are operating with less than 10 labors.
- Majority of 45.56% women entrepreneurs engaged in production activities.
- 66.11% of the enterprises are run by single women owner.
- Family members are the external motivator for the

- majority of 60.56 percent respondents.
- Only 28.89% of them earning above Rs.25000
- High rate of interest on the borrowed capital is the primary financial problem which is encountered by the majority (45.56%) of the women entrepreneurs in Tamilnadu.
- High labour turn over (41.67%) due to inability to pay high demanded wages by the labors is the foremost factor among all the problems related to human capital.
- Production factors such as procurement of raw materials and high-cost machinery are the major

problems encountered by the majority (35%) of women entrepreneurs.

11. Majority of the respondents (33.89%) are faced the problem of sales reduction in the last year only because of Covid -19 pandemic. otherwise the lack of promotional measures is contributing more.
12. Majority of women (40.56 %) are faced with a lack of training and development facility.
13. Inability to manage work and personal life is the main problem faced by the majority (27.78%) of them.

V. Recommendations

Most of the challenges can be evaded without doubt when the women are willing to start their business at the micro-level and let it to grow up gradually into the next level.

1. Measures should be taken at the village level to locate entrepreneurial potentialities among rural households and provide them with opportunities.
2. Improving marketing assistance and logistic facility to rural entrepreneurs.
3. Financial institutions and commercial public sector banks should not show red-tapism in accessing business capital and have to increase the loan amount.
4. 100% tax exemption for rural micro and small women entrepreneur segments.
5. Increasing budget allocation to MSME by both central and state government.
6. Provide for them knowledge about accessing government incentives and subsidies.
7. Provide training and skill development programs periodically for adapting e-commerce to reach their business globally.
8. Skill-based education to study the nature of challenges to women enterprises along with living case studies of successful women social entrepreneurs.
9. Household women as a budding source of entrepreneurship should be focused on by government agencies.

VI. Conclusion

The present study concludes that government incentive schemes and subsidies support women entrepreneurs at all stages of their entrepreneurial growth. Outdated programs should be redesigned to cope up with the technological development that promotes women entrepreneurship at a better level. Their prime aspiration is never money oriented but self esteem and social status. It is the right time for women to come out of all their issues slowly and enlighten the originality of their entrepreneurial quality. Political progress in their region also has to answer those

women entrepreneurs for shaping-up their position over the economical and industrial growth. Substantial growth and awareness among women can only be achieved through a high degree of education which will surely lead the entire economy to move into the next level in terms of competency with well-developed nations.

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