Women Entrepreneurs in Small and Medium Enterprises and their Access to Finance

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Karnataka figures among the top five industrialised states in India. Karnataka ranks third in the country in women entrepreneurial activity and is home to 103,169 women-owned business enterprises. The total investment on women-owned enterprises totalled $404 million in 2012-13 and created 460,000 jobs. The fourth MSME census shows that four states — Karnataka, Kerala, Tamil Nadu and West Bengal together have 51.9 percent of the country’s women-owned business indicating South India and especially Karnataka having an excellent ecosystem for women entrepreneurs. (Ratna Prabha 2016).

State has been ranked 1st for a healthy business climate and attracting investments by World Bank’s Investment Climate Index (Department of Commerce and Industries, Government of Karnataka 2014). It is spearheading the Indian industry, particularly in high-technology industries, electrical and electronics, information and communication technology, biotechnology, and more recently nanotechnology. MSMEs form an important and growing segment of Karnataka’s industrial sector. Out of the registered MSME units, the share of women enterprises is 29 percent with an investment of ₹ 13471.26 million (US $200.85 million) providing employment to 176926 persons. The top seven industrial districts are Bengaluru, Belgaum, Dakshina Kannada, Bellary, Dharwad, Tumkur District, and Mysore District. According to the 2011 census, women are 49 percent of the state population. In the last decade, women-owned enterprises have more than doubled - three times the number of male-owned firms. Two thirds of the women-owned companies are in manufacturing with highest concentration in textile and garments, food and beverages, job work and general engineering industries. Almost half of all India’s women-owned tech start-ups are based in Bengaluru. Around 97 percent of the women owned enterprises in Karnataka during 2007-14 are micro enterprises with an average employment of three employees per firm. Majority of the women-owned enterprises in Tier II and Tier III cities have shown poor annual turnover of INR1 million (Dubey 2014).

Small and medium enterprises are the backbone of any economy, and industries development being a state subject, the study was limited to the State of Karnataka. The extensive scan of the literature on the development of women owned SMEs highlights the need to support the existing and prospective women entrepreneurs who are presently a small fraction of the SME population. Access to finance is said to be their major constraint at the time of start-up and growth stages. A lot of study on the subject has been carried out world-wide, but there are very few studies on women-owned SMEs in the state of Karnataka.

Since most of the research studies have highlighted the challenge of accessing start-up and growth finance, an attempt is made to study the impact of the characteristics of women entrepreneur on access to bank finance which is the primary source of funding to most SMEs in India. This paper is trying to find answers to the following questions:

1.  What are the characteristics of the women entrepreneurs in small and medium enterprises in the State of Karnataka, India?
2. How do these characteristics influence the access to formal sources of finance, specially bank finance?

REVIEW OF LITERATURE:

The study examines the profile of women entrepreneurs across three main themes: general characteristics-physical, psychological and growth intentions and access to finance.

Characteristics of Women Entrepreneurs in SMEs

Physical Characteristics: The women are older when they get into entrepreneurship-35 to 45 years old (Hisrich & Brush,1986). Education is one of the most widely studied entrepreneurial variables as it is related to knowledge, skills, problem-solving ability, discipline, motivation, and self-confidence. These would counter cultural values and attitudes that come in the way of becoming entrepreneurs (Kelley, Brush, Greene, & Litovsky, 2013). However, the more educated entrepreneurs perceive a higher opportunity cost in staying with a marginal business. This could lead to a higher threshold level of performance (Cooper & Gascón, 1992). Empirical research demonstrates that women entrepreneurs are disadvantaged in specific human capital such as managerial, technical, and self-employment experience (Kalleberg & Leicht, 1991; Boden & Nucci, 2000). They have limited administrative experience (Hisrich & Brush, 1986). However, they compensate it with the same or higher level of education (Cowling & Taylor, 2001). Women and minority entrepreneurs have fewer opportunities to develop relevant experience, fewer contacts who can provide assistance, and have greater difficulty in assembling resources on account of gender and race (Sexton & Robinson, 1989).

Psychological Characteristics: The need to achieve, the desire to be independent, the need for job satisfaction, and economic necessity are found to be the main motivations in most studies. The motivations, the processes involved when starting their enterprises, the administrative and entrepreneurial skills, professional background and the problems women face differ from those faced by men (Hisrich & Brush 1983; 1986). A search for identity during mid-life crisis, an anchor for those weary of mundane life, monotony of routine job, the urge to achieve something in life, were significant factors for older women to become entrepreneurs (Kanitkar & Contractor, 1992). When alternative jobs are not available, they are compelled to start their own venture in order to earn income, and to have autonomy in household decision making(Grasmuck & Espinal,2000; Alecchi & Radović-Marković, 2013). The decision of starting an enterprise has a different level of complexity for women. Women tend to be more sensitive regarding non-monetary incentives. For them, the decision of starting an enterprise is usually related to a need or the flexibility of the hours or location, the kind of independence that allows them to conciliate family needs and child care (Minniti et al.,2005). Women have communal qualities. Entrepreneurs perceived to be similar to males are considered to have high entrepreneurial intentions (V. K. Gupta, Turban, Wasti, & Sikdar, 2009). A study has found that women entrepreneurs make things happen, they challenge the status quo, they are more adroit and goal oriented, more socially driven and confident, big dreamers, consensus builders, perfectionists and more energetic (V. Gupta, 2008). Gender is a major factor that affects start-ups (Chu, 2000). The Indian entrepreneurs have abundant reserve of entrepreneurial talent, but lack willingness to take business risks (Yu & Tandon, 2012). Few studies have found women entrepreneurs to have low societal perceptions of opportunities, low capability perception, greater fear of failure, opportunity motivation, not knowing entrepreneurs and less connected to entrepreneurial contacts (Kelley et al., 2013; Kwong, et. al., 2006). Women don’t tend to think of themselves as leaders (Ibarra, Ely, & Kolb, 2013). Peetz (2013) study found four factors that held women back- lack of role models, lack of mentors, prejudice in the work place and women’s own prejudice about themselves. Fenwick (2002) study reported that women’s leadership is fundamentally different from that of men. They craft new visions and models, and change with the process of developing and leading business. According to Buttner (2001) study, women’s management style is based on their values and beliefs. They use relational skills for personal and professional development, mothering is carried over to business, mutual empowerment, and creating team environment are their characteristics. Ket de Vries (1996) study reports lack of self-esteem, insecurity, lack of confidence, repressed aggressiveness towards authority, hardships in family,
makes one deviant, drifting from job to job, rebellious and non-conformist. Distrust and suspicion of everyone makes her/him look for unstructured situations, where she/he can assert control and independence and the only alternative is to start one’s own enterprise and Chell (1985) adds that this finding cannot be generalized. Earlier studies reveal the inadequacy of traditional measures of business success based on financial performance and expansion, and personal success based on achieving material wealth. Women view success in different ways, such as, achieving balance in work and family life, self-fulfilment, helping others, or doing something they love, despite what may be low income; building mutually supportive relationships among their staff, suppliers and competitors; making qualitative contributions to their communities; creating reputation as reliable and effective; sustaining ‘quality of life’ for themselves and their families and the people connected with their enterprise; and self-fulfilment was the most important measure of success. Success usually is measured in terms of personal growth, professional development, and improving one’s skills (Fenwick & Hutton, 2000; Holmiqut & Sundin, 1990; Moore & Buttner, 1997; Soldressen, Fiorito, & He, 1998). There is a relationship between women’s perception of their feminine roles and the type of business they start. The majors in college impact the types of business they start. Perceptions are important, they impact intentions pursued later in life, including business success (Smith-Hunter, DeCasperis, & Paul, 2009). The entrepreneurial event and experience changes a person, in some cases, considerably. It has the potential to change perceptions, attitudes about risk, levels of personal and business confidence and belief in one’s self (Stevenson, 1990).

Growth Intentions: The growth orientation is affected by goals, motives, female identity and personal characteristics. High growth entrepreneurs are ambitious, high risk takers, have high energy levels, view themselves, their families and ventures differently from others. The obstacles are viewed as opportunities for further growth, they are open to change and believe they can succeed despite the fact that everyone else is telling them they cannot. (Arasti, Panahi, Zarei and Rezaee 2012; Pinelli 2011).

The characteristics of women in the low-income groups are significantly different from their counterparts in the medium or high-income groups (Kantor, 2001). The profile of women entrepreneurs in the future will adapt to the changing situation, and move closer to their male counterparts (Tan 2007; Birley 1989). Women manage their enterprises in different ways, they use different strategies and organizational structures (Bird & Brush, 2002).

**Availability of Bank Finance to Women Entrepreneurs in SMEs**

The economics and finance literatures provide strong evidence that sufficient starting capital is a binding constraint for new firms. Entry into entrepreneurship increases with sudden increase in personal wealth e.g., via bequest (Cagetti & Nardi, 2006) or external change in taxation rate (Nanda, 2008) and with increased access to bank financing (Black & Strahan, 2002). Financial capital is one of the most visible resources: it can create a buffer against random shocks and allow the pursuit of more capital-intensive strategies, which are better protected from imitation. Industry-specific know-how and amount of initial financial capital contributes to survival and growth (Cooper et al. 1994).

Initial resources influence strategies, which in turn bear upon the capabilities developed in the young firm. Later competitive positions may be path-dependent (David, 1988). Initial resources may act as a buffer against the liabilities of newness and smallness (Stinchcombe & March, 1965). The process of experimentation is characterized by iterations of trial and error. Hence, the availability of entrepreneurial preparation, knowledge bases, and financial capital at start-up may influence the venture’s ability to withstand unfavourable shocks and undertake corrective actions. Cavalluzzo & Wolken (2005) found that personal wealth, primarily through home ownership decreases the probability of loan denials among existing business owners and it may be even more important for entrepreneurs in acquiring start-up loans.

A study completed by National Foundation for Women Business Owners, has recommended business training and education, and improving network structures with other business owners, particularly with women (Center for Women’s Business Research, 1999).
Research Methodology and Sample:

The researchers have adopted mixed research approach under pragmatic worldview i.e., qualitative method used in-depth face-to-face interviews, case studies and blogs, and quantitative method used social survey method. This study is descriptive and explanatory in nature as there are very few studies on women-owned SMEs in the state of Karnataka, India.

The data was collected over a three-month period from June to August, 2015. The list of names and addresses of the 1755 women entrepreneurs registered as SMEs with District Industries Centre was got from the Department of Industries and Commerce, Government of Karnataka, Bengaluru (Dept. of Industries and Commerce, Govt. of Karnataka 2015). According to the data furnished by them, the state of Karnataka has 30 districts, of which, only 17 districts have the maximum number of women entrepreneurs in SMEs. The survey respondents include both manufacturing and services sectors. The qualitative approach used non-probability purposive and judgemental sampling and the quantitative approach used probability systematic sampling method. The sample size of 326 was arrived using the formula given by Yamane Taro (1967). Among the survey respondents, 35 women entrepreneurs volunteered to share their life experiences through personal interviews. The interviews are recorded using a recording device. All the registered entrepreneurs owning SMEs were approached by the researchers in their work places or in their homes. A few women were unwilling to be part of the survey. After repeated visits, a number of calls, and a lot of persuasion, the researchers could collect 326 completed questionnaires. An in-depth personal interview was carried out with the willing survey respondents. The survey and the interviews were cross sectional in nature with the data collected at one or more points in time within a short interval to cover the details in greater depth. The theory is used as a framework for the study, the organizing model for the research questions and hypotheses and for the selection of data collection procedure. The study involved both inductive and deductive reasoning. The social survey and the personal interviews yielded rich data from the field which is inductive in nature. The results of both the approaches would be triangulated to arrive at the findings and conclusions for the study. For the statistical analysis, Content Analysis was used for drawing themes and variables for tool development. Descriptive and inferential statistics such as frequencies, percentages, Pearson’s Chi-square test, and Logistic Regression were used to determine the significance of association between the characteristics and access to bank finance, and between contextual factors and access to bank finance.

Results

The results of the study of the Women Entrepreneurs in SMEs and Their Access to Bank Finance are presented under the following sub-themes, namely: general characteristics- physical characteristics, psychological characteristics, growth intentions and access to bank finance. The statistical significance of association between the physical characteristics and access to bank finance is analyzed using Chi-Square Test and Fisher’s Exact Test (Table 3.0)

Table 1
Analysis of Association between Characteristics of Women Entrepreneurs and Access to Bank Finance

<table>
<thead>
<tr>
<th>Factors</th>
<th>$x^2$</th>
<th>df</th>
<th>p value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>9.238923</td>
<td>4</td>
<td>0.055</td>
<td>NS</td>
</tr>
<tr>
<td>Religion</td>
<td>*</td>
<td>0.002</td>
<td>HS</td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>3.21564</td>
<td>2</td>
<td>0.200</td>
<td>NS</td>
</tr>
<tr>
<td>Children</td>
<td>*</td>
<td>0.000</td>
<td>HS</td>
<td></td>
</tr>
<tr>
<td>Founder</td>
<td>26.95758</td>
<td>2</td>
<td>0.000</td>
<td>HS</td>
</tr>
<tr>
<td>Qualification</td>
<td>13.30253</td>
<td>5</td>
<td>0.021</td>
<td>S</td>
</tr>
<tr>
<td>Discipline of Study</td>
<td>*</td>
<td>0.151</td>
<td>NS</td>
<td></td>
</tr>
</tbody>
</table>

*Fisher’s Exact Test

Source: Survey Data

Note: Sig-Level of Significance; HS-Highly significant; NS-Not significant; S-Significant
The Mann-Whitney Test showed the statistical difference in association between the two groups and their level of industry experience (Table 4.0).

**Table 2 : Level of Industry Experience**

<table>
<thead>
<tr>
<th>Availed bank finance</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>Mdn</th>
<th>Z</th>
<th>p</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>232</td>
<td>1.494</td>
<td>0.510</td>
<td>1.250</td>
<td>1.950</td>
<td>0.051</td>
<td>NS</td>
</tr>
<tr>
<td>No</td>
<td>94</td>
<td>1.616</td>
<td>0.533</td>
<td>1.625</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Survey Data

**Note:** N - Total sample size; M - Mean; SD - Standard deviation; Mdn - Median; Z - Standard normal variable; p - probability value; Sig - Level of Significance; NS - Not significant

Since there were as many non-significant factors as significant ones, it was thought prudent to go for Logistic Regression which would show the extent of impact of the representative samples on access to bank finance (Table 5.0).

**Table 3 : Logistic Regression – Analysis of Association between Physical Characteristics of the Two Groups and Access to Bank Finance**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>β</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>p</th>
<th>OR</th>
<th>95% C.I. for OR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (1)</td>
<td>0.865</td>
<td>.457</td>
<td>3.586</td>
<td>1</td>
<td>0.058</td>
<td>2.374</td>
<td>0.970 - 5.810</td>
</tr>
<tr>
<td>Religion (1)</td>
<td>-0.110</td>
<td>.268</td>
<td>.169</td>
<td>1</td>
<td>0.681</td>
<td>.896</td>
<td>0.530 - 1.514</td>
</tr>
<tr>
<td>Marital Status (1)</td>
<td>0.250</td>
<td>.355</td>
<td>.496</td>
<td>1</td>
<td>0.481</td>
<td>1.283</td>
<td>0.641 - 2.571</td>
</tr>
<tr>
<td>Children(1)</td>
<td>-0.047</td>
<td>.264</td>
<td>.032</td>
<td>1</td>
<td>0.858</td>
<td>.954</td>
<td>0.568 - 1.601</td>
</tr>
<tr>
<td>Founder (1)</td>
<td>0.245</td>
<td>.360</td>
<td>.462</td>
<td>1</td>
<td>0.496</td>
<td>1.278</td>
<td>0.631 - 2.588</td>
</tr>
<tr>
<td>Qualification(1)</td>
<td>0.513</td>
<td>.329</td>
<td>2.435</td>
<td>1</td>
<td>0.119</td>
<td>1.671</td>
<td>0.877 - 3.183</td>
</tr>
<tr>
<td>Discipline of Study(1)</td>
<td>-0.441</td>
<td>.235</td>
<td>3.527</td>
<td>1</td>
<td>0.060</td>
<td>.644</td>
<td>0.406 - 1.019</td>
</tr>
<tr>
<td>Constant</td>
<td>0.044</td>
<td>.756</td>
<td>.003</td>
<td>1</td>
<td>0.953</td>
<td>1.045</td>
<td></td>
</tr>
</tbody>
</table>

*a Variable(s) entered on step 1: Age, Religion, Marital Status, Children, Founder, Qualification, Discipline of Study

**Source:** Survey Data

**Note:** β - Beta; S.E - Standard error; df - Degree(s) of freedom; p - probability value; OR - Odds ratio; CI - confidence interval

**Discussion**

Majority of the women entrepreneurs were in the age group of 45-54 years, Hindus, arts graduates, married with two children, and sole proprietors. A few of them had general management, financial management, and marketing and sales experience, but most of them had almost nil experience in the field of their activity, their formal education was not related to their business, they had no technical background and had no entrepreneurial experience at the time of starting the enterprise or joining the family business.

The test to determine the strength of association between the physical characteristics and access to finance showed statistically highly significant association between religion and access to finance (p=0.002); number of children and access to bank finance (p=0.000); nature of ownership and access to bank finance (p=0.000) and statistically significant association between qualification and access to bank finance (p=0.021) at 5 percent level of confidence. The analysis of association between the relevant industry experience and access to bank finance (p=0.051) was statistically not significant. Further to determine the extent of impact of the majority group on access to bank finance logistic regression was carried out. The multivariate test results showed that the comparing group (representative samples) showed higher impact on access to bank finance compared to the base group (others). This is indicated by the odds ratio greater than 1. Since religion, size of the family, nature of ownership and qualification show statistically significant association with access to bank finance, hypothesis 1 is accepted at 5 percent level of significance.
The Psychological Characteristics

The variables that are considered for the study are motivation to start an enterprise or to join the family enterprise, the risk propensity, the innovativeness, the leadership style, the measure of success and the self efficacy of the women entrepreneurs in small and medium enterprises. The Mann-Whitney Test showed the statistical difference in association between the two groups (those who have availed bank finance and those who did not avail bank finance) and the psychological characteristics (Table 11.0).

Table 4: Test to determine the Association between Psychological Characteristics and Access to Bank Finance

<table>
<thead>
<tr>
<th>Factors</th>
<th>ABF</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>Mdn</th>
<th>Z</th>
<th>p</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation to start</td>
<td>Yes</td>
<td>232</td>
<td>2.85</td>
<td>.85</td>
<td>3.00</td>
<td>4.24</td>
<td>0.000</td>
<td>HS</td>
</tr>
<tr>
<td>Risk Propensity</td>
<td>Yes</td>
<td>232</td>
<td>2.71</td>
<td>.57</td>
<td>2.80</td>
<td>0.37</td>
<td>0.709</td>
<td>NS</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>Yes</td>
<td>232</td>
<td>3.84</td>
<td>1.00</td>
<td>4.00</td>
<td>0.43</td>
<td>0.671</td>
<td>NS</td>
</tr>
<tr>
<td>Leadership</td>
<td>Yes</td>
<td>232</td>
<td>1.67</td>
<td>.88</td>
<td>1.00</td>
<td>1.15</td>
<td>0.249</td>
<td>NS</td>
</tr>
<tr>
<td>Measures of success</td>
<td>Yes</td>
<td>232</td>
<td>4.16</td>
<td>.53</td>
<td>4.22</td>
<td>3.01</td>
<td>0.003</td>
<td>HS</td>
</tr>
</tbody>
</table>

Source: Survey Data

Note: ABF – Accessed Bank Finance, N - Total sample size; M- Mean; SD- Standard deviation; Mdn- Median; Z- Standard normal variable; p- probability value; HS-Highly significant; NS-Not significant

Since, there are many non-significant factors it was thought good to go for multivariate analysis. Hence, Logistic Regression was carried out to find out the extent of impact of the representative samples on access to bank finance in comparison with others (Table 12.0).

Table 5: Logistic Regression – Analysis of Association between Psychological Characteristics and Access to Bank Finance

<table>
<thead>
<tr>
<th>Factors</th>
<th>β</th>
<th>S.E</th>
<th>Wald</th>
<th>df</th>
<th>p</th>
<th>OR</th>
<th>95% CI for OR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower</td>
</tr>
<tr>
<td>Motivation to start</td>
<td>-1.276</td>
<td>.230</td>
<td>30.82</td>
<td>1</td>
<td>.000</td>
<td>.279</td>
<td>.178</td>
</tr>
<tr>
<td>Risk propensity</td>
<td>.303</td>
<td>.240</td>
<td>1.603</td>
<td>1</td>
<td>.206</td>
<td>1.354</td>
<td>.847</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>.364</td>
<td>.156</td>
<td>5.466</td>
<td>1</td>
<td>.019</td>
<td>1.439</td>
<td>1.061</td>
</tr>
<tr>
<td>Leadership</td>
<td>.267</td>
<td>.181</td>
<td>2.183</td>
<td>1</td>
<td>.139</td>
<td>1.307</td>
<td>.916</td>
</tr>
<tr>
<td>Measures of success</td>
<td>1.126</td>
<td>.261</td>
<td>18.624</td>
<td>1</td>
<td>.000</td>
<td>3.082</td>
<td>1.849</td>
</tr>
<tr>
<td>Self efficacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive Contribution</td>
<td>.818</td>
<td>.712</td>
<td>1.321</td>
<td>1</td>
<td>.250</td>
<td>2.266</td>
<td>.562</td>
</tr>
<tr>
<td>No difference</td>
<td>1.291</td>
<td>.751</td>
<td>2.956</td>
<td>1</td>
<td>.086</td>
<td>3.635</td>
<td>.835</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.269</td>
<td>1.323</td>
<td>6.100</td>
<td>1</td>
<td>.014</td>
<td>.038</td>
<td></td>
</tr>
</tbody>
</table>

a Variable(s) entered on step 1: Motivation, Risk propensity, Innovativeness, Leadership, attitude, self efficacy.

Note: β- Beta; S.E-Standard error; df-Degree(s) of freedom; sig - significant; p- probability value; OR-Odds ratio; CI-confidence interval

Discussion

The women entrepreneurs have mostly entered the field because of economic compulsions or other insecurities they had experienced in their lives. The research findings clearly show that women are drawn to entrepreneurship because of compelling life circumstances (β=0.265). The other important motivations were to fill a need for a new product/service (β=0.261); to fulfil a long cherished dream (β=0.260); to improve an existing product/service(β=0.259); and to have greater time flexibility(β=0.247). The rest of the factors such as exploiting a profitable area of business; to earn more money and having reached the maximum growth in the earlier job have also been noteworthy motivations for women entrepreneurs to start the enterprise.

The study shows that women entrepreneurs taking immeasurable risks gives the maximum contribution to the dependent variable risk propensity (β=0.514); followed by women entrepreneurs...
taking moderate calculated risks (β=0.480). However, the risk profile of an average woman entrepreneur is one of taking risks after making careful calculations and necessary backups to reduce losses (M=3.70±1.43). But there were a few, who said they do things that are 100 percent certain with no risks involved.

The women entrepreneurs in SMEs were found to be very creative and innovative. They invest in new technology (β=0.297); foster innovation in others (β=0.290); dare to exploit opportunities not fully commercialized by others (β=0.287); introduce new products/services (β=0.274); and also introduce new processes and methods of delivery (β=0.259) to compete effectively. The interviews reveal that though they came to the field with no prior industry experience they gained knowledge and experience by working on the shop floor and learning from everyone around.

The study found 67.5 percent of the survey respondents to have a participative and collaborative leadership approach and 38 percent said they do sometimes take decisions by themselves and later explained their viewpoint to others. Their self-described style is less of “command and control” and less hierarchical.

The survey findings revealed that women see success differently than in terms of profits, sales and growth of business. The study found that women look for visibility and recognition from the community (β=0.279); increased market share (β=0.260); adequate income to live well (β=0.231); increased revenues and profits (β=0.226); and integrated family and business life (β=0.211) as their indicators of success. While these are her preoccupations, she also works to earn higher sales and profits, to preserve harmony among different stakeholders, and to gain confidence of the customers in the company. Most often achieving one’s objectives is not her primary goal.

The self efficacy was studied and found that 71.8 percent of the women entrepreneurs indicated that their presence made a positive contribution to their enterprise and 24.8 percent believed that it made no difference to the enterprise.

The results of the test showed that motivation to start the enterprise and measures of success, show statistically highly significant association with access to bank finance. The extent of the impact of the association was studied using logistic regression. The odds ratio above 1 signifies that the risk propensity, innovativeness, leadership, measures of success, women who indicated that they make positive difference and no difference to their firm, in the representative group made high impact than the base group (others). Since motivations to start the enterprise and measures of success show highly significant association with access to bank finance the hypothesis 2 is accepted at 5 percent level of significance.

Qualitative Analysis-Thematic Analysis

Grounded Theory was used to seek out and conceptualise the latent social patterns and structures in the area of study through constant comparison. The researcher used inductive process to generate substantive codes from the interview transcripts, from which the research tool was prepared. The tool was further refined by showing to the experts in the field. This approach helped in making more focussed questions for the deductive approach. The interview transcripts were read several times and then tentative labels for chunks of data were created. They summarized the present status of women entrepreneurs in SMEs in the state of Karnataka (not based on existing theory – just based on the meaning that emerged from the data). The participants’ words, the properties taken thereof were put into open codes. The second-level of categorization or axial coding was done on the basis of open codes. The connections were identified among the open codes and they were regrouped using the theory from the existing studies. Some new categories have emerged from the groupings. The third-level of categorization or the selective coding was done which identified the core variable which includes all of the data.

Using Blog as a Research Tool

In Asian economies the SMEs are considered to be engines of economic growth and balanced regional development. Women entrepreneurship in SMEs is a rare phenomenon in India. Most women entrepreneurs are micro-enterprises which are basically livelihood options, having no employees,
home-based, and serving the community needs. However, the women entrepreneurs in SMEs add value, create jobs, innovative and may opt for growth. Though the topic of the study was decided, initial days were spent trying to locate women SMEs. With the help of KASSIA, Peenya Industries Association, the District Industries Centres, AWAKE, eMERG, the Chamber of Commerce and Industries, and Women Entrepreneurship Networks the researcher collected the names, telephone numbers and addresses of the suitable samples for the study. Initially, there was a lot of hesitation and doubt about the purpose and usefulness of such research interactions. The women were not forthcoming with their personal details, enterprise details, their field experiences which are vital for the study. Hence, the researcher spent considerable time and effort in writing blogs on her respondents. Initial doubts and hesitation soon turned to enthusiasm when they saw other women being portrayed positively on the internet and the public also acknowledged and showed appreciation for their work. There were many who came forth with names of potential interviewees and also, motivated others to participate in the interviews.

Conclusions

The test to determine the significance of association of the physical characteristics with access to bank finance showed religion, size of the family, nature of ownership, and qualification to have statistically significant association with access to bank finance. New venture financiers and entrepreneurs themselves pointed to entrepreneurs personal characteristics as dominant reasons for success (Sexton 2001; Smith & Smith 2000). Therefore, this study contributes to the understanding of the characteristics of women entrepreneurs in SMEs. The survey findings reveal that the defining characteristics of the sample, to be in the 45-54 age group, married, having two children, housewives, arts/commerce graduates, Hindus, sole proprietors, urban-based, with no prior industry related experience. In today’s entrepreneurship model, the women starting enterprises are older 35 to 45 years (Hisrich & Brush 1986) 45 to 54 years (Fairlie 2014) which invites a whole new set of challenges relating to gender and ageism. Women with kids have much complex lives. When kids grow, they have lots of creative energy to build great companies (Giang 2015). They have tons of juggling abilities and are confident in what they do.

The motivation to start the enterprise—specially the opportunity driven has statistically high association with access to bank finance. McLelland (1961) study has found need for achievement, need for power and need for affiliation as the key motivations in entrepreneurs. This study has found the women entrepreneurs in the sample were compelled to start the enterprise or join the family enterprise driven primarily by economic necessities, followed by filling a social need for a product or service, and some to fulfil a dream (Kituyi 2014). Very often women are pushed into entrepreneurship because of limited job opportunities (Kelly et al. 2011) family situation and context (Brush 1990), economic necessities (Scherer et al. 1990) and search of identity during mid-life crisis (Kanitkar & Contractor 1992) and an existential flight. India needs more of opportunity driven than necessity driven women entrepreneurs who can contribute greatly to job creation, innovation and growth.

The measures of success are found to have statistically high significant association with access to bank finance. Differences in definition of success exist among women entrepreneurs (Greene et al. 2003). Being visible and known to the community is important as most of their business is fulfilling the community needs. Increasing market share is indeed a challenge as they do business in a very competitive environment where survival itself is a concern. Women do work for money. For women earning money is not being financially independent but it is about having choices in life. Entrepreneurship and banking both being male-normed institutions, where profitability, revenues, and growth have always been the success parameters, women entrepreneurs with their different success orientation are found to be less entrepreneurial hence, undeserving equal share of credit and support. An average woman entrepreneur is found to be placing higher value on harmony among the different stakeholders and people’s confidence in the company as their success depends on employee and customer loyalty. For women to participate and succeed in entrepreneurship the banks should measure women’s performance from their own life situations.
Recommendations

Based on the evidence presented by the study, drawing from the experience of developed and developing nations, listening to the voices of women entrepreneurs and the experts in the field an action plan to expand women’s access to finance is drawn:

Human capital is the key asset of entrepreneurs. It includes formal education, specific business skills, industry experience and networks the entrepreneur brings to the business. Although women entrepreneurs in the study sample are highly educated, their education and experience is not related to their field of activity. This reduces their bargaining power with the creditors, and heavily impedes their growth potential. Women need such education that brings change in attitude, a new realization that they need to manage their destinies and they are fully capable of doing so. The management education should give them the ability to manage monies, time, resources and outcomes. It should bring awareness of various resources available today either locally or globally. Goldman Sachs 10000 Women Entrepreneurs Certificate Programme has seen some success in this effort (Brush et al. 2013).

The biggest challenge women face when starting and growing their businesses is access to capital (Stengel 2016). Seed capital policy that gives women entrepreneurs access to finance for certain sunrise sectors such as transport, education, health, communication, use of renewable resources wisely will encourage more women to venture into entrepreneurship. This will create women entrepreneurs at all levels – rural, semi-urban and urban locations, engaging all sections of the society.

More women actively participating in the economic activities at the local level, creating solutions to the local problems, providing employment to the other women and marginalized sections of the society, would bring in much needed change in attitude, visibility, acceptance and support to women in business.

Bibliography:


