

Dr. R. GAYATHRI Associate Professor in Commerce NGM College, Pollachi

T. VANJIKKODI Assistant Professor in Commerce Sree Saraswathi Thyagaraja College, Pollachi

Abstract

Women entrepreneurs play a significant role in structuring the country's economy. However, their development has remained significantly lowered due to financial restrictions. Finance places a pivotal role in smooth and effective operations, expansion and research and development of the business. The business carried out by women entrepreneurs does not get much patronage from society, especially in finance. This paper examines the influence of business profit and the initial investment on financial challenges women entrepreneurs face in obtaining finance to run a business.

Keywords: Women Entrepreneurs, Financial Constraints

1. Introduction

A woman entrepreneur is ambitious with business expertise, risk-taking capabilities, and a daring spirit marching with vision. The entrepreneurship process starts with identifying opportunities willing to take the risk, with persistent effort and attempts to identify and use opportunities for better results. The entrepreneur has to cross severe hurdles from the moment she starts with the conception of the idea of starting his own business. The challenges faced in the business may be more or less the same whether it may be a small, medium or large enterprise. Indian women operating at the global level is increasing nowadays, and they come across substantial financial constraints concerning the mobilisation of funds and working capital in the growth path of their businesses.

2. Statement of the Problem

Entrepreneurship plays a vital role in the growth of an economy. Both male and female entrepreneurs should share this development, irrespective of the differences. Women empowered in building nations often lack the capital to start a business and face numerous obstacles in raising funds and other loans. Women need a certain level of financial literacy to overcome financial problems. The woman has to mobilise either with the help of her funds or through loans which is essential to strengthen women's role as producers and to widen the economic opportunities available to them. This article focuses on the financial constraints faced by women entrepreneurs.

3. Objectives

- 1 To understand the financial constraints faced by small-scale women entrepreneurs.
2. To study the relationship between age and business profit towards the financial constraints of women entrepreneurs.

4. Research Methodology

This study focuses on the problems faced by the financial constraints faced by small-scale women entrepreneurs in Tiruppur District. This data were collected from primary and secondary sources such as journals, scholarly articles, web resources and newspapers and through observation. This study is descriptive. This study's primary aim is to find women entrepreneurs' financial constraints in the Tiruppur District. For this purpose, the nine blocks of Tiruppur district were chosen: Tiruppur North, South, Avinashi, Uthukuli, Kangeyam, Palladam, Udumalpet, Madathukulam and Dharapuram). A total of 100 questionnaires were administered for the study. The unorganised women entrepreneurs were chosen based on the snowball sampling method.

5. Review of Literature

The subsequent review of the literature depicts the financial constraints faced by women entrepreneurs. Most of the literature outlines the hurdles faced by women due to lack of capital

(Goffee and Scase, 1983; Aldrich et al., 1989) and how it can be overcome with the support of banks and Government assistance.

Mishra & Mahajan (2013) highlighted the issues related to entrepreneurs obtaining start-up capital and inadequate information about financial schemes. Financial institutions show reluctance to grant credit facilities to women entrepreneurs.

Ostro & Areba (2013) analysed lack of finance, legal constraints and lack of security/collateral was identified as a constraint facing Women Entrepreneurs. Women entrepreneurs faced constraints in the aspect of finances, marketing production, workplace facility and with problems.

Xavier et al. (2012) found that women entrepreneurs face inevitable financial adversities. Red tape, lack of credit options, an unfriendly business environment, inadequate government support, unpredictable policy changes, and lack of training are significant problems in running enterprises. Beck (2013) analysed the literature and found an association between the SME sector and economic growth or poverty alleviation. Macro effects of financial deepening can have a pro-growth and pro-poor impact by mitigating SMEs' financing constraints, enabling firm entry and resource allocation. Differentiating segments of the SME population between subsistence micro-entrepreneurs and transformational entrepreneurs and discusses the importance of market structure, competition and regulations for SMEs and their access to finance over the business cycle and during crises.

6. Analysis and Interpretation

The study aims to determine the financial constraints of women entrepreneurs in the Tiruppur district. A sample of 100 respondents was collected from the women entrepreneurs in Tiruppur District. Table 1 analyses the relationship between age and business profit towards financial constraints.

Table 1
Association between the Age and Perception towards Financial Constraints

S. No	Age (in Years)	Financial Constraints			Statistical Inference
		Low	Moderate	High	
1.	Inadequate Guidance from Bank	n=29	n=44	n=27	$\chi^2 = 32.719$ df = 6 0.000<0.01 Highly Significant
	Under 20	10	4	7	
	21-30	3	25	8	
	31-40	8	11	0	
	41-50	8	4	12	
2.	Problem of Liquidity	n=38	n=37	n=25	$\chi^2 = 7.200$ df = 6 0.303>0.05 Not Significant
	Under 20	11	4	6	
	21-30	13	13	10	
	31-40	8	9	2	
	41-50	6	11	7	
3.	Risk Bearing Responsibility	n=32	n=40	n=28	$\chi^2 = 22.067$ df = 6 0.001<0.05 Highly Significant
	Under 20	9	10	2	
	21-30	9	15	12	
	31-40	4	13	2	
	41-50	10	2	12	
4.	Lack of Collateral Security	n=39	n=48	n=13	$\chi^2 = 6.666$ df = 6 0.353>0.05 Not Significant
	Under 20	9	12	0	
	21-30	13	18	5	
	31-40	8	9	2	
	41-50	9	9	6	

Table 1 analyses the ANOVA test results, which show the association between age and financial constraints of women entrepreneurs. Age does not influence the problem of liquidity and collateral security with the p-value 0.303, 0.353, which is > 0.05 at a 5% level significance level. The null hypothesis is accepted, but age influenced the other two financial constraints, such as inadequate guidance from banks and risk-bearing responsibility, with the p-value 0.000, 0.001, which is <0.05 and the null hypothesis is rejected.

In conclusion, a risk-taking attitude depends on age. Age does not influence financial constraints such as the problem of liquidity and collateral security kept with the bank. However, age is influenced by risk-bearing responsibility and inadequate guidance from the bank.

Table 2
Influence of Business Profit Margin on Financial Constraints

S. No	Source	SS	Df	MS	\bar{X}	Statistical Inference
1.	Inadequate Guidance from the Bank				G1= 18.7586	F=0.716 0.545>0.05 Not Significant
	Between Groups	80.677	3	26.892	G2= 18.3043	
	Within Groups	1179.083	96	12.282	G3= 18.3500	
					G4= 17.3929	
2.	Problem of Liquidity				G1= 17.3103	F=2.039 0.114>0.05 Not Significant
	Between Groups	18.983	3	6.328	G2= 17.0000	
	Within Groups	1167.857	96	12.165	G3= 17.2000	
					G4= 15.0714	
3.	Risk Bearing Responsibility				G1= 16.6897	F=0.827 0.482>0.05 Not Significant
	Between Groups	119.832	3	39.944	G2= 18.0435	
	Within Groups	972.678	96	10.132	G3= 17.3000	
					G4= 17.9643	
4.	Lack of Collateral Security				G1= 15.3448	F=2.760 0.046<0.05 Significant
	Between Groups	831.463	3	277.154	G2= 16.7826	
	Within Groups	8717.287	96	90.805	G3= 14.9500	
					G4= 13.8929	
					G4= 64.3214	

G1= 10%, G2= 20%, G3= 30%, G4= More than 30%

Table 2 analyses the ANOVA test results showing the influence of business profit towards the financial constraints of women entrepreneurs. Business profit does not influence the bank's inadequate guidance, liquidity problem, and risk-bearing responsibility with the p-values 0.545, 0.114, 0.482, which is > 0.05 at 5% significance level. Hence the null hypothesis is accepted. Business profit has a greater influence on the lack of collateral security with the p- the value of 0.046, where the p-value is < 0.05 as the null hypothesis is rejected.

Hence, the business profit does not influence the financial constraints such as inadequate guidance from the bank, problems of liquidity, and risk-bearing responsibility but influences collateral security kept with the bank for obtaining a loan. Thus, business profit helps create wealth, which is vital in creating security.

7. Summary and Conclusion

Financial support provided by Government and financial institutions encourages sustainable entrepreneurship, which helps to reduce the demand side barriers to accessing finance. Focused financial literacy will help policymakers manage the overall performance of women entrepreneurs and provide up-to-date information about the level of financial knowledge and skills. The study reveals that the business profit does not influence the financial constraints such as inadequate guidance from the bank, problems of liquidity, risk bearing responsibility. However, collateral security is influenced by business profit. Business profit influences the pledging of collateral security

for obtaining a business loan. Risk-bearing responsibility and inadequacy guidance from the bank is influenced by age. However, age does not influence financial constraints such as the problem of liquidity and collateral security kept with the bank. Therefore, risk-taking nature and individual guidance from the bank depends on age. Finally, wealth-creating factors such as business profit and initial investment creation do not influence women entrepreneurs' financial constraints.

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