

## Ground-breaking Women Entrepreneurs – Study with special reference to Cosmopolitan city in India

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### Abstract

Innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth and success. It is always technological innovation that defines every aspect of our life, the way we communicate, socialize, campaign and conduct business. Women entrepreneurs, mainly as a result of culture, have been found to have traits different from their male counterparts and yet they grapple with similar business issues including the need to continuously change and innovate. It is therefore striking that very little is known about the innovative practices of women entrepreneurs, especially those in developing countries. Participation of women in economic activities is now emerging as a universal phenomenon. Alternatively stated, women are increasingly joining the world labour market and also assuming the role of entrepreneurs all over the world. In the study attempt is made to generate a profile of innovative women entrepreneurs based on their personal and business characteristics. Data are compiled from a sample of 100 women entrepreneurs in Bangalore, Karnataka and analysed using ANOVA to determine any correlation between the independent and dependent variables. The results indicate that women's entrepreneurial innovativeness is very much affected by their age and education, as well as the type of business, location and size of business. The study then proceeds with the development of their profile and concludes with several research and managerial implications.

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**Keywords:** Women entrepreneurs, Innovation, Training and learning, creativity, economic development.

### 1. Introduction

In India, issues surrounding women's development have always been central to nation - building and economic development. Since women comprise approximately half of the population their social position greatly affects the country's political and economic scenario. Entrepreneurship in India occurs in 'far more encompassing and far reaching ways than in developed countries', and could therefore be far more complex. The opportunities created by today in the global knowledge economy coupled with the 'unshackling of indigenous enterprise', have contributed to making India a 'fertile ground' for Entrepreneurship and Innovations.

Entrepreneurship has gained greater significance at global level under changing economic scenario. Global economy in general and Indian economy in particular is poised for accelerated growth driven by entrepreneurship.

*"Putting women at the centre"* means that women must be considered integral to, rather than peripheral to, other engines of growth. Here the integration could become especially interesting for emerging economy like India which is a potential combined power of India, in terms

of Research and Development, Internet, Information flow and technological base with advancements.

Innovation is synonymous with risk-taking and organizations that introduce revolutionary products or technologies take on the greatest risk because they have to create new markets. A less risky innovation strategy is that of the imitator who starts with a new product (usually created by a revolutionary-innovator) having a large and growing demand. The imitator then proceeds to satisfy that demand better with a more effective approach. Examples are IBM with its PC against Apple Computer, Compaq with its cheaper PCs against IBM, and Dell with its still-cheaper clones (sold directly to the customer) against Compaq. Although many innovations are created from inventions, it is possible to innovate without inventing, and to invent without innovating.

## 2. Literature Review

*“As a woman I have no country. As a woman my country is the whole world” – Virginia Woolf.*

The focus on the contribution of women in direct productive work was first brought out in 1970. Around the mid 1970's, neo-Marxist feminists and dependency theorists began looking at the relationship between women and development rather than the strategies for integrating women in economic development. Women entrepreneurs bring many assets to the global market. They have demonstrated the ability to build and maintain long-term relationships and networks, to communicate effectively, to organize efficiently, to be fiscally conservative, to be aware of the needs of their environment, and to promote sensitivity to cultural differences. In *Can Capitalism Survive*, Joseph Schumpeter (1952) argues that the function of an entrepreneur is to reform or revolutionize the pattern of production by exploiting new or untried technology and processes. The notion of the entrepreneur as an innovator is thus believed (Hisrich & Peters, 1998) to have been conceived by Schumpeter. Since then, innovative skills have generally been accepted as one of the critical attributes of successful entrepreneurs (Chell, 2001; Johnson, 2001).

Some of the most profitable companies in the world have associated their growth with innovation, which they perceive as the ability to change and reinvent them as a way to exploit opportunities. In most studies on entrepreneurial innovation (Gudmundson et al, 2003; Hayton et al, 2002; Shane, 1993; Thomas & Mueller, 2000), two common characteristics have been observed: One, men are the majority respondents and two, there is no attempt to distinguish male and female responses to a particular stimulus. Sociologists (Best & Williams, 1997; Hofstede, 1998) have often described behavioural differences between men and women in certain cultural settings.

Masculine societies, in particular, expect men to be aggressive and women to be passive. They consistently emphasise male-female differences in social status and roles; as a result men and women choose different subjects at school and different careers, and they treat sons and daughters differently at home. Thus through this “social conditioning” process, masculinity - as a cultural value - induces gender differentiated behaviours. With this in mind, any research which combines men and women as a single sample is believed to be seriously misleading.

Research on Bangalore women entrepreneurs supports the notion that male and female entrepreneurs possess different personal and business characteristics. The women are also more highly educated, and found in less diverse industries. In addition while the women place a higher value on interpersonal relationships, men perceive controlling as a more important function. With such arresting revelations, it is a wonder that related studies have not caught on among local researchers and thus existing literature provide only snapshots of gender differences in the society.

In the present context, entrepreneurial innovativeness is defined as follows. This definition is considered appropriate as it reflects novelties which have already been carried out by the entrepreneur, instead of a personality inclined towards innovation (Thomas & Mueller, 2000) which is even more intangible and difficult to measure: “The level of novelty implemented by an

entrepreneur with regards to the products, services, processes, technologies, ideas or strategies in various functions of the business which may facilitate the realization of its objectives. The degree of novelty or newness is as perceived by the individual entrepreneur.” The reality of strategy lies in its enactment, not in those pronouncements that appear to assert it. A formal innovation strategy can help firms achieve success new product development. In terms of innovation strategy firms tend to explore, exploit and adapt.

### 3. Operational concepts for the study

**Entrepreneur** is an innovative agent, who introduces something new into the economy – a new method of production or a new product, a new source of material or new markets. An entrepreneur’s function is to revolutionize the pattern of production by exploiting an invention or introducing an untried technological possibility for producing a new commodity

**Entrepreneurship** is a process undertaken by an entrepreneur to augment his business interest. Basically, it is an exercise involving innovation and creativity that will go towards establishing the enterprise. It is the propensity of mind to take calculated risks with confidence to achieve a pre-determined business or industrial objectives.

**Innovation** is the development of new customer’s value through solutions that meet new needs, inarticulate needs, or old customer and market needs in new ways. This is accomplished through different or more effective products, processes, services, technologies, and ideas that are readily available to markets, governments, and society.

### 4. Objectives of the study

- To add to the general understanding of women entrepreneurs in Bangalore, particularly in relation to innovation.
- To generate a profile of innovative Bangalore women entrepreneurs based on certain personal (such as age, level of education, and marital status) and business (such as type, location and duration) characteristics.

The quantitative approach is adopted due to its mathematical advantage in handling a larger sample.

### 5. Research Methodology

The quantitative research process begins with the formulation of a questionnaire which consists of 2 sections: Personal and Business Background, and Implementation of Innovations. The questionnaire is then judged for content validity and pre-tested on a group of conveniently selected respondents to assess its clarity and ease of completion.

The first part of the analytical survey instrument consists of nine items which are intended to capture the personal and business background of the respondents. These variables are: Age Group, Marital Status, Highest Educational Attainment, Form of Ownership, Type of Business, Duration of Business, Business Location, Average Annual Income and Number of Full-time Employees. The answer options are designed to yield either nominal or ordinal data, which are often useful as descriptive statistics (Zikmund, 2003). The fifteen items used to measure entrepreneurial innovativeness represent changes and novelties which have been observed to be common among women entrepreneurs in Bangalore such as introducing new products or services, opening up new branches, using new technology or machinery, and changing the organization structure, system, ability and willingness to change.

The five-point Likert scale ranges from

1=Never implemented to 5= continuously implemented, with 3=Not sure as the mid-point. The level of innovativeness is measured by totalling up the mean scores of the fifteen items. The

total means are then compared using ANOVA for the various respondent categories to determine any significant relationships between innovativeness and the nine categorical variables.

In the study, the population is defined as women who fulfill the ensuing criteria. They are business owners or shareholders actively involved in the operation and decision-making of the said business; those who are mere investors are not included as it is unlikely that they are wholly familiar with the strategic initiatives of the business. These databases are chosen because they contain all the necessary background information on the entrepreneurs including their position in the organization, and the nature of their business.

## 6. Discussion and Results

Prior to the conduct of further statistical tests, two criteria – scale reliability and normality of data – first need to be met to produce results which are meaningful and genuine. The Cronbach's alpha statistics are used to determine the internal consistency of the entrepreneurial innovativeness (EI) scale. The standardized alpha of 0.871 falls within the acceptable range of  $> 0.7$  thus assuring the reliability of the scale. Normality of data is checked through the inspection of Kolmogorov-Smirnov ( $p > 0.05$ ), skewness (-2.0 to +2.0) and kurtosis (-2.0 to +2.0) statistics, as well as the normality plots. The results demonstrate that the Entrepreneurial Innovativeness data have passed the Kolmogorov-Smirnov criterion where  $p > 0.200$ . Inspection of skewness and kurtosis statistics shows that both values fall within the range -2.0 to +2.0, thus indicating that the data do approach normality. Moreover the normal, detrended normal and box plots indicate that the data have not violated the assumption of normality (Pallant, 2001).

Based on the mode values for all the other nine variables, it may be said that most of the respondents:

Are in their 30s and 50's	Are married and have children
Are sole proprietors	Are in the consumer services sector
Are located in the city	Have been operating for 1 to 10 years
Income level	Have between 20 to 50 employees.

The current findings imply that the growth of women entrepreneurs has been increasing and interested towards growth with a concept of continuous learning focusing on innovation. Mr Akio Morita, the president of Sony Corporation of Japan "created the walkman personal stereo" therefore an entrepreneur perceives a need and then brings together the manpower material and capital required to satisfy that need.

Many innovators are just curious people who are inquisitive, and like to solve problems. Drucker suggests that there are seven windows of opportunity that open up possibilities for innovations. List includes unexpected occurrences, incongruities, need for efficiencies, industry/market changes, demographic shifts, changes in perception, and new knowledge. An entrepreneurial economy, whether on the national, regional or community level, differs significantly from a non-entrepreneurial economy in many respects, not only by its economic structure and its economic vigorousness, but also by the social vitality and quality of life which it offers with a consequent attractiveness to people.

### ANOVA with Post-Hoc Tests

ANOVA tests are handy in determining the significance of mean differences across groups. In the study it is employed to examine innovative differences across the various groups of respondents structured according to the nine categorical variables. As the size of the data is very large, here only the significant results are discussed further; significant differences are observed for six categorical variables i.e. Age, Educational Attainment, Type of Business, Location of Business,

Annual Income and Number of Employees. At the outset it must also be stated that the p-values of the Levene's tests for homogeneity of variance indicate that the criterion has not been violated in all the ANOVA procedures.

*Age:* The p-value of the ANOVA test is 0.027 ( $< 0.05$ ) which indicates a significant difference(s) among the four groups of age. Further inspection of the post-hoc test results shows that the differences, significant at the 95% confidence interval, lie between the 50+ yrs group and two others (the 30-39 years and 40-49 years age groups). The mean score for EI appears to be the lowest for the 50+ yrs age group (40.4000) and highest for those in their 40s (48.5610).

*Educational Attainment:* The ANOVA test yields a p-value  $< 0.05$ , indicating at least one significant difference amongst the five groups. The post-hoc test results reveal that these differences exist between those with primary education and two other groups, those with a degree/diploma. The EI mean is lowest for the primary school leavers (35.7273) and highest for those with degree holders (48.6000).

*Type of Business:* The ANOVA p-value of 0.028 implies the existence of significant difference(s) among the five business sectors. Based on the post-hoc results, the difference appears to be between the manufacturing and distribution groups. The EI mean score is highest for the distributors (50.5250) and lowest for manufacturers (38.4167).

*Location of Business:* Significant difference(s) is observed amongst the five groups, since p-value of the ANOVA test is  $> 0.05$ . Post-hoc data indicates that these differences exist between those located in urban and rural area of Bangalore. The EI score is lowest for those operating in rural (36.3333) and highest urban (48.3273) and followed by those in centre of the city. (48.2105).

*Number of Employees:* The ANOVA test yields a p-value  $< 0.05$ , indicating at least one significant difference amongst the four groups. The post-hoc test results reveal that these differences exist between those with no employee and two other groups, i.e. those with 1-4 employees and those with 20-50 employees. In this case, those with no employee have the lowest score of EI (39.3429) while those with 20-50 employees have the highest (55.8000).

### **Innovation Differentials**

Innovation involves more than just great ideas. We need faith, hard work and a laser sharp focus for the end result to keep persisting for our vision in the face of roadblocks. We tend to see the end result of a creative idea in awe, but what we don't see are the actions, hard work and persistence behind the scene to make the vision a reality.

In the words of Thomas A. Edison "*Invention is 1% inspiration, 99% perspiration*".

Based on mean values, it may be said that the four most popular forms of innovation among the women entrepreneurs are:

- Form 1: Promote existing products or services to new target markets.
- Form 2: Improve the quality of existing products or services.
- Form 3: Develop new promotional techniques.
- Form 4: Develop new product through exploration and exploitation.

On the other hand the three least popular forms been found were:

- Form 1: Change in location.
- Form 2: Open new branches
- Form 3: Reorganise the departments/functions in the organization.

Hence it seems that innovations which involve product development and promotion activities are preferred to those which necessitate physical mobility. It is quite likely that women tend to avoid the latter due to their higher commitment to domestic affairs; strategies such as relocating to a new premise might require them to uproot the entire family or force them to be apart from the children and must therefore be minimized.

Most of the Women entrepreneurs in Karnataka have attend the training and empowerment of women programmes at various institutes focusing on the following areas. This also has contributed to the innovativeness and reaches success in their venture. The topics delivered as part of the programme:

Creativity and innovation	Developing your business
Looking after self	Raising finance and making a profit
Managing people	IT skills
Selling your product or service	Legal and tax issues
Networking.	Achieving your potential

## 7. Conclusion

Results of the ANOVA have provided some preliminary statistical evidence showing that the entrepreneurial innovativeness of these women is associated with their age, educational attainment, type and location of business, annual income and number of employees. Innovative women entrepreneurs tend to be in their 40s, and have at least pre-university education. They are most likely to be operating in the distribution sector, located in the city, having 20-50 employees. Their most common methods of innovating involve product development and promotional activities, and they tend to shy away from innovations which require physical mobility.

The results indicate that the most innovative women will have had enough experience in life and business, yet not so old that they may no longer have the drive and stamina to change. Those with higher education have the greatest advantage probably because of the more sophisticated training they receive; likewise, entrepreneurs located in city have the full benefit of more advanced infrastructure. The high score obtained by the distributors may be due to their greater flexibility in time-management as most are perhaps direct selling agents. Last but not least, larger sales and manpower also appear to give advantage because of the resources required in carrying out innovations.

The above findings have several research and managerial implications. For academics, the interest must surely be in determining the generalisability of such conclusions to women from other cultures. Cross-cultural studies involving samples from other developing countries, as well as developed ones, are particularly encouraged. Also, it would be interesting to conduct the same study on a male sample and find out whether any significant difference exists between male and female responses. In particular, researchers may want to determine whether the aversion to relocating is a unique female characteristic or applicable also to men. Worthy of further inspection is the non-significant relationship between marital status and innovativeness.

From the practical point of view, the study reinforces the need for all relevant parties to acknowledge the importance of all types of innovation, not just product and technological ones. Women entrepreneurs in Bangalore, as shown in the study, exhibit creativity and innovativeness not only through new products, but also by developing new marketing techniques, administrative procedures and flexible operating hours. Since these alternative methods of innovation also contribute to the overall success of the business, it would be foolish for business players, trainers and policy-makers alike to ignore their significance in all managerial tasks.

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