

## **Women Entrepreneurship- Innovation and Management With Special Reference to Kerala and Karnataka**

**\* Mrs. Neethu Suraj**

### ***Abstract***

*An entrepreneur is the one who conceives ideas for improvement in quality and quantity of business. She continuously remains informed about innovations and tries to apply them whenever wherever possible. Women entrepreneurs, mainly as a result of culture, religion and family background have been found to have traits different from their male counterparts and yet they stand 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 states like Kerala and Karnataka.*

*Innovating is a process of creating, changing, experimenting, transforming and revolutionizing. Innovation is one of the key distinguishing characteristics of entrepreneurial activity. The passionate drive and intense hunger of entrepreneurs to forge new directions products and processes and to take risks set in motion a series of decisions that lead to the innovations that are important for economic vitality. Without these new ideas, economic, technological, and social progress would be slow indeed. The “creative destruction” process of innovating leads to technological changes and employment growth. Entrepreneurial firms act as these “agents of change” by providing an essential source of new and unique ideas that might otherwise go.*

*This paper examines the female entrepreneurial activity and provides tips from successful women entrepreneurs who tell how they have been using new technologies - and social media in particular - to excel in their careers and balance their professional and family lives.*

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## **Introduction**

The concept of entrepreneurship is a complex phenomenon. Broadly, it relates to the entrepreneur, his vision and its implementation. Entrepreneurship refers to a process of action of an entrepreneur and it is a creative and innovative response to the business environment. It promotes capital formation and creates wealth, and it has the thrill of risk, change, challenge and growth. Entrepreneurship extends beyond a conventional business and economic perspective. Entrepreneurship plays a vital role in the economic development of a country.

Women entrepreneurs may be defined as a women or group of women who initiate, organize and run a business enterprise. In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called “women entrepreneurs”. The Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a women entrepreneur is defined as “a woman who owns and controls an enterprise having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women”. However, this definition is subject to criticism mainly on the condition of employing more than 50 per cent women workers in the enterprises owned and run by the women.

In nutshell, women entrepreneurs are those women who think of a business enterprise, initiate it, organize and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty in running a business enterprise.

A country might remain backward not because of lack of natural resources or dearth of capital but because of lack of entrepreneurial talents or its inability to tap the latent entrepreneurial talents existing in that society. Entrepreneurship is a creative activity. It is the ability to create and build something from practically nothing. It is a knack of sensing opportunity where others see chaos, contradiction and

confusion. Entrepreneurship is the attitude of mind to seek opportunities, take calculated risks and derive benefits by setting up a venture. It comprises of numerous activities involved in conception, creation and running an enterprise.

Innovation is based on knowledge, ingenuity, diligence, persistence and commitment and it must be built on its strength. Innovation should be market driven. Innovation management is the discipline of managing processes in innovation. It can be used to develop both product and organizational innovation. Innovation management includes a set of tools that allow managers and engineers to cooperate with a common understanding of goals and processes. The focus of innovation management is to allow the organization to respond to an external or internal opportunity, and use its creative efforts to introduce new ideas, processes or products.

It involves workers at every level of contributing creatively to a company's development, manufacturing, and marketing. By utilizing appropriate innovation management tools, management can trigger and deploy the creative juices of the whole work force towards the continuous development of a company. The process can be viewed as an evolutionary integration of organization, technology and market by iterating series of activities: search, select, implement and capture.

The aim of the study about women entrepreneurship in India (Kerala and Karnataka) Indian women are considered as a source of power since mythological times. The Hindus worship goddesses as mothers. But in reality, women occupy a back seat to men. Women entrepreneurs today have their own opinion, are self assured, able to withstand all risks and are efficient managers. In spite of dual responsibilities, many women, plan their lives very skillfully and succeed in filling these dual roles in a smooth way.

The study tells about womens' active participation in managing the business which is equal to men. The study also proves that women are equal to men in many sectors. This study tells about womens' interest and dedication at work and the effort they have showed which lead them to great success in the society. This study also tells about womens' role in our economic development.

## **Objectives of the study**

- To identify the innovative strategies used by women entrepreneurs in Kerala and Karnataka
- To study the management strategies adopted by women entrepreneurs
- To know the factors that motivate women entrepreneurs engaged in work
- To know how far financial and other forms of assistance provided by government are helpful to women entrepreneurs

## **Literature Review**

Hemantkumar P. Bulsara, Jyoti Chandwani, Shailesh Gandhi  
**WOMEN ENTREPRENEURSHIP AND INNOVATIONS IN INDIA: AN EXPLORATORY STUDY:** This study states that today we are in a better position wherein women participation in the field of entrepreneurship is increasing at a considerable rate. Efforts are being taken at the economy as brought promise of equality of opportunity in all spheres to the Indian women and laws guaranteed equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women i.e. the urban middle class women. Women sector occupies nearly 45 percent of the Indian population. At this juncture, effective steps are needed to provide entrepreneurial awareness, orientation and skill development programs to women. The role of Women entrepreneur in economic development is also being recognized and steps are being taken to promote women entrepreneurship. Resurgence of entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain

and strive for excellence in the entrepreneurial arena. If every citizen works with such an attitude towards respecting the important position occupied by women in society and understanding their vital role in the modern business field too, then very soon we can pre-estimate our chances of out beating our own conservative and rigid thought process which is the biggest barrier in our country's development process

**Sanja Popović Pantić AN ANALYSIS OF FEMALE ENTREPRENEURSHIP AND INNOVATION IN SERBIA IN THE CONTEXT OF EU COMPETITIVENESS** :There is still no unique methodology for recording female entrepreneurship in the EU and even less for recording innovativeness. The process of defining a female entrepreneur is still ongoing. Consequently, statistics on the innovativeness of female enterprises are still underdeveloped, even in the EU. The Innovation Union Scoreboard, as one of the most relevant European references on innovativeness performance by country, does not record statistics on innovativeness by gender. Therefore, the analysis of the innovativeness of female entrepreneurship is limited since the regular statistical reports on SMEs in the EU do not publish this data on a regular basis. In Serbia, also, gender statistics on entrepreneurship are not available on a regular basis. Research on the innovativeness of female businesses should become integral to the large-scale research on the business performance of SMEs that is published annually by the Ministry of Economy in the annual report on SME development. Despite the limitations of the presented research on the innovativeness of female businesses, qualitative insights into this aspect of women-owned companies indicate that women prefer incremental rather than radical innovation of products/services. The study on women innovators and entrepreneurship published by the European Community shows a similar situation in the 14 EU member states. That new product development is a priority for women entrepreneurs shows a high level of awareness of the importance of innovation to company development. That marketing and sales are priorities is in line with the findings that the preferred forms of innovation commercialization in Serbian companies are the sales of final products as opposed to

selling concepts and patents, which are almost never practised. Companies tend to have specific people who work on innovation development, and external innovation partners with whom they communicate both formally and informally in order to receive ideas and information relevant to innovation development, and these are most often their direct customers/consumers. The internal sources of innovation that they use most are procurement/sales and marketing departments. In most companies the average innovation life cycle lasts from 1 month to 3 years. In most cases (18 companies) it takes 1 month to 1 year from the beginning of product/service development to entering the market. The same period is required for the product to begin to make a profit in the majority (16) of companies. Serbian companies do not have much time to develop since their innovation budgets are limited and they have to get the product into the market as soon as possible to get a return on investment. Therefore they prefer incremental to radical innovation, which is less demanding in terms of money and development time. The share of profit from innovation was in the range of 1 percent -60 percent for more than 50 percent of the companies, suggesting that the innovations were successful in the market and/or that the companies prepared their entrance to the market well, despite the relatively short development period. Female managed/owned companies represent a very small share of the beneficiaries of the so-called 'advanced' programmes to support the innovativeness and competitiveness of SMEs. The capacity of female companies to perform innovation activities is limited by their financial and human resource potential, as female companies are predominantly micro companies. The companies involved in the sample of the presented research are small and medium-sized, and therefore they were able to report on their business innovativeness. In the process of sampling it was hard to recruit more companies of the same or similar capacity due to the lack of female companies with innovation potential in Serbia's SME sector. This fact is also an indicator to be considered when designing policy measures to improve their innovation management competency. Improvements are obviously needed in order to achieve competitiveness, even in the local market and certainly in the competitive EU market.

## **Organisations Promoting Women Entrepreneurship**

### **I. Womens' India Trust (WIT)**

WIT is a charitable organisation established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.

### **ii. Centre for Collective Learning and Action (SAHAYI)**

SAHAYI has been working since 1990 towards capacity building of women collectives in Kerala. It also provides short-term entrepreneurship development training to women collectives.

### **iii. Kerala State Women's Development Corporation (KSWDC)**

KSWDC is a public sector undertaking formed for the development of women and registered in 1988 under the Companies Act. It provides self employment loans, employment based training, loans to Mahila Samajams co-operative societies, etc.

### **iv. Self Employed Womens' Association (SEWA)**

SEWA was established in 1986 and registered under the Charitable Societies Act. It is a membership-based organisation. The increasing marginalization of women from their traditional occupation like fish vending and reed work was creating several problems, specially related to the sustenance of their families, which motivated the inception of SEWA in Thiruvananthapuram.

### **v. Dalit Women's Society (DWS)**

DWS is a voluntary organisation started in the year 1992 at Kurichi in Kottayam district. It is the first womens' organisation which organised tuition programmes, self-employment programmes, workshop and computer training for dalit women.

### **vi. Kerala State Women's Industries Association (KSWIA)**

KSWIA is an association of women entrepreneurs in Kerala, which was formed in 1980 for the promotion of women entrepreneurs. It safeguards the interests of its members and also provides a forum to discuss their common

### **vii. Self-Help Group (SHG)**

These are the associations of small group of self-employed rural or urban women entrepreneurs who join together to take care of group welfare. The group with the help of financial institutions and other NGOs get their needs satisfied. This is voluntary association. Each member contributes a small sum to cover seed money while the rest will be taken care of by FIs or NGOs. Governments also provide funds through FIs. In Karnataka “Stree Shakti” scheme of Government of Karnataka is providing funds for women entrepreneurs through FIs for the last four years.

### **viii. Women Association in Karnataka**

AWAKE's process in entrepreneurship development involves awareness programs, business counseling, trainings, skill development, mentoring, business incubation, information sharing and networking, marketing assistance, credit referral and policy advocacy. The organization comprises women entrepreneurs from various sectors as its members. Members of AWAKE contribute their time and expertise to support women entrepreneurs, based on the approach 'Entrepreneur guiding Entrepreneur'.

AWAKE has built up a strong support network with Government, non-government, corporate, developmental agencies, funding and finance agencies, working with them to provide the expertise in entrepreneurship development for both rural and urban women.

### **Innovation and Entrepreneurship**

Women are more likely and more broadly to see innovation than men. Innovation and entrepreneurship is found to focus on one or more of these three areas. Looking at an owner's motivations and management style, the structure of internal teams, and other characteristics unique to the owner or the business. Innovation can be fostered or impeded by the physical location of a business (rural/urban, robustness of infrastructure) or by community characteristics (workforce skillsets, local support networks, or other complementary enterprises). It is a matter of economic interest to know how all these factors have an impact on the local eco-system. It



is at this nexus that this project was conceived: to explore what is known about women's entrepreneurship and innovation – looking at both attitudes and behavior within the firm and at the external environment.

### **Methodology**

A total number of 100 women entrepreneurs from Kerala and Karnataka were selected as sample for the study. Primary and secondary data have also been used in the analysis from periodicals, books, reports and from various websites for analysis.

### **Analysis and Interpretation**

Research on entrepreneurship has evolved various characteristics that have identified in the entrepreneurs. A majority of the respondents were between the ages of 30 to 50 years. Nearly 85 percent were married, 10 percent were unmarried and around 5 percent were widow/divorced. Women took up entrepreneurship against the odds of their family responsibilities. Many of them had to face difficulties while stepping into this work and at time carry it alone. Because parents prefer spending money on the marriage of their daughter rather than assisting her to set up a business enterprise of her own.

About 73 percent of the women were running their business by rent/lease, 22 percent in their own building. Most of them were involved in food processing units.

### **Educational background of the entrepreneur**

It was noticed that majority of the respondents did not possess any technical qualification nor did they have any formal training in entrepreneurship. This seems to be a real impediment to the efficient management and the smooth running of their enterprises. The reason for this may be the prevailing attractive job prospects in wage employment which is less burdensome for housewives. The study revealed that much education was not necessary for starting and running an enterprise. The fact remains that it is not the entrepreneur's education, but her entrepreneurial acumen that matters and makes all the difference in the entrepreneurial behavior

and performance. We have the examples of the remarkable success of some of the illiterate and / or high school dropout entrepreneur's world over. In our sample study, there were 40 percent Degree holders, 25 percent P.U.C holders, 25 percent S.S.L.C holders, 10 percent P.G holders.

### Management of business

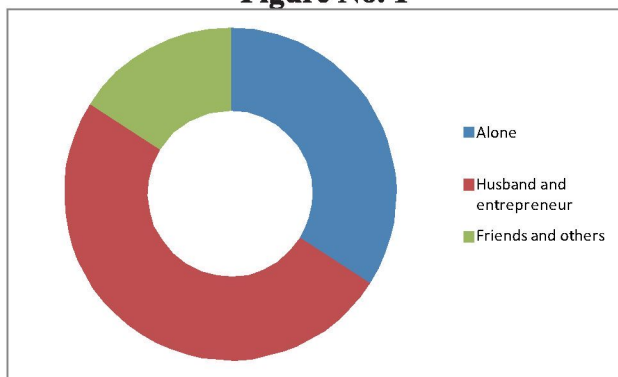
Management of business was done at different levels, by different women. The data shows that the majority of respondents (50 percent) managed their business with their husbands. Another 34 percent did it alone. About 16 percent were helped by their friends and others. So the study suggests that running a business with spouse is still a popular and successful way of working for many couples.

**Table No. 1 : Management of Business Status**

Status	Percentage
Alone	34
Husband and Entrepreneur	50
Friends and others	16

*Source : Field Survey*

**Figure No. 1**



### Innovation and Management

There is a growing acceptance that any business can be innovative, regardless of its size or sector. However, internal structures and

processes can have a significant impact on the level of innovation within firms. An owner's motivations and management style, the structure of internal teams, and other internal resources all play an important role.

Many reported that they need to explore newer ways of managing the show, taking into accounts the emerging trends and how to turn them into a competitive advantage; because business today is different from that of 20 to 30 years ago due to new technologies. Indeed the social media, the digital culture, and for many a new and stimulating environment have become a significant part of their daily activities. All respondents have agreed that they need to focus on identifying new opportunities and best practices by exploring if more technology really means more progress, efficiency, and knowledge.

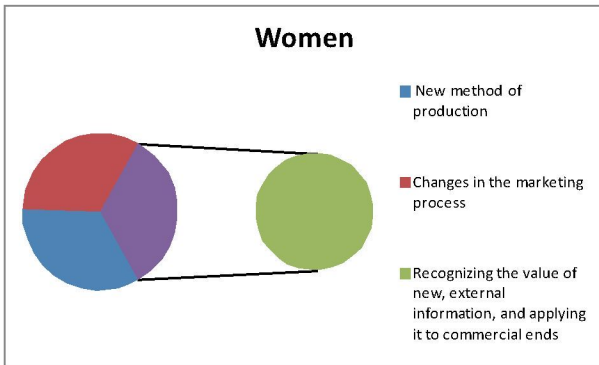
From the primary data it was gathered that women do use innovative methods and manage their business. It was observed that about 58 percent of them use new method of production, 56 percent of them work for bring about new/innovative marketing process. 58 percent believe that they need to identify innovative methods for a successful business

**Table No. 2: Innovative Methods used by Women Entrepreneurs**

<b>Method adopted</b>	<b>Percentage</b>
New method of production	58
Changes in the marketing process	56
Recognizing the value of new, external information, and applying it to commercial ends	58

**Source :** Filed survey

There are many distinct, inventive, and inexpensive ways that many new business owners use to promote their companies. Compared to the conventional methods of direct mail advertising, telemarketing, and the use of broadcast media, business owners are now relying upon novel approaches to market their goods. Guerilla marketing is

**Figure No. 2**

used to describe unique, imaginative, and cost-efficient ways to advertise a product or service. Often times, small business owners will resort to this form of marketing because it is cheaper and sometimes more successful than traditional marketing strategies and subliminal marketing where a message is deliberately embedded within an image or sound. Many people may not be consciously aware they are being exposed to such implications, but will often change their actions and attitudes after viewing or listening to the advertisement. In addition, the use of podcasts is one of the innovative ways to market a new business . Podcasting is a technological term in which digital media (audio and video) can be transmitted from online to one's own personal computer or portable media device, blogs, and social networking sites also have become popular alternatives to traditional means is another novel approach to marketing Just as podcasting attracts online audiences, blogs and forums also serve as an excellent and simple way to bring attention to a new business Whatever the method, business owners are able to successfully establish recognition, credibility, profitability, and a wide consumer base.

### **Financial Resource**

There is no doubt that the spread of microfinance models – including lending pools, village banking, cell phone banking, and microfinance institution networks – have helped lift many women economically. Some of the respondents have pointed out that they being women did not want to take the risk of investing huge amounts.

Some others wanted to begin small and later expand the market by assessing the demand for their product. For majority (80 percent) of the respondents the sources of funds were from banks. 10 percent of the respondents used their own funds for starting an entrepreneurial venture. Another minority of 10 percent borrowed from other source.

**Table No. 3: Sources of Funds**

Source	Percentage
Own contribution	10
Bank	80
Other	10

**Source:** Survey data

The above chart displays about the funds borrowed by women entrepreneurs from different sources.

The enterprises under study were basically micro in nature with capital investment ranging from Rs 1 lakhs to Rs.20 lakhs. Only a few units had initial investment above 11 to 20 lakhs. "The typical business started by female entrepreneurs in developing countries are often small, necessity-driven, consumer-oriented businesses with few or no employees and lower growth suggestion," says Kelly.

### **Suggestions**

1. It has been observed in the study, that majority of enterprises under study are managed by the entrepreneurs with the help of their family members. It lacks the expertise of professionalism. Hence it is suggested that the inclusion of professional managers may help the entrepreneurs to make the enterprises more innovative.

2. The study also indicates that though the majority of respondent use innovative and new methods in different functions of the organisations.(58 percent) But there is an equal percentage of respondents who do not make use of such methods. So there is a need to educate these entrepreneurs so as to be more innovative. Training by Government departments may go a long way in this direction.

## **Conclusion**

Women entrepreneurship is indispensable for long-term economic growth in today's high-tech world. The study tried to find out the difference among various set of people from different religion, culture and family background of the crucial factors which are concerned with the women entrepreneurial opportunities at large, study also concentrates on women's innovation of work, interest and dedication at work and the effort they have showed which factor lead them to great success in the society. These factors may vary from place to place business to business but women entrepreneurship is necessary for the growth of any economy weather it large or small. The efforts of public and private institutions to promote or develop women's entrepreneurship in developing countries will undoubtedly continue to benefit individual women entrepreneurs. Consequently, it is vital to encourage long-term female entrepreneurial involvement in order to foster socio-economic growth.

India is brimming with the success stories of women. They stand tall from the rest of the crowd and are applauded for their achievements in their respective field. These women leaders are assertive, persuasive and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and perseverance. Ability to learn quickly from her abilities, her persuasiveness, open style of problem solving, willingness to take risks and chances, ability to motivate people, knowing how to win and lose gracefully are the of the Indian women entrepreneurs. In a recent survey it is revealed that the female entrepreneurs from India are generating more wealth than the women in any part of the world. The basic qualities required for entrepreneurs and the basic characters of Indian women, reveal that, much potential is available among the Indian women on their entrepreneurial ability. This potential is to be recognized, brought out and exposed for utilization in productive and service sectors for the development of the nation.

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