

## Financial Management Practices And The Performance Of Women Entrepreneur In Thiruvavarur Taluk Of Thiruvavarur District, Tamilnadu

Ms.Rani Therasa M<sup>1</sup>, Dr.Rajandran KVR<sup>2</sup>

### Abstract

*Women are interested in launching a company so they can be independent and earn additional income, yet there are many challenges that entrepreneurs face while beginning and maintaining a firm of the money considered to be the biggest issue. This study aims to investigate the financial practices used by female entrepreneurs and their success, specifically in Tiruvarur District of Tamil Nadu. Using simple random sampling techniques, the necessary data were collected from the 150 women business owners. The methods of regression, simple mean, and percentage analysis are employed to obtain the result. Accordingly, the study found that the majority of women company owners in the district of Thiruvavarur, lack financial management skills and spend their profits on things other than their companies, making it impossible for them to reinvest their earnings in growing their companies. The study shows least influencing factor investment is producing the highest impact then the most influencing factor of accounting information system.*

**Keyword:** Accounting Information System, Financial Practices, Growth, Investment, Performance, Percentage Analysis, Regression, Simple Mean, Women Entrepreneurship, Tamil Nadu.

### Introduction

Thiruvavarur district is the 27<sup>th</sup> and most populous district in terms of overall population, with 20.4% of residents living in urban areas. Thiruvavarur is one of the eleven taluks that make up the district of Thiruvavarur. Women have been participating in various kinds of activities throughout the world, and this has influenced the Thiruvavarur women to get involved in business. But maintaining a business, financial management is one of the crucial steps, and it's regarded as the backbone of any enterprise. The financial source is one of the most important factors in all aspects of management since it supports investments, marketing, manufacturing, and all other aspects of an enterprise's operations. Therefore, it is the one item that may foretell the destiny of the company. And the effectiveness of the firm will depend on the financial management procedure that was used. Working capital management: A business practice called (i) Working capital management: working capital management aids organizations in making efficient use of their existing assets and maximizing cash flow. (ii) Financial reporting: Businesses share financial data with internal and external stakeholders through financial reporting. (iii) An accounting information system: For the benefit of accountants, consultants, business analysts, managers, chief financial officers (CFOs), auditors, regulators, and tax agencies, a company employs an accounting information system (AIS) to gather, store, manage, process, retrieve, and report its financial data.

### Review of Literature

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<sup>1</sup>Ph.D Research Scholar, Department of Management Studies, Periyar Maniammai Institute of Science & Technology (Deemed to be University), Thanjavur

<sup>2</sup>Professor, Department of Management Studies, Periyar Maniammai Institute of Science & Technology (Deemed to be University), Thanjavur

Ademola Abimbola and Aclegoke (2017)<sup>2</sup>, conducted an analysis to find the financial management practises and the performance of women entrepreneurs. The study used simple random sampling techniques to collect the required information from 348 women. The data were analysed using a table, percentage, chart, and Spearman correlation. According to the researcher, 82 % of entrepreneurs were not properly keeping their accounts and were spending a lot of money on unnecessary items that were not useful to their businesses. The spearman correlation result showed that women manage their spending of their funds to their businesses, which helps them perform better (good financial practises are used to improve their performance).

Meliss Rence Dyer (2021)<sup>3</sup>, the study analysed financial strategies for long-term success in women-owned small businesses. The study used the interview method to collect information from 11 small business owners; the interviews were recorded, and NVIVO software was used to identify and code the data. Thematic analysis was used to foster economic growth. The success of women small business owners can boost the local economy and raise the standard of living for the owners' families and the surrounding community.

Onni Negonga (2017)<sup>4</sup>, conducted an analysis to find the financial management by small and medium enterprises. The primary data were collect from 73 respondents. The questionnaires method were used with closed and open ended questions to collect the information validity and reliability test were conducted simple percentage analysis was used to find the result the researcher concluded that the financial management is and should meet income statement balance sheet cash flow and the entrepreneur need skills to analyses the financial statements so that they can be used in the decision making process its helps to make a improvements in financial management (growth, performance of business) its however evident from the study finding but the SME sector lack adequate training and intrinsic motivation in financial management practice and skill

Solomon Terfasa Dinka (2019)<sup>5</sup>, conducted an analysis to find the accounting practices and its effect on small and medium enterprises the total population of the study is 1005 and the required data gathered from 287 entrepreneur simple percentage frequency chart were analyzed and displayed to find the result. The survey came to the conclusion that due to a lack of information about financial analysis the majority of small and medium sized business did not participated in the production of cash flow budgets. The study discovered that the small and medium business in the study regions did not respond well to the business entity idea. The survey also found the few of the local business were involved in the analysis of sale pattern.

Tonderai Nyamwanza and Denver Mapetere (2012)<sup>6</sup>, studied the Financial management of Gweru women entrepreneurs. The study identifies the difficulty faced by women

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<sup>2</sup> Ademola Abimbola and Aclegoke (2017),Financial management practices and performance of women entrepreneurs in Nigeria,3(4),:1-10,DOI:10.9734/AJEBA/2017/35236

<sup>3</sup> Meliss Rence Dyer(2021), Financial Strategies For Long-Term Success In Women-Owned Small Businesses,Vol.23,Issue.1,Article.1,The Journal Of Entrepreneurial Finance,Pg.1-16.

<sup>4</sup> Onni Negonga (2017), The Effect Of Financial Management Practices And Skills Of Small And Medium Enterprise's In Oshakati Tow,Pg.99.

<sup>5</sup> Solomon Terfasa Dinka (2019),Challenges Of Accounting Practices And Its Prospects: Evidence From Small And Medium Enterprises Of Selected Districts, South West Shoa Zone, Ethiopia , Research Journal Of Finance And Accounting , Issn 2222-1697 (Paper) Issn 2222-2847 (Online), Doi: 10.7176/Rjfa, Vol.10, No.11,Pg59-67

<sup>6</sup> Tonderai Nyamwanza& Denver Mapetere (2012), Financial Management: Case Study of Gweru Women Entrepreneurs. International Journal of Business and Social Science Vol. 3 No. 18 .

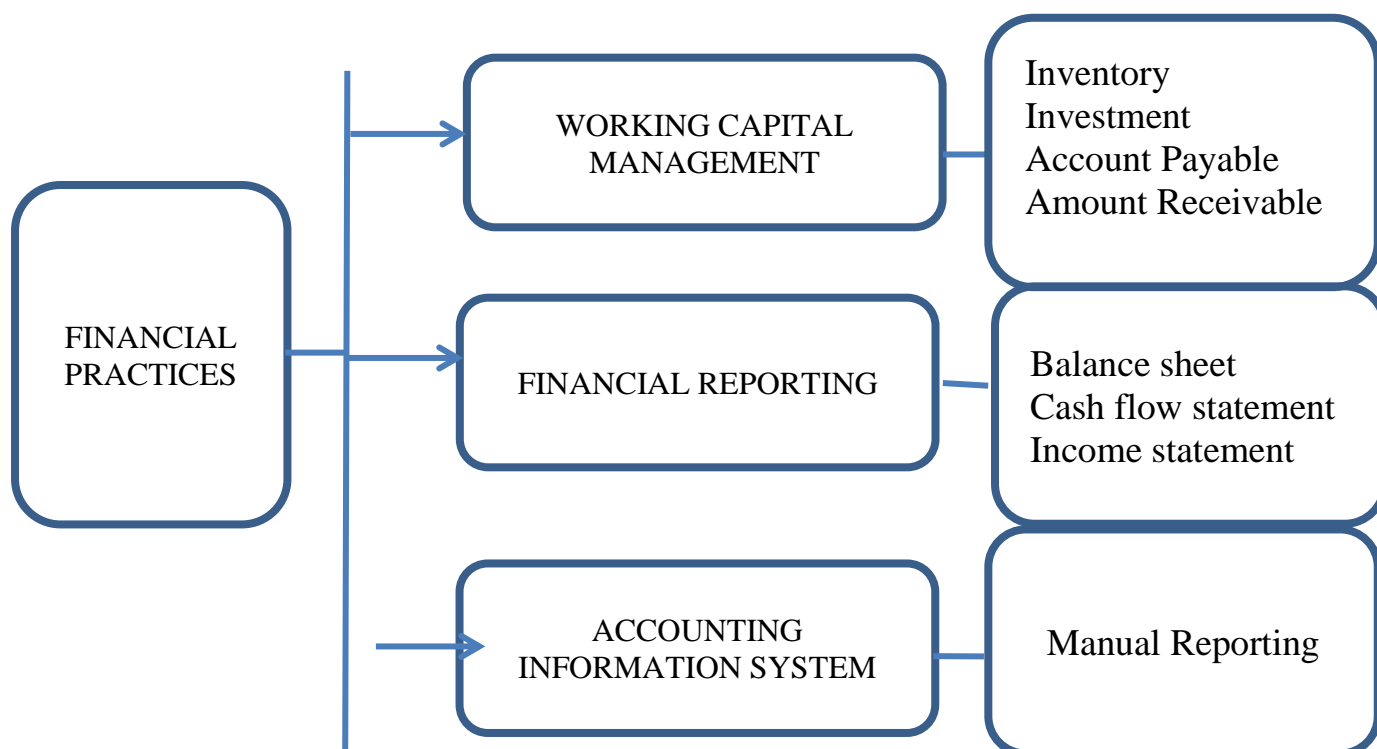
entrepreneurs to enhance their business growth. the research were used primary data for the required information.80 female owners of various small and medium enterprises formed the sample of study and these were randomly selected in Gweru city .the data was analyzed using regression to test the hypothesis. The researcher concluded that lack of formal education and technical education among the women has serious implications of performance and development of female owners. Less educated people have lack of awareness of entrepreneurial activities and Lack of adoptable to change which affect them to get a profit.

### Statement of the Problem

Entrepreneurship literatures have outlined the contributions that women entrepreneurs make to economic growth and development. Their influence on the labor market and the responsibilities they play as female entrepreneurs are growing all the time. Women business owners struggle to manage their revenues, though. Despite the fact that their enterprises have been profitable, they have not been able to reinvest their funds

### Research Framework Model

Chart No: 1.1



### Objectives

- To identified the challenges faced by women entrepreneurs in managing business finances
- To examine the financial practices that most influence and least influence of women entrepreneur to run the business in Thiruvavur district
- To find the impact of financial practice on women entrepreneur performance

### Research Methodology

This study, which was carried out in Tamil Nadu's Thiruvavur district's Thiruvvur Taluk, utilized a descriptive research design. There were 290 people in total, and 150 female entrepreneurs provided the information. Simple random sampling procedures were used to acquire the data, and the entire process took one month. Business women provided the

primary data, while secondary sources included pertinent books, journals, and periodicals.

**Data analysis**

**TO IDENTIFIED THE CHALLENGES FACED BY WOMEN ENTREPRENEURS IN MANAGING BUSINESS FINANCES**

**Figure 4.1**



**Interpretation**

The above table 4.1 has shown that the majority of the women entrepreneurs are facing a problem of lack of required funds, and the second major issue is a lack of management skills, which is the reason they are not able to reinvest their amount into the business or for expansion.

**TO EXAMINE THE FINANCIAL PRACTICES THAT MOST INFLUENCE AND LEAST INFLUENCE OF WOMEN ENTREPRENEUR TO RUN THE BUSINESS IN THIRUVARUR DISTRICT**

**TABLE 4.1.1**

Financial Practice	Mean
Inventory	2.60
Investment	1.82
Amount Payable	2.13
Amount Receivable	3.04
Balance Sheet	2.09
Income Statement	2.01
Accounting Information System	3.83
Valid N (listwise)	94

**Interpretation**

The above table 4.1.1 has shows that the highest mean value is 3.83 which indicates that the accounting information system are the most influencing factors women to run a business and the lest influencing factor is investment which 1.82.

**TO FIND THE IMPACT OF FINANCIAL PRACTICE ON WOMEN ENTREPRENEUR PERFORMANCE (MOST INFLUENCING)**

H<sub>0</sub> There is no impact of Financial Practice on Women Entrepreneur Performance (Most Influencing Practice)

H<sub>1</sub> There is an impact of Financial Practice on Women Entrepreneur Performance (Most Influencing Practice)

**TABLE 4.2.1**

<b>Model Summary - Impact Of Most Influencing Financial Practice On Women Entrepreneur Performance</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.412 <sup>a</sup>	.288	.208	.712
a. Predictors: (Constant), profit level has increased, there is a growth in sale, Net cash flow has increased, We access our customer satisfaction, We added value to customer				

**Interpretation**

The table 4.2.1 shown that the R value is 0.412 therefore there is a impact of accounting information system on performance of women entrepreneur. And thr R Square value is 0.288 which means there is only 28% has impact and a very low impact on women entrepreneur performance by AIS (Accounting information system).

**TABLE 4.2.2**

<b>ANOVA<sup>b</sup> - Impact Of Most Influencing Financial Practice On Women Entrepreneur Performance</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.242	5	9.248	18.257	.000 <sup>a</sup>
	Residual	45.084	89	.507		
	Total	91.326	94			
a. Predictors: (Constant), profit level has increased,there is a growth in sale, Net cash flow has increased, We access our customer satisfaction, We added value to customer						
b. Dependent Variable: Accounting Information System						

**Interpretation**

The table 4.2.2 revealed that the sig value is 0.000 which is less than p value 0.05 which means there is impact of accounting information system on performance of women entrepreneur in their business

**TABLE 4.2.3**

<b>Coefficients<sup>a</sup> Impact Of Most Influencing Financial Practice On Women Entrepreneur Performance</b>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	.395	.765		.516	.607
Profit level has increased	.384	.099	.459	3.880	.000
There is a growth in sale	.049	.126	.055	.386	.701
Net cash flow has increased	.037	.126	.041	.294	.770
We access our customer satisfaction	.044	.150	.045	.292	.771
We added value to customer	.082	.121	.091	.681	.498

a. Dependent Variable: Accounting Information System		
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**Interpretation**

The above table 4.2.3 shows that only the profit has a significant value of 0.000, less than the p value of 0.05, and the rest of the variables (growth in sales, net cash flow, customer satisfaction, and added value to customers) has no significant value, which is higher than the P value of 0.05, and reveals that the accounting information system has not helped women entrepreneurs perform better in business.

**TO FIND THE IMPACT OF FINANCIAL PRACTICE ON WOMEN ENTREPRENEUR PERFORMANCE (LEAST INFLUENCING)**

H<sub>0</sub> There is no impact of Financial Practice on Women Entrepreneur Performance (Least Influencing Practice)

H<sub>1</sub> There is an impact of Financial Practice on Women Entrepreneur Performance (Least Influencing Practice)

**TABLE 4.3.1**

Model Summary- Impact Of Most Influencing Financial Practice On Women Entrepreneur Performance				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.694 <sup>a</sup>	.793	.777	.244
a. Predictors: (Constant), profit level has increased, there is a growth in sale, Net cash flow has increased, We access our customer satisfaction, We added value to customer				

**Interpretation**

The model summary table 4.3.1 has shows that the R value is 0.694 therefore there is moderate impact of investment on entrepreneur performance and the R square value is 0.793 which indicates that there is 79% has impact by least influencing factor of investment on performance of women entrepreneur.

**TABLE 4.3.2**

ANOVA <sup>b</sup> - Impact Of Most Influencing Financial Practice On Women Entrepreneur Performance						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.029	5	3.606	5.738	.000 <sup>a</sup>
	Residual	55.929	89	.628		
	Total	73.958	94			
a. Predictors: (Constant), profit level has increased,there is a growth in sale, Net cash flow has increased, We access our customer satisfaction, We added value to customer						
b. Dependent Variable: Investment						

**Interpretation**

The table 4.3.2 has revealed that the sign value is 0.000 which is less than p value 0.05,so there is an impact of investment on performance of women entrepreneur

**TABLE 4.3.3**

Coefficients - Impact Of Most Influencing Financial Practice On Women Entrepreneur Performance						
Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.122	.687		.178	.859

Profit level has increased	.204	.089	.219	2.294	.024
There is a growth in sale	-.059	.113	-.060	-.518	.605
Net cash flow has increased	.482	.114	.482	4.247	.000
We access our customer satisfaction	.150	.135	.140	1.115	.268
We added value to customer	-.033	.108	-.033	-.302	.763
a. Dependent Variable: Investment					

### Interpretation

The above table 4.3.3 shows that the (profit level has increased, net cash flow, customer satisfaction ) has a significant value of 0.000, less than the p value of 0.05 and its reveals that only least influencing factor the investment has helped the women entrepreneurs perform better in their business significantly.

### Hypothesis Result for the Present Study

**Most Influencing factor of Financial Practice on the performance of women entrepreneur**

**TABLE 4.4.1**

S.No	Summary	Null Hypothesis
1	H <sub>1</sub> There is no impact of Accounting Information System on profit level has increased	Rejected
2	H <sub>0</sub> There is a impact of Accounting Information System there is a growth in sale	Accepted
3	H <sub>1</sub> There is a impact of Accounting Information System Net cash flow has increased	Accepted
4	H <sub>1</sub> There is a impact of Accounting Information System We access our customer satisfaction	Accepted
5	H <sub>1</sub> There is a impact of Accounting Information System We added value to customer	Accepted

**Least Influencing factor of Financial Practice on the performance of women entrepreneur**

**TABLE 4.4.2**

S.No	Summary	Null Hypothesis
1	H <sub>0</sub> There is no Investment on profit level has increased	Rejected
2	H <sub>1</sub> There is a impact of Investment on there is a growth in sale	Accepted
3	H <sub>0</sub> There is a impact of Investment on Net cash flow has increased We access our customer satisfaction	Rejected
4	H <sub>1</sub> There is a impact of Investment on	Accepted
5	H <sub>1</sub> There is a impact of Investment on We added value to customer	Accepted



## Conclusion

However, our research revealed that female entrepreneurs frequently worked with little resources. The majority of women lack managerial abilities. Women do very poorly because they are unable to invest a lot of money to grow their businesses or turn a profit since they have a lot of debt and loan payments to make.

The least influencing factor (investment) has more impact on how well the women entrepreneurs perform in their businesses than the most influencing factor (accounting information system), because the women are more influenced by AIS, but its influence is not reflected in their performance.

## Suggestion

- To educate women business owners in India about available state and federal credit programs and financial resources.
- Training and development programs for young, educated women and established women entrepreneurs from the state government and financial institutions.
- The current borrowers should inform aspiring women entrepreneurs on the creditworthiness and financial success of their firm.

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