

# A Study Of Entrepreneurial Competencies Among Handloom Weavers Of Telangana

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## ARTICLE INFO    ABSTRACT

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Rural India provides entrepreneurial opportunities for micro enterprises, thus augmenting employment and income generation. In rural India after agriculture the Handloom is the major employment provider. It directly and indirectly generates about 4.3 million employment opportunities. India provides about 95% of handloom fabric to the world. Despite this, the handloom sector has the challenges of low productivity, unorganized system of establishment, working capital and branding. Entrepreneurs are the growth engine for economy to prosper. Utilization of rural citizens coupled with entrepreneurial alignment, enhances the development of micro-enterprises in handloom segment and economy of India. The industry derives continuous demand and keeps the traditional and contemporary handloom entrepreneurial hopes alive. This research article studies the assessment of entrepreneurial competency of the handloom weavers in state of Telangana. A questionnaire was set and an interview was conducted on the handloom weavers of Telangana using a convenient sampling. The results shows that the Entrepreneurial competence in growth aspirations, customer orientation, new product development etc. is critical for successful operations of micro-enterprises in handloom industry. The study also unveils that the entrepreneurial competence is high for experience & skills and moderate- low for new product development, personal abilities and business abilities.

**Key words:** Entrepreneurship, Handloom weavers, clusters, entrepreneurial competence.

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## Introduction

Indian artistry emulated by the handloom weaving craft has carried forward the rich Indian traditions. An ancient industry, handloom weaving is the source of livelihood for many in Indian villages with a spread of various styles, practices and size over the country and at times family based. The handloom industry is a sector that is steeped in historical importance with a rich legacy century dating back to the Indus valley civilization. The Handloom sector's sustaining economy is of prime importance to India. Millions of artisans from all corners of the country are employed in the industry being the major sector of cottage industries. Starting as a traditional rural industry, it has the largest semi urban sector and has widely spread throughout India. A quarter of all the cloth produced in the country comes from the handloom industry and is second only to agriculture in providing a livelihood to more than 40 million people. Handloom derives from the concept that a wooden structure called a loom is manually operated by hand.

The handloom sector is the largest cottage industry adopted by rural and urban artisans. The handloom fabrics are adorned by both royal personages and low-income population. It also has the patronage of overseas customers. TARI (Research Team, based on Third Handloom Census, Government of India) second only to agriculture in economic activity, comes the handloom sector in terms of employment. "The Annual Reports of the Ministry of Textiles (2011-12) shows the handloom sector, with about 23.77 lakh handlooms, provides employment to 43.31 lakh; of which 77.9% are women and 28 % belong to the Scheduled Castes and Scheduled tribes. The fourth all Indian Handloom census of 2019-20 gave the total number of households in India engaged in handloom activities (weaving and allied activities) as 31.45 lakhs an increase from the third census count was 27.83 lakhs." Still weavers remain marginalized and often impoverished despite hand

woven fabrics being well sought after, not only on the national level but also the global one.. To be an entrepreneur weaver, characteristics of entrepreneurial behavior are required along with self-confidence. Ramalingam, 2010 suggested the immediate need to attract youth in the handloom profession, thereby bringing back the glory of the past for the segment. Although the handloom sector has potential in the globalization era, it does not produce ample entrepreneurs. The majority (66.3%) of weaver households earn less than Rs.5,000/- per month. 36.1% of weaver households from urban India earn more than Rs.5,000 a month as compared to only 25.1% living in rural areas. Rajeswari, 2013 pointed out that, low wage rates, lower socio-economic status of weavers and ambiguity in the effectiveness of cooperatives, the handloom industry is piling up the problems of entrepreneur dependent on handloom sector. Dimensions of entrepreneurial competence studied in this research article are risk taking ability, motivation, management orientation, credit orientation, level of aspiration, innovativeness and self-confidence as dependent variables. India represents a large domestic market, divided for products differing in quality and price, leading to clusters of diverse products and quality. Some of these clusters have existed for a few decades or several centuries, catering to local, regional, national and international markets. Local and regional markets have historically existed in clusters to supply handicrafts and handloom products with high valued products, produced through local elites. Handloom clusters is seen as a group of enterprises in a geographical location not dependent on specialization or cooperation. Rosenfeld (1996) defined clusters as "Geographically bounded concentration of similar, related or complementary businesses with active channels for business transactions, communications and dialogue that share specialised infrastructure, labour markets and services, and that are faced with common opportunities and threats." A typical handloom cluster in India consists of a group of weavers in adjacent villages/towns producing similar products in a similar method. They increase productivity through speed and direction, thus have a bearing on competition and encourage new business. Clusters promote both competition and cooperation, both needed for success, they are an addition to the value chain. Various handloom clusters in India produce a variety of magnificent products. Products vary region to region, since each state in India specializes in products determined by the culture of that region and the workers skills. Pasmina Shawls in Jammu and Kashmir and Muga silks of Assam, Pochampali & Gadwal sarees of Telangana, Kanchipuram Sarees of Tamil Nadu for example.

### Literature review

As per Bird (1995) defined "Entrepreneurial competencies can be defined as underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles and skills that result in venture birth, survival, and/or growth

So are per Hardy 1999 entrepreneur's psychological characteristics are the need for success in the business is for self-realization more than for society reorganization or fame. Entrepreneurs like individual responsibility by Problem solving, having goal and achieving them through their self-efforts. They are keen on entrepreneurship due to adventurous decision-making in spite of repetition in work. They also believe that future and fame can be controlled by them instead of depending on others. Their high wish of controlling can affect their daily working process. Entrepreneurs are also mostly independent in thoughts, action and enjoy the freedom. Hardy also says that Entrepreneurs are determined to achieve their goals and never give up as they are aware that there is no short cut to success and it can be achieved only through hard work and perseverance. Another Characteristic Dedication is pivotal in entrepreneurial ventures, enabling entrepreneurs to surmount obstacles and reach the pinnacle of success, as highlighted by Hardy (1999). George S. Patton's assertion that acting upon a good idea promptly is superior to delaying for perfection resonates (Chen Dezhi, 2001). Simply possessing entrepreneurial ideas without taking action yields no success.

A strong foundation of knowledge is indispensable for entrepreneurs, influencing their ability to analyze, assess, and solve problems, as well as shaping the future of their businesses. According to Hardy (1999), entrepreneurs must be well-versed in various domains including Politics, Organizational Behavior, Economics, Computer Science, Logic, Law, Accounting, and Statistics.

Entrepreneurs require a diverse set of capabilities such as operational proficiency, management skills, and effective communication abilities (Hardy, 1999). Operational prowess is particularly crucial, with entrepreneurs needing to excel in this area before delving into business ownership. Management capabilities encompass strategic planning, marketing, and financial management, enabling entrepreneurs to approach business challenges comprehensively.

Legislation such as the Reservation of Articles for Production Act, 1985, defines handloom as any loom excluding power looms. Kurian (2005) emphasizes that measures to enhance productivity and worker benefits must be initiated by governments or trade unions. Wang (2016) posits that micro-entrepreneurs may face disadvantages compared to larger firms, while Mahapatro (1996) highlights the challenges faced by cotton handloom entrepreneurs due to a lack of entrepreneurial competence.

Bharati (2007) defines an entrepreneur as someone who assumes risks, coordinates factors of production, and fosters innovation. Rao's (1984) case study on the handloom cooperative sector in Mehaboobnagar, Telangana, illustrates the poor economic conditions of weavers. Wang (2016) suggests that handloom

entrepreneurs should tap into global market demand to improve market accessibility and bargaining power. Gundeti (2009) points out economic challenges faced by handloom weavers in Karimnagar district, including low income and inadequate infrastructure.

Studies by Olive (2021), Suman (2016), Raju (2014), and Dash (2020) collectively underscore the challenges confronting handloom weavers, including governmental neglect, insufficient infrastructure, and inadequate marketing connections. These difficulties are compounded by financial limitations, unfavorable working conditions, and meager compensation (Dash, 2020). Despite these hurdles, handloom weaving remains a significant source of employment, particularly for women and marginalized communities (Raju, 2014). However, there is an urgent need to explore and implement entrepreneurial initiatives in the handloom sector to ameliorate the socio-economic conditions of weavers (Suman, 2016).

### Research Methodology:

Primary and secondary data were collected. Primary data has been collected by administering a structured questionnaire to the weavers. A Survey and in- depth Interviews with the Individual weavers, weavers, in cooperative societies and weavers employed by master weavers etc. The questionnaire consists of questions about the demographic details, experience, Work environments, productivity, financial, marketing related information, Challenges and support in production and self-appraisal of personal abilities and self-appraisal of Business abilities. The secondary data was collected from internet, journals, research and published reports etc. The geographical area of the study covered Gadwal and Narayanapet clusters of Telangana.

### Data Collection and Processing

The data on the entrepreneurial orientation of the weavers of Gadwal and Narayanapet clusters of Telangana was collected using convenience sampling method. The questionnaire was administered for 125 weavers which was reduced to 105 based on the complete responses received from the questionnaire. The Individual weavers, weavers working in cooperative societies and weavers employed by master weavers were a part of the study to understand the entrepreneurial orientation. Analysis of the data has been done by using tools like , percentage, graphs, bars etc.

### Discussion and Analysis:

The respondents originate from the clusters of Gadwal and Narayanpet. Demographics and the socio-economic profile of the weaver household which describes marriage, family size, income levels, type of house ownership, type of dwelling are in the table below:

<b>Gender</b>	61.4% are females, 38.6% are males
<b>Age</b>	45-48
<b>Social Group</b>	96.3% belong to OBC (Other backward classes)
<b>Education</b>	29.8 % have never attended school, 28.6% till middle school, 14.3% have a graduate or postgraduate degree.
<b>Marital Status and Family type</b>	94% are married & 6% are unmarried. 55.4% live in joint families and 44.6% in nuclear families.
<b>House</b>	82.7% respondents reside in their own homes, 17.3% live in rented houses.
<b>Income</b>	37% have a monthly income ranging from Rs. 5000 to Rs. 10,000, 17% have a monthly income ranging from Rs. 10,000 to Rs. 15,000. Only 3.7 % have an income greater than 1 lakh per month.

### Working Environment

Weaver of Gadwal & Narayanapet clusters working hours are 8-9 hrs. per day and during the season work hours are more and less during off-season. On average most weavers work for 22 days in a month. 47.4% weavers have learnt weaving as a teenager and the rest learnt this skill as children and 67 % these weavers whose average age is 45 years are in the handloom sector for more than 25 yrs. 78 % of these weavers are employed by the Master Weaver's. The rest in the Handloom Cooperative Societies and independent production. For all the respondents handlooms are the only source of employment. There are two types of looms prominent in these Clusters Pit loom and Frame loom. 45% of the weavers surveyed work on a pit loom and 43.8% of them work on frame looms. The rest of them use jacquard looms.

### Production and Marketing

There is a vast variation in the annual sales turnover of weaver, it ranges from INR. 5 lakhs to INR. 25 lakhs. As both Gadwal and Narayanpet cluster are popular for sarees the main production is handloom sarees and other products include dress material, shawls, scarfs etc. The raw material like hank yarn, dyes and chemicals

and dyed yarn, is mainly provided by the master weaver who employs them. Average production per weaver per year is from 100 mts to 2000 mts.

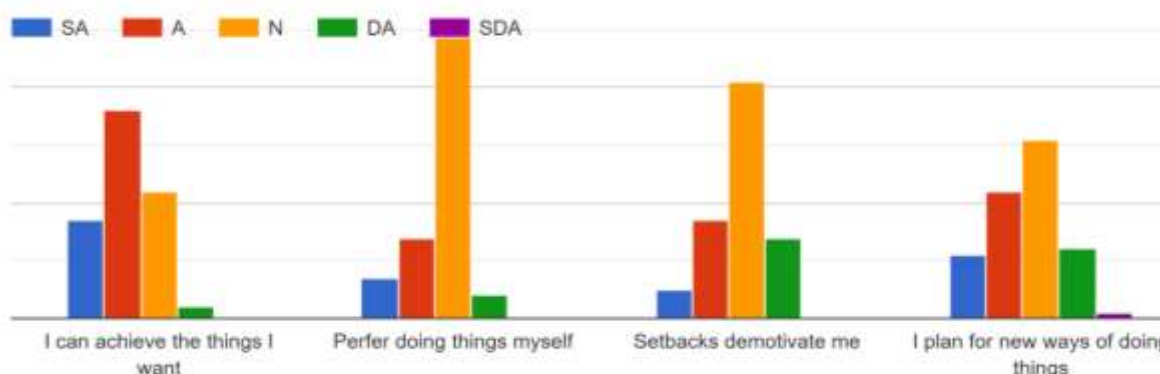
Majority of weavers (79.8%) trade their products to the master weaver who employs them and 20.2% sell them to the cooperative societies. The weaver with their own units sells to master weaver/ merchants & traders/ retail stores & local markets. The percentage of weavers who sell their products to exhibitions, on E-commerce websites and for export is negligible.

### Challenges and Government Initiative

The handloom industry faces huge competition from power looms and mills. The other major challenges specific to handloom sector are outdated weaving patterns, lack of exposure in making new designs or adopting new technologies and Changing Consumer Preference. Respondents agree that State and Central government has initiated many programs for the development of the handloom and weaver community. Some of these are implemented for the growth of handloom sector Low pricing of product, Cost cutting, Product differentiation, Introduction of a new product, Innovation, Market Expansion, Network development through word of mouth, Consumer analysis, ensuring timely delivery, Development of new designs, Handling consumer complaints and working on feedback, Unique product branding and maintaining high export quality. The respondents opined few initiatives for marketing like Advertisement in local newspapers, national newspapers and TV Channels, Development of detailed product catalog, Selling on E-commerce websites, Marketing through emails and participating in trade shows and exhibitions are yet to fully implemented.

### Self-appraisal of personal abilities

The following factors in relation to Self-appraisal of personal abilities for Entrepreneurial Competence were identified in the weavers during the course of the survey: Their Belief in self-achievement, Ability to Delegate, Motivation level and Innovation



**Graph 1** SA = Strongly Agree, A= Agree N= Neutral DA = Disagree SDA=Strongly Disagree

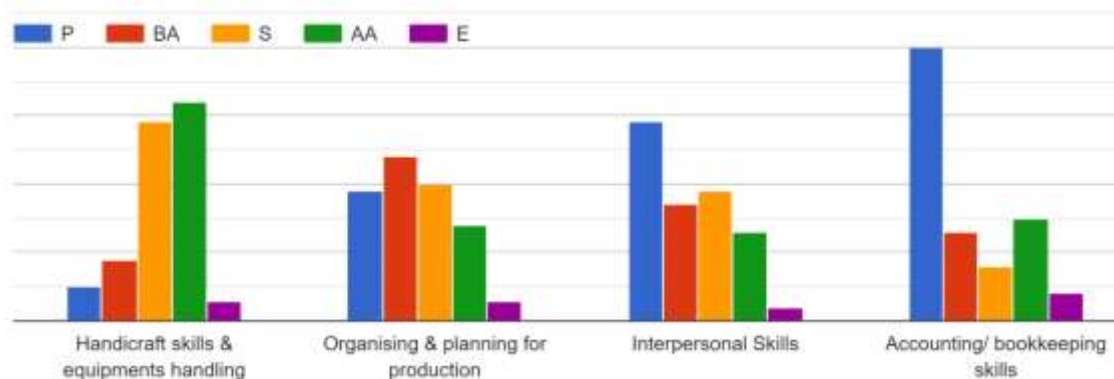
Majority Weavers showed a strong Belief in self-achievement but 60% were neutral in their Ability to Delegate, 30% of the weavers showed a strong preference for working alone.

60% of the weavers are neutral towards setbacks. Innovation is low as only 30% of the weavers are considering innovative plans

### Self-appraisal of Business abilities

The following factors in relation to Self-appraisal of Business abilities for Entrepreneurial Competence were identified in the weavers during the course of the survey. These abilities are Handicraft making skills and equipment handling, Organizing and planning for production, Interpersonal Skills and Accounting/ Book keeping skills





**Graph 2** Poor: P; Below Average: BA; Satisfactory: S; Above Average: A; Excellent: E

For handicraft Skills and equipment handling majority of the weavers rate themselves as above average but for Organizing and planning for production they rate themselves as Satisfactory. Majority of the weavers have poor Interpersonal and bookkeeping/accounting skills.

#### **Factors for establishing a successful micro enterprise:**

**Growth aspiration:** As observed in the survey more than 50% of weavers showed a strong sense of confidence in their abilities and more than 60% of the weavers showed neutrality towards setbacks, the weavers may seek training to encourage such confidence into their growth aspirations which will allow them to improve their products, seek innovation and explore better ways for these products to reach consumers. This plan should also include training to prepare for any setbacks which may befall their growth. Success in micro-enterprises can be attributed to the resilience and resourcefulness of entrepreneurs. Growth aspirations serve as the driving force behind an entrepreneur's vision, pushing them to set ambitious goals, expand market presence, and continuously evolve. This forward-thinking mindset fuels innovation and resilience in the face of challenges and allows such micro enterprises to succeed. Product Innovation by way of technical training, design support and equipment upgrades. Implementing a plan which includes such product innovation will require a change in the mindset of 70% of the weavers to ensure that they consider and actively strive to innovate their products by seeking out collaborations for design support and technical training. This may lead to fostering an ability to adapt swiftly to changing circumstances, capitalize on emerging opportunities, and foster a strong sense of customer loyalty contributes to the sustained growth of micro-enterprises.

Innovating the products offered tailored to the tastes and orientation of the customers by conducting market research, engaging in active dialogue with customers, and leveraging emerging trends, businesses can identify gaps in the market and customize their offerings accordingly anticipate market trends, and provide a superior customer experience. This customer-centric approach not only enhances brand reputation but also lays the foundation for organic growth through positive word-of-mouth and repeat business.

As observed in the survey, most weavers have indicated a desire to create new and better product, however they have also indicated a reluctance and neutrality towards the overall holistic growth of their craft and business causing a lag in the new product development due to unawareness of resources available for growth or inability to access these resources.

### **Conclusion**

In the context of the weaving industry, entrepreneurial competence in growth aspirations, customer orientation, and new product development plays a pivotal role in the success and sustainability of weavers.

Firstly, growth aspirations are crucial for weaving entrepreneurs to expand their businesses and tap into new markets. This could involve scaling up production, diversifying product lines, or entering new geographical areas. Ambitious growth aspirations drive innovation and encourage entrepreneurs to explore untapped opportunities within the weaving industry.

Secondly, customer orientation is particularly significant in the weaving sector. Understanding the unique preferences and needs of customers, whether they are individual consumers or businesses, allows entrepreneurs to tailor their products accordingly. This customer-centric approach fosters loyalty and satisfaction, vital for maintaining a steady client base in the highly competitive textile market.

Lastly, new product development is a key competence for weavers to stay relevant and meet evolving market demands. This could involve the introduction of innovative weaving techniques, the use of sustainable materials, or the creation of unique designs. Embracing new product development not only attracts a wider customer base but also positions such weavers as trendsetters in the industry.

In summary, entrepreneurial competence in growth aspirations, customer orientation, and new product development is indispensable for weaving entrepreneurs seeking to thrive in a dynamic and competitive market. By combining a vision for expansion, a deep understanding of customer needs, and a commitment to

innovation, weavers can carve a niche for themselves and ensure long-term success.

Similar studies can be conducted for other cluster and extensive training programs can be conducted to customer orientation, and new product development improve on

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