

Indian Women Entrepreneurs in MSME: The Driving Force Behind Their Journey

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Abstract: The Indian economy is made up of a combination of numerous sectors that make up distinct industries. It is commonly known that the MSME sector is what fuels the expansion of the world economy. The GDP is significantly influenced by the MSME sector, which is expanding quickly. The Indian government is emphasising the mantra of "AtmaNirbhar Bharat" in these times of economic instability. Given this circumstance, MSMEs' role becomes even more essential for creating a sustainable future. Women driven MSMEs are a fairly significant subgroup among them. However, a woman's entrepreneurial journey in the MSME sector differs from that of her male counterparts. It goes without saying that India is still a male-dominated society with stereotypes and expectations for women. When a woman entrepreneur's performance is measured in these conditions, a wide range of variables are considered. From the thorough review of the literature, nine such variables have been identified in this study. Structured interviews were done to gather first-hand opinion based on these variables. The goal of the study was to identify a pattern in the responses and determine which variables impact the performances of women entrepreneurs the most.

Keywords — *AtmaNirbhar Bharat, Factors, Impact, MSME, Women Entrepreneurs*

I. INTRODUCTION

The Indian economy consists of a uniform combination of several sectors of the economy that comprise various industries. It is widely acknowledged that the MSME sector is the driving force behind global economic expansion. The GDP is significantly influenced by the MSME sector, which is expanding quickly. According to the MSME Annual Report (2021) [1], the sector, which consists of around 63.4 million units, makes for about 30% of the GDP, 33.4% of the nation's total manufacturing output, and 49.5% of its exports. Over the past fifty years, the MSME sector in India has grown to be a very vibrant and dynamic sector in the Indian economy.

Despite the fact that these figures demonstrate how important MSMEs are to creating 'Atma-Nirbhar Bharat', it is crucial to comprehend a subset of MSME—Enterprises Owned by Women. According to the Global Entrepreneurship Monitor (2010) [2], women make up more than one-third of all entrepreneurs worldwide. According to the MSME Annual Report (2020) [3], women own more than 20% of India's proprietary MSMEs.

A woman's entrepreneurial journey in the MSME sector differs from that of her male counterparts. It goes without saying that India still has a male-dominated society with

stereotypes and expectations for women. Since family and household duties are still seen as a woman's primary responsibilities, career often takes a backseat. There are numerous aspects that influence the performance of women entrepreneurs. In this paper, we concentrate on nine selected variables and attempt to determine how they affect the performance of women entrepreneurs.

II. LITERATURE REVIEW

Women make up more than one-third of all participants in global entrepreneurial activity, according to the Global Entrepreneurship Monitor (2010) [2]. Women, on the other hand, conceptualise their enterprises considerably differently from men. Because of this distinction, women's business performance-affecting elements are likewise unique. Numerous researches have served to illuminate a few elements that unquestionably contribute to the success of female entrepreneurs.

In their study, Eddleston & Powell (2012) [4], noted that the moral and emotional support of family members may encourage women to start their own businesses or offer psychological assistance while coping with business issues. According to Welsh, Kim, Memili, & Kaciak (2014) [5], family support for Korean female entrepreneurs appears to be focused on helping them deal with their personal issues

so that they can be successful in their endeavours and improve firm performance. They discovered that family moral support does not significantly improve firm performance, but that it does appear to be useful in reducing the adverse consequences of personal issues on firm performance. They also discovered that the personal issues of Korean female entrepreneurs have a detrimental impact on firm performance.

According to a study by Omwenga, Mukulu, & Kanali (2013) [6], the performance of women-owned small and medium firms in Kenya is influenced by financial and capital support, networking, education, training, and counselling. Mamun & Isidore (1996) [7], looked at how education, entrepreneurial skills, and loan availability affected the performance of microenterprises.

According to Boyd (2005) [8], networks have long been praised as being crucial to the survival of businesses owned by women. Networking is important for entrepreneurs to quickly acquire the capital/loans, guidance, and knowledge required to launch and run a new firm, according to Carter, S. Wilson, F. Shaw, E. & Lam, W. (2006) [9]. According to Hisrich & Brush (1987) [10], major networks that are positively related with business success include support networks, mentors, and advisers; business associates and friends; membership in trade associations; and membership in women's groups.

Hasan & Almubarak (2016) [11], found variables affecting women entrepreneurs' performance and associated difficulties in Bahraini SMEs. As a potential mediator between influencing factors and performance, they also looked at opportunity recognition.

According to Krishnan & Kamalanabhan (2013) [12], learning and entrepreneurial success are significantly correlated with entrepreneurial competences including conceptual skill and strategic skill. Mamun & Isidore (1996) [7], looked at how education, entrepreneurial skills, and loan availability affected the performance of microenterprises.

According to Lerner Brush & Hisrich (1997) [13], who studied Israeli women entrepreneurs, the five perspectives of motivations and goals, social learning theory (entrepreneurial socialisation), network affiliation (contacts and membership in organisations), human capital (level of education, business skills), and environmental influences (location, sectoral participation, and socio-political variables) are the factors that have an impact on an individual's performance. According to (Birley & Norburn, 1987 [14]; Brush & Hisrich, 1991 [15], mentioned that a woman entrepreneur's success in starting a business depends on her managerial abilities as well as her unique talents in coming up with ideas and interacting with people.

Based on the literatures, the researchers are turning their focus on determining how these factors have an impact on the performance of women entrepreneurs in Ahmedabad.

III. RESEARCH OBJECTIVES

1. To determine the most significant group of variables influencing the performance of women entrepreneurs in MSMEs
2. To find out the validity of the group of variables influencing the performance of women entrepreneurs considered for the study.
3. To find out the associations amongst group of variables influencing the performance of women entrepreneurs considered for study, and thus to determine whether they can be clustered or not.

IV. RESEARCH METHODOLOGY

The current study is based on a sample of 100 respondents consisting of women entrepreneurs in the city of Ahmedabad. The respondents were chosen using judgement sampling. The age range of the responders was 20 to 60 years old. The primary data was collected by using structured personal interviews. The instrument was administered by personal interview with prior appointment. The interview's questionnaire concentrated on a list of variables that had been discovered through a literature review of previous theoretical and empirical studies. The questions were meant to generate answers based on the respondents' perceptions and experiences. Using a 5-point Likert scale, the variables influencing women entrepreneurs' performance were evaluated. The options ranged from least affecting to most affecting their performances for each factor.

A factor analysis was done to find groups of variables that loaded onto each group and affected the performance of women entrepreneurs. The cluster that has the greatest influence on the performance of the women entrepreneur was discovered using descriptive statistics. The software used for the same is SPSS and Microsoft excel.

V. FINDINGS

5.1: Demographic profile of the Women Entrepreneurs

The demographic profile of the respondents like age, marital status, educational qualification and prior work experience are described in the below table 1.

Table 1: Demographic Variables

Demographic Variable		Percentage
Age	21-25	13
	26-30	9
	31-35	16

	36-40	19
	41-45	25
	46-50	12
	51-55	3
	56-60	3
	Total	100
Marital status	Married	75
	Unmarried	20
	Widow	1
	Divorced	4
	Separated	0
	Total	100
Educational Qualification	Secondary	4
	Higher Secondary	9
	Graduate	31
	Post Graduate	33
	Technical/Professional	23
	Total	100
Prior Work Experience	No	34
	Yes	66
	Total	100

Total	100
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The age of the women business owner at the time when the business was founded is shown in above table 2. It is evident that 37% of entrepreneurs started their businesses when they were 20 to 25 years old, followed by 20% when they were 31 to 35 years old.

5.2.2 Legal ownership type of the business

From the below table 3, it shows that the majority of women entrepreneur’s firms are sole proprietorship (75%), followed by partnership (16%) in terms of legal ownership of their companies. Pvt. Ltd. Co. (7%) and LLP (2%) are the other kinds, respectively. According to the respondents, the simplicity of business formation and legal requirements were the main factors in choosing the sole proprietorship type of business structure. This type of business structure comprises of the maximum percentage of business.

Table 3: Legal ownership type of business

Type of Business	Percentage
Sole Proprietorship	75
Partnership	16
Pvt. Ltd. Co.	7
LLP	2

As can be seen from the above table 1, the age group of 41–45 years, which accounts for 25% of all respondents, has the highest percentage of women entrepreneurs, followed by the age group of 36–40 years, which accounts for 19% of all respondents. When examining the respondents' educational backgrounds, it is evident that the majority of the women entrepreneurs are postgraduates (33%) followed by graduates (31%) and technical/professionals (23%). Only 4% of respondents in the sample reported having only a secondary education. Married people make up the majority of survey participants (75%), followed by single people (20%). The remaining 4% and 1% of survey participants are widows and divorced, respectively. The majority of respondents (66%) had previous work experience before beginning a business of their own.

5.2 Business profiles of the Women Entrepreneurs

This section portrays the business profiles of the respondents surveyed for the study.

5.2.1 Age of the entrepreneur at the start of the business

Table 2: Entrepreneurs age at the inception of business

Age	Percentage
20-25	37
26-30	19
31-35	20
36-40	16
41-45	6
46-50	2

5.2.3 Nature of Business

Out of 100 respondents, it can be seen from the below table 4 that 55 % of the businesses are in the service sector and 43 % are in the manufacturing sector. Table 5 shows that 37% of the overall manufacturing businesses fall into the micro enterprises’ category, whereas 42% of the total service businesses are micro enterprises.

Table 4: Nature of the Business

	Percentage
Manufacturing and Service both	2
Manufacturing	43
Service	55
Total	100

Table 5: Segregation within Manufacturing and Service industry

	Manufacturing	Service
	Percentage	Percentage
Micro	37	42
Small	5	12
Medium	3	3
Total	45	57

5.3 Factors affecting the performance of women entrepreneurs

The performance of women entrepreneurs in the MSME sector is impacted by a number of factors. A factor analysis of the nine variables affecting the performance of women entrepreneurs was done in order to comprehend the influence of the same. The respondents were asked to rate these items on a five-point Likert scale from least to most affecting in influencing their performance for each variable. Qualitative validity was tested through the theoretical study as well as through specialist comments. The Cronbach's alpha model, inter-item correlation and co-variances were used and α -values over 0.50 were considered. The Cronbach's alpha of the entire instrument came as 0.775. The Cronbach's alpha-values for all the nine variables impacting the performance of women entrepreneurs ranged from 0.719 to 0.797 indicating that the scale was internally consistent and reliable accordingly to Cronbach (1951) [16] & Nunnally (1978) [17].

Table 6: Cronbach's alpha-value of the factors

Factors	Cronbach's Alpha values
Family Support	0.763
Personal Problems	0.797
Financial Capital Assistance	0.77
Education	0.759
Training	0.75
Networking	0.74
Opportunity Recognition	0.733
Entrepreneurial Skills	0.74
Managerial Skills	0.719

The first output from the analysis is a table of descriptive statistics for all the variables under investigation. Looking at the mean, one can conclude that family support is the most important variable that affect the women entrepreneur's firm performance. It has the highest mean of 3.96.

Table 7: Descriptive Statistics

	N	Min	Max	Mean	Std. Deviation
Family Support	100	1	5	3.96	1.263
Personal Problems	100	1	5	3.05	1.167
Financial Capital Assistance	100	1	5	3.32	1.197
Education	100	1	5	2.97	1.374
Training	100	1	5	3.38	1.204
Networking	100	1	5	3.82	1.086

Opportunity Recognition	100	1	5	3.76	1.093
Entrepreneurial Skills	100	1	5	3.82	1.192
Managerial Skills	100	1	5	3.86	1.164
Valid N (listwise)	100				

Kaiser-Meyer-Olkin: The KMO measures the sampling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed. A common rule suggests that a researcher has at least 10-15 participants per variable. Here, the value comes out to be 0.755 so, we can go ahead to process with factor analysis.

Bartlett's test: measures the strength of relationship among variable:

H0: the correlation matrix is an identity matrix

H1: the correlation matrix is not an identity matrix

We can see from the below table that; Bartlett's test of sphericity is significant. That is, its associated probability is less than 0.05. In fact, it is actually 0.00, that is significance level is small enough to reject the null hypothesis. This means that correlation matrix is not an identity matrix.

Table 8: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.755
Approx. Chi-Square		314.825
Bartlett's Test of Sphericity	Df	36
	Sig.	.000

Factor analysis

Factor analysis is a statistical data reduction and analysis technique that strives to explain correlations among multiple outcomes as the result of one or more underlying explanations, or factors. The technique involves data reduction, as it attempts to represent a set of variables by a smaller number. The factor loadings are mentioned in the below table 8.

Table 8: Results of factor analysis

Variables	Factors loadings
Family Support	0.531
Personal Problems	0.845
Financial Capital Assistance	0.661
Education	0.846
Training	0.767
Networking	0.776
Opportunity Recognition	0.875
Entrepreneurial Skills	0.856
Managerial Skills	0.834

The above table 8 shows the factor extracted from the above process further naming of factors has been done. The first group consists of four variables, which include (1) Networking (0.776) (2) Opportunity Recognition (0.875) (3) Entrepreneurial Skills (0.856) (4) Managerial Skills (0.834). The group of variables has been given the name "Core factors".

The second group consists of three variables, which include (1) Financial Capital Assistance (0.661) (2) Education (0.846) (3) Training (0.767). The group of variables has been given the name "Know-how factors".

The third group consists of two variables, which include (1) Family Support (0.531) (2) Personal Problems (0.845). The group of variables has been given the name "Human factors".

VI. DISCUSSION AND ANALYSIS

The factor analysis findings helped us to group the variables under three clusters which are named as core factors, know-how factors and the human factors. The "Core factors" contained all four of the variables that directly influence an entrepreneur's business acumen. Variables that represent an entrepreneur's knowledge make up the "Know-How factors". The entrepreneur's human traits were the focus of the third group, "Human factors."

It has been identified that the mean for the variables in the first cluster, "Core Factors," which include managerial skills (3.86), networking (3.82), entrepreneurial skills (3.82) and opportunity recognition (3.76), respectively, received the second, third, and fourth rankings. Therefore, the researchers draw the conclusion that this is the most significant cluster that influences the performance of women entrepreneurs in the MSME sector.

Other research also revealed similar results. According to Brush & Hisrich (1991) [15], managerial abilities and specific qualities in coming up with ideas and interacting with people are crucial for a woman entrepreneur when starting a business. Boyd (2005) [8], explained that networks have long been praised as being crucial to the survival of female-run businesses. According to Hisrich & Brush (1987) [18], major networks that are positively related with business success include support networks, mentors, and advisers; business associates and friends; membership in trade associations; and membership in women's groups. Hasan & Almubarak (2016) [11], investigated how opportunity recognition acted as a bridge between influencing factors and women entrepreneurs' performance. According to Krishnan & Kamalanabhan (2013) [12], learning and entrepreneurial success are significantly correlated with entrepreneurial competences including conceptual skill and strategic skill.

However, researchers also found that the most significant variable affecting the performance of women entrepreneurs is "Family support," which had the highest mean of 3.96 under the "Human Factor" category. In general, Indian society is controlled by men, and it is generally held that the women of the family are solely responsible for running the household and caring for the children. If there is not enough assistance from all family members in this situation, the woman will find it challenging to manage both home and work.

Thus, it has been found that the performance of women entrepreneurs needs the moral support of their families. Family members' moral and emotional support may inspire women to start their own businesses or offer psychological assistance in resolving business-related issues (Eddleston & Powell, 2012) [4]. A woman entrepreneur's confidence in her ability to balance her home and professional obligations is boosted by moral support from her family, which increases the likelihood that her business will develop. For launching and maintaining a business, family financial support is just as crucial as moral support. This has a favourable effect on how well women entrepreneurs perform. According to Cetindamar et al. (2012) [19] analysis, family financial support may be useful and essential for a woman entrepreneur to be able to start and expand her business venture. A woman can focus more effectively on managing and growing the business if she gets financial security from her family.

VII. CONCLUSION

The research discovered that the variables that impact the performance of women entrepreneurs could be grouped into three clusters: core factors, know-how factors, and human factors. All four of the variables that directly affect an entrepreneur's business savvy were present in Core factors. The Know-How factors is made up of elements that represent an entrepreneur's knowledge. The third group, Human factors, concentrated on the entrepreneur's human qualities.

The Core factor was shown to be the most important factor group in the study, with all four of its components appearing in the top five variables as calculated by descriptive statistics.

Although the core factors came out as an impactful cluster, the variable affecting women entrepreneurs the most (rank 1) was not a part of this group. It appeared in the Human Factors cluster. 'Family Support' was this variable. According to the study, a woman still believes that her family is highly important for her to succeed in her work. Financial Support and Moral Support are the two main components of family support, respectively.

In light of this information, the researchers come to the following conclusion: "Even in Indian society today,

women entrepreneurs perceive that their family's support is the key to their professional performance however the core business acumen stands a close second."

VIII. LIMITATIONS

A small sample size was used in the study, which was done in the city of Ahmedabad. The study results also provide a glimpse of Ahmedabad's women entrepreneurs at a specific period. Since urban women entrepreneurs made up the research's sample, the findings may not be applicable to rural women entrepreneurs across the state and the nation. If the same study were carried out across all of India's states with a bigger sample size, the results would be larger in scale.

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