

GENDER INCLUSIVITY IN PRIVATE ENTERPRISE-WOMEN ENTREPRENEURS IN MSME

Dr. R. JOSPHIN

Assistant Professor, Department of Commerce, SRM Institute of Science and Technology, Vadapalani Campus, Chennai.

Dr. C. VIJAY VISHNU KUMAR

Assistant Professor, Department of Commerce, SRM Institute of Science and Technology, Vadapalani Campus, Chennai.

Abstract

A Significant Feature of Indian Economy has been the role of private enterprise, particularly since liberalization Era. Micro, Small and Medium enterprises have made deep inroads in terms of their contribution to GDP and Sustainable development. However, this segment continues to remain the forte of men and women Participation for a long time, was conspicuous by its negligible presence. Although gender inclusivity in workforce has risen to acceptable levels of over 22% in general and over 35% in IT and ITES. It still remain elusive in the small business segment. This study examines the evolution of gender inclusivity in MSMES and the factors influencing their participation as well as the challenges that act as hurdles to women owned small businesses. This descriptive study based on secondary data highlights the barrier to unity for women entrepreneurs and suggests some measures that would hasten the process of inclusivity in MSMES

Keywords: Women Enterprise, Micro Small and Medium Enterprises, Gender Inclusivity, Challenges for Entry

INTRODUCTION

Rapid economic progress in a country is the result of balanced regional inclusion, sectorial inclusion and inclusion of small and medium businesses in the private sector is another trust area for all-around development, because it only reaches out to rural areas, but also creates employment across the country. Moreover, gender inclusivity has also started gaining importance on account of the fact that there are 953 women for every 1000 men in India, according to recent statistics.

Entrepreneurial intention is a cross-cultural concept, with men taking account for the massive number of business stakeholders in the majority of nations, regions, and enterprises. However, there is growing evidence that more and more women are interested in start - up company, having started their own business, while becoming entrepreneurs. As a consequence, women are a newer bunch of entrepreneurs when compared to men that has repercussions for the issues they encounter and their own ability to handle with them. The proportion of women entering the work force is increasing across the globe.

Although India has managed to bring out around 22% of women participation in the workforce, the role of women in micro small and medium enterprises (MSME) continues to be just around 7%. Since women entrepreneurs tend to shy away from business ventures and her content to take up work that provides stable income, it is essential to understand the circumstances that lead to such attitude. It is also necessary to identify the factors that ampere women participation in MSME. This study seeks to examine the current conditions have regards

women participation in small businesses and examine the factors that influence their reluctance to think about entering the segment. This study trashes the slow progress made by women in entering the MSME segment over the years. It also tries to identify the challenges that women face in setting up a business venture.

REVIEW OF LITERATURE

The quantity of micro, small and medium undertakings (MSMEs) driven by ladies' business people in the nation has hopped from a simple 2.15 lakh, according to the MSME Ministry's FY11 yearly report, to 1.23 crore in FY21. Ladies MSMEs have figured out how to upgrade their portion in the by and large MSME base from 13.72 per cent to 20.37 per cent in the beyond 10 years. Presently whether or not 7% is a reasonable development in 10 years is questionable, however, specialists accepted ladies' cooperation in the MSME area should be upgraded on a conflict balance from 20% for India to duplicate its monetary development (Sandeep Soni 2019). Worldwide, India positions third among nations announcing orientation holes in business - just 33% of the beginning phase business visionaries in India are ladies, according to Financial Inclusion for Woman-Owned Micro, Small and Medium Enterprises in India, an August 2019 report of the International Finance Corporation. India likewise positions 70th among 77 nations shrouded in the Female Entrepreneurship Index, according to the November 2020 report. "Internationally, it [female entrepreneurship] is an instrument of strengthening since it assists the business visionary with taking choices, lead, oversee and foster abilities underway and surprisingly private administration," said Sona Mitra, head financial analyst at IWWAGE. Maintaining a business additionally permits ladies more prominent freedom, monetary and in any case, in their own lives, said Mitali Nikore, author, Nikore Associates, a strategy and examination bunch. Diva Rai, 2021 researched that the improvement incorporates financial, social, and political parts, and it would be fragmented without the advancement of ladies, who make up close to half of the populace. Subsequently, ladies' cooperation in monetary exercises is basic for the improvement of a sound country. At the point when we talk about ladies' business ventures, we're discussing a sort of business possession and creation that enables ladies financially and further develops their social standing. Ladies' business people are quite possibly the most understudied gatherings of a business visionary. We know moderately minimal with regards to female business visionaries. Our absence of information about this urgent gathering is an unmistakable vulnerable side to support the absolute number of ladies business people in our economy. Ladies' business visionaries are portrayed as people or gatherings of people who start, arrange, and work a business. Hence, a lady business person is a confident, inventive, and innovative lady who looks for monetary autonomy while additionally giving position opportunities to other people. They assume the liability of getting sorted out and dealing with their organizations' assets while likewise taking every one of the dangers to create a gain.

Ladies business people are the ones who start a business, assemble all assets, face challenges, face difficulties, give work to other people, and deal with the business freely (Jyotshana Rani 2020). "Ladies Entrepreneurship" signifies a demonstration of business proprietorship and business creation that engages ladies financially in a situation in the public eye. For the most part, ladies shouldn't be in an administrative role; they are relied upon to take orders as opposed to

giving them. It isn't so much that they are not fit for doing it rather our general public isn't exactly adequate with regards to being driven by ladies. Albeit this situation has changed generally, we have a long way to go. As indicated by the National Association of Women Business Owners, more than 11 million U.S. organizations were possessed by ladies, utilizing almost 9 million individuals and creating \$1.7 trillion in deals, as of the year 2017. The significance of female business for monetary improvement is broadly perceived. Orientation imbalance: This is one of the most involved terms in this day and age, that are ladies similarly paid for the work, yet it appears to bring next to don't no change or at most places anything by any means. In each field we go, we see a male driving it. Ladies should advance up in a manly world confronting all shame and segregation. Absence of family support: Business requests devotion and time and therefore, they think that it is hard to satisfy the needs of their relatives and society too. As such they become unequipped for taking care of homegrown work, taking care of the necessities of their youngsters which prompts struggle in their own lives and they think that it is hard to fill in as a business visionary. According to Paula Fernandes et al. (2020), Challenging social assumptions: Most female entrepreneurs who have gone to systems administration occasions can connect with this situation: You stroll into a packed course and can count the number of ladies there on one hand. At the point when ladies business visionaries talk business with fundamentally male chiefs, it tends to be terrifying. In this kind of circumstance, ladies might feel like they need to take on a characteristically "male" disposition toward business: serious, forceful and once in a while unforgiving. Yet, effective female CEOs accept that excess consistent with yourself and observing your voice are the keys to transcending biased assumptions. "Act naturally, and believe in what your identity is," said Hilary Genga, author and CEO of Trunkettes. "You came to where you are through difficult work and steadiness, however above all, you're there. Try not to adjust yourself to an actually what for man a pioneer ought to resemble." Getting to financing: Not all startup authors search for financial backers to assist with getting their organizations going, however the individuals who truly do know how troublesome the pitching system can be. Raising capital is considerably harder for ladies claimed organizations. A 2014 Babson College report saw that under 3% of organizations with investment subsidizing had female CEOs. To put resources into and maintain an effective business, the business visionary should have the option to bear some inborn danger (Ramana, 2020). Ladies frequently don't have independence from the rat race and don't have practice in settling on free choices. They likewise need trust in their own choices, which makes them hazard opposed. This is progressively changing similarly as with each passing age ladies are assuming responsibility for their funds and relieving the dangers. Adjusting Responsibilities between Family and Business: Family is regularly considered an expansion of ladies. It is relied upon by wedded ladies to enter parenthood at a specific age and assume a significant part in raising their kids. This additionally prompts the youthful moms to enjoy some time off from their professions and focus on their families. Maintaining a business is a requesting task that regularly places ladies in a struggle with their family responsibilities and even causes them to have a blameworthy outlook on focusing on their business.

According to Sarah Kaplan (2019) Small and medium enterprises (SMEs) (under 500 workers) utilize over 90% of the private workforce and give almost 60% of all positions in Canada. In this manner, to accomplish incorporation of all underrepresented bunches at work, strategy producers should zero in on assisting these businesses with creating powerful variety and

consideration rehearses. While a significant part of the strategy centered on variety in SMEs has been on further developing admittance to capital for ladies and other underrepresented gatherings to frame or develop organizations, a bigger effect may come from going to all SMEs and their capacity to execute variety and incorporation in their work. This would be useful for entrepreneurs by and large yet in addition the 16% of SMEs that are possessed and worked by ladies. Numerous of these endeavors are dependent upon laws and guidelines ordering equivalent treatment, for example, the Human Rights code, pay value and pay straightforwardness regulation, parental leave, and others. Simultaneously, SMEs don't have the scale for full-time HR directors, nor the ability to execute and guarantee consistency. Further, more modest organizations may not see they have the assets to fittingly resolve these issues. Tragically, a little examination has been done on how SMEs are doing for sure they could advance correspondence for all. This strategy brief sums up what has had some significant awareness of variety and incorporation in SMEs in the Canadian setting and what should be possible going ahead. Sangeeta Bharadwaj Badal, 2014 researched that people have various perspectives, thoughts, and market experiences, which empowers better critical thinking. Gender diversity is imperative to any working environment. Not on the grounds that it's a commendable objective; it essentially checks out.

Assuming you want verification, look no farther than a new Gallup study, which discovers that recruiting a demographically assorted labor force can further develop an organization's monetary execution. The study of more than 800 business units from two companies representing two different industries -- retail and hospitality -- finds that gender-diverse business units have better financial outcomes than those dominated by one gender: Gender-diverse business units in the retail company have 14% higher average comparable revenue than less-diverse business units (5.24% vs. 4.58%). Gender-diverse business units in the hospitality company show a 19% higher average quarterly net profit (\$16,296 vs. \$13,702) than less-diverse business units. And if the gender-diverse business units are also highly engaged, financial performance improves dramatically.

Retail units that are diverse and engaged have a 46% higher increase in comparable revenue. Similarly, diverse and engaged units in the hospitality company have a 58% higher net profit than single-gender and less-engaged units. These results show the additive effect of gender diversity and engagement on a company's bottom line. Stephen Turban, Dan Wu, and Letian (LT) Zhang 2019, conducted a study of 1,069 leading firms across 35 countries and 24 industries, we found that gender diversity relates to more productive companies, as measured by market value and revenue, only in contexts where gender diversity is viewed as "normatively" accepted. By normative acceptance, we mean a widespread cultural belief that gender diversity is important. In other words, beliefs about gender diversity create a self-fulfilling cycle. Countries and industries that view gender diversity as important capture benefits from it.

Rajiv Kumar and Pankhuri Dutt 2020 studied that internationally, men are bound to begin new pursuits than ladies. Observational proof recommends ladies have lower over the top pride and a more significant level of modesty, which adversely influences their danger taking conduct and restricts their commitment to the business.

If by some stroke of good luck ladies were as shameless and careless as men! Truth be told, our Indian symbol Kiran Mazumdar-Shaw comments on her excursion as a business visionary, "You need to continue to rock the boat... I was accomplishing something all alone, I was accomplishing something every way breaking, I was unable to look or go to anyone at that stage. I understood I was doing it single-handedly, I understood I was accomplishing something different and I just figured out how to get things done with a ton of sound judgment, with a ton of assurance and a ton of absurd boldness, I may add." Sadly, it doesn't simply lower exorbitant arrogance that is keeping ladies in India from being fruitful business visionaries. India has somewhere in the range of 13.5 and 15.7 million undertakings possessed by ladies.

Government mediation, worked on monetary access and admittance to training prompted an expansion in ladies claimed ventures from 14% to 20% somewhat recently. In any case, there are a few difficulties that ladies' business visionaries face that are not normal for their male partners. As per a report by MasterCard, India's business climate isn't positive for female business people. There are a few social, specialized and monetary obstructions that impede the development of ladies claimed organizations. Sabrina Korreck (2019) explained an expanding number of new companies and new organizations have been established in India throughout the last ten years, most of them by men.

While numerous Indian ladies have pioneering desires, it is generally expected harder for them to succeed. This brief analyzes the obstacles to the more prominent cooperation of female organizers in India's economy by first assembling accessible information to depict the circumstance of lady's business people in the country. It then, at that point, investigates the reasons for low female business rates, essential of which are oblivious inclinations, low trust in business abilities, troublesome admittance to fund and organizations, an absence of family backing and youngster care choices, just as lacking wellbeing in work and public spaces. The paper offers a bunch of suggestions that can assist with pushing ladies' pioneering strengthening. Jared Hecht (2021) proved that Ladies own almost 1 out of 3 private ventures in the United States, and that implies female business people run more than 10.6 million organizations, representing more than \$1.3 trillion of income, and utilize almost 8 million workers. Throughout recent years, ladies' business visionaries have taken gigantic steps towards equity. Even though ladies claimed organizations represented 29% of all organizations starting at a recent report, they made up just 4.6% of organizations in 1972.

Furthermore, ladies possessed organizations are getting everything rolling quicker every year: the development rate itself increased by 20% from 2002 to 2007, as per the Senate's 2014 report on 21st-century hindrances to ladies' business. This direction dominates any remaining kinds of firms: ladies possessed organizations added generally a large portion of 1,000,000 positions somewhere in the range of 1997 and 2007, even while any remaining classes of organizations lost positions. Also, since the downturn, ladies' business visionaries are second just to public corporations as far as occupation development, with 274,000 net new positions since 2007. Ladies' business people are likewise more certain about development than their male partners, as indicated by a new report by Bank of America. 54% of lady's entrepreneurs anticipate that their incomes should increment throughout the following year, while just 48% of men feel something similar.

In the expressions of Sharon Miller, overseeing chief and head of Small Business at Bank of America, "Female business people are amped up for the future and zeroed in on the achievement of their private ventures. They are exhibiting a lot more noteworthy degrees of positive thinking than their male partners." And strangely, albeit 77% of female entrepreneurs say the biased based impediment exists, just 46% report feeling restricted by it here and there.

STUDY OBJECTIVES

This study is carried out in the following objectives:

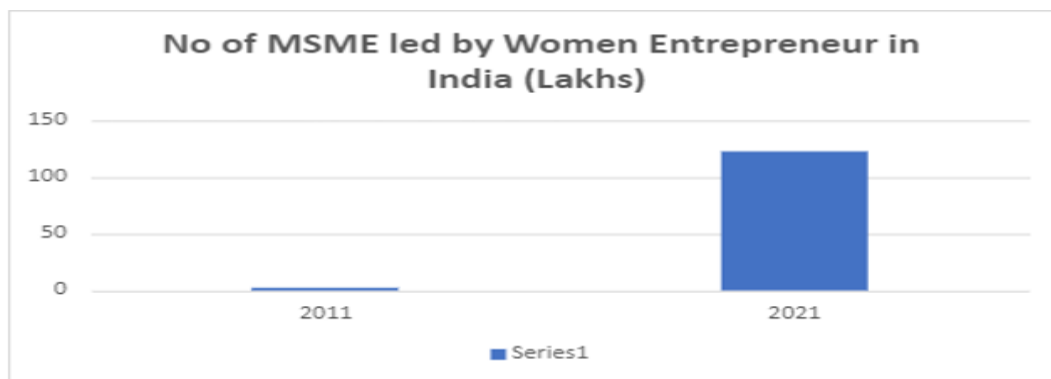
1. To trace and document the evaluation of women participation in small and medium enterprises.
2. To identify and examine the factors that ampere women entering into MSME Segment.
3. To analyses the challenges that women entrepreneurs face in setting up and managing small businesses.

DATA ANALYSIS

The post-liberalization era was marked by a great trust in the private enterprise with banking and financial services, automobiles, formicaries, capital goods, real estate, aviation and manufacturing at the forefront. In addition, the post of small and medium enterprises in component manufacturing gave a fillip to the ancillary industry and became a strong second line for the major industries. The first decade of the new millionaire witnessed hectic activity in this space and waved the wave for satellite small industries setting up business in and around the visionary of major manufacturing units. The development of the new industrial belts in Tamil Nādu, Karnataka, Andrapradesh and Maharashtra were predominantly occupied by MSME's and contributed significantly to the GDP that crossed 9% in the middle of the first decade starting from 2000. However, this segment continues to remain male-dominated with very little participation from the womenfolk. The chart shown below brings out this fact with data drawn from a publication in the financial express.

The number of MSME's led by Women Entrepreneur from 2011-2021 in India

Year	No. of MSME led by Women Entrepreneur in India (Lakhs)
2011	2.50
2021	123



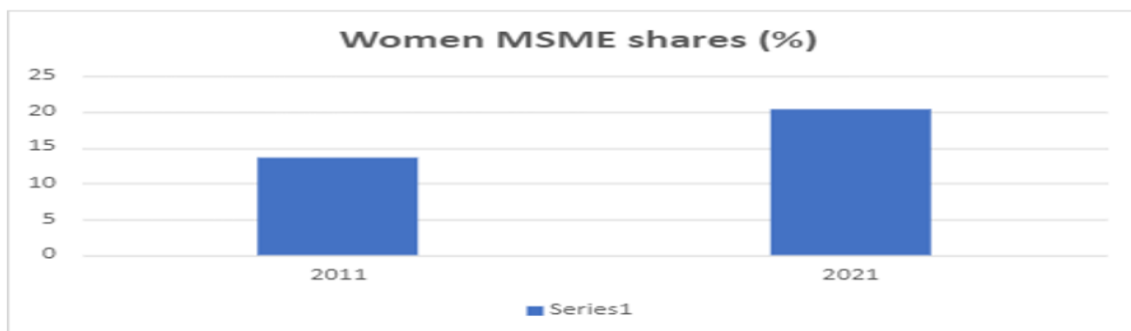
Source:

<https://www.financialexpress.com/industry/sme/msme-eodb-womens-entrepreneurship-day-why-only-20-of-indias-over-6-crore-msmes-are-led-by-women/2372108/>

Out of a total of 6 crores of MSME in the country today, only 123 lakhs are driven by women entrepreneurs in the year 2021. Although there has been an increase in overall numbers by almost 50 times, the inclusion in terms of percentage continues to be less than 20% as shown by the table below:

Women MSME shares in past 10 years

Year	Women MSME shares (%)
2011	13.72%
2021	20.37%



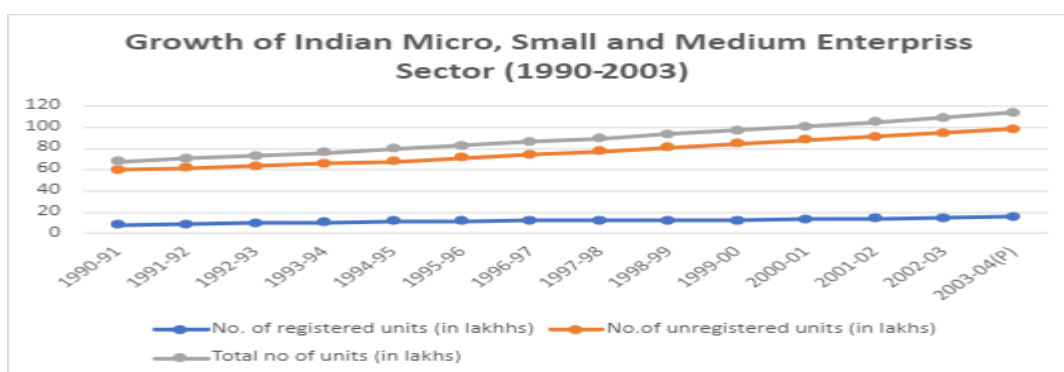
Source:

<https://www.financialexpress.com/industry/sme/msme-eodb-womens-entrepreneurship-day-why-only-20-of-indias-over-6-crore-msmes-are-led-by-women/2372108/>

It could be interesting to take a look at sector-wise women-owned small enterprises to get an idea of the area can which women are comfortable in starting a small business the table below gives a breakup of the women-owned enterprise.

Growth of Indian Micro, Small and Medium Enterprises Sector (1990-2003)

Year	No. of registered units (in lakhs)	No. of unregistered units (in lakhs)	Total no of units (in lakhs)
1990-91	7.9	59.97	67.87
1991-92	8.72	61.91	70.63
1992-93	9.94	63.57	73.51
1993-94	10.63	65.86	76.49
1994-95	11.61	67.99	79.6
1995-96	11.57	71.27	82.84
1996-97	11.99	74.22	86.21
1997-98	12.04	77.67	89.71
1998-99	12	81.36	93.36
1999-00	12.32	84.83	97.15
2000-01	13.1	88	101.1
2001-02	13.75	91.46	105.21
2002-03	14.68	94.81	109.49
2003-04(P)	15.54	98.41	113.95

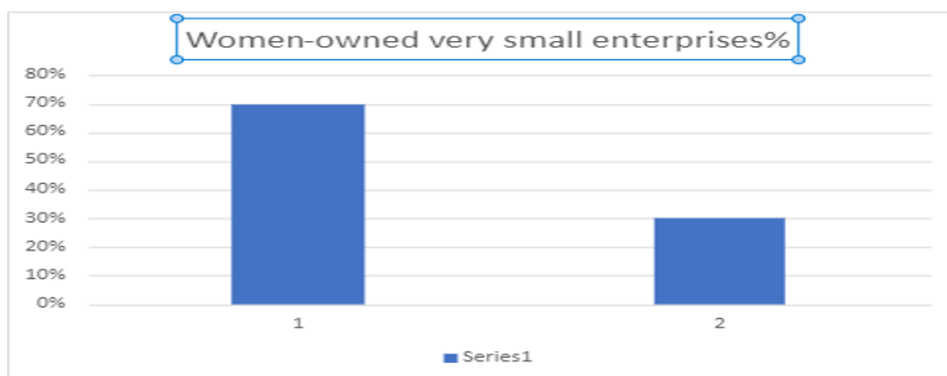


Source- Annual Survey of Industries, Ministry of Statistics and Program Implementation, Gol as cited by Ravi (2014)

As mentioned earlier the course liberalisation in the era gave the much-needed impetus to the growth of industrial production in general and the rise of micro small and medium enterprises in particular that develop as in satellite industry for manufacturing. However, women participation in private enterprise was quite low at around 7% during the '90s. It increased to around 13% during the first decade of the new Millenium and it's now around 20% at the end of the financial year 2021. But women participation in manufacturing is almost negligible and they seem to be more present in services as shown below.

Women- owned very small enterprises (%)

Activities	Women-owned very small enterprises in %
The Beauty salons, The Handicraft manufacturing, Eateries, Jewelry and accessories, Food and Grocery retail, and personal services	70%
Others	30%



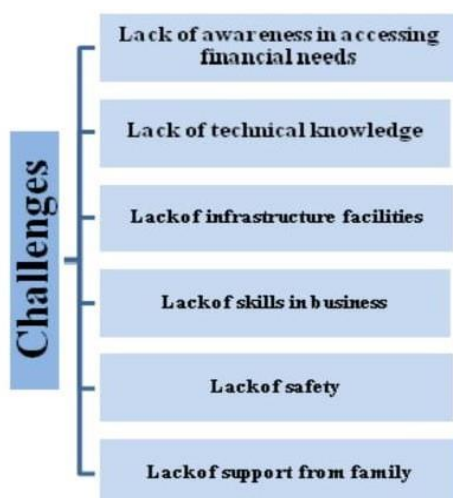
Source:

<https://www.financialexpress.com/industry/sme/msme-eodb-womens-entrepreneurship-day-why-only-20-of-indias-over-6-crore-msmes-are-led-by-women/2372108/>

Around 70% of all women-owned enterprises deal with services that suggest beauty salons, eateries, food and grocery retail and personal services to a lesser extent there also present in handicraft manufacturing, jewelry and accessories as well as other cottage industry items such as food processing.

CHALLENGES

A focus group discussion with women entrepreneurs in Oragadam revealed that the major herd for them is finance for the short term and long term. Although micro-businesses and self-help groups in the organized sector can manage with micro finance, they feel that the cost of funding is higher than bank loans. The other challenges include the general tendency among women to be risk covers, the hardships faced in balancing business and lives, fears of competition in the male-dominated business world and the dilemma between stable income from jobs and the irregular cash flows during the gestation period the following flowcharts depicts the challenges faced by women in a small business in India.



Source:

<https://www.financialexpress.com/industry/sme/msme-eodb-womens-entrepreneurship-day-why-only-20-of-indias-over-6-crore-msmes-are-led-by-women/2372108/>

Other challenges faced by women are mostly related to both skills and information deficit or inability to make use of technology. Moreover, lack of awareness regarding schemes and sources of funding also acts as a stumbling block.

SUGGESTION AND CONCLUSION

A journey to 1000 miles begins, with a single step and for women who dare to take a single step it may well be a giant leap. The important thing to focus on today is to bring a brought hide degree of awareness among women on various aspects of setting up a small business through systematic education and counseling primarily aspiring women entrepreneurs should be trained to think about business ideas to fill a gap in terms of customer needs. They could also be provided with information about the various avenues of funding including Jan Dhan accounts. The various schemes offer by central and state governments to encourage women enterprise or not fully utilized due to the information gap. The educational institution should encourage the students to take up products that would facilitate information sharing and motivate women to take up the micro and small-medium to the next level by accessing a small loan from a nationalized bank. The central and state government should set up entrepreneurship cells at the district level exclusively for women and carry out road shows to educate women about the advantage of self-Employment. Researchers should undertake projects to activate the garment housewife to think about business ideas by sharing stories of successful women enterprises in India. Since risk and reward go together women should be trained to overcome the phobia about risk and look at the light at the end of the tunnel. They should be May to be realized by not doing anything they may have avoided the risk but in the process, they are inviting another major brisk of not doing anything because of the age-old inertia.

References

1. Cabinet Office Performance and Innovation Unit (1999): Rural Economies - HMSO London
2. Carter, S., Anderson, S and Shaw, E. (2001) Women's Business Ownership: A Review of the
3. Academic Popular and Internet Literature Report to the Small Business Service
4. Clark, P., (1995) Business Development and the Poor: The Strategy of Micro-Enterprise Assistance. <http://www.sbaer.uca.edu/docs/proceedings/95sba01.txt>
5. Countryside Agency (2000): The State of the Countryside: Countryside Agency Publications. ISBN no: 0 86170 638 2
6. Drucker P.F. (1985) Innovation and Entrepreneurship, London: Pan Books Ltd.
7. Drucker P.F. (2002) Management Challenges for the 21st Century London: Butter Worth Heinemann.
8. Eden, D. (1975): Organizational Membership vs. Self-Employment: Another Blow to the American Dream. Organizational Behavior and Human Performance, 11(1), 79-94.
9. Finnegan G, Katrine D (1997). Promoting the Development of Women Entrepreneurs – Means and Ends in Entrepreneurship Development, Geneva: International Labor Organisation (ILO).

10. Hundley, G. (2001). Why and When are the Self-Employed More Satisfied with Their Work? *Industrial Relations: A Journal of Economy and Society* 40(2), 293-316.
11. Koh, H. C. (1996). Testing hypotheses of entrepreneurial characteristics: a study of Hong Kong
12. Mallika Das (2000) Women Entrepreneurs From India: Problems, Motivations and Success Factors, *Journal of Small Business and Entrepreneurship* ,vol.15,No. 4, winter 2000-2001:67-84
13. Mariadoss , s.(2012). Women empowerment through micro enterprises. *International journal of Physical and Social Sciences*. 3: 42-48.
14. Mueller, S. L.,& Thomas, A. S. (2001). Culture and entrepreneurial potential: A nine country study of locus of control and innovativeness. *Journal of business venturing*, 16(1), 51-75.
15. Mogilicharla Anitha And Venugopal Reddy,2003. Empowerment of women entrepreneurs in ranga reddy district of andhra pradesh
16. Okpara F.O. (2000) *Entrepreneurship: Text and Cases*. Enugu: Precision Printers and publishers.
17. Ch.Srilatha Vani and P. Srilatha (2015). A study on women employment through dairy micro-enterprise management
18. Stephan, U. & Roesler, U. (2010). Helth of entrepreneurs vs. employees in a national representative sample. *Journal of Occupational and Organizational Psychology*, 83(3), 717-738.
19. Timmons, Jeffrey A., and Stephen Spinelli. "New venture creation: Entrepreneurship for the 21st century." (1999).
20. Tiwari Anshuja. 2007, *Women Entrepreneurship and Economic Development*. New Delhi. Sarup & Sons.
21. Ushakiran,v.(2012). A study on business women in micro enterprises. *International Journal of Multidisciplinary Research*