

## Gender Role in Performance of Small Scale Industry, Factors Affecting Women Entrepreneurs Growth in Delhi, Case Study

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**Abstract:** To identify the effect of the gender of owner on the small scale enterprise performance in Delhi (India) is significant to investigate the relationship between gender and performance, and the difference in performance between male owned and female owned businesses were stated. Using parametric statistical techniques such as PLCC, the gender not only significantly effects the performance of the small business but shows a significant difference in the levels of performance between male owned businesses and females owned businesses. The National Foundation for Women Business Owners reported that between 1987 and 1994, the number of women-owned businesses grew by 78% and women-owned firms accounted for 36% of all firms. Although the growth in the number of women-owned businesses is encouraging, the size of such businesses remains small in terms of both revenues and number of employees, especially in comparison to male-owned businesses quite often because of the lack of financial. Women owners still face hard challenges in small scale industries and the factors which influence the performance of female entrepreneur have been easily investigated by field study of various small scale industries in disparate locations in Delhi and confronted with several policies recently formulated for supporting the growth of small scale industry.

**Keywords:** Business outcomes, Female entrepreneurship, Gender, India, MSME, Performance, Small Business.

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### I. Introduction

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades in INDIA, a Small business is defined as an enterprise employing a minimum of 5 people and a maximum of 50 people (source: India Ministry of Micro, Small & Medium Enterprise) with annual sales turnover of maximum 5 crore Indian rupees and total assets of maximum 1 crore Indian rupees (govt. of India, ministry of micro, small and medium enterprise). The small business sector, like in others parts of the world, is seen as a vital contributor in the evolution to a market economy, through job creation and income generation among other factors. With 80 percent of SMEs located in urban areas such as in Delhi, they contribute approximately 68 percent of the gross domestic product (GDP) and employ approximately 2.5 million people. This signifies their undisputed role in the economic development of INDIA.

India is a patriarchal society (Harriss-White2003) where men are central in decision making. Women however plays a significant role in economic development in most developing nations like India (Ministry of Gender, Labor and Social Development, 1997). Though their contribution is hidden from the limelight of corporate and business works, their brisk understanding and participate in commerce cannot be undermine, in spite of the limitations they face. As the urban population continues to increase due to rural urban migration, the informal sector continues to be the most important income-earning area, particularly for women.

Most women in India until recently have only earned income from labouring in agriculture due to lack of formal employment (Mies 1980). This however is changing due to the versatility displayed by Indian women which has led to creating and operating competitive small businesses (Nath 2000). Recent studies (Chen 2014) confirmed that India's economy continues to show fast expansion in comparison to other parts of the world. They also pointed out the fact that the private sector is progressively augmented by small businesses enterprise (accounting for 90% of the sector), of which 35% of the businesses are owned by women.

Most studies (Radipere and Dhliwayo, 2014; Fairlie and Robb, 2008; Collins-Dodd et al.2004) concerning gender differences in small business performance have emerged from developed countries. Most of the studies on gender and performance are conducted in the United States, Canada, and England and in other developed nations, and very few focus on developing nations, Africa or India. The fact that there is a significant difference in the social and economic makeup of developed and developing nations. This call for studies in the context of developing nations, where women are more marginalised.

The purpose of this paper is to provide additional evidence on the relationship between gender and performance and in small businesses in the context of Delhi, India. Using a sample of small scale enterprises in Delhi, I sought to examine whether gender is a significant variable in explaining performance differences.

## **II. Literature View**

A generally accepted principle in the small business literature is that female business owners behave in a different way from male business owners and that several factors unique to women influence the strategies they adopt and ultimately the performance of their business (Das Gupta 2013). Various studies identify how gender impacts business in the aspects such as financial capital, education, and work experience; as well as accessing different business and investment social networks. Other studies show that less women show the propensity or desire to start up or own businesses, this is exacerbated by the finding that more women are less willing to be self-employed (Coad 2012). India has the lowest percentage of women employees (23%), followed by Japan (24%), Turkey (26%) and Austria (29%) (Corporate Gender Gap report by the World Economic Forum).

The United States of America (52%), Spain (48%), Canada (46%) and Finland (44%) display the highest percentage of total women employees, said the WEF survey 2014/2015. Leading companies are failing to capitalise on the talents of women in the workforce, according to the report. Lack of women's participation in the workforce costs the region billions of dollars every year. In countries such as India, Indonesia and Malaysia conservative estimates show that GDP would increase by up to 2-4 percent annually if women's employment rates were raised to 70 percent, closer to the rate of many developed countries (2010 Asia-Pacific Human Development Report). In South Asian countries like India and Pakistan fewer than 35 per cent of women do paid work (UNDP report). "Women account for one-half of the potential talent base throughout the world and therefore, over time, a nation's competitiveness depends significantly on whether and how it educates and utilises its female talent" (Knotter et al. 2011).

The SME sector is all too often marked by outdated and inefficient practices and technologies. As a result, small enterprises tend to operate far below their productive capacity. Improving their efficiency and introducing new techniques can therefore yield large returns to women in terms of income and job creation. However, women are often unaware of the opportunities, and they typically face several obstacles to taking action. Three in particular stand out: Skills. Women often lack the skills required for entrepreneurial ventures, whereas many programs operate on the grassroots level, women entrepreneurs require upgrading of their managerial, technical and marketing skills in their particular subsector if they are to be able to increase their competitiveness. Technology. Small scale businesses often use inefficient low-cost technologies which yield products of poor quality and pose hazards to health and the environment (source UNIDO). Financial Support. Women entrepreneurs often lack access to credit required to invest in new technologies, there are a whole range of economic activities that women could make their presence felt if the government, the financial institutions and marketing agencies backed them. The success story of the export of garments from India (source OTEXA), was the success story of women's involvement. The marketing strategies during the cultural events can increase the output of local economy and trigger the cultural agglomeration effect.

### **Performance**

Studies on performance employ various measures. These measures can be summarised as financial and nonfinancial measures. Financial measures include cash flow, return on assets, and return on equity as a means of assessing firm performance. While the nonfinancial measures include aspects such as customer service, marketing effectiveness, human capital, strategy achievement, innovation, employee satisfaction, financial practice, processes, and corporate culture.

Organisational performance was conventionally measured using financial data such as returns on investment, revenue growth and market share and therefore suggested the addition of qualitative measures to provide insight into organizational processes and outcomes. Ittner & Larcker (2000) however argued that financial measures do not deal with advancement relative to customer need or competitors, nor other non-financial objectives that may be significant in achieving profitability, competitiveness and longer-term strategic goals. Chong (2008) offered a compromise by forwarding the use of both financial and non-financial data to measure performance. Dele (2012) gave a more liberal view by not undermining financial or non-financial measures, but by recommending them as possible substitutes. Oesterle et al (2008) argued that firm performance is a multi-dimensional construct which has to be operationalised logically. Oesterle et al (2008) assert that the measurement of firm performance shows that single indicators like profit, growth or market share are not suitable measures due to the multi-dimensional character of the construct "performance".

Data envelopment analysis (DEA) is a nonparametric method in operations research and economics for the estimation of production frontiers. It is used to empirically measure productive efficiency of decision making units (or DMUs).

The main variables that are taken for calculating the DEA are:

1. Input variable

- 1. Capital labour Ratio [Input-1]
- 2. Depreciation to fixed Asset [Input-2]
- 3. Current Asset turnover ratio [Input-3]
- 4. Debt to equity ratio [input-4]

2. Output Variable

- 1. Net profit ratio [Output-1]
- 2. Labour Productivity [Output-2]
- 3. Capital Productivity [Output-3]
- 4. Total Factor Productivity [Output-4]

Data envelopment analysis and Ranking of Small Scale Industries.

DMU	SCORE (OUTPUT BASED)	RANKING
REPAIRING	60.78%	8
AGRO. BASED	82.01%	1
MANUFACTURING	73.41%	3
FOREST BASED	62.58%	6
CHEMICAL BASED	81.67%	2
ENGINEERING BASED	66.25%	5
TEXTILE BASED	68.81%	4
RUBBER/ PLASTIC BASED	63.99%	7
OTHERS	56.78%	9

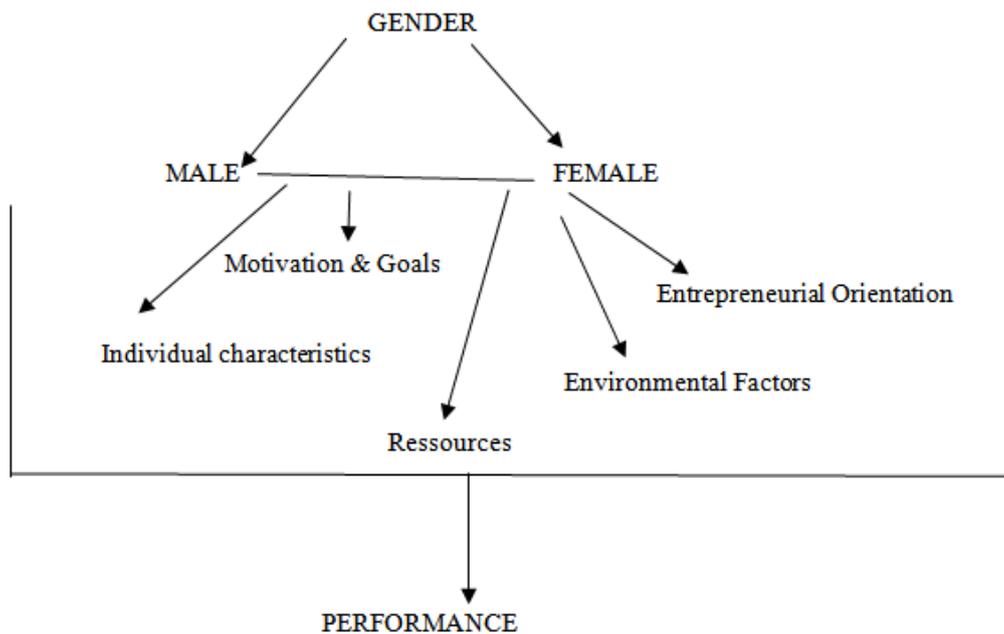
In the performance ranking we have found that Agro based industries are ranked-1. Chemical based industries are ranked 2nd followed by manufacturing, Textile based, Engineering based industries, Forest based and Rubber/Plastic based industries. Importantly, capital intensive industries are seemed to be performing well in DEA. And fascinatingly majority of chemical based small industries are run by women.

**Feminist Theory**

The argument of this paper rest on the fact that the factors that would affect business performance of women owned enterprises would be significantly different from male owned enterprises. This argument is anchored on liberal and social feminist theories (Hooks 2000). Liberal feminist theory is rooted in liberal political philosophy that encompasses basic beliefs in the equality of all beings, and in human beings as essentially rational, self-interest-seeking agents. The liberal feminist theory attributes gender- based differences to the variations in power, opportunity accorded men, and women in society, that is, the structural positions women and men occupy in society (Beasley, 1999). Thus, differences in the achievements of men and women are ascribed to the inability of women to realise their full potential because they are denied equal access to opportunities in the labour markets and to resources. This in turn has hindered women from acquiring the skills and capabilities necessary to compete on an equal basis with men. According to the liberal feminist theory, once equal access to resources is ensured, gender differences in performance seemingly disappear (Carter et al., 1997).

In contrast to the liberal feminist theory, the social feminist theory, which emanates from the social learning theory and psychoanalysis, holds that differences between men and women exist from their earliest moments in life and result in fundamentally different ways of viewing the world. These differences are seen in the way women and men construct and interpret reality and how these influence the formation of their values and intentions (Carter et al., 1997). Men and women are inherently different because of differences in their socialisation, training and experiences encountered prior to entry into particular work positions. Differences in nurturing result in different self-perceptions, motivations and belief structures. Consequently, women adopt different approaches to work that may, or may not be as equally effective as those adopted by men (Fischer et al., 1993). Drawing on these two feminist theories and research on the factors that influence performance of small enterprises, this paper proposes a conceptual framework to guide the examination of factors affecting gender differences in small business performance in India.

**Figure 1:** Conceptual framework on factors affecting performance small –scale business owners.



Source: Author, Field Study 2015

### Gender and Performance

A consensus held by several studies (Radipere and Dhliwayo, 2014; Amran, 2011; Chirwa, 2008; Abor and Bickpe, 2006; Fahed-Sreih and Djoundourian, 2006) is that gender plays a significant role in business performance. Chirwa’s (2008) study in Malawi found that the relationship between gender and business performance is complex. It found that there are no significant differences in profit margins and that female-owned enterprise tend to grow faster

In terms of employment than male-owned ones. Amran’s (2011) study in Malaysia on gender and age on firm performance found that both gender and age have significant effects on performance. Similarly Radipere and Dhliwayo’s (2014) study on gender and education of small business owner in South Africa found that there was a significant effect between gender and business performance. This study therefore hypothesised that:

**H<sub>1</sub>:** There is a significant relationship between gender and performance

In general, past studies (Radipere and Dhliwayo, 2014; Amran, 2011; Abor and Bickpe, 2006; Fahed-Sreih and Djoundourian, 2006; Robb 2002; Robb and Wolken 2002) carried out on differences in firm performance by gender revealed that women-owned firms were more likely to have lower levels of sales, profits, and employment and are more likely to fail. With reference to Lerner et al (1997), factors such as social learning, human capital, network affiliation, motivations and goals, demographics and environmental factors play be major role in the performance of the female owned businesses. Fahed-Sreih and Djoundourian’s (2006) study carried about in Lebanon showed a less pessimistic outlook but still emphasised the role of a male in the business. Alowaihan (2004) echoed the same sentiment as Lerner et al (1997), finding that female business owners have less business experience, suffered more from liability of newness and their financial performance was considerably lower than male owned businesses.

Studies on gender and performance can be divided into three groups; those that show that female owned business perform poorer than their male counterpart (Abor and Bickpe, 2006; Alowaihan, 2004; Robb, 2002; Fasci and Valdez 1998), those that show that there is no significant difference in performance between male and female owned businesses (Farrell & Hersch,2005; Watson, 2002), and those that show that female owned businesses perform better than their male counterparts (Fahed-Sreih and Djoundourian, 2006; Fiske et al, 2002; Berger, 1989). Abor and Bickpe (2006) provided evidence in the context of Ghana that female-owned small business are less likely than their male counterparts to employ debt financing due to the complexity associated with the process. All of which can contribute to poor performance. The majority of the studies point towards male-owned businesses performing better than their female counterpart. Based on the above arguments, this study hypothesised that:

**H<sub>2</sub>:** There is a significant difference in performance between male owned and female owned businesses.

### III. Methodology

The Slovin's formula was thus given as by Serakan (1992) cited in Dionco-Adetayo (2011):  $n = N / (1 + N \times e^2)$ . Where n is the sample size, N is the population size, and e is the margin of error. Applying 5% error margin Slovin's formula recommended a minimum sample size of 310. This study used purposive and simple random sampling techniques to ensure robustness. The purposive sampling was utilised to select the respondents based on these criteria: (i) the administrative divisions of Delhi: central, north, south, east & west ; (ii) Legally registered small enterprises; managed by the owner; and (iii) employs 5 or more and 50 or less people (not registered ones).

Used nonfinancial indicators to measure performance; and like Radipere and Dhliwayo (2014), it used Likert scales to measure performance of small businesses. Radipere and Dhliwayo (2014) used a six point scale; this study however, used a four point Likert scale ranging from a minimum of one (strongly disagree; very low) to a maximum of four (strongly agree; high).

The more potent parametric statistical techniques were used due to the fact that the data met the stipulated requirements, such as normal distribution and sample size exceeding 30 respondents (Pallant, 2005). Analysis was carried out using Pearsons linear correlations coefficient (PLCC) and a simple regression analysis to test hypothesis one (H<sub>1</sub>); an independent sample t-test was used to test hypothesis two (H<sub>2</sub>).

### IV. Results And Discussion

#### Profile of Respondents

A majority of the business owners are male, 196 or 63.08%. This highlights the traditionally dominant role of men in Indian society and business generally; it also points to the resilient role of women and their gradual progression in the business arena (113 or 36.92%). Most of the business owner's age were from 22-59 years and above, but more business owners were concentrated between the age range of 22-39 years old, this concentration indicates that most business owners are in early adulthood accounting for 245 (79.03%) of the respondents followed by those in middle adulthood (45 or 20.96%).

#### Relationship between Gender and Performance

H<sub>1</sub>: There is a significant relationship between gender and performance

**Table 1. Correlation between age and performance**

Variables Correlation	r	Sig	Interpretation
Gender vs. Performance	-0.111**	0.025	Weak Correlation

n=310; \*\* significant at 95% confidence level

The significant correlation in table 1 is a possible indicator that there could be a relationship between gender and performance of small businesses enterprises by confirming the association of the two variables. To confirm a causal relationship, a regression was carried out as displayed in table 2.

**Table 2. Simple regression result of gender on performance**

(a) ANOVA table

	Sums of	Degrees of	Mean	F-statistic	Critical F	R <sup>2</sup>
	Squares (SS)	Deference (df)	Squares (MS)		Value	
Regression	0.577	1	0.577	5.086**	3.84	0.012
Residual	46.150	307	0.113			
Total	46.726	308				

\*\* significant at 95% confidence level

Table 2(a) confirms that the model is statistically significant, after a comparison of the F statistic and the Critical F value (from the F distribution table), it was evident that the F statistic ( $F=5.07$ ) is larger than critical F value ( $F_{1, 407; 0.05}=3.84$ ). It additionally indicates that the overall model explains 1.2 percent of the variance in performance. In others words 1.2% of the variance of performance can be accounted for by gender.

**Difference in Performance between Male Owned and Female Owned Businesses**

**H<sub>2</sub>:** There is a significant difference in performance between male owned and female owned businesses

An independent-samples t-test was conducted to compare the performance levels for male-owned and female-owned small businesses. There was a significant difference in scores for males ( $M=3.46$ ,  $SD=0.34$ ) and females [ $M=3.38$ ,  $SD=0.34$ ;  $t(308) = 1.969$ ,  $p = 0.03$ ]. The magnitude of the differences in the means was very small.

**Table 3. Independent samples t-test on business performance**

**Group Statistics**

Gender	N	Mean <sup>a</sup>	Std. Deviation	t-value	Rank
Male	196	3.4590	0.33460	10.338	1
Performance					
Female	114	3.3812	0.34036	9.934	2

\*Significant at 99% confidence level

This therefore confirms that the hypothesis (2) which states that: There is a significant difference in performance between male owned and female owned businesses is accepted.

**Introduction**

Since it is mathematically proven that gender plays a key role in the performance of small scale enterprises, and the performance of male is better than their female counterparts, but our studies also suggested that women plays a key role in the growth of economy and we cannot overlook the massive women population of India. So development of women will ultimately leads to the development of our countries' economy. Below is the case study of women and men in small scale enterprise in different parts of Delhi, and factors which impedes in the progression of women in the economic sector.

**1. Data Discussion And Critical Analysis**

**Socio- Demographic Characteristics of the Respondents**

Table 1 shows individual characteristics of small- scale business operators. Majority of the respondents is male (63.08%) while female constitutes (36.92%). This data ascertain the presence of female small-scale business owners in Delhi, India. Earlier, Fairlie and Robb, (2012) have observed that data with large samples of female-owned businesses are scarce, and handful of previous studies have used business-level data to study the outcomes of female-owned firms. The findings also reveal that majority of the respondents had tertiary educational qualifications (Male -24% and female 20%). The high literacy level among the small- scale business owners could be attributed to the free education policy that makes access to primary and secondary education possible and several tertiary institutions have offered some degree programmes on a part-time basis.

The characteristics of the respondents in the sample size shows that majority of the respondents were married (male-24% and female - 18%). The presence of majority of married women and men in the sample support the report of Adegbite, Ilori, Irefin and others (2007) study, which established that married men and women worked harder in managing a business because of the social, financial and psychological support than single, divorced or widowed individuals. This becomes pertinent because of family responsibilities and commitments (Adegbite et al 2007). Majority of the respondents are in the age group of 46yrs and above, this result is not much different from the findings of OSSREA (2005) which reported that women entrepreneurs established their business around the age of thirty-five years, while the study shows that among the male respondents (20%) and Female (26%) started their businesses between 1-3 years ago.

In sourcing for start-up capital, which has been attributed as variable for entrepreneurial success, the finding shows that only few male respondents (4%) had access to financial institutions loans while none of the female respondents had been able to access financial institutions loans. Majority of female respondents had to rely on individual money (16%) and Cooperative loans (20%) as a source of capital for funding of their businesses. The result also supports a research published by the National Foundation for Women Business Owners

(NFWBO, 1994), which showed that 22% of women entrepreneurs in their study reported that maintaining the growth and competitiveness of their firms without easy access to external finance was a significant challenge. This suggests that access to finance represent one of the challenges to entrepreneurial success.

Survey was taken by a group of 50 people (27 male, 23 female) who works in small scale enterprise in various parts of Delhi, involved completely in different environment of work conduct and the following table is formulated;

**Table 1: Demographic and Socioeconomic Characteristics of Respondents**

N=50, Male=27 (54%), Female=23 (46%)		Sex	
		Male	Female
Educational qualification of the Respondents	No formal Education	7 (14%)	3 (6%)
	Informal Education	5 (10%)	6 (12%)
	Primary Education	3 (6%)	4 (8%)
	Tertiary Education	12 (24%)	10 (20%)
	Total	27	23
Marital status	Single	5 (10%)	3 (6%)
	Marned	12 (24%)	9 (18%)

	Divorced	5 (10%)	2 (4%)
	Separated	3 (6%)	3 (6%)
	Widowed	2 (4%)	6 (12%)
	Total	27	23
Previous Entrepreneurial	Satisfactory	8 (16%)	4 (8%)
	Not Satisfactory	10 (20%)	8 (16%)
	None	5 (10%)	5 (12%)
	Total	27	23
Age of Respondents	20-25 years	2 (4%)	1(2%)
	26-35 years	5 (10%)	4 (8%)
	36-45 years	8 (16%)	7 (14%)
	46 years and above	12 (24%)	11 (22%)
	Total	27	23
Period in business	1-3 years	10 (20%)	13 (26%)
	4-6 years	8 (16%)	6(12%)
	7-9years	7 (14%)	3 (6%)
	10 years and above	2 (4%)	1 (2%)
Business ownership	Individual	8 (16%)	7
	Family	9 (18%)	4

	Partnership	6 (12%)	1 (2%)
	Company ownership	4 (8%)	1 (2%)
Sources of funding	Individual	12 (24%)	8 (16%)
	Relatives	4 (8%)	2 (4%)
	Friends	2 (4%)	2 (4%)
	Formal institutions	2 (4%)	-
	Cooperatives	6 (12%)	10 (20%)
	Others	1 (2%)	1 (2%)
	Types of small scale	Metal fabricating	5 (10%)
Saloon/Boutique		2 (4%)	9 (18%)
Catering/Restaurants		2 (4%)	6 (12%)
Educational		8 (16%)	6 (12%)
Services		10 (20%)	2 (4%)

### **3.Factors Affecting Performance Of Women In Smale Scale Enterprise**

Life of a women entrepreneur having a small scale industry is not a bed of roses. The individual women entrepreneur single handedly faces a plethora of seemingly endless problems. Some of the factors and challenges they faces are:

Information in table 3 reveals that factors significant for female include marital status (64%), Age of Children (68%), Role- Model/ Advisors (58%), Business location (60%) that affect their business development. Age of children that affect women's small-scale enterprise development could be attributed to the roles of women generally in society. Women carried the triple burden of home care, socialisation of children and social roles in the community (Momsen, 1999). Time invested in taking care of children will in no doubt affect the time allocated for seeing to the affairs of their enterprises.

Another problem that is of importance to women small –scale enterprise owners is the lack of role models/ advisors. Family members, especially parents play a key role in establishing the desirability and credibility of entrepreneurial action for individuals. Scherer et al. (1989) found that the presence of a parent entrepreneurial role model was associated with an individual's business performance. Individuals with a parent entrepreneurial role model were perceived to be high performers and were significantly different from individuals without entrepreneurial role models, who were perceived to be low performers. Women value their ability to develop relationships. In line with this view is Hisrich and Brush (1987) suggestion that support systems, mentors, and advisors, business associates and friends; participation in trade associations and women's groups are the significant networks which are positively associated with business performance.

In addition, Fraser (1995) and Wheeler (1995) stated that the use of informal mentoring supportive relationships is one of the best ways of establishing a business and these relationships helped the new entrepreneur bypass the obstacles that impede growth, success, and personal fulfilment. However, women are often excluded from social networks or informal networks of information such as male-only clubs, old boys' networks, and

business lunches compared to men due to lack of time (Belcourt et al, 1991).

Survey was conducted in disparate areas of Delhi, and according to the results and with the help of SPEARMAN RANK CORRELATION COEFFICIENT technique, the following table is formulated, Male count 50, female count 50, total count 100.

**TABLE 3 : Factors affecting performance of small scale business owners**

s/n	Variables	Male(%)	Female (%)	Spearman correlation	Status
1	Friends	35 (70)	15( 30)	P<0.05	Sig. for male
2	Family pressure on financial matters	25(50)	25 (50)	p> 0.05	No sig. diff.
3	Customers	18(36)	32 (64)	P< 0.05	Sig. for female
4	Business Development	12(24)	32 (64)	P<0.05	Sig. for female
5	Government Support	40(80)	10 (20)	P<.0.05	Sig. for male
6	Adequate Training	23(46)	27 (54)	P<0.05	Sig. for Female
7	Support System	20(40)	30 (60)	P<0.05	Sig. for female
8	Educational Background	40(80)	10(20)	P<0.05	Sig. for male
9	Role Model/Advisors	22(42)	30(58)	P<0.05	Sig. for female
10	Participation in Trade Association	16(32)	34(68)	P< 0.05	Sig. for female
11	Innovativeness	36(72)	14(28)	P<0.05	Sig. for male
12	Parental occupation	26(52)	24(48)	P<0.05	Sig. for male
13	Risk taking	42(84)	8(16)	P<0.05	Sig. for male

14	Lack of Available Capital/ Financing	25(50)	25(50)	p>0.05	No sig. diff
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15	Marital status	18(36)	32(64)	p>0.05	Sig. for female
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16	Age of Children	16(32)	34(68)	p>0.05	Sig.	for female
17	Business premises/location	33(66)	17(34)	p>0.05	Sig.	for male
18	Re- training opportunities	30(60)	20(40)	p>0.05	Sig.	for male
19	Lack of Prior experience	45(85)	15(15)	p>0.05	Sig.	for male
20	Amount of Time and Efforts required	25(50)	25(50)	P<0.05	No	sig. diff.

Source : field work, 2015

#### 4. Challenges Of Small Scale Enterprise Women Owners

One of the most important challenges faced by women small -scale enterprise owners is inadequate access to financial resources (Jain et a. 2014). Continuous ability to access resources has been recognised as a key to entrepreneurial resources. This is in line with the liberal feminist theory that stated that women are denied access to financial resources. Other challenges are inability to control costs. This inability to control costs could be attributed to rising costs of materials as result inflation in the country. It behooves the federal government to control inflation in order to ensure that local small-scale business owners survive. Other problems include inadequate competent staff (76%) and problems of policies, incentives and operations (64%).

Lack of education and prevalent levels of illiteracy amongst women. In India, around (40%) of women are still illiterate. Illiteracy is the root cause of socioeconomic barriers or hurdles. Due to lack of knowledge of latest technological change, know-how and education creates problems before women to set up competitive enterprises.

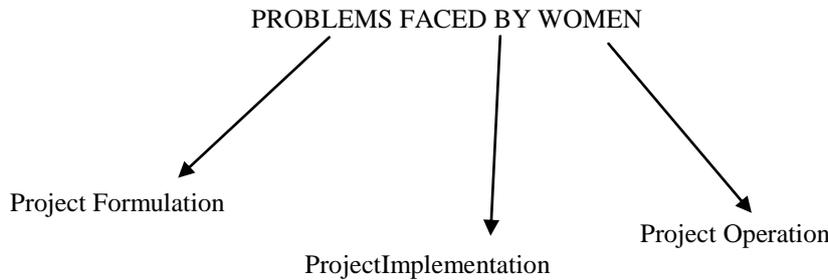
Problems	Male	Female	Chi-square Significant Difference
Lack of financial resources	15	35	Sig. for female
Lack of management experience	40	10	Sig. for male
Poor locations	48	2	Sig. for male
Low regulations	25	25	No significant difference
Poor infrastructure	3	47	Sig. for female
Corruption	46	4	Sig. for male
Low demand for product and services	42	8	Sig. for male
Poverty	30	20	Sig. for male
Short of raw materials	36	14	Sig. for male
Inadequate competent personnel	12	38	Sig. for female
Inability to control costs	19	31	Sig. for female
Problems of policies, incentives and operating environment	18	32	Sig. for female

Problems of dumping of cheap foreign products	24	26	Sig. for female
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Source: Fieldwork, 2015 Multiple responses

Pandit Jawaharlal Lal Nehruhas remarked “When women move forward, the family moves, the village moves and the Nation moves.”(Charantimath 2006). Women Entrepreneurs have been making a important impact in all segments of economy of the world. Their willingness for the future is apparent in their growing confidence, in their strengths and in their desire to seek different types of work in order to achieve a new work life balance.

To be precise,



### 5. Government Initiative

Policies to Promote SME Sectors

- Government Policies to Promote SME Sectors Government is striving hard to promote smaller scale industries by announcing different promotional schemes. The first and foremost step of the government in the direction of providing financial benefits was to announce tax concessions and certain exemptions on indirect taxes. As a matter of fact, there were many sick units, where more funds were to be injected and they needed rehabilitation.
- The Reserve Bank of India formed a committee in the year 2000, headed by the chairman of Indian Banks Association to handle the issue of rehabilitation of sick small scale units. This committee also undertook the task of providing assistance in marketing through National Small Industries Corporation by providing an umbrella brand; encouraging top quality standards and ISO 9000 certification and setting up Technology Up-gradation Funds.
- The government also emphasized on paving the way for greater cooperation between the Industry and the Government. Government also asked the small business owners, to pool their resources with that of the government-resources and to create strong partnerships in R&D to sustain the global challenge.
- A new initiative was taken by the government to help ease the central and state industrial laws for small scale industries to boost entrepreneurship and reduce red tape. A body under the cabinet secretary was formed to execute this task.
- The Marketing Development Assistance (MDA) was established to help SSI in 2001. The Purchase Preference Scheme was launched to provide priority to small business units during departmental purchases of the government. According to latest news, Indian government agencies such as the Small Industries Development Bank of India and International Finance Corporation are planning to set up venture capital funds comprising of a whopping \$1.4 billion fund for the small scale sector.
- In a latest development, the government is working upon to increase the loan amount to be provided to the SSI to Rs. 25 lakhs under the Credit Guarantee Fund for Small Industries (CGFSI). The investment cap is also being extended to Rs. 5 crore from the existing Rs. 1 crore for four businesses viz. auto components, hosiery, hand tools, and granites. Government is also considering to raise this investment cap to some hi-tech and export oriented industries up to Rs. 5 crore in the wake of growing challenges faced by these industries
- The Aam Aadmi Party (AAP) government here has done away with the need to secure crucial permits for setting up small-scale industries in the national capital. Now, micro, small and medium enterprises

(MSMEs) will not require a consent-to-establish (CTE) certificate from the Delhi Pollution Control Committee (DPCC) and a trade license from the Municipal Corporation of Delhi (MCD) to obtain an acknowledgment letter under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. "This is a very encouraging move by the AAP government. These licenses were a major hurdle for setting up factories in Delhi. This will certainly encourage budding entrepreneurs to set up factories without any hassle," (N M P Jeyesh, head (SME) and director, Confederation of Indian Industry).

## V. Conclusion

This study sought to explore the effect of gender on performance by testing two hypotheses: (i) there is a significant relationship between gender and performance, and (ii) there is a significant difference in performance between male owned and female owned businesses.

The results show that there is a significant relationship between gender and performance, and that there is a significant difference in performance between male and female owned businesses. This study also indicated that male owned businesses tend to perform better than female owned businesses. These findings are in agreement with other studies of similar nature carried out in different parts of the world. This study however shows that businesses owned by women perform quite well (female mean = 3.38), just not as well as that of their male counterpart (male mean = 3.46). Though several reasons have been given by scholars (Quan, 2012; Alowaihan, 2004; Fiske et al, 2002) to explain why this is so, hence the fact remains that female business owners need more educational, managerial, and financial support among others to help them rise to the level of their male counterpart. Future studies on the other hand are necessary to investigate the variables depicted in the theoretical framework since our present knowledge of factors affecting performance gender separately in developing countries is still insufficient especially in India. More cross-country research is needed to develop a database on factors that influence small-scale business in India along gender analysis.

Effective policies and programmes to support the development of small-scale enterprises depend critically on adequate knowledge of characteristics and constraints of male and female small-scale business operators. All this will also serve not only to provide a self-check to current women entrepreneurs, but also to increase women's involvement in entrepreneurship through a better understanding of the determinants of business performance of women entrepreneurs in general and in the Indian context in particular. Such an understanding of the pre-requisites for Indian women entrepreneurs to succeed in their businesses is of critical importance especially in today's competitive environment. Entrepreneurial orientation such as innovativeness, and risk taking are the factors found to determine the success of a woman entrepreneur in her business. Innovativeness enables women entrepreneurs to venture into new things, that is, technology, products and market whereas risk taking is required if women are to venture into relative large-scale businesses. Woman entrepreneur needs to have confidence, courage, and strong will power to succeed in business, be efficient and able to produce goods and services of high quality, steady supply and at competitive prices. This may apply to the India small-scale owners' women entrepreneurs to become more creative in producing and promoting their products and services and as well as willing to take risks with confidence they had to compete with others.

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