

The Role of Risk and Competition in Women MSME's-Literature Review and Implications

Shivakami Rajan

Assistant Professor

St. Josephs College of Commerce

Bangalore

Dr. Sunita Panicker

Associate Professor

Department of Management Studies

Christ University

Bangalore

ABSTRACT:

This paper examines how and to what extent women owned Micro, Small, Medium Enterprises (MSMEs) apply, cope, manage risk and competition planning within their business activities. Specifically, the question of why women owned MSMEs seem to struggle with larger organisations is being addressed. It explores and studies factors of how the issues of risk and competition affects because of company size and other factors. Along these lines, an analysis of the relevant literature based on a systematic review of articles were conducted on factors, risk management and competition issues in women owned MSMEs over the last decade in India. These articles have been taken from the leading Entrepreneurship and Strategic Management journals. Women MSMEs seem to plan strategically in a less structured and more informal manner than larger organisation while they might engage relatively more in an informal way of managing their activities.

This paper attempts to structure current research on risk and competition management in women MSMEs and derives an agenda for future research, thereby extending the knowledge on management of women MSMEs.

KEYWORDS: Competition, Gender, MSMEs, NSIC, marketing, Perceived Risk, Risk, Risk Management, Women entrepreneurs.

INTRODUCTION:

The MSME development institute is a development institution set under the ministry of Micro, Small, and Medium Enterprises of Indian Government. They MSME are complimentary to larger industry as ancillary units. The last five decades of MSME has seen vibrancy and dynamism in India. This sector has acted as a nursery of entrepreneurship in India and has contributed towards economic development manufacturing output, employment exports. These sector posses many advantages for equitable distribution of development since it helps industrialization, employment and infrastructural development in rural and backward areas.

The MSME sector contributes 8% to GDP besides 45% to the total manufacturing output and 40% to the exports from country. As per all India census of MSME the size of this sector both in registered and unregistered pattern is 361.76 lacs The leading industrial sector in MSME are personal and house hold goods, apparel, pressing and dyeing of fur, food and beverages, service activities, hotel and restaurants, sale, R&M , vehicle and Motor cycles. Automotive fuel, furniture manufacturing, fabricated metal products, machineries and equipment, textiles.

MSME AND INITIATIVES FOR WOMEN ENTREPRENEURSHIP:

To encourage the growth of women enterprises in the country, the ministry has launched a credit guarantee fund scheme for MSME for loan up to Rs.10 lacs without collateral or third party guarantee (CGTMSE), jointly by the Govt of India and SIBDI of which eight percent of guarantee cover is provided for MSME owned/operated by women. The Government of India also provides assistance to women entrepreneurs association for establishing exhibitions centres at central places of cities for display and

sale of products. Of the women owned MSE, 40 percent of the project cost of infrastructural development with GOI, support is also given to women for EDP training programmes conducted by the Ministry of MSE at state level by being charged 50percent of fees. Also Rs.125 per week stipend is given to women in the stipendiary programmes. It is noted that 33% of total participants through its different training activities. The Ministry of MSME exclusively have implemented 2 specific schemes for women-TREAD and Mahila Coir Yojana. (MSME report).At present, 94 companies are listed on the SME platform of BSE. These firms have raised about Rs 730 crores through initial public offerings (PTI, 2015).

Govt of India through MSME has developed the Udyami Helpline to provide assistance and guidance to prospective as well as existing entrepreneurs about opportunities and facilities available under various schemes of the Government like marketing, credit support, cluster support, technology up gradation, skill development and various other such schemes. They have also created STEP-support for training and employment programmes for women which enable income generation activities.

MSME AND WOMEN ENTREPRENEURSHIP IN KARNATAKA:

Among the Indian states, ten states are leading in terms of enterprises. Karnataka @20.19lacs, stands at the eighth position in the list, in terms of employment also. In Economic Census 2005 the registered and unregistered enterprises was 147.38 lac and the no's of women enterprise was 26.61lac in numbers

This paper has been organised in the following manner. The next section is the reviews segments of MSME and women entrepreneurship literatures concerning the study variables. Later explanations of the variables and its implications for practice and policymaking are attempted. In conclusion, the study's contribution, limitations and suggestions for future research is done.

LITERATURE REVIEW:

Pareek (1992) define women entrepreneur as a female who plays a captivating part by repeatedly interacting and keenly adjusting herself with financial, socio-economic, and support spheres in society

The role of women entrepreneurs is important part of the labour force, the economics of which cannot be isolated from the framework of development (Mukerjee, 2013). Women are transforming themselves from job seekers to job providers which are in itself a great accomplishment. It is also argued that entrepreneurship offers women financial independence and also gives them varied lifestyles choice if they embark on this.(Shastri & Rao, 2014). Another thought is that women venture into entrepreneurial activities for self achievement and accomplishment feeling. This shows that women moving from being a home provider to be a financial provider in the family has given their identity a new paradigm of accomplishment and achievement.

The OCED SME's 2004 report acknowledges that women entrepreneurs are major economic resource and not fully utilized by many countries. It states that the women and men in their entrepreneurial role take up different avenues between themselves and that women are less participating in risk roles when compared to men. It further emphasis that women's entrepreneurship has become a policy issue in many countries during the last decade("promoting entrepreneurship and innovative MSMEs in a global economy: towards a more responsible and inclusive globalisation," n.d.-) Powell and Johnson (1994) stated that women entrepreneurs are more cautious, less confident, less aggressive, easier to persuade and have inferior leadership and problem solving abilities when decision under risk compared to men. This leads to a view which in stereotypically saying that women are less able managers. Women entrepreneurs show less preference for risk (Hudgens and Fatkins, 1994).In the recent decades there has been a revolutionary changes in this thought and it has been found that women who have started their businesses sometime during the past decade are more likely to have willingness & ability to take risks along with a strong motivation for autonomy and achievement (KAUR & SINGH, 2013). Today women entrepreneurs face a different kind of problem when it comes to financial risk- access to credit. The access to credit is a main obstacle for growing enterprises (Gayathridevi C L, 2014). But at the same time credit programs are making women entrepreneurs more dependent on the credit provider than being independent(Afrin, Islam, & Ahmed, 2009). In MSME credit programs under SIDBI (Small Industries Development Bank of India) are available to women MSME entrepreneurs, to ensure better flow of credit to them by

minimizing the risk perception of banks in lending without collateral. The total supply of formal finance to women-owned MSMEs in 2012 was INR2.31 trillion and resulted in a finance gap of INR 6.37 trillion or 73 percent of total demand (IFC, World Bank group report, 2014). Even though credit programs are helping women to tide over the financial risk barriers they have to invariably face the market risk and competition for business sustenance.

"Competition is a cornerstone of economic life" (Bartling et al, 2009). Today global competitiveness becomes intensive; MSMEs are transitioning to a new business environment with emergence of global supply chains (CII, 2010). A decision to enter into a competitive environment or not is a decision one self-selects (Bönte & Piegeler, 2013). Today in pursuit of competitive advantage and to adopt to the fast changing environment, most firms today constantly and continuously re-engineer their products, processes and even business model (Uy, 2014). In MSME, the male female competition is another reason for hurdles in the path of women entrepreneurs which leads to, women entrepreneurs being frequently at the mercy of the middlemen who pocket the chunk of profit in order to market their products unlike the men entrepreneurs (Dangi, 2014). Ministry of MSMEs have come up with various schemes targeted for women entrepreneurs but the problem lies in ignorance of women friendly measures framed by the Government. Bank or financial Institutions are unable to communicate the availability of such schemes to women (Joshi, 2014).

According to the New Industrial Policy of 2014-19, the aim of the government is to encourage women entrepreneurs and "...give a special thrust to women entrepreneurship and to improve the contribution of women entrepreneurs and facilitate creation of more women enterprises in the state in the next five years..." It has been noted that in spite of all the government work and initiatives taken, the women entrepreneurs have still to play a more active role towards accelerating entrepreneurship.

Not surprisingly, many studies have been conducted to investigate the relationship between entrepreneurship and MSME. This paper contributes to the area of research of women entrepreneurship and MSME by investigating this unique relationship between women entrepreneur in MSME's from the view of Bangalore District

STATEMENT OF PROBLEMS:

A woman has been the backbone of a family and has always been the decision maker in family. But the Indian society is a male-dominated society when specific roles for both the genders are earmarked. And business role is not the one for women. In such scenarios, today women are breaking the ground rules and venturing out in areas of business and are path breaking their gender specified roles. We have seen many women today successfully managing business with bold decisions, taking risk, facing competition just like men. Women being psychologically different from men, take risk and completion in business in a different manner when compared to men. This study attempts to have full-scale study that could answer the following questions: In what way do women entrepreneur handle risk and competition?

OBJECTIVES OF THE STUDY:

- a) To delve into the work of MSME Institute in Bangalore, how they are helping women start and what they have achieved.
- b) To know how the risk factor has been handled by these women entrepreneurs after they have entered into their entrepreneurial orbit
- c) To understand the competition these women encounter, how do they face these competition and what countermeasure they take to counter these competition.

LIMITATION TO THE STUDY:

It should be noted that this study has some limitations. The most notable one is the fact that this study is only on MSME women entrepreneurs; in particular of Bangalore city of Karnataka state. The discussions are based on the MSME sector in Bangalore and the Government of India's initiatives. Hence these discussions might be country-specific. Further studies could use samples of women entrepreneurs from the MSME women entrepreneurs in Karnataka in different patterns or levels of development to test

whether these discussions can be extended and generalized. The study is also based on the secondary data collected from the Annual report of MSME-2013-2014 published by the Government of India from the Ministry of MSME. The Annual report 2013-2014 does not contain specific section to women entrepreneurs but spread over the entire report

METHODOLOGY:

This paper is exploratory in nature. It conceptually tries to understand the women angle of risk and competition in MSME sector from the theory and literature. With specific reference to Bangalore District; it explores the activities of NSIC, Bangalore chapter and MSMEDO of Bangalore in their pursuit of empowering women entrepreneurs in MSME sector. The data for this study were collected from secondary sources and also from observations on the MSME Institute in Bangalore.

CONCEPTUAL DISCUSSIONS OF OBJECTIVES:**OBJECTIVE 1: MSME INITIATIVES IN KARNATAKA FOR WOMEN ENTREPRENEURS:**

In Karnataka MSME-DI (divisional Institute) is field office under the MSMEDO, Ministry of MSME, and GOI. It is an apex body and nodal agency for formulating, coordinating and monitoring the policies and development of SMEs. In addition, National Small Industries Corporation (NSIC) is a Government of India Enterprise under Ministry of Micro, Small and Medium Enterprise (MSME) and also an ISO 9001-2008 certified organisation. It's main objective is to promote, aid and foster the growth of MSME enterprises in India. It operates throughout the country through a network of offices and technical centres. It also has global office in Johannesburg, South Africa.

In Karnataka NSIC operates from three different locations, namely in Bangalore, Belgaum and Hosur. In Bangalore there are two offices. It operates one at Rajajinagar Industrial Estate and another from Peenya Industrial estate.

Women entrepreneur can enlist help from NSIC for marketing, marketing intelligence, technological assistance, and financial support. It also throws the door open for assisting women entrepreneurs through various schemes like MSME global mart b2b web portal for MSMEs, exhibitions and technology fairs, buyer-seller meets, financing for procurement of raw material (short term), performance and credit rating scheme for small industries. It also provides integrated support services under Marketing, Technology, Finance and other Support service. MSME has specifically initiated a Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women for 12th Plan. The objective of this scheme is to empower women entrepreneurs through trade related training, provide information and counselling assistance related to trades, products, services. This is specifically meant for women entrepreneurs pursuing non-farm activity only. This scheme is available to all nationalized banks of India.

The Government of Karnataka acknowledging the importance of women entrepreneurs, partnered with WE Connect International India on Women entrepreneur's day on 19th November 2014, and discussed the implementation of new industrial policy on women entrepreneurship development. In Karnataka the women entrepreneurs chapters to name a few are AWAKE, COWE-Karnataka chapter, eMERG, FKCCI-Women entrepreneurship Committee, KASSIA-Women entrepreneurs Committee, NEN, WEConnect-Bangalore, WISE-Mysore and The Indus Entrepreneurs, TIE-Hubli.

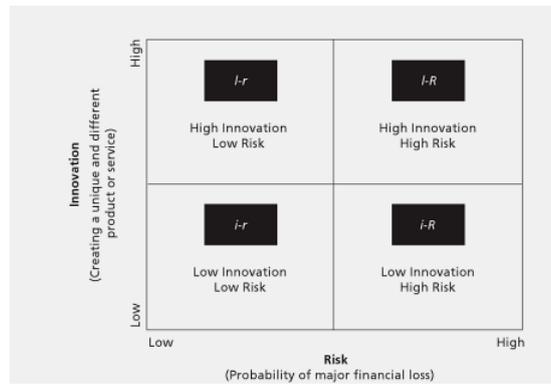
OBJECTIVE 2- RISK FACTOR:

Risk has been defined by ISO 31000 as -risk is the effect of uncertainty on objectives where the effect is described as the deviation from the expected-positive or negative. It further states that characteristics of risk are that can be viewed by the reference of potential events or the consequences or a combination of both. It also states that by uncertainty is a state, "even partial" of deficiency of information related to, understanding or knowledge of an event, its consequences or likelihood(SOURCE: ISO Guide 73:2009, definition 1.1). Many risk concepts like risk propensity, risk-seeking versus risk-averse, risk taker etc are widely researched and spoken about in the context of business and risk (Rohrmann, 2002)

Risk perception from a women entrepreneurs view has also been researched as risk attitude- risk taking propensity or risk-aversion. Some researchers have concluded that risk attitude is a part of the personality of a person. Profit making in business without taking risk is like trying to live without being born(Panigrahi, 2012).MSME primarily being in unlisted business particularly some being unorganised is a service challenge for all financial institution. In such scenario, women held MSME stands out as more challenging for such financial institutions.

From the above, it can be stated from a woman entrepreneurs view in MSME, the risk factor can be the uncertainty of the realisation of the objectives - mainly profits, which are likely to happen due to deviation from the expected and as a result of not having enough information of the various factors affecting the organisation, or a result of the consequences of the business activities undertaken by them.

The financial risk factor is researched by many researchers from different dimension. Some researchers have done extensive studies comparing gender diversity in handling this risk. Boz & Ergeneli, (2014) have stated that compared to women entrepreneurs, male entrepreneurs would actively seek more options of capital. They found that women entrepreneurs would either go immediately to venture capital providers when their loan applications were rejected by the loan officers rather than work their business plan effectively or put their idea on hold. In 2001, entrepreneur strategy mix pattern was studied by (Sonfield, Lussier, Corman, & Mckinney, 2001)of innovations and risky nature and adopt similar strategies and ploy. The entrepreneurial strategy mix is a matrix model describing the risk vs innovation actions taken by small business and given by Sonfield et al (Fig.1)



Source:(Sonfield et al., 2001)

In their study, it was discovered that women and men share the same amount of aversion to risk contradicting the generally stated understanding that women are more averse to risk when compared to men. Ragahavan (2005) said that organizations survival depends on its ability to anticipate and prepare for change rather than reacting to it when it inevitably occurs. Women entrepreneurs in MSME, especially in their start-up stage are more reactive than proactive.

RISK AND RISK MANAGEMENT:

Further it is also to be noted that from a woman entrepreneurs view in MSME, the risk factor can be the uncertainty of the realisation of the objectives - mainly profits, which are likely to happen due to deviation from the expected and as a result of not having enough information of the various factors affecting the organisation, or a result of the consequences of the business activities undertaken by then. Here sound risk management helps a women MSME to reduce the chance that a particular event will take place and if it does not take place, the risk management initiatives taken by her should reduce its impact. Given that women venturing into MSME sector are having the personality trait of risk taking propensity, risk management now has become a need for Women held MSME to sustain.

SECTOR AND RISK:

It has also been stated that women entrepreneurs generally venture into trade sector than manufacturing sector. (Ufuk & Özgen, 2001) found that almost 51 percent of women were in trading business and only a meagre 25 percentage of women preferred manufacturing businesses and the rest 24 percent were in the service sector when they studied women entrepreneurs in their country-Turkey. It is evident that women would generally prefer sectors which are less complicated and simpler transactions rather than risk manufacturing which is complex and time oriented.

EDUCATION AND RISK:

In India, women's access to education is low when compared to men. The Indian Cultural values have a say in this issue. So this inequality to access to education consigns many women to lives of low status and large families(Coughlin & Thomas, 2002). This low level education gives raise to low-level self-confidence and self-reliance to the women folk to engage in business

Literature supports the fact that women entrepreneurs in MSME sectors are majorly coming from low educational levels (Porter & Nagarajan, 2005; Roomi & Parrot, 2008). It is a fact that literacy rate of women in general in India is found at low level when compared to male population(Dangi, 2014). And for a business success the key requirements are knowledge of modern technologies, know how, and education level of the person (ibid)

SHARING RISK:

Perceptions of Risk by the entrepreneurs themselves: The biggest risk faced by the women entrepreneurs was an economic risk(Ufuk & Özgen, 2001). Also business conditions are not favorable for women in male dominated society, like dealing with men is difficult for women, lack of protection etc(Ullha, Ahmad, Manzoor, Hussain, & Farooq, 2002). In addition to this, the risk is shared by the family members by supporting MSME women in their entrepreneurial activities, especially if the women are a first generation entrepreneur; the family including her partner supports her in all the problems faced during the start-up. Family support remains a crucial factor in determining the degree to which business ownership is a positive experience for women(Mukherjee, 2010).

OBJECTIVE 3- COMPETITION:

Competition can be defined as too much duplication within the market so that every/many businesses are similar and undifferentiated. Every day is a competitive challenge for any entrepreneur specially so for a women MSME entrepreneurs since the sector and the kind of product she chooses would be low value and having no entry barriers. In addition to this, large enterprises along FDI pose a great challenge to women MSME entrepreneurs. Another industry related competition these women faces are the high imports products glutting the marketing in the form of dumping. Another fact to be noted is the competition is a non-controllable factor external to the enterprise, so a women entrepreneur at the best needs to face this challenge using strategies and tactics as required.

What makes them face this challenge is the competitive attitude. There are two types of competitive attitude- one hyper competitiveness and the other being personal development competitiveness attitudes(André, 2013). He says that hyper competitiveness comes from "a feeling of self-worth" where as personal development competitiveness attitude comes from the self-actualization- ie enjoyment and experience of the entrepreneurship and not in winning the game of business. Women are less likely than men to believe that being competitive in business contributes to the well-being of others (ibid).

Competition has been cited as one of the reasons for business failure (Wanjiku, 2009). He further says that learning's and changes in performance objectives and patterns of business behaviour changes occurs due to 'jolts'- faced in the form of competition(ibid). They focus on short-term solutions, without creating strategic plans for a longer future(Ivanov, 2011)

They not only have to face the competition in the industry amongst their competitors, they also have to face hard competition between the male and female entrepreneur. Even though women are better credit worthy when payments to banks and their suppliers are concerned, women have to face competition. The

Government of India has announced formulation of National Competitiveness Programme in 2005 with an objective to support the Small and Medium Enterprises (SMEs) in their endeavour to become competitive and adjust the competitive pressure caused by liberalization and moderation of tariff rates. Ten schemes have been drawn up including schemes for promotion of ICT, mini tool room, design clinics and marketing support for SMEs.

Industry offers a variety of products and services which are promoted using modern techniques and strategies. In the face of this women in MSME having less access to finance will not be using modern techniques and are also very small when compared to large organisation.

FACTORS AFFECTING WOMEN ENTREPRENEURS IN MSME SECTOR TOWARDS RISK AND COMPETITION:

In order to understand the above questions, the variables under study needs to looked into to get the overall factors that embody a women entrepreneurs in her normal course of “doing business” in the face of risk management and competition she faces everyday in her business activities.

1. ATTRACTIVENESS OF THE MSME SECTOR:

MSMEs in India face several problems such as, lack of availability of adequate and timely credit, high cost of credit, lack of collateral requirements, limited access to equity capital, problems in supply to government departments and agencies, procurement of raw materials at a competitive price, issues of storage, designing, packaging and product display, lack of access to global markets, inadequate infrastructure facilities like power, water and roads, low technology and lack of access to modern technology, problems of skilled labour for manufacturing, services and marketing, multiplicity of labour laws and complicated procedures, absence of a suitable mechanism which enables the quick revival of sick enterprises and measures to close down the unviable entities and issues relating to direct and indirect taxation and their procedures(Venkatesh & Muthiah, 2012). But in China it is said that the key dynamic behind the Chinese performance has been the growth of MSME sector there particularly Township and Village Enterprises(Gibb, 2006). On one side the MSME sector is having low barriers of entry, which enable women entrepreneurs easily entering this sector. This low entry barriers is the root cause of many players in this sector. Many competitors for the same small market lead to high competition.

2. FAILURE TO MANAGE SUCCESS:

Determinants of business success also vary in nature(Kamitewoko, 2013) Some authors argue it is all about size of investment and access to capital, some others argue that it is about the amount of experience of entrepreneur as factors affecting business success. It has been found that the education has positive effect in business success(Indarti & Langenberg, 2004; Thapa, 2007). All researchers' opinion that the success of women MSME can be attributed to many such factors. From this, it can be said that if any one of the factors are missing then, success is a question that she needs to fathom. At the same time, success in MSME can also be not a permanent factor. Since the MSME sector is a dynamic sector which interplays of many factors, it is not easy to manage to remain successful all the time. This makes these ventures very risky as long term success is difficult unless the women entrepreneurs push themselves beyond their capabilities.

3. CREDIT RISK:

Risk exists when the possibility of outcomes not accounted for, occur more rampantly. Credit risk would then mean that giving credit or loans, advances to women entrepreneurs in MSMSE sector is risky venture. In business, risk is always measured against capital and therefore the Capital to Risk-weighted Assets Ratio (CRAR) is much in vogue(Agier & Szafarz, 2010). At the same time, Women entrepreneur possess dual characteristics- ie they are first seen as women and secondly seen as entrepreneurs(Okafor & Mordi, 2010). This fact itself is a disadvantage to them. Hence there can be no doubt that lenders spread their risk when they lend to this particular sector(Panigrahi, 2012).

Small to medium businesses are exposed to risks all the time. Such risks can directly affect day -to-day operations, decrease revenue or increase expenses. In addition to this, the small and medium business owned by women entrepreneurs are viewed in a different light by the credit institutions .But the irony is that Women entrepreneurs are known not only to reimburse loans swifter than men, but also to receive smaller loans. On comparison with men, on average women have smaller-scope business projects and are poorer than men. Female enterprises especially in MSME are of a smaller version– in terms of profits and size when compared to men entrepreneurs.

Husbands (males) to some extent, tend to have better business networks as well as have better credit-worthiness with financial institution.

4. INABILITY TO SAVE:

The Global Findex, a comprehensive database measuring how people save, borrow, and manage risk in 148 countries, reveals that women are less likely than men to have formal bank accounts. In developing economies women are 20 percent less likely than men to have an account at a formal financial institution and 17 percent less likely to have borrowed formally in the past year. If women venture in entrepreneurship in MSME sector which is a low value add sector, she brings with her a very low financial value add to her business. But the end of the road for any business is running out of cash. Risk management is all about identifying and mitigating the uncertainties - especially the company killers - that surround cash flows. Reinvesting back into the business keeps the business cash flows growing. To reinvest, sustainable profits should be generated. If not, sufficient funds generation capability should be possible for the entrepreneurs. In MSME a women entrepreneur's inability to generate cash flows in the face of various adversities hampers the cash flows and reinvesting. This would mean inability to save for the business further.

5. BUSINESS NETWORKING:

Business networks are important means for women entrepreneurs for providing them with business information, business advices, exchange of resources and also a means of reducing potential risk as they are armed with prior information to face situational factors, also helping them with new business opportunities(Farr-Wharton & Brunetto, 2007). It is also said that External networks can enhance the power of entrepreneurs in MSMEs, for example, personal contact with partners, suppliers and customers(Inmyxai & Takahashi, 2010). Whereas women entrepreneurs breaking free from domestic world, would find this very difficult in the initial years during incubation and this becomes disadvantageous to them. Networked organisation indentified more opportunities than those firms who searched on their own is the conclusion that Singh et al reached in their social network research in 1999. This view is supported by Verhuel and Thurik(2001) who also concluded that women entrepreneurs are not able access new sources of potential business opportunities due to poor networking practices.

6. LACK OF ACCESS TO REAL MARKETS:

Unlike men, women mobility in India is highly limited due to many reasons. A single woman asking for room is still looked with suspicion. Cumbersome exercise involved in starting with an enterprise coupled with officials humiliating attitude towards women compels them to give up their spirit of surviving in an enterprise altogether(Khan, Bhatt, & AMU, 2014). So marketing their products is always a challenge for them. The Ministry of MSMSE has set up a MSME mart portal for these enterprising women to showcase their products online and create a market. But the effectiveness of this is questionable since advertisement and promotion of this portal is not enough as this portal is not widely known among the customers

7. POOR PRICING STRATEGIES:

As majority of MSMEs produce a variety of simple and cheap consumption goods, mostly for local markets and consumed by poor or low-income household, they find it difficult to sell their output at remunerative prices and cannot spend much on advertising, marketing research, etc(Panigrahi, 2012). Usually they are out-priced in the market if they try to compete with large enterprises for exactly the

same products when the economies of scale prescribe a large scale production, and it depends on modern technologies(Tambunan, 2008)

8. POOR MANAGEMENT AND GOVERNANCE SYSTEMS:

Firstly it should be stated that women MSME firms have generally a higher degree probability of failure not because it is owned by women but because they are in general young firms and small firms(OECD,2004).("promoting entrepreneurship and innovative SMEs in a global economy: towards a more responsible and inclusive globalisation," n.d.-). Women MSME are generally reluctant to share decision making and are majority single decision makers(Mboko & Smith-Hunter, 2009) .From the studies conducted by knotts et al(2008), it was found that women in MSME usually give high weightage or importance to marketing management rather than production management when compared to men in MSME.

9. LOW VALUE ADDITION:

Japanese small and medium sized enterprises (SMEs) comprise more than 99 percent of the total number of Japanese enterprises and contribute almost 60 percent of the value added to the GDP. In India contribution to GDP is almost 40% so the value addition is positive.

If value addition to the products or services that Women MSME handles, the value addition they do to the product value is comparatively less since majority of women are traders. As the products that are traded by the women entrepreneurs in MSME are of low value and large volume, it can be said that value addition is very low.

10. GOVERNMENT INITIATIVES:

Among all factors of environment government factors have a negative significance in women entrepreneurs(Okafor & Mordi, 2010). This is probably because even though government in various formats are available for Women in MSME, the other factors play a major role in deciding the success of their venture and government initiatives are not greatly influencing the success of MSME women.

Stevenson and St-Onge (2005) said that women in both rural and urban areas need more consistent access to training opportunities and to a wider range of business development services (BDS), which the Ministry of MSME have already rolled out in each State of India, including Karnataka. In Karnataka the MSME-DI (divisional Institute has a monthly programme of training women in MSME.

Vijayakumar and Naresh(2013) explored the various factors that influence women entrepreneurs in general and have also stated behavioural factors like, building confidence, motivation, establishing identity and achievement of excellence also are factors to be considered.



Source:(Vijayakumar & Naresh, 2013)

CONCLUSION:

It can be concluded that Micro, Small and Medium Enterprises are contributing to the economic growth and development of Indian economy. In India, it gives great confidence and exposure for women entrepreneurs starting a MSME to the outside world of business exposing them to the financial, marketing, competition and operations which otherwise they would not be exposed to. This exposure of running and an owning an MSME creates in them a greater degree of self-reliance enhancing her self-image. The autonomy enables her to exercise more influence over the events of her own life, there by empowering her.

Government too has taken many initiatives for the growth of women entrepreneurs. Under the **MSE Cluster Development Programme** by Ministry of MSME, the contribution from the Ministry of MSME varies between 30-80% of the total project in case of hard intervention, but in the case of clusters owned and managed by women entrepreneurs, contribution of the M/o MSME could be up to 90% of the project cost. Similarly, under the **Credit Guarantee Fund Scheme for Micro and Small Enterprises**, the guarantee cover is generally available up to 75% of the loans extended; however the extent of guarantee cover is 80% for MSEs operated and/ or owned by women. There are also several other schemes of the government at central and state level, which provide assistance for setting up training-cum-income generating activities for needy women to make them economically independent(Source.www.SIDBI.com).

Corporate India on their part can too contribute to the growth of women entrepreneurs in MSME sector by providing marketing options and platforms for them to participate and expand their supply chains especially online, internet and technological mentor as a part of their corporate social responsibility initiatives.

Without question, Micro, small and medium-sized enterprises (MSMEs) are a crucial source of employment, innovation, and economic development. There is a growing need to improve economic and social performance calls of the needs of woman-owned MSMEs. This is so because women conduct business differently from men and is a real potential source of innovation in terms of management, style and services rendered to the community and the society as a whole.

REFERENCES:

1. Afrin, S., Islam, N., & Ahmed, S. U. (2009). A multivariate model of micro credit and rural women entrepreneurship development in Bangladesh. *International Journal of Business and Management*, 3(8), p169.
2. Agier, I., & Szafarz, A. (2010). Credit to women entrepreneurs: The curse of the trustworthier sex. Available at SSRN 1718574. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1718574
3. André, R. (2013). AN EXAMINATION OF THE COMPETITIVE ATTITUDES OF ENTREPRENEURS: IMPLICATIONS FOR ENTREPRENEURIAL ORIENTATION AT THE INDIVIDUAL LEVEL. *Journal of Developmental Entrepreneurship*, 18(02), 1350008. <http://doi.org/10.1142/S1084946713500088>
4. Bönnte, W., & Piegeler, M. (2013). Gender gap in latent and nascent entrepreneurship: driven by competitiveness. *Small Business Economics*, 41(4), 961–987. <http://doi.org/10.1007/s11187-012-9459-3>
5. Boz, A., & Ergeneli, A. (2014). Women Entrepreneurs' Personality Characteristics and Parents' Parenting Style Profile in Turkey. *Procedia - Social and Behavioral Sciences*, 109, 92–97. <http://doi.org/10.1016/j.sbspro.2013.12.425>
6. Coughlin, J. H., & Thomas, A. R. (2002). *The rise of women entrepreneurs: people, processes, and global trends*. Westport, Conn: Quorum Books.
7. Dangi, N. (2014). Women Entrepreneurship and Growth and Performance of MSMEs in India. *International Journal*, 2(4). Retrieved from <http://ijarcsms.com/docs/paper/volume2/issue4/V2I4-0051.pdf>
8. Farr- Wharton, R., & Brunetto, Y. (2007). Women entrepreneurs, opportunity recognition and government- sponsored business networks: A social capital perspective. *Women in Management Review*, 22(3), 187–207. <http://doi.org/10.1108/09649420710743653>
9. Gayathridevi C L. (2014). Barriers of Women Entrepreneurs A Study in Bangalore Urban District. *International Journal of Trends in Economics, Amangement and Technology(IJTEMT)*, USA, Vol.III(Issue II), 24.
10. Gibb, A. (2006). Making markets in business development services for SMEs: Taking up the Chinese challenge of entrepreneurial networking and stakeholder relationship management. *Journal of Small Business and Enterprise Development*, 13(2), 263–283. <http://doi.org/10.1108/14626000610665962>
11. Indarti, N., & Langenberg, M. (2004). Factors affecting business success among SMEs: Empirical evidences from Indonesia. *The Second Bi-Annual European Summer University*. Retrieved from

<http://www.smmeresearch.co.za/SMME%20Research%20General/Reports/Succes%20factors%20among%20SMEs%20in%20Indonesia.pdf>

12. Inmyxai, S., & Takahashi, Y. (2010). Performance contrast and its determinants between male and female headed firms in Lao MSMEs. *International Journal of Business and Management*, 5(4), p37.
13. Ivanov, S. (2011). Why organizations fail: a conversation about American competitiveness. *International Journal of Organizational Innovation*, 4(94), 110–16.
14. Joshi, A. (2014). WOMEN ENTREPRENEURS IN INDIA: MOTIVATIONS, CHALLENGES AND PROSPECTS. *Abhinav-National Monthly Refereed Journal Of Research In Commerce & Management* (Online ISSN 2277-1166), 3(10), 60–66.
15. Kamitewoko, E. (2013). Determinants of Entrepreneurship Success: An Examination of Chinese-Owned Businesses in Congo Brazzaville. *Chinese Studies*, 02(03), 113–120. <http://doi.org/10.4236/chnstd.2013.23018>
16. KAUR, G., & SINGH, D. S. (2013). Women Entrepreneurs in India: Problems and Prospects. *ThirdFront Journal of Humanities and Social Science*, 1(1), 64–73.
17. Khan, N., Bhatt, A. A., & AMU, A. (2014). Role of Women In Micro, Small And Medium Enterprises (MSME). *International Journal*, 1(1). Retrieved from http://tmimjournal.org/papers/RoleofWomenMicroSmallMediumEnte_Nasreen.pdf
18. Mboko, S., & Smith-Hunter, A. (2009). Zimbabwe women business owners: survival strategies and implications for growth. *Journal of Applied Business and Economics*, 11(2), 1–13.
19. Mukherjee, S. (2010). Profiling the Urban Women Microentrepreneurs in India. *IUP Journal of Entrepreneurship Development*, 7(3), 23.
20. Okafor, C., & Mordi, C. (2010). Women entrepreneurship development in Nigeria: the effect of environmental factors. *BULETINUL Universitatii Petrol-Gaze Din Ploie~ Ti*, 62(4), 43–52.
21. Panigrahi, A. K. (2012). Risk Management in Micro, Small and Medium Enterprises (MSMEs) in India: A Critical Appraisal. *Asia Pacific Journal of Marketing & Management Review*, 1(4). Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2342484
22. PROMOTING ENTREPRENEURSHIP AND INNOVATIVE SMEs IN A GLOBAL ECONOMY: TOWARDS A MORE RESPONSIBLE AND INCLUSIVE GLOBALIZATION. (n.d.-a). Retrieved from <http://www.oecd.org/cfe/smes/31919215.pdf>
23. Shastri, D., & Rao, U. T. (2014). Women Entrepreneurs of Gujarat. *Procedia Economics and Finance*, 11, 745–752. [http://doi.org/10.1016/S2212-5671\(14\)00238-X](http://doi.org/10.1016/S2212-5671(14)00238-X)
24. Sonfield, M., Lussier, R., Corman, J., & McKinney, M. (2001). Gender Comparisons in Strategic Decision-Making: An Empirical Analysis of the Entrepreneurial Strategy Matrix. *Journal of Small Business Management*, 39(2), 165–173.
25. Tambunan, T. (2008). SME development, economic growth, and government intervention in a developing country: The Indonesian story. *Journal of International Entrepreneurship*, 6(4), 147–167. <http://doi.org/10.1007/s10843-008-0025-7>
26. Thapa, A. (2007). Micro-enterprises and household income. *Journal of Nepalese Business Studies*, 4(1), 110–118.
27. Ufuk, H., & Özgen, Ö. (2001). The profile of women entrepreneurs: a sample from Turkey. *International Journal of Consumer Studies*, 25(4), 299–308.
28. Ullha, H., Ahmad, Z. M., Manzoor, S. R., Hussain, M., & Farooq, M. A. (2002). Problems faced by women entrepreneurs in Kohat city of Khyber Pakhtunkhwa-Pakistan. *International Journal of Human Resource Studies*, 2(1). <http://doi.org/10.5296/ijhrs.v2i1.1241>
29. Uy, A. O. O. (2014). The Dynamics of Firm Competitiveness: Evidence from Cost Behavior of Filipino Firms. *Academy of Accounting and Financial Studies Journal*, 18(4), 84.
30. Venkatesh, S., & Muthiah, K. (2012). *ASIAN JOURNAL OF MANAGEMENT RESEARCH*. Vol-2, Issue-2. Retrieved from <http://www.ipublishing.co.in/ajmrvol1no1/voltwo/EIJMRS2069.pdf>
31. Vijayakumar, T., & Naresh, B. (2013). Women Entrepreneurship in India-Role of Women in Small and Medium Enterprises. *WOMEN*, 2(7). Retrieved from <http://tarj.in/images/download/AJMMR/TAJMMR%20JULY%202013%20COMPLETE%20PDF/7.2,%20T.Vijayakumar1.pdf>
32. Wanjiku, L. N. (2009). An investigation into management strategies affecting performance of micro, small and medium enterprises (MSMEs) in Kenya. Retrieved from <http://uir.unisa.ac.za/handle/10500/3120>