Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 13 | Issue: 1 | January 2026 -Peer-Reviewed Journal

PARTICIPATION OF WOMEN ENTREPRENEURS IN MSME SECTOR: A STUDY IN KALABURGI DISTRICT

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Article DOI: https://doi.org/10.36713/epra25606
DOI No: 10.36713/epra25606

ABSTRACT

This study examines the participation of women entrepreneurs in the MSME sector in Kalaburagi district of North Karnataka, focusing on enterprise characteristics, employment generation, and key challenges. Based on primary data from 350 women entrepreneurs and analysed using descriptive statistics, One-Way ANOVA and Chi-square tests, the findings show that most women operate micro and small enterprises in the service and trading sectors with modest investment and turnover. The results confirm that sector of enterprise significantly influences employment generation, while educational qualification affects business performance. Major constraints include complex financial procedures and limited awareness of support schemes. The study emphasizes the need for simplified financial access, skill development, and targeted policy interventions to promote sustainable women entrepreneurship.

KEYWORDS: *Women Entrepreneurship, MSMEs, Employment Generation, Financial Access, Education, Regional Development, Kalaburagi District.*

1. INTRODUCTION

Women entrepreneurship is a critical driver of inclusive economic development, contributing to employment generation, innovation, and poverty reduction. In India, women's participation in entrepreneurship has increased across sectors; however, their presence in the formal business ecosystem remains comparatively low. The MSME sector, which contributes about 30% to GDP, 45% to manufacturing output, and nearly 48% of exports, and employs over 110 million people (Ministry of MSME, 2023), offers significant scope for promoting women entrepreneurship. India has approximately 8.59 million women-owned MSMEs, constituting about 20% of total enterprises (MSME Ministry, 2022). These are largely micro enterprises concentrated in traditional sectors such as textiles, food processing, handicrafts, and services. Despite policy initiatives such as PMMY, Stand Up India, and TREAD, women entrepreneurs continue to face constraints related to finance, skills, gender bias, and limited awareness of support schemes.

Karnataka is among India's leading MSME states with over 10 lakh MSMEs, yet strong regional disparities persist. While southern districts show significant growth, North Karnataka including Kalaburagi, Bidar, Dharwad, and Belagavi lags behind due to infrastructural gaps, socio-cultural barriers, limited financial access, and low digital literacy. At the same time, the region holds substantial untapped potential in agro-processing, handicrafts, textiles, and service industries. This context underscores the need for a focused study on women's participation in MSMEs in North Karnataka to identify region-specific challenges and formulate effective policy interventions for inclusive growth and women empowerment.

2. REVIEW OF LITERATURE

Panicker & Rajan, (2020)[1] Panicker and Rajan (2020) found that the entrepreneurial ability of women entrepreneurs has a strong influence on the business performance of MSMEs in Karnataka. Their study identified that factors related to entrepreneurial ability directly shape how women perceive and manage their enterprises. They concluded that higher entrepreneurial ability leads to better performance outcomes for women-led MSMEs.

Joseph, M., & Fernandes, L. (2021)[2] this study investigates entrepreneurial intention among college-educated young women in India. Results indicate that educational exposure increases awareness but does not guarantee entrepreneurial intention due to fear of failure, low confidence and limited mentorship. Women with entrepreneurial family backgrounds showed higher intention. The study recommends entrepreneurship labs and experiential learning.

Rani and Sundaram (2023)[3] examined the impact of financial inclusion on 357 women-owned MSMEs in Vellore, Tamil Nadu, and found that both financial and social inclusion significantly improve business performance and women's empowerment. The study identified major constraints such as limited credit access, legal barriers, and gender bias in financial services, and emphasized the need for policy reforms to enhance financial access and reduce gender disparities.

Sowmya and Pai (2025)[4] analyzed gender-based challenges faced by women entrepreneurs in India's MSME sector, particularly in e-commerce adoption. Although women-led firms constitute 20.37% of MSMEs and contribute 23.3% of the workforce, they face persistent barriers such as unequal domestic responsibilities, limited access to finance and technology, weak business skills, and bureaucratic constraints. The study emphasizes that expanding women's economic participation could significantly boost India's GDP and recommends gender-sensitization, financial innovations, and digital skill development to strengthen women entrepreneurship.

3. STATEMENT OF PROBLEM

Despite national and state initiatives, participation of women entrepreneurs in the MSME sector in North Karnataka remains low relative to potential. The specific factors limiting their growth financial access, marketing infrastructure, digital literacy, and socio-cultural norms are not well understood in the current context.

4. OBJECTIVES

1. To examine the socio-economic profile of women entrepreneurs operating in the MSME sector in North Karnataka.
2. To evaluate the employment opportunities generated by women-led MSMEs in North Karnataka.
3. To analyze the challenges and barriers faced by women entrepreneurs in starting and managing MSMEs.

5. HYPOTHESIS TESTING

H_1: There is significant relationship between the number of employed and the sector of enterprise
H_2: There is a significant association between the educational qualification of women entrepreneurs and their average annual turnover.

6. RESEARCH METHODOLOGY

- **Research Design:** An explanatory, cross-sectional, mixed-method design was adopted.

Quantitative: Structured questionnaires covering socio-demographic profile, enterprise characteristics, access to finance, marketing, challenges, and policy awareness.

Qualitative: In-depth interviews and focus group discussions to explore motivations, socio-cultural constraints, and entrepreneurial experiences.
This approach ensures both statistical rigor and contextual understanding.

- **Sources of Data:**

1. **Primary:** Survey questionnaires, semi-structured interviews, and focus group discussions (pre-tested through a pilot study).
2. **Secondary:** Reports of the Ministry of MSME, Government of Karnataka, NABARD, SIDBI, District Industries Centers, academic publications, policy documents, and NGO/SHG reports.

- **Methods of Data Collection:**

Data were collected through face-to-face surveys, supplemented by telephonic and digital tools (KoboTool) where necessary. Key informant interviews were conducted with officials, NGO representatives, SHG leaders, and microfinance institutions.

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6. DATA ANALYSIS AND INTERPRETATION

This deals the analyses and interprets the primary data collected from the respondents. The responses were edited, coded, and analysed using SPSS. Descriptive statistics such as frequencies, percentages, and means were used, along with suitable inferential tests wherever necessary. The results presented form the basis for discussion and conclusions.

Table 1
Education Qualification of Women Entreprenuers

Education	Frequency	Percentage
No formal Education	67	19.1
Primary	88	25.1
Secondary Education	103	29.4
Graduate	85	24.3
Post Graduation and above	7	2.0
Total	350	100.0

Source: Field Survey

The table 1 depicts the educational profile of the respondents. The highest proportion possesses secondary education (29.4%), followed by primary education (25.1%) and graduate-level education (24.3%). A notable 19.1% of respondents have no formal education, while only 2% have postgraduate or higher qualifications. Overall, the findings indicate that most women entrepreneurs have basic to intermediate education, with limited representation of higher academic attainment.

Table 2
Annual Turnovers of Respondents

Response	Frequency	Percent
Less than 1 lakh	24	6.9
1-5 lakh	222	63.4
5-10 lakh	93	26.6
Above 10lakh	11	3.1
Total	350	100

Source: Field Survey

Table 2 presents the distribution of respondents according to their annual turnover. The majority of respondents, 63.4% (222), reported an annual turnover between ₹1–5 lakh, indicating that most enterprises operate at a small scale. This is followed by 26.6% (93) of respondents with a turnover of ₹5–10 lakh. Only 6.9% (24) of enterprises earn less than ₹1 lakh, while a very small proportion, 3.1% (11), reported an annual turnover above ₹10 lakh. Overall, the findings show that most women-owned MSMEs fall within the lower turnover categories.

Table 3
Sector wise Distribution of Respondents

Sectors	Frequency	Percent
Trading	121	34.6
Services	164	46.9
Manufacturing	65	18.6
Total	350	100

Source: Field Survey

Table 3 shows that the majority of women entrepreneurs operate in the service sector (46.9%), followed by trading activities (34.6%), while manufacturing enterprises account for 18.6%. This indicates that women entrepreneurs are more concentrated in service and trading sectors, which generally require lower initial investment and offer easier market entry.

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Table 4
Annual Turnovers of Respondents

	Frequency	Percent
less than 1 lakh	24	6.9
1-5 lakh	222	63.4
5-10 lakh	93	26.6
Above 10lakh	11	3.1
Total	350	100

Source: Field Survey

The table 4 indicates that the majority of women entrepreneurs (63.4%) earn an annual turnover of ₹1–5 lakhs, followed by 26.6% earning ₹5–10 lakhs. Only 6.9% earn less than ₹1 lakh, while a very small proportion (3.1%) earn above ₹10 lakhs. Overall, most women entrepreneurs fall within the ₹1–5 lakh turnover range, reflecting moderate business performance.

Table 5
Distribution of Respondents According to Current Employment (Excluding Themselves)

Response	Frequency	Percent
None	92	26.3
1 to 5	189	54
5 to 10	37	10.6
More than 10	32	9.1
Total	350	100

Source: Field Survey

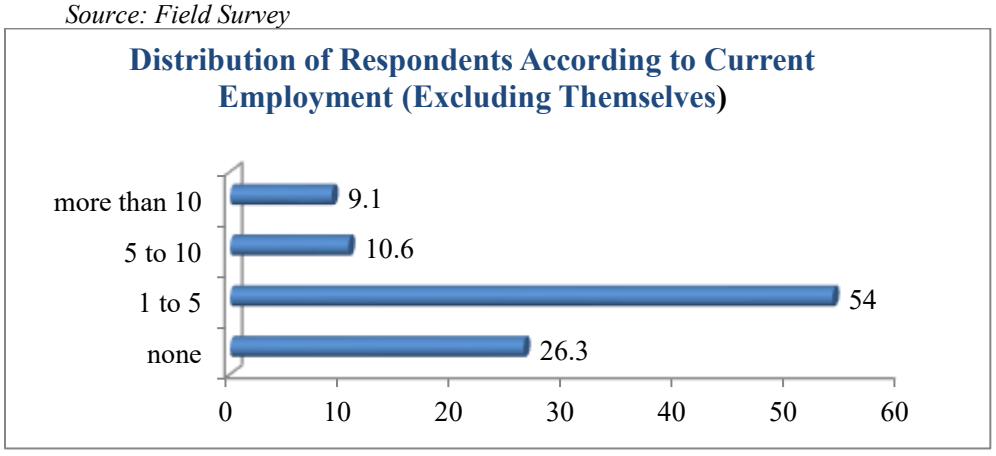


Table 5 and Chart shows the distribution of respondents based on the number of people they currently employ, excluding themselves. The largest proportion of enterprises, 54% (189 respondents), employ 1 to 5 workers, indicating that most businesses operate on a small scale. About 26.3% (92 respondents) reported no employees, suggesting a considerable number of self-run enterprises. Meanwhile, 10.6% (37 respondents) employ 5 to 10 workers, and 9.1% (32 respondents) employ more than 10 workers. Overall, the table highlights that women-owned MSMEs generate employment primarily at the micro and small enterprise level.

Table 6
Major Workforce-Related Problems Faced by Respondents

Problems	Frequency	Percent
Time management	53	15.1
Salary related issues	53	15.1

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Not upto making targets	23	6.6
Lack of commitment	52	14.9
Others	17	4.9
No problem	152	43.4
Total	350	100

Source: Field Survey

Table 6 shows that 43.4% of the respondents reported no workforce-related problems. Among those facing difficulties, the major issues were time management and salary-related problems (15.1% each), followed by lack of commitment (14.9%) and failure to meet targets (6.6%). Overall, most enterprises manage their workforce effectively, though some operational challenges remain.

Table 7
Distribution of Respondents According to the Main Reason for Difficulty in Accessing Financial Assistance

Difficulties	Frequency	Percent
Lack of collateral	24	6.9
Complex process	150	42.9
Gender bias	1	0.3
Lack of awareness	35	10
others	26	7.4
NA	114	32.6
Total	350	100

Source: Field Survey

Table 8 indicates that the main reason for difficulty in accessing financial assistance is the complex application process, reported by 42.9% of respondents. Lack of awareness (10%) and lack of collateral (6.9%) were also notable constraints. A very small proportion cited gender bias (0.3%). About 32.6% of respondents reported no difficulty (NA). Overall, procedural complexity remains the major barrier to financial access for women entrepreneurs.

Hypothesis Testing

H_1: There is significant relationship between the number of employed and the sector of enterprise.

Table 8
How many people do you currently employ (excluding yourself) (Sector-Wise?)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.256	2	2.628	3.626	0.028
Within Groups	251.512	347	0.725		
Total	256.769	349			

Source: SPSS

A one-way ANOVA was conducted to examine whether there is a significant difference in the number of employees among the groups. The analysis revealed a statistically significant difference ($F(2, 347) = 3.626$, $p = 0.028$). Thus, the null hypothesis is rejected, indicating that the mean number of employees varies significantly across the groups. Post hoc tests are recommended to identify which specific groups differ.

H_2: There is a significant association between the educational qualification of women entrepreneurs and their average annual turnover.

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Table 9

Educational Qualification * What is your average annual turnover? Crosstabulation Count					
	What is your average annual turnover?				Total
	less than 1 lakh	1-5 lakh	5-10 lakh	Above 10lakh	
Educational Qualification					
No farmal education	4	58	4	1	67
primary	5	71	11	1	88
Secondary Education	11	76	12	4	103
graduate	3	15	63	4	85
post graduation and above	1	2	3	1	7
Total	24	222	93	11	350

Source: SPSS

A Chi-Square test showed a significant association between educational qualification and annual turnover of women entrepreneurs ($\chi^2 = 172.062$, df = 12, $p < 0.05$). This indicates that higher education positively influences business performance. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided
Pearson Chi-Square	149.559[a]	12	.000
Likelihood Ratio	144.130	12	.000
Linear-by-Linear Association	54.981	1	.000
N of Valid Cases	350		
a. 9 cells (45.0%) have expected count less than 5. The minimum expected count is .22.			

7. MAJOR FINDINGS

1. Educational Profile: Most women entrepreneurs possess primary, secondary, or graduate-level education, with limited representation at higher education levels.
2. Scale of Operations: A majority of enterprises (63.4%) record an annual turnover between ₹1–5 lakh, indicating predominantly small-scale business operations.
3. Sectoral Distribution: The service sector dominates women's entrepreneurial activity (46.9%), followed by trading (34.6%), highlighting the preference for low-capital and service-oriented enterprises.
4. Investment Pattern: Nearly 90% of enterprises were established with an initial investment below ₹5 lakh, confirming the micro nature of women-owned businesses.
5. Employment Generation: Over half of the enterprises (54%) provide employment to 1–5 workers, demonstrating their contribution to micro-level employment creation.
6. Determinants of Performance: Statistical tests reveal that both education significantly influences annual turnover (Chi-square test) and sector significantly affects employment generation (One-Way ANOVA).

8. SUGGESTIONS

1. Simplify financial procedures and improve access to institutional credit for women entrepreneurs.
2. Strengthen entrepreneurship training, financial literacy, and digital skills Programmes.
3. Increase awareness of government schemes and support services.
4. Promote sector diversification and provide infrastructure support in backward regions like Kalaburagi.
5. Establish women-focused incubation centers and mentorship networks.

9.SCOPE FOR FURTHER STUDY

- Comparative studies on women entrepreneurship across different regions of Karnataka.
- Long-term impact of women-led MSMEs on income, employment, and empowerment.

- Sector-specific research on manufacturing, agro-processing, and technology-based enterprises.
- Assessment of the effectiveness of government support schemes for women entrepreneurs.

CONCLUSION

This study reveals that women entrepreneurs in Kalaburagi mainly operate micro and small enterprises concentrated in the service and trading sectors, with modest investment and turnover. Despite these constraints, their enterprises generate substantial employment and contribute to regional development. The results confirm that education and sector of enterprise significantly influence business performance and employment generation. However, challenges such as complex financial procedures, limited awareness of support schemes, and workforce management issues continue to hinder growth. Strengthening institutional support, simplifying financial access, and enhancing skill development are essential for sustaining women entrepreneurship and promoting inclusive economic development in North Karnataka.

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