

Level of Risk Taking Capacity among Female Entrepreneurs in India: A Qualitative Study

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Introduction

This study was based in India, specifically focusing on female entrepreneurs of various financial and educational backgrounds. In India, 14% of the entrepreneurships thriving are female owned. An increase in this number can only occur if barriers are lifted, discriminatory views of the population are evolved, and the variance in risk is reduced (Saluja, 2024). Factors affecting businesses and entrepreneurship include entrepreneurial problems, social and personal problems, technical problems, and marketing problems (Anitha and Sritharan, 2016). These factors root from the lack of support and knowledge possessed by female entrepreneurs.

How this paper helps:

- Crucial in acknowledging the barriers of societal views, discriminatory policies, difficulty in accessing resources such as technology, social media, and education faced by females
- Examines the role factors such as education, financial background, and accessibility
- Fosters growth towards continued empowerment of female entrepreneurs in their business ventures

Review of Literature

- 1. Role of technology entrepreneurship in the development of innovativeness of small and medium-sized enterprises, Matejun 2016** - Technology entrepreneurship is an interesting concept for transforming the potential of the scientific and research and development fields into innovative products and services. In consequence, it might become a key factor in building the innovation potential of modern enterprises, especially SME sector enterprises.
- 2. Risk Management of Startups of Innovative Products, Bielialov 2022** - The activation of the startup movement is one of the fundamental preconditions for the transition from innovation to a startup ecosystem, the development of which is impossible without special innovation structures that help startups promote innovative products on the market. The purpose of this article is to modernize the process of promoting innovative products on the market in the form of startups, taking into account the trends of the innovative development of the modern economy.
- 3. The inside track: Entrepreneurs' corporate experience and startups' access to incumbent partners' resources, Balachandran 2024** - Startups are increasingly turning to incumbent firms for venture capital, anticipating access to the investor's knowledge and complementary assets. However, startups' eventual access to these resources varies widely.
- 4. Factors Affecting the Trouble of Women Entrepreneurs: A Case Study on India, Anitha and Sritharan 2016** - This study was focused on factor affecting the trouble of women entrepreneurs, the case study of India. The findings revealed that factor affecting the trouble of the women entrepreneurs, women entrepreneurs facing some major problems there are Personal problem, Marketing problem, Problem of finance, Raw material problem, and Power problems were the major problems faced by the women entrepreneurs.

Methodology:

Research Aim

The aim of the present study is to understand the risk taking ability of female entrepreneurs coming from various socioeconomic backgrounds. The qualitative approach of in person and zoom interviews led to various understanding to be formed.

Comparisons were deduced from the respondents answers to a variety of specified questions. From this comparison, a perception was formed on the willingness of female entrepreneurs to take business related risks.

Methodology:

Tools Used

Semi-structured interviews were conducted with 15 to 20 questions being asked per interview. These questions came from topics ranging from financial background, decision making approaches, and the role of technology. Financial background referred to other sources of income available and stability. Additionally, questions were asked on business information in terms of motive, expertise, and goals. Lastly, questions related to finance, risk, and technology were asked to understand risk taking ability and approach to making decisions

Methodology

Sample: Information was collected from female entrepreneurs based in India. A convenience sampling model was carried out and 3 respondents were interviewed located in various cities around India. The women interviewed ranged from ages 35 to 45 whom each ran service businesses.

Table 1: Questions asked to the female respondents (N=3)

Financial Background	Business Information	Role of Technology	Risk/Finance Decisions
Business profitability	Target audience	Use of technology and social media	Financial decision making approach
Income sources	Role/Expertise	Digital payments	Relationship with risk

Table 2: Demographic details of female respondents (N=3)

	Education	Profession
Respondent 1	Masters	Art teacher
Respondent 2	Masters	Counselor
Respondent 3	None	Creative services

Results and Discussion

Table 3: Themes explored on financial information on business of female respondents (N=3)

Themes
Profits in business
Dependency on the business
Seed investment
Assets invested in
Alternate sources of income
Primary source of income

It was found that 2 out of 3 respondents make regular profits in their business. Moreover, they reinvest their profits in other assets. It has been seen that entrepreneurs coming from a stable educational and financial background result in businesses with a higher success rate. Furthermore, 2 out of 3 respondents had alternative sources of income whereas 1 respondent had only their business as their primary source of income. Respondent 1 and 2 stated that they acquire jobs with stable income on salary, whereas Respondent 3 is dependent on the income from her entrepreneurial venture.

Results and Discussion

Table 4: *Themes explored on business information and background of female respondents (N=3)*

Themes
Entrepreneurial motivation
Target audience
Expertise/role in the business

Represents the variance in motivation between the 3 respondents. 1 respondent developed motivation through necessity and desire to spread heritage whereas, 2 respondents gathered their motivation through passion for their craft. However, all three respondents possess a different target audience. Variances occur in terms of age groups, relationship status, and location. Each of these women take part in their business' everyday activities and are definitive experts on the business. As each of the three respondents have their own respective target audiences, it is integral for them to hold an engaging marketing platform in order to be successful.

Results and Discussion

Table 5: *Themes explored on role of technology for female respondents (N=3)*

Themes
Digitization of payments
Role of social media
Technology platforms as resources

Although none of the respondents have actively been using digital payment platforms, 2 of the respondents have access to them, whereas 1 of the respondents does not have access to technology that is sufficient enough to incorporate digital payments. Furthermore, 2 respondents have utilized social media and technology in their business models. They have a greater accessibility to technology and are therefore able to incorporate it into their business. Both respondents use social media apps such as Instagram, Facebook, and Whatsapp to promote and market their businesses. Additionally they have incorporated the web application Zoom, in order to conduct their business from home along with in person. In contrast, one of the respondents is unable to incorporate technology because she does not have direct access to a phone. Businesses that do incorporate technology into their model have a much higher success rate due to their wider scope compared to businesses that do not incorporate technology.

Results and Discussion

Table 6: Themes explored on risk taking approach of female respondents (N=3)

Themes		
Investment rationale		
"Risk" capability		
Financial approach	decision	making
Financial resources	decision	making

Two respondents invest their savings for improvement in business and cash flow. In contrast, one respondent does not have the ability to invest due to lack of income. Furthermore, in terms of risk taking capability, two respondents are in a more stable and secure financial position to be able to take risks. They are presented with a choice in taking risk, whereas one respondent does not have this choice and is rather forced to take risks when presented with them. Moreover, two of the respondents consult with their husbands before making decisions related to their finances. On the other hand, one respondent possesses a team whom she consults with before making financial decisions.

Conclusion

- A clear discernment can be made on the different levels of risk faced by female entrepreneurs and the factors that affect their capability
- Education qualification has a great impact on the ability of entrepreneurs to take risks
 - Shapes the level of knowledge each entrepreneur possesses in a micro and macro economic perspective
- Observed that entrepreneurs with a higher level educational experience were able to allow their business to prosper through taking educated risks, entrepreneurs who received a lower level of education struggled in growing a profitable business.

Possible solutions:

- To minimize the gap the government can start short courses for small business entrepreneurs teaching about finance and other important elements of business
- Technology is used for social media marketing, digital payments and more
 - Having access to technology is integral to running a successful entrepreneurship.
- Schools and institutions can also implement entrepreneurship courses in their curriculum allowing for more job opportunities to be open for women.

Implications

- The sample size was limited to whomever was accessible on the particular day the study was taken
- Answers of respondents may be biased or tailored to appeal to the interviewee causing a discrepancy in the data collected
- Respondents may have altered answers to fit their presence into what is seen as appealing to the public eye
- Possible that respondents may have withheld certain information important to the study
- Potential for error in translation may have occurred due to the language barriers between the interviewer and the respondents.

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