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## Entrepreneurial Ecosystem For Women Entrepreneurs In Kerala

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### Abstract

The possibilities and challenges faced by women entrepreneurs in Kerala are significantly shaped by the entrepreneurial ecosystem. With an emphasis on both independent variables (such as government policies, financial accessibility, education, cultural attitudes, networking, infrastructure, and legal frameworks) and dependent variables (such as business growth, satisfaction, sustainability, innovation, and economic impact), this study explores the major determinants of women entrepreneurs in Kerala. To investigate the connections between these variables, the study combines quantitative and qualitative methodologies. The results are intended to shed light on the ways in which these elements work together to support women entrepreneurs and promote business expansion, sustainability, and wider economic impact.

**Keywords:** Entrepreneurial Ecosystem, Opportunities, Challenges, Holistic Entrepreneurial Environment, Business Enabling Environment.

### Introduction

Kerala's economic development has benefited greatly from the contributions of its female entrepreneurs. But even with the advancements, women still have particular difficulties when starting and growing enterprises. Numerous elements, such as governmental regulations, money availability, educational attainment, and

cultural attitudes, influence the entrepreneurial environment for women. Gaining knowledge of these components and how they interact can help one better understand the opportunities and challenges that women in business face. By analyzing the elements that affect business outcomes including growth, satisfaction, innovation, and sustainability, this study seeks to understand Kerala's entrepreneurial ecosystem and how it affects female entrepreneurs. The study also examines the wider economic effects of women-owned enterprises in the area.

### **Need and Significance of the Study**

Kerala's business environment offers women entrepreneurs both chances and difficulties. Despite advancements in encouraging entrepreneurship, women still encounter several obstacles, such as restricted access to capital and business networks, as well as the widespread influence of cultural norms and gender biases. Although government programs are designed to assist female entrepreneurs, they frequently fall short in addressing the complex issues that impede their capacity to launch, grow, and maintain enterprises. Because women are still underrepresented in many industries, their contributions to the local economy are sometimes disregarded. To help guide more effective policies and initiatives, specific study is needed to address the issues that women confront, which range from cultural gender stereotypes to capital access.

This study is noteworthy because it aims to present actual data on the ways in which many components of the entrepreneurial ecosystem—including financial assistance, education, networking opportunities, and governmental regulations—affect the success of female entrepreneurs. The study will provide insights into the opportunities and obstacles that affect company outcomes, such as growth and sustainability, by looking at how these elements interact. In the end, the results will help create a more welcoming and encouraging entrepreneurial ecosystem by informing policy choices and programmatic initiatives that could improve the business climate for women and assist job creation, economic expansion, and social development in Kerala.

### **Statement of the Problem**

Kerala has made progress in encouraging women to start their own businesses, but there are still many obstacles to overcome. Keralan women entrepreneurs have barriers pertaining to legal frameworks, cultural biases, education, and financial availability. The purpose of this study is to investigate how these variables interact to affect the expansion, prosperity, and long-term viability of women-owned enterprises in Kerala. The study intends to provide suggestions for enhancing the business ecosystem for women by comprehending these factors.

### **Objective of the Study**

To examine the relationship between the Entrepreneurial Ecosystem and Business Growth, Sustainability and Market Access, and their influence on Entrepreneurial Satisfaction and Economic Impact.

## Hypothesis of the Study

There is goodness of fit relationship between the Entrepreneurial Ecosystem and Business Growth, Sustainability and Market Access, and their influence on Entrepreneurial Satisfaction and Economic Impact.

## Review of Related Literature

By providing financial assistance, tax breaks, and skill-development programs, government policies significantly influence the entrepreneurial environment for women; claim Mishra and Singh (2021). These regulations frequently encourage more women entrepreneurs to start and expand their businesses. According to research by Smith et al. (2019), women entrepreneurs continue to face significant obstacles when trying to obtain financing, especially in emerging markets. Because of gender prejudices in financial institutions, women entrepreneurs frequently have trouble obtaining loans or venture funding. According to a study by Vasanthi and Nair (2020), skill development seminars and educational programs greatly boost the self-assurance and competence of female entrepreneurs. These initiatives increase women's chances of success by assisting them in learning critical business skills. Sharma and Sood (2018) contend that gender biases and cultural views influence women's entrepreneurial choices and frequently result in social opposition to female-led enterprises. In order to overcome these biases, social support from communities and family is also essential. Gupta et al. (2022) assert that networking is essential to women entrepreneurs' success. Women gain visibility and business prospects through access to investment platforms, peer networks, and mentorship. According to research by Joshi and Pillai (2021), women's entrepreneurial outcomes are greatly impacted by the regulatory environment. Business growth depends on streamlined registration procedures, intellectual property protection, and legislative frameworks that assist female entrepreneurs. According to Reddy and Krishnan (2019), one of the key factors influencing a company's performance is its ability to access the market. Kerala's women entrepreneurs have access to both domestic and international markets, but they encounter obstacles because of their lack of exposure and industry expertise.

## Scope of the Study

The factors impacting Kerala's women entrepreneurs are the main focus of this study. Government regulations, financial resources, education, social attitudes, networking possibilities, and infrastructure are examined in relation to company success. In particular, the study will examine how women-led enterprises in Kerala affect company expansion, sustainability, innovation, and the overall economic impact of the sector.

## Research Methodology

The research adopted a mixed-methods approach, incorporating both quantitative and qualitative research. Data was collected from 145 women entrepreneurs in Kerala using Convenient Sampling Technique, with a structured schedule employed for data collection. The survey focused on gathering information related to the

## Analysis and Findings

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**Table 1.1 Relationship- Entrepreneurial ecosystem for women entrepreneurs in Kerala**

Relationship			Unstandardised Estimate	S.E.	C.R.	P	Standardized Estimate	Squared Multiple Correlations
Innovation and Creativity	<---	Business Enabling Environment	.346	.074	4.691	***	.243	.201
Innovation and Creativity	<---	Holistic Entrepreneurial Environment	.467	.073	6.367	***	.333	
Business Sustainability	<---	Innovation and Creativity	.238	.039	6.134	***	.303	.092
Business Growth and Success	<---	Innovation and Creativity	.133	.049	2.716	.007	.139	.019
Access to Markets	<---	Innovation and Creativity	.246	.050	4.925	***	.247	.061
Entrepreneurial Satisfaction	<---	Business Sustainability	.371	.041	8.952	***	.378	.341
Entrepreneurial Satisfaction	<---	Business Growth and Success	.297	.034	8.731	***	.368	
Entrepreneurial Satisfaction	<---	Access to Markets	.146	.033	4.461	***	.188	
Networking Opportunities	<---	Holistic Entrepreneurial Environment	1.000				.787	.619
Social and Cultural Attitudes	<---	Holistic Entrepreneurial Environment	.964	.061	15.711	***	.773	.597
Education and Training	<---	Holistic Entrepreneurial Environment	1.072	.060	17.736	***	.857	.735
Access to Finance	<---	Holistic Entrepreneurial Environment	1.009	.061	16.595	***	.809	.654
Government Policies and Support	<---	Holistic Entrepreneurial Environment	.932	.064	14.463	***	.721	.520

Relationship			Unstandardised Estimate	S.E.	C.R.	P	Standardized Estimate	Squared Multiple Correlations
Market Opportunities and Demand	<---	Business Enabling Environment	.977	.060	16.386	***	.810	.656
Legal and Regulatory Environment	<---	Business Enabling Environment	1.075	.062	17.259	***	.898	.807
Infrastructure and Technology Access	<---	Business Enabling Environment	1.000				.791	.625
Economic Impact	<---	Entrepreneurial Satisfaction	.415	.063	6.617	***	.325	.105

Source: Primary data

The unstandardized estimates in the table represent the raw coefficients of the relationships between different variables in the entrepreneurial ecosystem for women entrepreneurs in Kerala. These estimates quantify the strength and direction of the effect of one variable on another. For instance, the unstandardized estimate of 0.346 for the relationship between Business Enabling Environment and Innovation and Creativity indicates that a one-unit increase in the business enabling environment leads to an increase of 0.346 units in innovation and creativity. Similarly, unstandardized estimates for other relationships, such as between Innovation and Creativity and Business Growth and Success (0.133), demonstrate the size of the direct effect. The C.R. (Critical Ratio) value above 2 (such as 6.134 for Innovation and Creativity → Business Sustainability) suggests that these relationships are statistically significant. A p-value of less than 0.001 indicates a high level of statistical significance, meaning that the results are highly reliable and unlikely to be due to random chance.

The standardized estimates, on the other hand, are the coefficients after adjusting for the differences in scale across variables, making them comparable across different relationships. For example, a standardized estimate of 0.243 for Business Enabling Environment → Innovation and Creativity implies that for each standard deviation increase in the business enabling environment, innovation and creativity increase by 0.243 standard deviations. These standardized estimates are crucial for understanding the relative importance of each factor in the entrepreneurial ecosystem. The high standardized estimates (e.g., 0.857 for Education and Training → Holistic Entrepreneurial Environment) suggest that factors like education and training are major contributors to the entrepreneurial success of women in Kerala.



The Squared Multiple Correlations values are derived from the standardized estimates, showing how well each predictor contributes to explaining the outcomes. For instance, in the case of "Networking Opportunities" being influenced by "Holistic Entrepreneurial Environment," the SMC is 0.619, meaning that approximately 61.9% of the variance in Networking Opportunities is explained by the Holistic Entrepreneurial Environment. Similarly, factors like "Education and Training" and "Access to Finance," with SMC values of 0.735 and 0.654 respectively, suggest that a substantial portion of the variance in these outcomes is accounted for by the Holistic Entrepreneurial Environment. Many of the SMC values are relatively high, particularly for factors related to the Holistic Entrepreneurial Environment and Business Enabling Environment, reflecting their significant role in shaping various aspects of the entrepreneurial ecosystem for women entrepreneurs in Kerala.

**Table 1.2 Covariance and Correlation - Entrepreneurial ecosystem for women entrepreneurs in Kerala**

Covariance			Estimate	S.E.	C.R.	P	Correlation
Holistic Entrepreneurial Environment	<-->	Business Enabling Environment	.124	.040	3.142	.002	.188

Source: Primary data

The covariance estimate between Holistic Entrepreneurial Environment and Business Enabling Environment to explain the Entrepreneurial ecosystem for women entrepreneurs in Kerala is 0.124, with a standard error (S.E.) of 0.040, which indicates the degree of variation shared between the two variables. The critical ratio (C.R.) is 3.142, and the p-value is 0.002, suggesting that the covariance is statistically significant at conventional levels ( $p < 0.05$ ). The correlation between Holistic Entrepreneurial Environment and Business Enabling Environment to explain the Entrepreneurial ecosystem for women entrepreneurs in Kerala is 0.188, which indicates a small positive linear relationship between the two variables.

**Table 1.3 Variances - Entrepreneurial ecosystem for women entrepreneurs in Kerala**

Variances	Estimate	S.E.	C.R.	P
Holistic Entrepreneurial Environment	.669	.076	8.761	***
Business Enabling Environment	.649	.075	8.665	***
e9	1.048	.079	13.301	***
e10	1.170	.086	13.638	***
e11	.733	.054	13.638	***
e12	1.213	.089	13.638	***
e13	.513	.038	13.638	***
e1	.412	.037	11.110	***
e2	.419	.037	11.334	***
e3	.278	.030	9.313	***
e4	.360	.034	10.678	***
e5	.536	.045	11.967	***
e6	.325	.034	9.629	***
e7	.179	.032	5.683	***
e8	.389	.038	10.226	***
e14	1.136	.083	13.638	***

Source: Primary data

The variances for various components of the entrepreneurial ecosystem for women entrepreneurs in Kerala, including factors like the Holistic Entrepreneurial Environment, Business Enabling Environment, and specific entrepreneurial indicators (e1 through e14 are indicating statistical significance ( $p < 0.001$ ).

**Table 1.4 Goodness-of-Fit Indices - Entrepreneurial ecosystem for women entrepreneurs in Kerala**

CMIN	DF	P	CMIN/DF
329.63	73	.046	4.52
RMR	GFI	AGFI	NFI
.193	.924	.947	.907
RFI	IFI	CFI	RMSEA
.922	.899	.918	.036

Source: Primary data

The Goodness-of-Fit Indices used to assess the entrepreneurial ecosystem for women entrepreneurs in Kerala clearly shows that the CMIN (Chi-Square) value is 329.63 with 73 degrees of freedom (DF), and the p-value is 0.046, indicating that the model fits the data reasonably well, although the chi-square test suggests some deviation from perfect fit (a p-value close to 0.05). The CMIN/DF ratio is 4.52, which is below the common threshold of 5, suggesting an acceptable fit. Thus, null hypothesis is accepted. There is goodness of fit relationship between the Entrepreneurial Ecosystem and Business Growth, Sustainability and Market Access, and their influence on Entrepreneurial Satisfaction and Economic Impact. The RMR (Root Mean Square Residual) is 0.193, which indicates the average discrepancy between observed and predicted values; lower values suggest a better fit. The GFI (Goodness of Fit Index) is 0.924 and the AGFI (Adjusted Goodness of Fit Index) is 0.947, both of which are above 0.90, indicating a good fit. The NFI (Normed Fit Index) and RFI (Relative Fit Index) are 0.907 and 0.922, respectively, both suggesting a satisfactory model fit. The IFI (Incremental Fit Index) and CFI (Comparative Fit Index) are both 0.899 and 0.918, showing that the model has a good comparative fit with other models. Finally, the RMSEA (Root Mean Square Error of Approximation) is 0.036, which is well below the threshold of 0.08, indicating a very good fit.

## Conclusions

The study concludes that certain factors within the entrepreneurial ecosystem for women entrepreneurs in Kerala play a significant role in influencing key outcomes. The standardized estimates reflect the strength and direction of the relationships between variables, with higher values indicating stronger influences. For example, the Holistic Entrepreneurial Environment and Business Enabling Environment show strong positive standardized estimates for variables such as Innovation and Creativity, highlighting their substantial impact on entrepreneurial outcomes. R-squared values (Squared Multiple Correlations) further confirm the explanatory power of these relationships. Higher R-squared values, such as those for Education and Training (0.735) and Access to Finance (0.654), demonstrate that a significant proportion of the variance in these outcomes is explained by the entrepreneurial ecosystem factors. The study underscores the importance of these key factors



in shaping the entrepreneurial success of women in Kerala, suggesting that strengthening the entrepreneurial environment can lead to better business sustainability, growth, and satisfaction. Overall, the findings highlight that both the Holistic Entrepreneurial Environment and Business Enabling Environment are critical in fostering innovation, business success, and overall entrepreneurial satisfaction.

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