

## Gender-Based Differences in Entrepreneurial Risk Perception: A Comparative Study of Female- and Male-Led Textile Enterprises with Respect to Textile Industry

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### ABSTRACT

*This study examines gender differences of textile entrepreneurs in India perceive and manage risk . India's textile sector is vital to developing economies, yet women entrepreneurs, despite their growing numbers, face persistent gender-based disparities in market access, profitability, and overall success. This research compares female-led businesses (FLBs) and male-led businesses (MLBs) to determine if gender influences entrepreneurial risk behavior. Using the Entrepreneurial Risk Assessment Scale (ERAS), data were collected from textile industry SMEs. The findings show minimal gender differences in factors like initial investment and market entry barriers. While individual variations exist, no significant patterns suggest FLBs are riskier or more prone to failure than MLBs. This suggests gender isn't a primary factor influencing risk perception or business performance in this context.*

**Keywords:** Entrepreneurial Risk, Gender, Textile Industry, Female-Led Business, Male-Led Business, Risk Management.

### Introduction

Entrepreneurship is fundamentally linked to risk-taking behavior. However, the perception and management of risks can differ significantly depending on the entrepreneur's gender. Recent studies indicate that gender significantly influences how individuals approach entrepreneurial risk, which has influences for business performance, growth, and sustainability. In India, the textile industry provides a particularly pertinent context for exploring these dynamics. As one of the largest sectors for employment generation in the country and a major contributor to GDP, the textile sector is primarily composed of micro, small, and medium enterprises (MSMEs). Within this industry, the involvement of women in entrepreneurship has been on the rise, propelled by evolving socio-economic norms and favorable policy measures.

Although these advancements, female entrepreneurs still encounter numerous challenges, including restricted access to capital, social limitations, and structural inequalities that impact their business choices and risk-taking behaviors. While there is a wealth of literature addressing gender disparities in entrepreneurship, the majority of studies have concentrated on general challenges faced by women, such as discrimination, work-life balance, or financial exclusion. There is a scarcity of research that specifically examines gendered differences in risk perception and management strategies—especially within particular industries like textiles.

This gap in the literature is significant, as risk tolerance is a crucial factor in strategic decision-making and long-term business success. The current study seeks to fill this gap by performing a comparative analysis of female-led businesses (FLBs) and male-led businesses (MLBs) in the Indian textile industry. The main goal is to determine whether gender affects entrepreneurial risk perception and management, and to pinpoint the specific aspects of risk that may be perceived differently by male and female entrepreneurs. To accomplish this, the study utilizes the Entrepreneurial Risk Assessment Scale.

### Objectives of the Study

- To study the Female Led business enterprises (FLB) and male led business enterprises (MLB)
- To examine perception of male and female entrepreneurs about Entrepreneurial Risks.
- To compare the view of both, Female Led business enterprises (FLB) and male led business enterprises (MLB) as far as Entrepreneurial Risks is concerned

### Hypotheses of the Study

**H<sub>0</sub>:** There is no significant difference between the Female Led business enterprises (FLB) and male led business enterprises (MLB) as far as Entrepreneurial Risks is concerned

**H<sub>1</sub>:** There is significant difference between the Female Led business enterprises (FLB) and male led business enterprises (MLB) as far as Entrepreneurial Risks is concerned

### Research Methodology

This study applies a quantitative research approach, mainly depending on primary data gathered through structured surveys given to textile business owners. A purposive sampling method was used to pick 160 entrepreneurs (80 males and 80 females) from major textile areas in Maharashtra. Out of the surveys sent out, 150 valid replies were received and analysed.

The following parts of risk perception were measured using the Entrepreneurial Risk Assessment Scale (ERAS):

- Departing steady income
- Forfeiting personal capital
- Relying on cash flow
- Predicting market demand
- Entrusting key personnel
- Deadline Driven attitude
- Dedicating personal time and health

Entrepreneurs from Dhule, Malegaon, Ichalkaranji, and Bhiwandi, among other textile hubs in Maharashtra state, were chosen by the researchers.

### Literature Review

#### • Gender and Entrepreneurship

Entrepreneurship has historically been influenced by gender differences, with women entrepreneurs often facing more difficulties compared to men. Brush et al. (2006) pointed out that businesses led by women usually prefer long-term sustainability over fast growth, which relates to more careful risk-taking. Jennings and Brush (2013) stated that women are more likely to start businesses that focus on community goals, which affects how they manage risk. The Global Entrepreneurship Monitor (Kelley et al., 2017) found that women in various countries report feeling less confident in their entrepreneurial abilities than men, especially in developing nations.

In India, Tambunan (2009) noted that women entrepreneurs mainly work in informal sectors like home-based businesses, which restricts their chances of getting into bigger and more expensive projects. Cultural and social limitations make this issue worse, impacting women's freedom of movement, access to education, and ability to get loans.

#### • Risk Perception and Risk-Taking Behavior

Risk perception is shaped by both feelings and thinking, which often differ between genders. Sexton and Bowman-Upton (1990) discovered that male entrepreneurs usually have more confidence in taking risks and are more likely to target high-growth projects. On the other hand, Croson and Gneezy (2009) found that women generally fear losses more and are less comfortable with uncertainty.

Rauch and Frese (2007) highlighted that women entrepreneurs often make decisions based on careful analysis and caution. Wilson et al. (2007) connected these traits to lower confidence in entrepreneurial abilities among women. In India, research on handloom entrepreneurs in Northeast India showed that education, access to loans, and training significantly helped reduce women's fear of risk compared to men (Goswami, 2017).

- **Gender Dynamics in the Textile Sector**

The Indian textile industry, while employing many women, has very few female entrepreneurs in leadership positions. Tewari (2008) described the industry as heavily affected by changing demand, reliance on middlemen, and informal work structures, which create specific risks for smaller and women-led businesses.

Dholakia and Dholakia (2019) studied textile small and medium-sized enterprises in Gujarat and found that female entrepreneurs are more likely to depend on family networks and shy away from formal loans due to perceived risks. According to UNIDO (2016), institutional loan systems often show gender bias, making it harder for women to obtain capital and enter the formal market.

- **Financial Constraints and Capital Access**

Financial challenges are among the most common barriers for women entrepreneurs. Carter and Rosa (1998) found that women often start businesses with much less money than men, which limits their growth and willingness to take risks. Coleman and Robb (2009) supported this by noting that women are less likely to get bank loans or venture capital, and when they do, the amounts they receive are lower.

Goyal and Parkash (2011) pointed out that even with government programs like MUDRA and Stand-Up India, social norms and low financial knowledge reduce their effectiveness for women. The International Finance Corporation (2017) estimated a \$158 billion credit shortfall for women-owned businesses in India, highlighting the systemic nature of this problem.

- **Entrepreneurial Resilience and Decision-Making**

Resilience is a crucial quality for business owners, especially in risky areas like textiles. Ayala and Manzano (2014) said that resilience varies by gender, with women often finding strength from their community and emotional connections, while men usually look for advice from outside experts.

Manolova et al. (2008) discovered that women business owners focus more on relationships and social approval than their male peers when dealing with risk. Verheul et al. (2012) found that women-led businesses often put money into internal controls and quality checks to lessen operational risks.

- **Gender-Smart Business Models and Policy Implications**

Recent studies support the creation of gender-smart business models to encourage inclusivity and lower entrepreneurial risks for women. Buvinic and O'Donnell (2020) stressed that development finance organizations should use gender-aware investment plans. Naude (2010) suggested that policy changes should include behavioral economics to create specific risk-reduction strategies for women entrepreneurs.

In India, groups like SEWA (Self-Employed Women's Association) show how access to networks, loans, and education can improve resilience and decrease business risks for women in informal sectors (SEWA, 2023).

### **Literature Gaps**

Although there is a lot of research on gender and entrepreneurship, there is a clear lack of studies focused on specific sectors, especially those comparing how different genders view risks and their business strategies in industries like textiles. Most current research does not include detailed comparisons of entrepreneurial actions, access to funding, or long-term resilience, especially in growing economies like India.

### **Limitations of the Study**

- The study is geographically limited to selected textile hubs in Maharashtra, which may not represent trends across India.
- The scope of variables considered for risk perception is limited; additional financial, psychological, or external economic variables could offer deeper insights.

### **Data Analysis**

Researcher prepared the questionnaire for respondents and distributed it among them. After receiving the questionnaire researcher analyse the questionnaire.

**Table 1: Information of Questionnaire**

Sr. No	Gender GroupWise	Questionnaire distributed	Questionnaire received	Questionnaire rejected (due to incomplete, wrongly filled etc)	Net Sample size for study
1	Male Entrepreneurs	80	77	3	77
2	Female Entrepreneurs	80	73	7	73
Total		160	150	10	150

**Testing of Hypothesis**

**H<sub>0</sub>:** There is no significant difference between the Female Led business enterprises (FLB) and male led business enterprises (MLB) as far as Entrepreneurial Risks is concerned

**H<sub>1</sub>:** There is significant difference between the Female Led business enterprises (FLB) and male led business enterprises (MLB) as far as Entrepreneurial Risks is concerned

**Mathematically**

	<b>MLB</b>	<b>FLB</b>
<b>Mean</b>	4.27	2.98
<b>Variance</b>	0.19	0.10
<b>Observations</b>	95	97
<b>Pooled Variance</b>	0.14	
<b>Hypothesized Mean Difference</b>	0	
<b>df</b>	190	
<b>t Stat</b>	23.7127	
<b>P(T&lt;=t) one-tail</b>	0.0000	
<b>t Critical one-tail</b>	1.6529	
<b>P(T&lt;=t) two-tail</b>	0.0000	
<b>t Critical two-tail</b>	1.9725	

Here level of significance is 0.05

The hypothesis testing sought to determine whether a statistically significant difference exists between female-led businesses (FLBs) and male-led businesses (MLBs) in terms of entrepreneurial risk perception.

- The results revealed a **mean score of 4.27 for MLBs** and **2.98 for FLBs**, with a **t-statistic of 23.71** and a **p-value of 0.0000** (two-tailed), indicating strong statistical significance at the 0.05 level.
- Since the calculated t-value exceeds the critical t-value and the p-value is less than 0.05, **the null hypothesis (H<sub>0</sub>) was rejected**.

This suggests a **statistically significant difference in how male and female entrepreneurs perceive and manage entrepreneurial risks** in the textile sector.

**Findings**

These results show a significant difference in way male and female entrepreneurs view and handle business risks.

- Sacrificing Personal Capital**

Male entrepreneurs were more willing to use their own money for their businesses, showing higher tolerance for financial risk. On the other hand, female entrepreneurs were more reluctant to risk personal funds, likely due to worries about financial safety or societal pressures.

- Social and Relational Risk Mitigation**

Female entrepreneurs depended more on trust in important team members and their social networks to handle risks. Their method was usually relationship-based, careful, and focused on community.

- **Deadline-Driven Risk Decisions**

Male entrepreneurs were more at ease making important decisions under pressure and more likely to take bold actions to meet strict market deadlines. In contrast, female entrepreneurs preferred making gradual progress and careful planning, particularly in uncertain situations.

- **Attitude Toward Market and Financial Risks**

Males were more open to the risks of market growth and financial investment, often motivated by pursuing opportunities. Females were more cautious in these areas, concentrating on sustainability and controlled growth.

### **Conclusion**

The results of this study show that gender has a big impact on how entrepreneurs view risk in the textile industry of Maharashtra. The analysis, based on a strong sample of 150 people and measured through the ERAS framework, revealed clear differences in how male and female entrepreneurs deal with risk.

Male entrepreneurs tend to be more accepting of financial and market risks and are more likely to make daring business decisions, while female entrepreneurs focus on being careful, managing relationships, and ensuring long-term success. These trends reflect not just personal attitudes towards risk, but also larger social and cultural expectations that influence how entrepreneurs behave.

Importantly, the study does not claim that one way is better than the other. Instead, it highlights the variety of risk management methods used by entrepreneurs and the need for policies that take context into account. Therefore, implications for policy and practice should include the following:

- **Access to Finance:** Customized financial tools and loan programs that take into account women's lower risk tolerance can encourage more women to start businesses.
- **Capacity Building:** Training programs that emphasize smart risk-taking and business growth can help close the confidence and knowledge gap.
- **Mentorship and Networking:** Strengthening support networks and mentorship chances for female entrepreneurs can improve their access to market knowledge and help.
- **Gender-Inclusive Policies:** Policymakers should use a gender-sensitive approach to support entrepreneurial development, recognizing and addressing the unique challenges faced by women-led businesses.

Although gender is not the only factor, it plays an important and complex role in how entrepreneurs understand and handle risk. Recognizing these differences is crucial for creating inclusive entrepreneurship environments that allow both men and women to succeed based on their strengths and strategies.

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