

Gender-Based Comparative Analysis of Entrepreneurial Risks in Cottage Industries: Evidence from Jalgaon District

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Abstract:

Female entrepreneurs engaged in cottage industries continue to encounter certain social and structural challenges that influence their profitability and long-term sustainability when compared with male entrepreneurs. Distinct variations are often observed between the two groups in areas such as market access, growth opportunities, and financial outcomes. This study adopts a gender-focused perspective to analyze how entrepreneurial risks manifest within cottage enterprises. Using the Entrepreneurial Risk Assessment Scale (ERAS), data were collected from small-scale cottage units operating in Jalgaon District. Findings reveal minor gender-based differences in demographic aspects such as initial capital investment and entry barriers to local markets. At the firm level, only slight variations were noted in risk-taking behavior and market strategies. Overall, the evidence suggests that female-owned cottage enterprises are not inherently more vulnerable or exposed to failure than their male-owned counterparts. The implication is that gender, within the context of cottage industries, does not exert a decisive influence on entrepreneurial risk patterns

Keywords

Female-owned businesses, entrepreneurial risk etc

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I. Introduction:

In recent years, a growing number of women have ventured into entrepreneurship, with many choosing to establish their own cottage enterprises as an alternative to traditional employment. Although female-owned cottage industries (FOBs) have been widely studied, the subject continues to attract scholarly interest due to persistent gender-related barriers that hinder their growth and profitability. Women entrepreneurs are increasingly entering sectors that were once considered male-dominated, including agriculture-linked cottage activities, handicrafts, food processing, and small-scale manufacturing. This expansion reflects emerging trends in business ownership, where FOBs are steadily increasing in number and visibility. Much of the earlier research has concentrated on gender differences and the challenges faced by female entrepreneurs, highlighting issues such as limited access to finance, market constraints, and societal expectations. Studies by Stevenson (1986), Buttner and Rosen (1989), Sexton and Bowman-Upton (1990), Brush (1992), Kolvereid, Shane, and Westhead (1993), Fay and Williams (1993), Freeman and Varey (1997), Marlow (1997), and Sang Suk & Stearns (2012) have provided valuable insights into these struggles. However, this body of work often presents a one-dimensional view of female-owned enterprises, focusing primarily on barriers rather than risk behavior. One of the most compelling yet underexplored aspects of FOB research is the analysis of entrepreneurial risk patterns, particularly within cottage industries. This study addresses that gap by examining how gender influences risk-taking behavior among cottage enterprises in Jalgaon District. Specifically, it investigates seven dimensions of entrepreneurial risk: (a) internal enterprise operations, (b) external enterprise operations, (c) overhead costs and resource management, (d) government regulations and market forces, (e) globalization pressures, and (f) broader economic conditions. Building on prior work such as Miles (2012), this research extends the discourse by situating risk analysis within the context of cottage industries, where small-scale operations face unique challenges. The objectives of this study are twofold: first, to analyze risk patterns among female-owned cottage enterprises (FOBs); and second, to conduct a comparative assessment of economic risk differences between FOBs and male-owned cottage

enterprises (MOBs). By doing so, the study challenges conventional assumptions about female entrepreneurship, offering fresh insights into the dynamics of cottage industries. Its contributions are threefold: (1) providing a deeper understanding of firm-level dynamics in gendered cottage enterprises, (2) offering empirical evidence to strengthen the foundation of research on entrepreneurial risk, and (3) extending the scope of inquiry beyond traditional studies of female entrepreneurship. The paper is organized in a structured format. Section One reviews the literature and prior studies relevant to cottage industries and gender. Section Two outlines the hypotheses. Section Three describes the sample, variables, and data collection methods. Section Four presents the conceptual model. Section Five reports the results and statistical analyses. Section Six discusses implications, contributions, and directions for future research. Finally, the conclusion summarizes the findings and highlights the significance of gender-based risk analysis in cottage industries

II. Review of literature:

Anusuya & Selvi (2022)¹: This paper seeks to highlight the challenges faced by women entrepreneurs engaged in cottage industries within Jalgaon District. The study is based entirely on primary data, collected through a structured interview schedule administered among eighty women operating cottage enterprises. The findings revealed a strong interrelationship between general problems such as inadequate access to finance, rising production costs, scarcity of raw materials, intense competition, shortage of power supply, and limited mobility. In addition, specific gender-related barriers were identified, including the influence of male-dominated social structures, lack of formal education, family responsibilities, low risk-bearing capacity, restrictive social attitudes, socio-economic constraints, weak infrastructure, and limited aspirations for achievement. These issues collectively emerged as major obstacles for women entrepreneurs in the cottage industry sector. To examine these relationships, the study employed statistical techniques, including the multiple correlation method, which provided deeper insights into the interconnected nature of these challenges

Rajamani (2022)²: Women entrepreneurship plays a crucial role in the industrial and economic development of India, particularly within the cottage industry sector. It is closely linked to broader societal and economic benefits, yet women continue to contribute at lower rates compared to men and often establish enterprises in sectors traditionally considered less competitive. In contemporary India, however, more women are entering entrepreneurial activity, especially in micro, small, and medium-scale cottage enterprises, reflecting a growing desire for economic independence. Gender equality and economic progress are interdependent, and this trend is increasingly visible among urban families, while rural women continue to shoulder dual responsibilities of agricultural production, household duties, and childcare. In developing economies like India, the economic position of rural women remains vulnerable, with limited opportunities for income generation. To remain competitive in the market, women-led cottage enterprises often rely heavily on internal resources, personal skills, and resilience to overcome external challenges. This study emphasizes that women entrepreneurs in cottage industries should be provided with targeted training, skill development programs, and infrastructural support to strengthen their capabilities, enhance risk-bearing capacity, and ensure sustainable growth

Selvi (2021)³: Entrepreneurship has increasingly become a matter of concern and interest among women across the globe, with numerous studies examining the paths they pursue and the challenges they encounter in establishing their own ventures. This study focuses on the constraints and difficulties faced by women entrepreneurs engaged in cottage industries within Jalgaon District. One of the most critical barriers identified is access to finance, which remains a fundamental requirement for initiating and sustaining enterprises. Cottage industries, however, play a pivotal role in India's industrial development, offering women in rural areas both livelihood opportunities and a means of economic participation. For many women entrepreneurs, cottage enterprises serve as a vital source of employment, income generation, and social empowerment, helping them contribute to community development while countering the risk of economic marginalization

III. Objectives of the Study:

1. To examine the entrepreneurial practices of female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District
2. To explore and compare the perceptions of entrepreneurial risks as experienced by both groups within the cottage industry sector
3. To analyze the similarities and differences in risk attitudes and responses between FOBs and MOBs, thereby identifying gender-based variations in cottage industry entrepreneurship

Hypotheses of the Study:

H₀- There is no statistically significant difference between female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District with respect to entrepreneurial risk patterns

H₁- There exists a statistically significant difference between female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District in terms of entrepreneurial risk patterns

Scope of the Study:

Several critical studies have examined gender differences in relation to firm performance. At an aggregate level, female entrepreneurs have often been perceived as underperforming compared to their male counterparts (Du Rietz & Henrekson, 2000). Structural distinctions are evident, with women typically managing smaller enterprises, being less represented in sectors such as manufacturing and construction, and showing lower levels of export orientation. In the context of cottage industries, female-owned enterprises are frequently more dependent on household-based customers and local markets, whereas male-owned enterprises tend to demonstrate broader diversification in clientele. Moreover, female-run cottage businesses often attract predominantly women customers, reinforcing the notion that women entrepreneurs are more likely to establish enterprises in traditionally female-oriented domains. By contrast, male entrepreneurs generally maintain a more balanced distribution of customers across gender groups, reflecting wider market engagement

Research Methodology of the Study:

This study is primarily based on the critical evaluation and analysis of primary data collected directly from entrepreneurs engaged in cottage industries across Jalgaon District. A structured questionnaire was designed to gather relevant information, ensuring that the responses provided meaningful insights for the researchers. The questionnaire facilitated detailed discussions with selected entrepreneurs, enabling an understanding of their perceptions, attitudes, and approaches toward entrepreneurial risks. The collected data was systematically processed using statistical techniques such as tabulation, grouping, percentages, averages, and hypothesis testing to derive reliable conclusions. In assessing entrepreneurial risks within cottage enterprises, several key factors were considered: abandoning a steady source of income, investing personal capital, dependence on cash flow, gauging consumer demand, reliance on critical employees, meeting crucial deadlines, and sacrificing personal time and health. These dimensions provided a comprehensive framework to evaluate how female-owned and male-owned cottage enterprises perceive and respond to risk in their business operations

Research Area:

For this study, entrepreneurs engaged in cottage industries within Jalgaon District were selected as respondents. A total sample of 100 entrepreneurs was considered, comprising 50 female-owned cottage enterprises (FOBs) and 50 male-owned cottage enterprises (MOBs). Data collection was carried out using both primary and secondary sources to ensure comprehensive coverage. The primary data was obtained through the administration of structured questionnaires, which were distributed among all 100 participants. This approach provided direct insights into the perceptions and experiences of cottage industry entrepreneurs regarding entrepreneurial risks, while secondary sources supplemented the analysis with contextual information.

Limitations of the study:

1. The study is based on limited geographical area.
2. Further variables could be added for the purposes of detail study.

Data Analysis:

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

Table No1
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	50	49	3	46
2	Female Entrepreneurs	50	47	3	44
Total		100	96	6	90

Testing of Hypothesis:

H₀: There is no statistically significant difference between female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District with respect to entrepreneurial risk patterns

H₁: There is statistically significant difference between female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District with respect to entrepreneurial risk patterns

Mathematically

	<i>MOB</i>	<i>FOB</i>
Mean	3.34	4.38
Variance	0.16	0.21
Observations	46	44
Pooled Variance	0.18	
Hypothesized Mean Difference	0	
df	88.00	
t Stat	-11.613409	
P(T<=t) one-tail	9.468E-20	
t Critical one-tail	1.66	
P(T<=t) two-tail	1.894E-19	
t Critical two-tail	1.99	

Here level of significance is 0.05

Thus, our null hypothesis There is no statistically significant difference between female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District with respect to entrepreneurial risk patterns is concerned is rejected. Alternatively, we accept our alternative hypothesis There is no statistically significant difference between female-owned cottage enterprises (FOBs) and male-owned cottage enterprises (MOBs) in Jalgaon District with respect to entrepreneurial risk patterns

IV. Findings of study:

1. The analysis of entrepreneurial risks within cottage industries revealed notable gender-based perceptions among respondents. The most critical factor identified was “sacrificing personal capital,” which emerged as a dominant concern, particularly among male-owned cottage enterprises (MOBs). This indicates that men were more inclined to view personal financial investment as a central risk compared to their female counterparts.
2. In contrast, two other dimensions of risk were found to be more significant for female-owned cottage enterprises (FOBs). These included trusting a key employee and meeting crucial deadlines, where women

entrepreneurs demonstrated greater sensitivity than men. These findings highlight subtle but meaningful differences in how male and female entrepreneurs within cottage industries perceive and prioritize entrepreneurial risks

V. Conclusion:

From the analysis, it can be concluded that the overall mindset of respondents regarding entrepreneurial risks in cottage industries has remained largely unchanged. Despite variations in individual experiences, perceptions continue to reflect a stronger inclination toward male-owned cottage enterprises (MOBs) being viewed as more reliable compared to female-owned cottage enterprises (FOBs). This indicates that traditional beliefs and social perceptions still influence how entrepreneurial risks are understood, even though the actual differences in risk patterns between the two groups are relatively minor

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