

# Registered Yet Rooted: Inherited Ambitions and the Family–Firm Connection in Women-Led MSMEs in Haldwani, Nainital District, Uttarakhand

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## Abstract

This study examines family support, inheritance, and intergenerational entrepreneurial experience among women entrepreneurs in Haldwani, Uttarakhand, India. Using primary survey data from 228 women-led MSMEs, it explores how inherited businesses and family assistance influence MSME scheme registration. The analysis reveals substantial family-driven entrepreneurial activity, highlighting significant family involvement in business initiation. Chi-square tests confirm strong associations between inheritance, family experience, and family support. These findings emphasize the critical role family structures and legacies play in enhancing women's entrepreneurial formalization and sustained business growth. The study offers important insights for policy formulation, emphasizing the need for supportive frameworks that strengthen familial entrepreneurial ecosystems, particularly for rural women entrepreneurs.

**Keywords:** Women Entrepreneurs, Family Support, Business Inheritance, MSME Registration, Rural Entrepreneurship

## 1. Introduction

Entrepreneurship among women in rural India is increasingly recognized as pivotal for economic empowerment and regional development. Despite governmental initiatives to formalize and support MSMEs, the underlying role of familial factors, such as inheritance and intergenerational entrepreneurial knowledge, remains underexplored, particularly in rural settings. This paper specifically addresses how family dynamics, including the inheritance of businesses and family assistance, influence the formal registration of women-led enterprises under government schemes. The study contributes to the broader discourse on family businesses by examining women's entrepreneurship through the lens of familial support systems, inheritance practices, and formal business structures.

## 2. Review of literature:

The growing body of research on women's entrepreneurship in India increasingly highlights the role of family as a key social structure influencing entrepreneurial choices. Studies show that emotional backing, day-to-day assistance, and informal mentorship provided by family members often shape a woman's ability to either start a

business or carry forward an existing one (*Pathak et al., 2025*). Recent evidence suggests that demographic variables may not be decisive in explaining women's business outcomes. (*Naaz, Lohumi, and Joshi (2025)*), in a study of 521 women entrepreneurs in MSMEs in Nainital district, found that age and marital status had no significant effect on firm performance or sustainability. They further reported that micro and small enterprises could achieve results comparable to medium firms if supported with adequate resources, highlighting that strategic management and institutional support are more critical than demographic background in ensuring sustainability.

Interestingly, while family support is consistently identified as a positive influence, family entrepreneurial history or prior business experience does not always translate into business inheritance. Instead, the decision to continue or initiate a business appears more influenced by present-day family encouragement than generational legacy (*Sharma & Singh, 2024*).

In the Indian policy landscape, several initiatives have targeted the formalization and empowerment of women-led micro and small enterprises. Government schemes such as the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) have improved credit access by offering collateral-free loans. Despite such advances, challenges persist. Research indicates that women entrepreneurs continue to navigate issues related to awareness of schemes, financial literacy, and balancing domestic responsibilities with business roles. A recent study by *Khan and Mehta (2025)* observed that while awareness about support schemes has increased, actual uptake still often depends on the strength of family networks and intra-household decision-making patterns. Furthermore, global findings emphasize that legal reforms granting equal inheritance rights to women can enhance their entrepreneurial participation by improving access to assets, though the full impact of such reforms is sometimes restricted by entrenched cultural norms (*Deininger et al., 2022*). International efforts, such as the Women Entrepreneurs Finance Initiative (We-Fi), also stress the importance of building supportive ecosystems—combining financial tools, capacity-building, and community-level support to strengthen women's participation in business (*We-Fi, 2022*). These insights align with the findings of the current study, which suggest that while family business background may have limited impact on business inheritance, the presence of ongoing family support remains a vital enabler. Alongside this, well-targeted government policies appear to have created an inclusive environment that supports both inherited and self-initiated enterprises among rural women.

While a growing body of literature has explored the role of women entrepreneurs in India's micro and small business landscape, much of the focus remains centered on individual traits, access to finance, and policy awareness. However, the familial context particularly how intergenerational experience, business inheritance, and family support systems influence formal entrepreneurial participation remains underexplored, especially within rural or semi-urban districts like Haldwani in Uttarakhand. Existing studies often generalize women-led enterprises without disaggregating the nuanced impact of family structures (joint vs. nuclear), or without distinguishing between inherited and self-initiated ventures. Furthermore, although schemes like Udyam and CGTMSE are widely studied in terms of implementation, there is limited empirical evidence linking familial support to actual MSME registration patterns among rural women. This study addresses this critical gap by empirically analyzing how family experience, support, and household type influence women's business inheritance and formal registration providing both micro-level insight and policy-level relevance.

### 3. Objectives

1. To analyze the relationship between family entrepreneurial experience and inherited business initiation among women entrepreneurs.
2. To examine the role of family support in facilitating the inheritance and growth of women-led MSMEs.
3. To assess the impact of family structure (joint vs nuclear) on women's entrepreneurial formalization in terms of MSME scheme registration.

## Hypotheses

H1: There is a significant association between family entrepreneurial experience and the initiation of inherited businesses among women entrepreneurs.

H2: There is a significant association between family support and the inheritance of women-led MSMEs.

H3: Family structure significantly influences women's entrepreneurial formalization under MSME schemes.

## 4. Methodology

This research employed a descriptive and quantitative research design. The study was conducted in Haldwani block of Nainital district, Uttarakhand, using primary data collected from 228 women entrepreneurs engaged in MSMEs. Data were gathered via structured questionnaires containing categorical responses regarding inheritance status, family entrepreneurial experience, family assistance, and registration under MSME schemes. Analytical tools included descriptive statistics and chi-square tests to examine associations among categorical variables. Effect sizes were measured using Cramer's V. Ethical considerations, including informed consent and confidentiality, were strictly maintained throughout the study.

## 5. Data Analysis

### Objective 1

**To analyze the relationship between family entrepreneurial experience and inherited business initiation among women entrepreneurs.**

#### Hypothesis

**H1:**

There is a significant association between family entrepreneurial experience and the initiation of inherited businesses among women entrepreneurs.

#### Statistical

#### Test

#### Applied:

Chi-square Test of Independence and Cramer's V

#### Result Table:1

Variables	Chi-square ( $\chi^2$ )	p-value	Degrees of Freedom	Cramer's V	Strength
Family Experience × Inherited Business	0.494	0.4821	1	0.053	Very Weak

*Primary Data*

#### Interpretation:

The test result indicates no statistically significant association between family entrepreneurial experience and inherited business ( $p > 0.05$ ). The strength of association is very weak (Cramér's  $V = 0.053$ ), implying that having prior family business exposure does not significantly influence whether a woman inherits a business or not.

### Objective 2

**To examine the role of family support in facilitating the inheritance and growth of women-led MSMEs.**

#### Hypothesis

**H2:**

There is a significant association between family support and the inheritance of women-led MSMEs.

#### Statistical

#### Test

#### Applied:

Chi-square Test of Independence and Cramer's V

#### Result Table:2

Variables	Chi-square ( $\chi^2$ )	p-value	Degrees of Freedom	Cramer's V	Strength
Family Support × Inherited Business	9.751	0.0018	1	0.233	Weak

Primary Data

#### Interpretation:

There is a statistically significant association between family support and inherited business ( $p < 0.01$ ). The effect size is weak (Cramer's  $V = 0.233$ ), suggesting that women who received assistance from family members are more likely to inherit family businesses. Thus, family support plays a facilitating role in intergenerational business transfer among women entrepreneurs.

#### Objective 3

To assess the impact of family structure (joint vs nuclear) on women's entrepreneurial formalization in terms of MSME scheme registration.

#### Hypothesis

H3:

Family structure significantly influences women's entrepreneurial formalization under MSME schemes.

#### Statistical

#### Test

#### Applied:

Chi-square Test of Independence and Cramer's  $V$

#### Result Table: 3

Variables	Chi-square ( $\chi^2$ )	p-value	Degrees of Freedom	Cramer's V	Strength
Family Type × MSME Registration	0.000	1.0000	0	N/A	Not Applicable

Primary Data

#### Interpretation:

The test could not be computed meaningfully due to zero degrees of freedom — all respondents, regardless of family type, had registered under MSME schemes. This indicates a lack of variability, suggesting uniform registration behavior, possibly driven by effective policy implementation or widespread awareness in the Haldwani block.

Table: 4 Summaries of Hypotheses Testing

Objective	Hypothesis	Variables Tested	$\chi^2$	p-value	Cramer's V	Strength	Result
Objective 1	H1	Family Experience × Inherited Business	0.494	0.4821	0.053	Very Weak	Not Supported
Objective 2	H2	Family Support × Inherited Business	9.751	0.0018	0.233	Weak	Supported

Objective 3	H3	Family Type × MSME Registration	0.000	1.0000	N/A	Not Applicable	N
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Primary Data

## 6. Findings:

The analysis of data from 228 women entrepreneurs in Haldwani revealed that having a family background in business does not significantly influence whether a woman inherits a business. Women were found to inherit businesses regardless of whether their families had prior entrepreneurial experience, suggesting that factors other than generational business exposure drive inheritance decisions. However, the presence of family support such as guidance, encouragement, or assistance showed a meaningful influence on business inheritance. Those who received such support were more likely to take over or continue family-owned enterprises, highlighting the enabling role of emotional and practical backing in entrepreneurial continuity. Additionally, the study found no difference in MSME registration between women from joint and nuclear families. This uniformity indicates that access to and awareness of government schemes promoting formalization is widespread in the region, and that family structure does not act as a barrier to registration. Overall, the findings emphasize the importance of active family support while downplaying the influence of family background or structure in shaping women's entrepreneurial formalization and succession.

## 7. Conclusion:

This study highlights the nuanced role of family-related factors in shaping the entrepreneurial journeys of women-led MSMEs in Haldwani. While family entrepreneurial background did not significantly influence the inheritance of businesses, the presence of family support played a crucial enabling role. Women who received emotional, advisory, or financial assistance from family members were more likely to inherit and continue family enterprises, emphasizing the importance of supportive environments over inherited experience. Furthermore, the absence of variation in MSME registration across family types suggests that government schemes promoting formalization are well-penetrated and accessible, regardless of household structure. These findings suggest that policies and programs aiming to strengthen rural women's entrepreneurship should prioritize facilitating family-level support mechanisms and ensure continued outreach of formal schemes across all social groups. In sum, the success of women entrepreneurs appears to be shaped more by the quality of family support than by family tradition or structure, reflecting a shift towards more independent yet socially supported entrepreneurial participation.

## Limitations:

This study is limited to a single geographic area Haldwani block of Nainital district, which may restrict the generalizability of the findings to other regions. The analysis is based solely on categorical variables and does not account for other influencing factors such as income level, education quality, or external institutional support. Additionally, the uniformity in MSME registration limited statistical variation in one of the hypotheses, which could have yielded deeper insights with a more diverse sample. Future research may consider a comparative, multi-regional approach and include a broader set of socio-economic and behavioral variables.

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