

Conceptual Model for Scalability Assessment: A study of Women owned Micro enterprises Scalability of Women-Led Micro Enterprises:

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ABSTRACT

Micro enterprises serve as an option of livelihood for women at the bottom of the pyramid for supporting their livelihoods. Enterprise success needs to be assessed in terms of mechanisms to differentiate their growth and scalability perspectives. Considering the fact that scaling-up paths have been applied throughout the world since the 1960s, this study will aim to conduct a preliminary scientific investigation of scaling-up paths in order to evaluate the scalability of women-owned SMEs. The purpose of the study is to investigate and identify the factors that influence and affect the scaling-up intention of women who are part of SMEs of Kerala. In our study, we attempt to propose a conceptual model that explains how women-owned SMEs can be assessed in Kudumbashree, Kerala. The study used a structured interview method to collect data from women who are part of SMEs and Kudumbashree officials to make propositions. By proposing this new conceptual model for evaluating the scale-up of women owned Enterprises, this study leads to a deeper understanding of the same and provides new insights for future empirical work.

Keywords - Scaling-up, Women entrepreneurship, Kudumbashree, Conceptual model, Micro Entrepreneurship

INTRODUCTION

Scaling up micro enterprises seeks not only to increase productivity and efficiency, but also to contribute to the advancement of women's economic and human capital roles. Business scaling requires the creation of a structure that allows for flexibility, participation, and accountability on a large scale (Uvin and Miller, 1996). Here, women's microenterprises owned by SHGs/NHGs have contributed significantly to household income, eliminating absolute poverty and contributing to economic development (Yousfani et al., 2019; Bhensdadia and Dana, 2004). Empowering women via enterprise growth necessitates a thorough understanding of the characteristics of women's micro-business. It helps to enhance women's role in the economy and human capital development (Gikonyo, Zainalaludin and Masud, 2006).

A study of micro enterprises in Haryana found that women-owned businesses were less sustainable in the long term (Mor et.al, 2020). However, scaling up assessment is a weakly investigated area that requires further attention from researchers. The uneven growth can be explained by the "up or out" dynamics, where high average growth rates and low survival rates coexist (OECD, 2018). The sustainability of micro enterprises is increasingly being addressed, but it is interesting to note that techniques to assess scaling up remain largely undeveloped. For women, however, personal goals appear to be more significant than business goals (Still and Timms, 2000). Female owners have less concern for financial rewards than their male counterparts (Brush, 1992). Rural women are usually venturing into business just to follow in the footsteps of others without having any desire to start their own business (Maimunah, 2002). Few did it just to socialize with society or as a hobby (Jariah and Laily, 1995).

Female owned micro- enterprises have enhanced the contribution of women to the household income eliminating absolute poverty, contributing to economic development (Yousfani et al., 2019; Bhensdadia and Dana, 2004). Kudumbashree mission serves as an option of livelihood for women at the bottom of the pyramid for supporting their livelihoods. Since grassroot/community based organizations developed businesses with poverty eradication and empowerment goals, the scalability of SHG/NHG based SMEs cannot be assessed as it is with other SMEs. Besides providing opportunities to engage in poverty alleviation and empowerment activities, NHG/SHG-based business models provide members with opportunities to engage in business activities. This paper explores the research questions

of (1) what is the most appropriate path of assessing the scalability of SME owned by women in SHGs and NHGs? And 2) what are all the factors that need to be considered when assessing the scalability of SMEs? Our model focuses on the components that make evaluating the scalability of SHG/NHG based SMEs' business models and empowerment phases easier.

LITERATURE REVIEW

A kudumbasree supporting micro-business needs to be evaluated from both the grassroots organization model scaling up model as well as its business model scalability perspective. The programs promoted by micro enterprises managed by women and part of a grassroots organization are seen as capable of tackling real issues of eradicating poverty and empowering women. Thus, scientifically looking at scaling up grassroots organization-based women-owned micro enterprises should be considered from different perspectives. This means that scaling-up evaluation should be based on some societal context in which their activities are incorporated. The alternative scaling up paradigm for NGOs and social development movements has been used by development practitioners worldwide since the 1960s. The goal was to help disadvantaged and marginalized communities become more self-sufficient (Rahman, 1993) through scaling up their program.

Most of the Social scientists defined scaling up in complex ways. As an example, Berg (1987) discusses scaling up from the organizational viewpoint, from the management perspective, and from the financial perspective, while Hayden (1992) defines scaling up from the functional perspective and from the activity perspective. The term "intensification" is used by Howes and Sattar (1992) to describe the addition of new activities to existing programs. Clark (1991) categorizes scaling up into three types: replication, grassroots movement building, and policy reform. Phases of maturation of SHGs were defined by Lecomte (1991) as a capacity to innovate, generate local resources, and enhance organizational capability. Scaling up is for him a matter of autonomy, self-reliance, and independence.

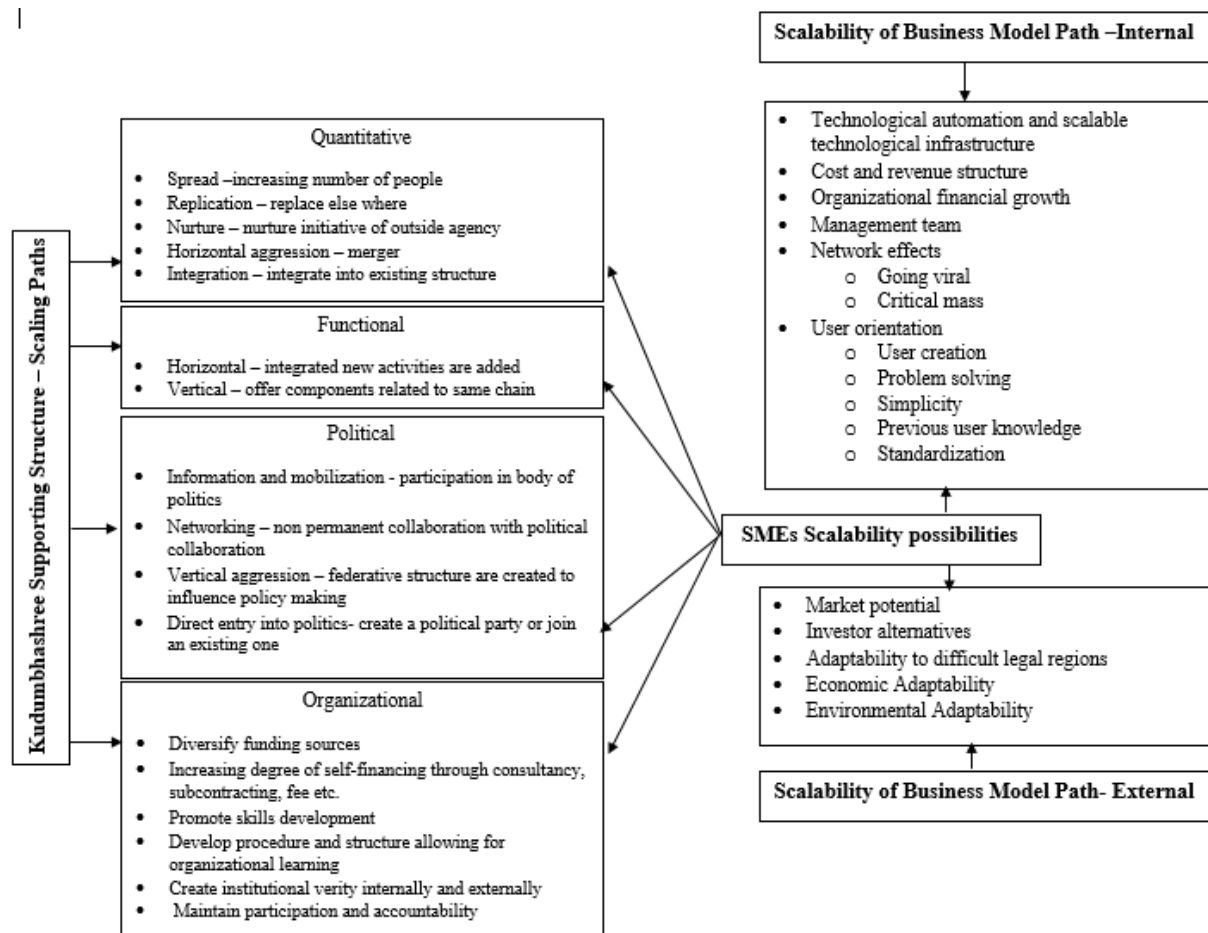
The development of microenterprises starts with a low profit at the initial stage, then goes from low profit to low capital, then to low-medium capital, and then to low to medium risk. In light of this, it is important to evaluate scalability of micro enterprises based on their business model (Gerritsen, 2021). What is business model scalability? As in Carucci's (2016) argument, Hallowell (2001) and Bjorkdaha and Holmen (2013) also argue that scalability is the ability of a business model to increase revenue at a faster rate than the corresponding cost in a changing business environment.

There is little research on the factors that measure the scalability of women owned micro enterprises. An in-depth analysis of grassroots organizations and business models will contribute to our understanding of factors affecting the scalability of microbusinesses owned by women of Kudumbasree. This research aims to generate new knowledge to the existing insights on the factors affecting scalability of micro enterprises owned by women who are members of SHGs and NHGs. This study will help to develop conceptual models while measuring scaling-up possibilities of women owned micro enterprises of grass root organizations.

METHODOLOGY

In our study, we attempt to propose a conceptual model that explains how women-owned SMEs can be assessed in Kudumbashree, Kerala. The study conducted during the period of 2022-23 and the study used a literature review to collect data to develop propositions. The study used a structured interview and observation method to collect data from women who are part of SMEs and Kudumbashree officials to make propositions. By proposing this new conceptual model for evaluating the scale-up of women owned Enterprises, this study leads to a deeper understanding of the same and provides new insights for future empirical work. Based on the arguments, the study proposes a conceptual evaluation model to assess scaling up opportunities for women members of NHGs/SHGs.

Assessment Criteria for Micro business Scalability – Fig 1:
Conceptual Model for Scalability Assessment of SHG/NHG Based Micro Enterprises



Proposition Formation

Based on the literature arguments, the study proposes propositions for conceptual evaluation model to assess scaling up opportunities for women members of NHGs/SHGs.

Proposition 1 - There is a need to scaling of micro enterprises from a multidimensional angle

Are there any ways to scale up community-based programs or grassroots organizations? Does enacting public legislation improve its effectiveness and efficiency? Could it be done financially, or institutionally, by developing external links or empowering members' abilities? Researchers found that scaling up is subject to both push and pull forces (Uvin and Miller, 1996). In a push or demand situation, an institution expands its operations geographically, expands its business activities, or implements new approaches, procedures, or techniques to meet clients or members' needs. In a pull/supply situation, on the other hand, an organization relocates or expands its geographical operations, or changes its structure or functioning as a result of factors outside of its members or clients. There are various types of scaling up, according to studies.

They are frequently used together, though they are not identical (Uvin and Miller, 1996). Scaling up was studied in terms of Structure Scaling up (Quantitative), programme Scaling up, strategy Scaling up (Political), and resource base Scaling up (Organizational). The most prominent form of scaling up is structural-based scaling. In this form of scaling up, an entity extends its size by growing its membership, consistency, geography, or financial resources. This is the same as spreading or developing. When an entity incorporates new activities into its management and operations, it is said to be functionally scaling up. With time, institutions expand their number and forms of activity. The third form of scaling is referred to as "political scaling up." This usually entails active political participation and the establishment of government interactions. Allowing the organization and its programmes to expand, be adaptable, and become sustainable is another way to scale up. This process is known as organizational scaling up. Scaling up can be accomplished by escalating the number of individuals involved, increasing local projects on a bigger scale, pooling resources and merging with other organizations, or integrating existing structures and procedures.

Proposition 2 - the proliferation of internal and external business conveniences can be needed to assess micro enterprise scalability.

Business model scalability is also a component of micro enterprise business. Therefore, the aim of this study is to establish a scalability measure of micro business with regard to business model desirability. From this argument, several definitions can be derived. There is a growing body of evidence that technical definitions of business model context can be transferred to business context views of scalability (Ahokangas and Juntunen, 2018; Nielsen et al., 2017; Nielsen and Lund, 2015, 2018; Stampfl et al., 2013). Scalability can also be defined as the ability for a firm to grow its output when resources are added (Nielsen & Lund, 2015). In line with Chandler, 1990, and Zhang et al., 2015, Stampfl et al., 2013 refers to the ability to realize growth in business size as scalability. All of the notions listed above have one thing in common: they all refer to a company's potential as a firm and the ability to realize firm growth. The word "business growth" is used to describe something that expands over time (Stampfl et al., 2013). Here, scalability is the ability of a business idea to consistently function well regardless of the size or growth of the company (Napier et al., 2006). Scalability can also be defined as the capacity of a firm to grow while not losing customers, compromising quality, or altering the core value proposition. In their study, Steinpfl, Prügl, and Osterloh (2013) examined the factors that were associated with business model scalability, and identified five factors that were mutually exclusive: technological advances, cost and revenue structures, adaptability to different legal requirements, network efforts, and user orientation (Chrisman et al., 1988). In spite of the fact that there is no single definition of scalability in business context, the concept is closely associated with the ability of firms to grow internally and externally (Stampfl et al., 2013).

CONCLUSION

This study investigates into the pivotal role that micro enterprises, particularly those owned by women at the bottom of the pyramid, play in supporting livelihoods. The investigation focuses on the scalability of women-owned SMEs in Kerala, with a particular emphasis on those affiliated with Kudumbhasree. Through a structured interview method involving women entrepreneurs and Kudumbhasree officials, the study proposes a conceptual model to elucidate the factors influencing the scaling-up interventions of these enterprises. By shedding light on the unique context of Kerala and the Socio-cultural landscape, the research contributes valuable insights for future empirical work. The proposed model not only advances understanding of the scaling-up paths for women-owned enterprises but also provides foundation for devising strategies to enhance their growth and contribute to the broader socio-economic development of the region

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