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IMPACT OF PRADHAN MANTRI MUDRA YOJANA ON ENTREPRENEURSHIP SKILLS OF WOMEN

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ABSTRACT

The government of India's flagship initiative, the Pradhan Mantri Mudra Yojana, was launched in 2015 and aims to finance the unfunded while encouraging an entrepreneurial culture in the nation. People who enjoy being entrepreneurs and have the potential to benefit from the market are eligible for loans without the need for collateral under this scheme. Many women who were unable to take the initiative, because they lacked collateral, have benefited from this scheme by being able to pursue a career in business. With the PMMY initiative, women were able to start businesses without the need for collateral and obtain loans, which improved their potential and entrepreneurship abilities. A business needs to be proficient in a variety of talents in order to succeed, including social skills, business management, and decision-making abilities. This empirical study assesses the impact of Mudra Yojana on women entrepreneurship. A qualitative analysis of data gathered on different parameters using the Likert scale has been done in the study to assess the impact of PMMY on women entrepreneurship. Exploratory Factor Analysis has been used in the study.

Keywords: PMMY, Women Entrepreneurs, Business Management Skills, Decision-Making Skills, Social Skills, Likert Scale, Exploratory Factor Analysis

INTRODUCTION

The Indian government's flagship program, Pradhan Mantri Mudra Yojana (PMMY), aims to encourage entrepreneurship and give financial support to microenterprises, especially those run by members of marginalized communities. The program provides loans to individuals, primarily micro and small company owners, through several financial institutions to assist them in starting or growing their enterprises. By providing loan facilities to people left out of the traditional banking system because they lacked collateral or credit history, PMMY has contributed to the advancement of financial inclusion, inspiring many would-be business owners to launch their projects, particularly those from rural and semi-urban areas. The past few years have seen a notable increase in women-led entrepreneurship in India, primarily due to governmental initiatives

and shifting socio-economic conditions. The Pradhan Mantri Mudra Yojana (PMMY) is one of these programs that stands out for being a significant force in encouraging women to pursue entrepreneurship. PMMY has been instrumental in advancing financial inclusion for female entrepreneurs by granting them access to loans without collateral. Historically, socio-cultural hurdles and a need for more assets for collateral have made it difficult for women to get formal credit. By providing financial assistance to female entrepreneurs at various phases of their company endeavors, PMMY fills this gap.

Recognizing the value of entrepreneurial skills, PMMY includes training and skill development initiatives designed explicitly with women entrepreneurs in mind. Aspects of business management covered in these programs include product development, marketing tactics, financial literacy, and technology adoption. PMMY gives women the knowledge and abilities they need to overcome obstacles and be successful in their entrepreneurial pursuits.

The mission of PMMY is to support women-led microenterprises, which are essential for creating jobs and fostering inclusive economic growth. Women entrepreneurs can launch and grow businesses in various industries, including retail, services, agriculture, and handicrafts, with the help of PMMY loans. The program promotes women to develop sustainable businesses that boost regional economies by utilizing their skills, creativity, and leadership potential.

In India, the Pradhan Mantri Mudra Yojana (PMMY) has become a game-changer for the empowerment of women entrepreneurs and the development of their entrepreneurial abilities.

LITERATURE REVIEW

Bowen and Hisrich (1986)[1] assessed a large number of studies on women's entrepreneurial activities. They found that although most female entrepreneurs have a degree, they still require effective managerial abilities. Compared to other women, they have a greater internal locus of control and are more likely to have had successful business owners as fathers.

Chen et al. (1998)[2] studied Entrepreneurial self-efficacy as a person's confidence in their capacity to undertake and complete activities like marketing, managing finances, directing staff, and taking risks related to starting and running a new business.

Palaniappan, Ramgopal, and Mani (2012)[3] found that many women need more financial resource allocation, better planning, and a lack of effective leadership while running their enterprises. They must study their foundational skills in order to have a stage on which to display their skills. When the fundamental traits of Indian women are compared to those of entrepreneurs, it becomes clear that there is much-untapped potential for their entrepreneurial skills.

Bellotti et al. (2014)[4] highlight the three most vitally developed competencies—decision-making ability, communication skills, and organizational abilities—in the study's conclusions. However, they also point out a number of benefits, such as the growth of problem-solving skills, their application to real-world situations, learning by doing, high levels of interaction, and support for multitasking.

Yadav et al. (2015)[5] To be an entrepreneur, one must possess critical qualities. Technical proficiency, inherent skills, interpersonal interactions, leadership, negotiations, creativity, and invention are among them. They are integrating these abilities into their understanding of structure.

Shiba Charan Panda, Gurveen Kaur, and Sadhana Arya (2017)[6] analyzed that, without a doubt, female entrepreneurship increases household wealth in particular and the nation's overall prosperity. These days, women are more eager to engage in activities previously thought to be exclusively for men, and they have shown that they are the most significant contributors to the economy's expansion. In order to address the trends and difficulties of global markets, women's entrepreneurship has to be appropriately shaped with entrepreneurial traits and skills. They must also be proficient enough to thrive and pursue greatness in the entrepreneurial area.

Eib et al. (2019)[7] address issues like balancing work and family/private life [28], gender identity and differences in sex, entrepreneurship obstacles, and, most notably, pay disparities and access to leadership roles and career advancement.

Srinivas (2021)[8] suggested that women constitute a crucial pillar for the nation's economic prosperity. Women would flourish like flowers and spread their scent to others if given opportunities and specific facilities. Her employment provides fresh knowledge and abilities that benefit the company. Possess market competence. Promising businesswomen such as Kiran Mujumdar Shaw, the creator of Biocon, and a select group of others demonstrate that women are just as capable as men and are capable of incredible feats. The government offers financial assistance as well as other forms of support, such as skill development, counseling, and training, to women entrepreneurs.

Mahadule, D. (2022)[9] analyzed that advancing women's rights is essential to the nation's economic growth. Women blossom like flowers and spread their fragrance to others if given the proper opportunities and resources. Her employment gives the business more skills and knowledge, enabling it to compete in the market. The government is helping female entrepreneurs by offering financial support and other assistance like training, skill development, and counseling. However, more work needs to be done, like setting aside certain businesses for women-only operations and giving a specific portion of mudra loans to female entrepreneurs.

OBJECTIVES OF THE STUDY

- To assess the impact of Pradhan Mantri Mudra Yojana on women's entrepreneurship.

METHODOLOGY

The primary data serve as the study's basic foundation. This empirical study is based on the qualitative data. Data from the 100 women beneficiaries who have availed of loans under PMMY were gathered using a closed-ended questionnaire. The respondents' opinions were gathered using a five-point Likert scale. The data were analyzed using Exploratory Factor Analysis (EFA).

Table 1: Correlation between the variables

	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11
X1	1										
X2	.496**	1									
X3	.275**	0.149	1								
X4	-0	-0.16	-0.11	1							
X5	0.059	-.242*	0.079	.394**	1						
X6	.368**	.450**	.375**	-0.02	-0.03	1					
X7	.218*	.284**	.394**	0.013	0.113	.352**	1				
X8	**.600****	**.576****	.330**	-0.04	-0.02	**.567****	.355**	1			
X9	.310**	.399**	.375**	-0.02	0.056	**.594****	**.506****	**.613****	1		
X10	**.603****	**.591****	.327**	-0.02	-0.04	**.568****	.370**	**.991****	**.620****	1	
X11	.375**	**.598****	0.13	-0.19	-0.09	**.620****	.372**	**.642****	**.589****	**.653****	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Where X1 = Planning and organizing, X2 = Risk-Taking Skills, X3 = Negotiation Skills, X4 = Leadership, X5 = Administrative Skill, X6 = identifying Problems, X7 = Generating Alternative Solutions, X8 = Selecting and implementing best alternatives, X9 = Social Recognition, X10 = Networking Skills, X11 = Self-Efficacy.

Table 1 depicts the correlation matrix. In the given Correlation matrix, the variables are standardized, meaning each variable has a variance of 1, and the total variance is equal to the number of variables used in the analysis. Under this study, 'Impact of PMMY on entrepreneurship skills of women' was selected as the independent selection variable, and data screening was done to identify correlations at least 0.50 or above. Accordingly, sixteen correlations were identified as results above 0.50.

Table 2: Descriptive Statistics

Entrepreneurship Skills		N	Mean	Std. Deviation
Business Management Skills	Planning and organizing	100	3.14	1.38
	Risk Taking Skills	100	3.44	1.34
	Negotiation Skills	100	3.06	1.38
	Leadership	100	2.95	1.22
	Administrative Skill	100	3.98	1.21
Decision-Making Skills	Identification of Problems	100	3.21	1.55
	Generate Alternative Solutions	100	4.1	1.19
	Selection and Implementation of best alternatives	100	3.02	1.41
Social Skills	Social Recognition	100	3.02	1.34
	Networking Skills	100	2.92	1.25
	Self-Efficacy	100	2.98	1.36
Total		100	3.26	1.33

Table 2 shows the mean and standard deviation for the specified factors. Generate alternative solutions has a mean value of 4.10, which is high and indicates that the PMMY has the most influence on this skill. The standard deviation is low, at 1.19. A low standard deviation suggests that the data is more dependable because it is closely concentrated around the mean. The data indicates that the PMMY significantly influences women entrepreneurs' capacity to generate alternative solutions.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.789
Bartlett's Test of Sphericity	Approx. Chi-Square	763.018
	df	55
	Sig.	0

The KMO statistics value, which is 0.789 and more than 0.5, is shown in Table 3. The factor analysis could be applied to the specified data set. The p-value corresponding to the chi-square statistic demonstrates the importance of the correlation coefficient matrix, which is supported by Bartlett's sphericity testing test for the variables' correlation matrix. The null hypothesis that the correlation matrix of the variables is not significant is rejected by the p-value of 0.000, which is less than 0.05, the presumed significance level.

Table 4: Communalities

	Initial	Extraction
Planning and organizing	1.000	0.531
Risk Taking Skills	1.000	0.663
Negotiation Skills	1.000	0.650
Leadership	1.000	0.716
Administrative Skill	1.000	0.700
Identification of Problems	1.000	0.579
Generate Alternative Solutions	1.000	0.602
Selection and Implementation of best alternatives	1.000	0.850
Social Recognition	1.000	0.663
Networking Skills	1.000	0.864
Self-Efficacy	1.000	0.665

Table 4 depicts communalities. The degree to which an object correlates with every other item is known as its communality. The correlation is better, and the communalities are higher. Communities show the common variance that the factors with the specified variables share. Greater communality suggests that the factor solution has extracted more variance from the variable. Commonalities should be 0.4 or higher to improve factor analysis estimation. In Table 3, communality shows that all extraction values range from 0.531 to 0.864, which is significantly higher than the permitted threshold of 0.4 or higher. Therefore, it is appropriate to proceed with the conclusions of the factor analysis based on the communalities of the current study.

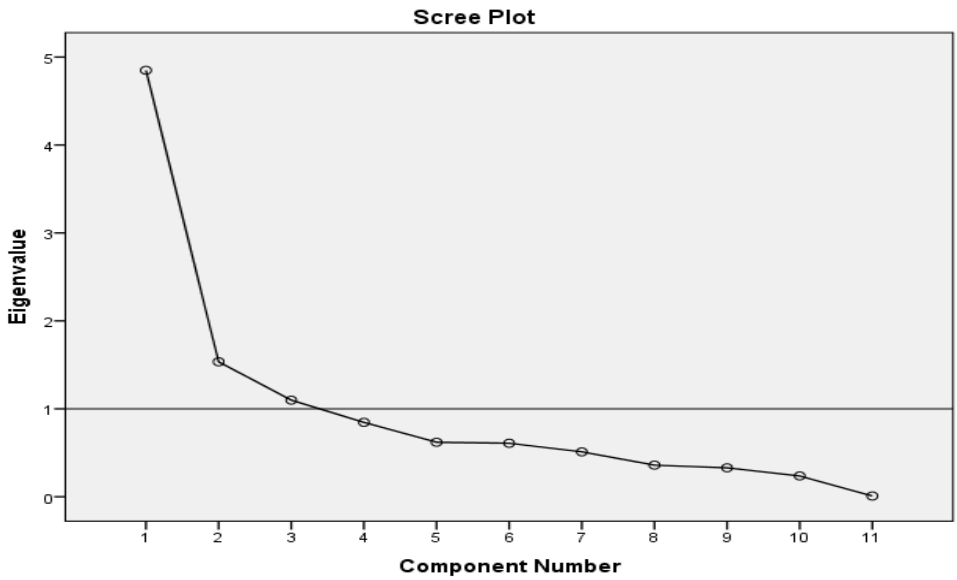
Table 5: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	4.849	44.086	44.086	4.849	44.086	44.086	3.987	36.244	36.244
2	1.535	13.95	58.036	1.535	13.95	58.036	2.008	18.256	54.5
3	1.098	9.985	68.021	1.098	9.985	68.021	1.487	13.521	68.021
4	0.846	7.69	75.711						
5	0.62	5.634	81.346						
6	0.608	5.53	86.876						
7	0.511	4.642	91.518						
8	0.359	3.265	94.783						
9	0.329	2.994	97.777						
10	0.236	2.147	99.924						

11	0.008	0.076	100						
Extraction Method: Principal Component Analysis.									

Table 5 shows the proportion of variance for each factor displayed in descending order. Total variance explained in exploratory factor analysis (EFA) is the percentage of the observed variables' total variance that the retrieved factors can explain. It shows how effectively the variables obtained from the analysis capture the variability found in the initial data set. With a variance of 44.086 percent, Factor 1 has an Eigenvalue of 4.849; Factor 2 has an Eigenvalue of 1.353 with 13.950 variances; and Factor 3 has an Eigenvalue of 1.098 with 9.985 variances. The cumulative variance of the three factors is 68.021%. Therefore, for additional analysis, all three Factors are taken into account.

Figure 1: Scree Plot



The Figure 1 shows that the curve begins to flatten between factors 3 and 4. Also,, note that only three factors have remained since factor 4 and beyond, and they have eigenvalues less than 1.

Table 6: Component Matrix

	Component		
	1	2	3
Networking Skills	0.903		
Negotiation Skills	0.896		
Self-Efficacy	0.79		
Social Recognition	0.768		
Selection and Implementation of best alternatives	0.752		
Risk Taking Skills	0.712		
Planning and organizing	0.647		
Leadership	0.55		
Generate Alternative Solutions		0.829	
Identification of Problems		0.72	
Administrative Skill			-0.612

It is clear from Table 6 that "Networking Skills" (0.903) has the most significant value of all the variables and has a strong positive correlation with component one. Additionally, "Negotiation Skills" (0.896) and "Generate Alternate Solution" (0.829) are very significant. Strong or strong positive correlations suggest a good chance that the two will rise in combination as one component rises and vice versa. "Negotiation Skills", self-efficacy (0.790), social recognition (0.768), and selection and Implementation of best alternatives (0.752) are strongly correlated with factor 1. Generate alternative solutions (0.829) and identification of problems (0.720) are strongly positively correlated with factor 2. Administrative skill (-0.612) is negatively correlated with factor three.

Table 7. Exploratory Factor Analysis for Women Entrepreneurs: Impact of PMMY on various entrepreneurship skills (Rotated Component Matrix)

	Component		
	1	2	3
Networking Skills	0.893		
Negotiation Skills	0.885		
Risk Taking Skills	0.767		
Self-Efficacy	0.753		
Planning and organizing	0.714		
Selection & Implementation of best alternatives	0.605		
Administrative Skill		0.801	
Leadership		0.738	
Social Recognition		0.597	
Identification of Problems			0.834
Generate Alternative Solutions			0.809

When examining a group of observed variables, factor analysis can help identify and explain hidden variables or underlying components. Rotating component matrices are a typical statistical outcome of factor analysis. They are making the factors more understandable by altering the factor loadings. The rotation procedure simplifies and is comprehensible the comprehension of the factors. The rotated component matrix frequently shows the rotated factor loadings for each variable on each factor. Rotation improves the components' readability and facilitates their interpretation within the framework of the data. The networking and Negotiation skills are highly and positively correlated with factor 1, the administrative skills are highly and positively correlated with factor 2, and the identification of problems and generating alternative solutions are also highly and positively correlated with factor 3. It suggests a good chance that the two will rise in combination as one component rises and vice versa.

CONCLUSION

In India, the Pradhan Mantri Mudra Yojana (PMMY) has become a game-changer for the empowerment of women entrepreneurs and the development of their entrepreneurial abilities. It provides financial assistance, skill development programs, support for women-led micro-enterprises, and the removal of socio-cultural barriers. PMMY has created opportunities for women to act as change agents and drivers of economic growth. It is crucial to guarantee that women entrepreneurs receive ongoing support and encouragement as PMMY develops so they can prosper and advance India's socio-economic standing. Through providing monetary assistance, chances for skill enhancement, and an atmosphere that fosters creativity, PMMY has enabled women to fulfill their dreams of becoming entrepreneurs and positively impact India's socio-economic

progress. The Pradhan Mantri Mudra Yojana (PMMY), which offers women in India access to markets, financial support, possibilities for skill development, and mentorship, has become a potent instrument for enhancing their skills as entrepreneurs. As a result, PMMY is assisting in forming an atmosphere that encourages women to succeed as entrepreneurs and contribute to the nation's economic progress.

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