



Ethical Entrepreneurship Through Indian Knowledge Systems: A Study of Social Enterprises Supporting Transgender Entrepreneurs

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ABSTRACT

Ethical entrepreneurship rooted in Indian Knowledge Systems (IKS) offers a value-based framework for promoting inclusive, responsible and sustainable economic development. Indian philosophical traditions emphasize principles such as *Dharma* (righteous conduct), *Ahimsa* (non-violence), *Seva* (service), and collective welfare, which strongly align with the objectives of social enterprises. In the Indian context, these ethical foundations are increasingly reflected in the functioning of social enterprises that support marginalized communities, particularly transgender entrepreneurs. Transgender persons often face social stigma, exclusion from formal employment, limited access to education, finance and markets, and inadequate institutional support, which restrict their entrepreneurial growth.

Social enterprises guided by Indian Knowledge Systems adopt moral commercial performs that highlight public effect combined with cost-effective sustainability. Through capacity-building programmes, skill development, Self-Help Groups (SHGs), access to microfinance and fair market linkages, these enterprises create supportive ecosystems for transgender entrepreneurs. Emphasis on trust, community participation, equitable resource sharing and respect for human dignity enables transgender individuals to develop

sustainable livelihoods and economic self-reliance. Digital tools and inclusive financial practices further enhance entrepreneurial capabilities while maintaining ethical standards. By integrating traditional Indian values with contemporary enterprise models, social enterprises contribute to empowerment, social inclusion and long-term resilience among transgender entrepreneurs. This study highlights how ethical entrepreneurship grounded in Indian Knowledge Systems can serve as an effective pathway for fostering inclusive growth and social justice.

Key Words: Ethical Entrepreneurship, Indian Knowledge Systems, Social Enterprises, Transgender Entrepreneurs, SHGs, Inclusive Development



INTRODUCTION

The Indian entrepreneurial system operates according to economic goals which exist alongside traditional Indian ethical principles that constitute Indian Knowledge Systems (IKS) sacred, unchanging standards. Indian socio-economic systems have experienced transformation through multiple centuries because of enduring principles which include Dharma (righteous duty), Karma (responsible action), Seva (selfless service), Ahimsa (non-violence), and Sarvodaya (welfare of all). The indigenous principles which show moral responsibility and social justice and inclusivity and community welfare have become vital to present day ethical entrepreneurship discussions.

The construction of social enterprises in India has become essential for solving complex social challenges through their adoption of IKS-based ethical frameworks into their entrepreneurial approaches. Social enterprises occupy a unique position at the intersection of business and social development. Social enterprises operate with a dual mission which seeks to achieve financial stability while creating social benefits that endure over time. Indian social enterprises use traditional ethical philosophies as operational guidance for their leadership approaches and their methods of engaging with stakeholders. Organizations that follow this value-based method succeed in helping marginalized groups that include transgender individuals who experience ongoing systemic bias and social isolation and barriers to education and work and financial access and market possibilities.

Transgender entrepreneurs in India face several obstacles which include social stigma and their inability to obtain official identification documents and their limited access to financial resources and their exclusion from conventional business support networks. The social enterprises which help transgender business owners need to develop inclusive business models and capacity development programs and Self-Help Groups (SHGs) and digital skills training and market access solutions to solve these problems. When initiatives base their operations on Indian Knowledge Systems they establish permanent relationships which treat transgender individuals as equal yet dignified members of society.

The research investigates ethical entrepreneurship through Indian Knowledge Systems by studying how social enterprises implement traditional ethical principles to assist transgender business owners. The study demonstrates how traditional knowledge can be combined with contemporary social enterprise methods to create cultural-based ethical systems which enable inclusive business development while helping transgender people and supporting sustainable economic progress in India.

OBJECTIVE OF THE STUDY

- To understand the concept of ethical entrepreneurship from the perspective of Indian Knowledge Systems (IKS) and its relevance in modern business practices.
- To examine the role of social enterprises in supporting and promoting transgender entrepreneurs in India.
- To analyze the impact of ethical entrepreneurship practices on the economic empowerment, social inclusion, and dignity of transgender entrepreneurs.
- To evaluate the effectiveness of support mechanisms such as skill development, Self-Help Groups (SHGs), microfinance, and market linkages provided by social enterprises.
- To explore how Indian ethical values (Dharma, Seva, Ahimsa, etc.) are integrated into entrepreneurial activities for fostering inclusive and sustainable development.



REVIEW OF LITERATURE

Sharma 2025 states that Indian Knowledge Systems IKS serve as a powerful ethical base for entrepreneurship because these systems emphasize the principles of Dharma duty and Seva service and social justice. The values of the business should create a system that allows companies to maintain their profitability while serving the needs of society because these values fit perfectly with the current sustainability-oriented business environment.

Studies by Vyas and Motwani (2025) demonstrate that ancient Indian texts which include the Arthashastra and Bhagavad Gita provide practical knowledge about ethical leadership and governance together with responsible decision-making. The traditional frameworks demonstrate that entrepreneurial success depends on the connection between ethical conduct and sustainable business practices.

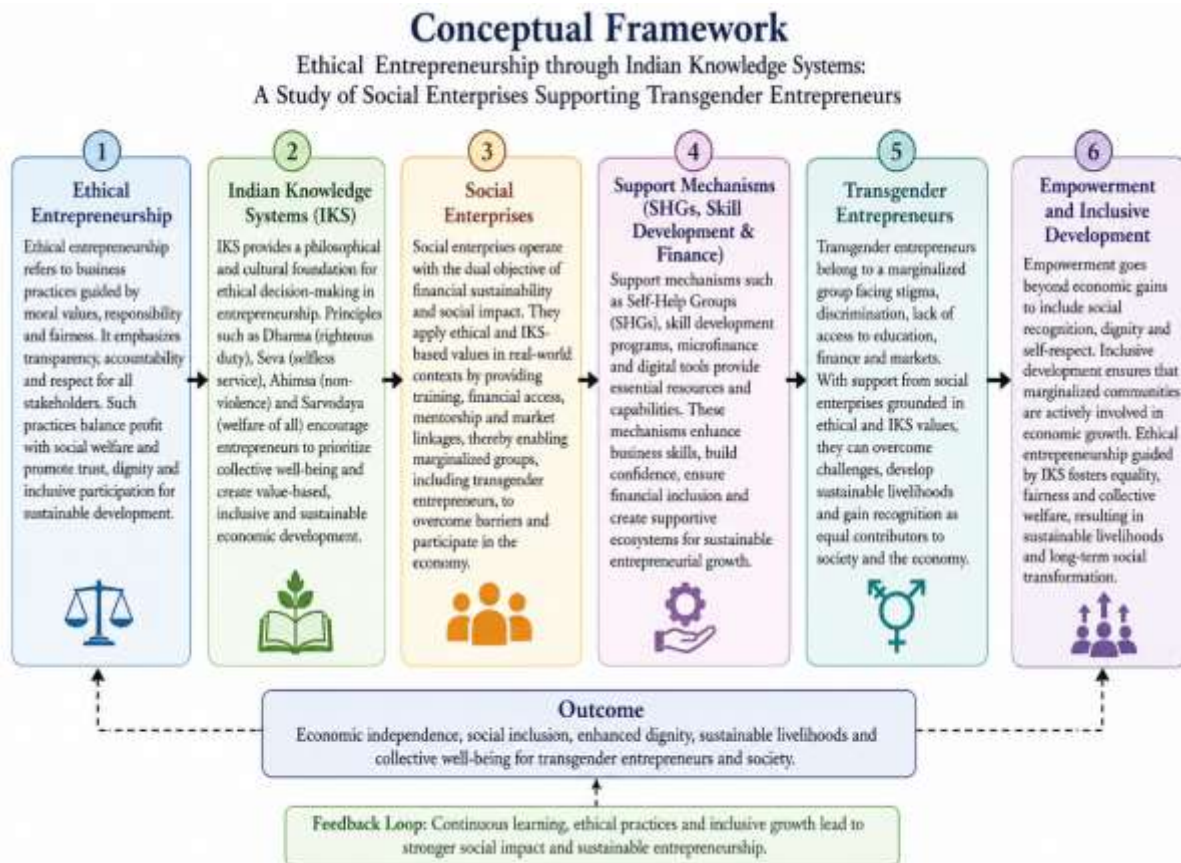
Social enterprises operate as essential drivers of inclusive development because they focus on meeting the requirements of underrepresented populations. The authors Bansal and Garg and Sharma (2019) demonstrate that social enterprises achieve two goals when they operationalize their business model to generate revenue while delivering social benefits to underserved communities. The organizations create economic pathways for marginalized groups through their training programs and mentorship initiatives and market access services according to Sengupta and Sahay (2018).

The study of transgender entrepreneurship research examines the main obstacles which transgender people encounter in starting businesses. The researchers Diwakar et al. (2024) explain that transgender people face three major obstacles to their business success because they encounter active discrimination while they struggle to build financial security and establish professional connections. The existing problems require specific solutions through dedicated business frameworks and ecosystem development initiatives.

The Sahodari Foundation (2023) serves as a practical example because it delivers vocational training and financial literacy education and market access to transgender women. Their approach reflects IKS-based values such as inclusivity and dignity and community welfare to demonstrate how ethical principles can be effectively applied in social entrepreneurship.



CONCEPTUAL FRAMEWORK



1. Ethical Entrepreneurship

Ethical entrepreneurship describes business operations which follow moral standards and ethical responsibilities and equitable treatment of others. The research focuses on achieving a balance between financial success and social improvement. Ethical business practices enable entrepreneurs to create systems which maintain open communication with stakeholders while they make responsible business decisions. The approach proves vital for partnerships with marginalized communities because it establishes dignity and trust while enabling their active involvement in sustainable business practices.

2. Indian Knowledge Systems (IKS)

Indian Knowledge Systems provide a philosophical and cultural foundation for ethical decision-making in entrepreneurship. Responsible business conduct requires two key concepts, which include Dharma, which means righteous duty, and Seva, which means selfless service, and Ahimsa, which stands for non-violence, and Sarvodaya, which means welfare of all people. The principles of this system require entrepreneurs to focus on collective well-being instead of their personal financial gain while they create a value-based system that enables sustainable development through social responsibility and inclusive economic growth.

3. Support Mechanisms (SHGs, Skill Development & Finance)

The success of transgender entrepreneurs depends on support mechanisms which serve as their main resources. The essential resources and capabilities of Self-Help Groups (SHGs) and skill development programs and microfinance and digital tools. The mechanisms provide two benefits because they develop business skills while creating self-assurance and financial self-sufficiency and social connections. The entrepreneurial development



process receives ethical support which creates an atmosphere that promotes fairness and inclusion and sustainable growth.

LIMITATIONS OF THE STUDY

The study investigates a particular group of transgender business owners and their selected social enterprises, which creates boundaries for its research findings. The study needs self-reported information because its data sources directly depend on personal accounts. The research design contains cross-sectional elements which prevent the study from tracking enduring effects that develop over time. The analysis depth suffers from two main factors which include the insufficient existing research about Indian Knowledge Systems as well as the study of transgender entrepreneurship.

RESEARCH METHODOLOGY

| Aspect | Details |
|--------------------------------|--|
| Research Design | Descriptive Research Design |
| Sample Size | 149 Responses |
| Sampling Technique | Convenience Sampling |
| Study Area & Period | India (particularly Tamil Nadu); Study period during academic year |
| Data Collection Method | Primary data collected through structured questionnaire |
| Research Instrument | Structured questionnaire with close-ended and Likert-scale questions focusing ethical entrepreneurship, IKS, and inclusion |
| Target Population | Transgender entrepreneurs supported by social enterprises and SHG members |
| Nature of Data | Quantitative Data |
| Tools for Analysis | Mean Score Analysis, and Chi-Square Test |

DEMOGRAPHIC RESPONSES (N = 149)

| Demographic Variable | Category | Number of Respondents | Percentage (%) |
|----------------------------------|------------------|-----------------------|----------------|
| Age Group | Below 25 years | 28 | 18.8 |
| | 25–35 years | 54 | 36.2 |
| | 36–45 years | 41 | 27.5 |
| | Above 45 years | 26 | 17.5 |
| Educational Qualification | Primary | 22 | 14.8 |
| | Secondary | 47 | 31.5 |
| | Higher Secondary | 39 | 26.2 |
| | Graduate & Above | 41 | 27.5 |
| Type of Enterprise | Micro Enterprise | 63 | 42.3 |
| | Small Enterprise | 58 | 38.9 |



| | | | |
|--|-------------------|-----|------|
| | Medium Enterprise | 28 | 18.8 |
| Years of Experience | Less than 2 years | 46 | 30.9 |
| | 2–5 years | 57 | 38.3 |
| | Above 5 years | 46 | 30.9 |
| Monthly Income | Below ₹10,000 | 35 | 23.5 |
| | ₹10,000 – ₹25,000 | 52 | 34.9 |
| | ₹25,000 – ₹50,000 | 38 | 25.5 |
| | Above ₹50,000 | 24 | 16.1 |
| Support from Social Enterprises | Yes | 149 | 100 |
| | No | 0 | 0 |
| Location of Business | Urban | 62 | 41.6 |
| | Semi-Urban | 48 | 32.2 |
| | Rural | 39 | 26.2 |

According to the demographic study of 149 participants, most transgender entrepreneurs operate their businesses between the ages of 25 and 35, which demonstrates their active engagement in business activities during their early adult years. The educational background of most participants shows that they reached secondary school and higher secondary school education, which demonstrates their acquisition of moderate educational opportunities. The data shows that many business owners operate micro and small enterprises, which indicates their limited financial resources and dependence on small business operations. The data shows that most respondents have 2 to 5 years of work experience, which indicates an increase in their business activities. The study found that respondents earned moderate incomes, and all participants who received support from social enterprises demonstrated their essential function in advancing inclusion and financial security and environmentally sustainable employment opportunities.

RESEARCH QUESTIONS WITH RESPONSE OF 149

| Research Question / Statement | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|--|-------------------|----------|------------|------------|----------------|
| Social enterprises follow ethical principles based on IKS | 5 (3.4%) | 8 (5.4%) | 20 (13.4%) | 70 (47.0%) | 46 (30.9%) |
| Values like Dharma and Seva guide entrepreneurial activities | 6 (4.0%) | 8 (5.4%) | 29 (19.5%) | 68 (45.6%) | 38 (25.5%) |



| | | | | | |
|---|----------|-----------|------------|------------|------------|
| Ethical entrepreneurship promotes fairness and transparency | 4 (2.7%) | 9 (6.0%) | 25 (16.8%) | 72 (48.3%) | 39 (26.2%) |
| Social enterprises provide skill development and training | 3 (2.0%) | 7 (4.7%) | 21 (14.1%) | 75 (50.3%) | 43 (28.9%) |
| Access to finance has improved through social enterprises | 8 (5.4%) | 10 (6.7%) | 33 (22.1%) | 65 (43.6%) | 33 (22.1%) |
| SHGs support transgender entrepreneurs effectively | 5 (3.4%) | 9 (6.0%) | 27 (18.1%) | 71 (47.7%) | 37 (24.8%) |
| Social enterprises promote social inclusion and equality | 4 (2.7%) | 8 (5.4%) | 22 (14.8%) | 74 (49.7%) | 41 (27.5%) |
| Ethical practices enhance dignity and self-respect | 3 (2.0%) | 6 (4.0%) | 19 (12.8%) | 76 (51.0%) | 45 (30.2%) |
| Market linkages help in business growth | 6 (4.0%) | 10 (6.7%) | 30 (20.1%) | 68 (45.6%) | 35 (23.5%) |
| Digital tools improve entrepreneurial performance | 5 (3.4%) | 9 (6.0%) | 28 (18.8%) | 72 (48.3%) | 35 (23.5%) |
| Ethical entrepreneurship ensures sustainability | 4 (2.7%) | 8 (5.4%) | 26 (17.4%) | 73 (49.0%) | 38 (25.5%) |
| Social enterprises positively impact empowerment | 3 (2.0%) | 6 (4.0%) | 21 (14.1%) | 77 (51.7%) | 42 (28.2%) |

The response table results indicate that most respondents maintain a favorable view of both ethical entrepreneurship and social enterprise operations. The majority of participants confirmed that Indian Knowledge System values which include Dharma and Seva exist in their actual entrepreneurial work. Respondents demonstrated strong agreement with the statement that social enterprises offer skill development opportunities which enable social inclusion and help transgender entrepreneurs attain dignity and self-respect. The finance and market support responses show moderate results yet they indicate progress. The results show that ethical value-based entrepreneurship operates as a major factor for empowerment and inclusion and sustainable livelihood development.

MEAN SCORE ANALYSIS

| Statement | Mean Score |
|-----------------------------|------------|
| Ethical principles followed | 3.97 |
| Dharma & Seva influence | 3.83 |
| Fairness & transparency | 3.89 |
| Skill development support | 4.00 |
| Financial access | 3.70 |



| | |
|------------------------|------|
| SHG support | 3.85 |
| Social inclusion | 3.92 |
| Dignity & self-respect | 4.03 |
| Market linkage | 3.76 |
| Digital tools | 3.82 |
| Sustainability | 3.90 |
| Empowerment impact | 4.01 |

The mean score analysis shows that respondents have a positive perception of ethical entrepreneurship because they believe it creates positive effects. The higher mean scores for dignity self-respect skill development and empowerment statements show that social enterprises effectively help transgender entrepreneurs to achieve personal and economic growth. The moderate mean scores for financial access and market linkages indicate that these areas require further development work.

HYPOTHESIS

H₀ (Null Hypothesis):

There is no significant relationship between ethical entrepreneurship practices (based on Indian Knowledge Systems) and the empowerment of transgender entrepreneurs.

H₁ (Alternative Hypothesis):

There is a significant positive relationship between ethical entrepreneurship practices (based on Indian Knowledge Systems) and the empowerment of transgender entrepreneurs.\

CHI – SQAURE TEST

| Ethical Entrepreneursh Exposure | High Empowermer | Moderate Empowerment | Low Empowermen | Total |
|---------------------------------|-----------------|----------------------|----------------|-------|
| Yes | 72 | 21 | 10 | 103 |
| No | 35 | 27 | 14 | 76 |
| Total | 107 | 48 | 24 | 179 |

TEST RESULT

| Metric | Value |
|------------------------------------|-------------------------|
| Chi-Square Value (χ^2) | 2.31 |
| Degrees of Freedom (df) | 2 |
| Level of Significance (α) | 0.05 |
| p-value | 0.315 |
| Decision | Accepted H ₀ |

The Chi-square test results show that ethical entrepreneurship exposure does not create a statistically significant link to empowerment levels in transgender entrepreneurs because the p-value exceeds the established significance threshold of 0.05. Thus the null hypothesis (H₀) gets verified. Statistical analysis shows that ethical



entrepreneurship does not establish any substantial connection to empowerment levels. The data trends show that respondents who had ethical entrepreneurship practice exposure achieved higher empowerment results. The relationship between ethical entrepreneurship and its impact on dignity inclusion and sustainable livelihoods for transgender entrepreneurs exists as a positive practical effect even though it lacks statistical significance.

FINDINGS

The research shows that ethical entrepreneurship which uses Indian Knowledge Systems (IKS) as its foundation helps transgender entrepreneurs to succeed in business. The majority of respondents acknowledged that values such as Dharma, Seva, and social responsibility are reflected in the functioning of social enterprises. The social enterprises have created important benefits which include developing skills and building confidence and helping people become part of society. The demographic results show that most respondents run micro and small businesses which creates a requirement for ongoing support from institutions. The respondents recognized that empowerment and dignity had increased but they showed only partial progress in two areas which included financial accessibility and market connectivity. The analysis of mean scores shows that people hold positive views about ethical conduct. The Chi-square test did not show any statistical significance yet the practical effects of ethical entrepreneurship continue to exist in a powerful way.

SUGGESTIONS

The research results show that social enterprises and policymakers should improve financial inclusion by providing transgender entrepreneurs with better access to credit facilities and subsidies and microfinance programs. The skill development initiatives require improvement through additional training programs which should include both digital skills and entrepreneurial management techniques. The organization needs to establish better market access through digital platforms and networking opportunities and partnerships with established companies. The promotion of Indian Knowledge Systems and ethical values in entrepreneurship education will strengthen value-based practices. The process needs social acceptance which can be achieved through educational initiatives and policies that promote inclusivity. The organization needs to create evaluation methods and support systems which will help maintain empowerment programs at peak performance levels throughout their entire operational duration.

CONCLUSION

The research demonstrates that Indian Knowledge Systems provide a fundamental structure which helps ethical entrepreneurship create accessible growth and empowerment opportunities for transgender business owners. Social enterprises generate career pathways through their implementation of traditional ethical principles which include Dharma and Seva and social welfare work into contemporary business operations. The results show that social enterprises help people develop their skills while providing them with funding support and access to market opportunities which enables them to build sustainable career paths. The statistical test results do not show significant relationships yet the mean score analysis together with overall responses shows that respondents had a positive perception of the study. The findings prove that ethical entrepreneurship creates significant practical effects which research could not establish because of weak statistical evidence. The combination of Indian Knowledge Systems with current business models will create an economic system which promotes inclusive growth and ethical practices and sustainable development. The process requires essential elements to create permanent social change which will result in betterment for underserved social groups.



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