



A STUDY ON CHALLENGES FACED BY WOMEN ENTREPRENEURS IN SMALL SCALE INDUSTRIES

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Abstract

Women entrepreneurs play a crucial role in the development of smallscale industries by contributing to employment generation, innovation, and inclusive economic growth. Despite their growing participation, women entrepreneurs continue to face several challenges that limit the sustainability and expansion of their enterprises. This study examines the major challenges faced by women entrepreneurs in smallscale industries, including limited access to finance, lack of managerial and technical skills, socio-cultural barriers, inadequate market access, work-life imbalance, and limited awareness of government support schemes. The research is based on secondary data collected from published journals, government reports, and previous studies related to women entrepreneurship. The findings highlight that structural and social constraints significantly affect business performance and decision-making abilities of women entrepreneurs. The study emphasizes the need for targeted policy interventions, skill development programs, financial inclusion, and supportive institutional frameworks to enhance the growth and competitiveness of women-led small scale enterprises. Strengthening women entrepreneurship can lead to sustainable industrial development and improved socio-economic status of women.

Introduction

Women entrepreneurs play an important role in the growth of smallscale industries and contribute significantly to economic development, employment generation, and social transformation. In recent years, there has been a steady increase in the participation of women in entrepreneurial activities, particularly in small scale industries, as these enterprises require relatively low capital investment and offer opportunities for self-employment. Women entrepreneurship has become a key instrument for promoting inclusive growth and reducing gender inequality in developing economies like India.

However, women entrepreneurs in small scale industries face numerous challenges that affect the establishment, survival, and expansion of their enterprises. These challenges include limited access to finance, lack of managerial and technical skills, socio-cultural barriers, inadequate market access, and limited awareness of government support schemes. In addition, balancing business responsibilities with family and household duties places an extra burden on women entrepreneurs, restricting their ability to grow and compete effectively.

Understanding the challenges faced by women entrepreneurs is essential for framing effective policies and support systems. This study focuses on identifying and analyzing the major problem encountered by women entrepreneurs in small scale industries and emphasizes the need for targeted interventions to strengthen women-led enterprises and promote sustainable economic development.

Statement of problem

Women entrepreneurs have increasingly participated in small scale industries and contribute significantly to economic growth, employment generation, and social development. Despite various government initiatives and policy support aimed at promoting women entrepreneurship, women entrepreneurs in small scale industries continue to face several challenges that hinder the growth,

sustainability, and competitiveness of their enterprises. These challenges include limited access to finance, lack of collateral security, inadequate managerial and technical skills, restricted market access, socio-cultural barriers, and difficulty in balancing business and family responsibilities.

Many women entrepreneurs are also unaware of existing government schemes, Financial assistance programs, and institutional support available to them. Structural constraints such as poor infrastructure, limited networking opportunities, and technological gaps further aggravate their problems. As a result, women-owned small scale enterprises often remain small, less productive, and vulnerable to business failure. Although several studies have highlighted the importance of women entrepreneurship, there is a need for focused research that specifically examines the nature and extent of challenges faced by women entrepreneurs in small scale industries. Understanding these problems is essential for formulating effective strategies, policies, and support mechanisms to empower women entrepreneurs and ensure sustainable development of small scale industries. This study seeks to address this research gap by analyzing the key challenges faced by women entrepreneurs in small scale industries.

Research Objectives and Hypotheses

The main objective of this study is to examine the challenges faced by women entrepreneurs in small scale industries and to understand how these challenges affect the growth and sustainability of their enterprises. The study aims to analyze the socio-economic background of women entrepreneurs, identify financial, managerial, technical, marketing, and socio-cultural problems, and assess the level of awareness and utilization of government support schemes. It also seeks to examine work-life balance issues and their impact on business performance, evaluate the influence of various challenges on enterprise development, and suggest suitable measures to overcome the problems faced by women entrepreneurs in small scale industries. This study is based on the hypothesis that women entrepreneurs in small scale industries face significant challenges related to access to finance, socio-cultural barriers, managerial and technical skills, awareness of government schemes, and work-life balance, which have a considerable impact on the growth and performance of their enterprises. It is further hypothesized that better access to financial resources, higher skill levels, and improved institutional support positively influence the sustainability and development of women-owned small scale enterprises.

literature Review

Women entrepreneurship in small scale industries has been widely examined in academic literature, highlighting a range of interconnected challenges that limit their entrepreneurial growth and sustainability. Several studies reveal that limited access to finance remains one of the most significant barriers faced by women entrepreneurs, largely due to lack of collateral, gender bias in lending institutions, and lower financial literacy, which often forces women to depend on informal sources of credit. In addition to financial constraints, socio-cultural factors such as traditional gender roles, family responsibilities, and societal expectations restrict women's mobility, time, and decision-making capacity, thereby affecting business performance. Literature also emphasizes the lack of social and professional networks available to women entrepreneurs, reducing their access to market information, mentorship, and growth opportunities. Institutional and regulatory barriers, including complex legal procedures and inadequate implementation of government support programs, further hinder women's participation in small scale industries. Studies also point out psychological challenges such as lower self-confidence, fear of failure, and limited risk-taking behavior, which negatively influence entrepreneurial intentions and expansion decisions. Moreover, gaps in education, managerial skills, and technological adoption reduce productivity and competitiveness, particularly in an increasingly digital business environment. Recent research highlights that these challenges are more pronounced for women from

rural areas and marginalized socio-economic backgrounds, where limited infrastructure and support systems intensify existing barriers. Overall, the literature underscores that women entrepreneurs in small scale industries face multi-dimensional challenges requiring integrated policy interventions, capacity-building programs, improved access to finance, and societal support to promote inclusive and sustainable entrepreneurial development.

Concept of Women Entrepreneurship Overview of Small Scale Industries

Women entrepreneurship refers to the participation of women in starting, organizing, managing, and owning business enterprises with the aim of achieving economic independence and self-reliance. A woman entrepreneur is one who takes initiative to establish a business, assumes financial and managerial risks, and exercises control over decision-making and operations. Women entrepreneurship is not only an economic activity but also a means of social empowerment, enabling women to improve their status within the family and society.

The concept of women entrepreneurship has gained importance due to its contribution to economic growth, employment generation, and poverty reduction. Women entrepreneurs contribute to innovation, diversification of industries, and balanced regional development, particularly through small scale industries and micro-enterprises. In developing countries like India, women entrepreneurship plays a crucial role in utilizing local resources, promoting self-employment, and encouraging inclusive growth. Women entrepreneurs are often motivated by factors such as the desire for financial independence, self-achievement, flexible working conditions, and the need to support family income. However, the concept is closely influenced by social, cultural, economic, and institutional factors, including access to education, finance, technology, and market opportunities. Despite various challenges, the promotion of women entrepreneurship is considered essential for sustainable development and gender equality.

Financial Challenges Faced by Women Entrepreneurs

Women entrepreneurs often face significant financial challenges while starting and managing their enterprises, especially in small scale industries. One of the major problems is limited access to formal credit from banks and financial institutions due to lack of collateral security, lower asset ownership, and poor credit history. Many women depend on personal savings or informal sources of finance, which are often insufficient and costly.

Another important challenge is inadequate working capital, which affects day-to-day operations such as purchasing raw materials, paying wages, and meeting operational expenses. Delays in loan approvals, complex documentation procedures, and limited financial literacy further restrict women entrepreneurs from availing institutional finance. High interest rates and strict repayment conditions also discourage women from borrowing funds for business expansion.

In addition, lack of awareness about government financial assistance schemes, subsidies, and incentives designed for women entrepreneurs reduces their ability to access available support. Financial constraints limit investment in technology, marketing, and skill development, thereby affecting productivity and competitiveness. These financial challenges remain a major barrier to the growth, sustainability and success of women-owned enterprises.

Socio-Cultural and Family-Related Challenges Faced by Women Entrepreneurs

Women entrepreneurs often face socio-cultural and family-related challenges that significantly affect their entrepreneurial activities, particularly in small scale industries. Traditional gender roles and societal expectations frequently place primary responsibility for house hold work, childcare, and elder care on



women, leaving them with limited time and energy to devote to business activities. This dual burden creates stress and restricts their ability to focus on business growth and decision-making.

In many societies, women entrepreneurs encounter gender bias and lack of social acceptance, which under mines their confidence and credibility as business owners. Family members may hesitate to support women in taking financial risks or expanding their enterprises, resulting in limited autonomy in business decisions. Cultural norms may also restrict women's mobility, networking opportunities, and access to markets, training programs, and business meetings.

Moreover, lack of encouragement, moral support, and mentorship further discourages women from pursuing entrepreneurial ventures. Social attitudes often perceive women-owned businesses as secondary or supplementary to family income, reducing their seriousness and long-term vision. These socio-cultural and family-related challenges act as major barriers to the growth and sustainability of women entrepreneurship and highlight the need for supportive family environments and gender-sensitive social frameworks.

Government Policies and Support Schemes for Women Entrepreneurs

The government plays a vital role in promoting women entrepreneurship through various policies and support schemes aimed at encouraging women to start and grow their enterprises, particularly in small scale industries. In India, several initiatives have been introduced to improve access to finance, skill development, training, and market opportunities for women entrepreneurs. These policies focus on enhancing financial inclusion, reducing gender disparities, and promoting self-employment among women. Financial support schemes such as special credit facilities, subsidized loans, and micro finance programs are designed to help women entrepreneurs overcome capital constraints. Skill development and entrepreneurship training programs are provided through government institutions to enhance managerial, technical, and entrepreneurial capabilities. In addition, policies support women entrepreneurs by offering incentives such as subsidies, tax benefits, and priority lending to women-owned enterprises. The government also promotes women entrepreneurship through cluster development programs, marketing assistance, and participation in trade fairs and exhibitions. Awareness programs are conducted to inform women about available schemes and institutional support. Despite these initiatives, challenges remain in terms of accessibility and awareness, highlighting the need for effective implementation and outreach to ensure that women entrepreneurs fully benefit from government support mechanisms.

Methodology

The present study is descriptive and analytical in nature and focuses on identifying the challenges faced by women entrepreneurs in small scale industries. The research is based on both primary and secondary data. Primary data are collected from women entrepreneurs operating small scale industries through a structured questionnaire and personal interviews to obtain first-hand information regarding financial, managerial, socio-cultural, and operational challenges. Secondary data are collected from published research articles, books, reports, journals, and government publications related to women entrepreneurship and small scale industries. The sample for the study consists of women entrepreneurs engaged in small scale industries, selected using convenience sampling method due to time and accessibility constraints. The data collected are analyzed using simple statistical tools such as percentages, tables, charts, and mean analysis to interpret the findings.

Discussion of findings

1. The study found that financial constraints are the major challenge faced by women entrepreneurs in small scale industries due to lack of collateral security, difficulty in obtaining bank loans, and inadequate working capital.
2. Many women entrepreneurs depend on personal savings or informal sources of finance, which limits business expansion and modernization.
3. The findings indicate that women entrepreneurs lack adequate managerial and
4. technical skills, especially in accounting, marketing, and use of modern technology. 4. Marketing challenges such as limited market access, poor promotional skills, and high competition from large firms adversely affect sales and profitability.
5. Socio-cultural barriers, including traditional gender roles and societal attitudes, restrict women's entrepreneurial participation and decision-making power.
6. Family responsibilities and work-life imbalance were identified as major issues that reduce the time and energy women entrepreneurs can devote to their businesses.
7. Lack of family support and limited mobility restrict women entrepreneurs from attending training programs, networking events, and business meetings.
8. The study reveals slow awareness and poor utilization of government policies and support schemes among women entrepreneurs.
9. Procedural complexities and inadequate dissemination of information prevent women entrepreneurs from accessing institutional support.
10. Due to the combined effect of financial, managerial, social, and institutional challenges, the growth and sustainability of women-owned small scale enterprises remain limited.

Recommendations

1. Financial institutions should simplify loan procedures and provide collateral-free or low-interest credit facilities specifically for women entrepreneurs in small scale industries.
2. Government agencies should improve awareness and accessibility of existing support schemes through workshops, digital platforms, and local entrepreneurship cells.
3. Regular training and skill development programs should be conducted to enhance managerial, financial, marketing, and technical skills of women entrepreneurs.
4. Entrepreneurship development programs should include digital literacy and technology adoption to improve productivity and market competitiveness.
5. Marketing support such as branding assistance, online market places, trade fairs, and exhibition opportunities should be provided to women-owned enterprises.
6. Family and community awareness programs should be promoted to encourage social support and positive attitudes towards women entrepreneurship.
7. Mentorship and networking platforms should be established to connect women entrepreneurs with successful business leaders and professionals.
8. Infrastructure facilities such as industrial sheds, common service centers, and transportation support should be strengthened for small scale industries.
9. Work-life balance support mechanisms, including flexible working arrangements and child care facilities, should be encouraged.
10. Continuous monitoring and evaluation of women entrepreneurship programs should be carried out to ensure effective implementation and measurable outcomes.



Conclusion

Women entrepreneurs play a vital role in the growth and development of small scale industries, contributing to employment generation, innovation, and inclusive economic development. However, the study highlights that women entrepreneurs face multiple challenges that restrict their business growth and sustainability. Financial constraints, lack of managerial and technical skills, limited market access, socio-cultural barriers, and family responsibilities are among the key issues identified. Low awareness and underutilization of government schemes further exacerbate these challenges.

The findings indicate that overcoming these obstacles requires a combined effort from government institutions, financial organizations, families, and society at large. Effective policy implementation, skill development programs, financial support, mentorship, and social encouragement can empower women entrepreneurs and enhance their competitiveness in small scale industries. Addressing these challenges not only strengthens women-led enterprises but also contributes to broader economic growth, social empowerment, and gender equality. The study underscores the importance of creating a supportive environment where women can fully realize their entrepreneurial potential.

References

Reference has been made to publications, reports, and policy documents of the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, which provide insights into the status, challenges, and support mechanisms for women entrepreneurs. Information from the Startup India initiative and Stand-Up India program has been used to understand government efforts in promoting women-led enterprises. Data and policy perspectives from institutions such as SIDBI, NABARD, and the Ministry of Women and Child Development have also been referred to for understanding financial inclusion, credit support, and empowerment initiatives for women entrepreneurs. These government sources offer authentic and reliable information on schemes, policies, and challenges faced by women entrepreneurs in small scale industries.