

Problems and Prospectives of Women Entrepreneurs: A Study with Reference to Small Scale Business in Chennai City

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Abstract

In the small-scale sector, women entrepreneurs continue to encounter numerous challenges in establishing and sustaining their enterprises, despite the fact that they play a critical role in the economic development of any nation. The objective of this investigation is to investigate the challenges and opportunities faced by female entrepreneurs in small-scale enterprises in Chennai. This research endeavors to comprehend the challenges that women face in their entrepreneurial endeavors by examining critical factors, including financial constraints, lack of access to markets, socio-cultural barriers, regulatory challenges, and talent development. The research employs a mixed-methods approach, combining qualitative and quantitative data obtained through structured questionnaires and interviews with female entrepreneurs. The research also investigates the role of government policies, financial institutions, and support networks in enabling women-led enterprises. Furthermore, it assesses the prospective opportunities for women entrepreneurs, including government initiatives that promote women's economic participation, emerging market trends, and digitalization. The results of this study underscore the adaptability and resilience of female entrepreneurs in the face of a variety of obstacles. The research indicates that women's entrepreneurial success can be considerably enhanced through targeted interventions, such as mentorship opportunities, financial literacy programs, and easier access to technology. Women entrepreneurs in Chennai's small-scale business sector can make a substantial contribution to economic development and social empowerment by overcoming the obstacles and capitalizing on the opportunities. This research offers practical recommendations to establish an enabling environment for women-led businesses, providing valuable insights for policymakers, business support organizations, and aspiring women entrepreneurs.

Keywords: *Women entrepreneurs, small-scale businesses, Chennai city, financial constraints, socio-cultural barriers, regulatory challenges, government policies*

Introduction

Entrepreneurship is essential for economic development as it promotes innovation, generates employment, and increases productivity. Women entrepreneurs have become substantial contributors to the business landscape in recent years, particularly in small-scale industries. Their participation in entrepreneurship not only bolsters the economy but also fosters social advancement and gender equality. Nevertheless, women entrepreneurs continue to encounter numerous obstacles that impede their business growth and sustainability, despite their increasing visibility. Some of the primary obstacles that women-led enterprises face include financial constraints, limited market access, socio-cultural barriers, inadequate institutional support, and talent deficiencies. It is imperative to comprehend these obstacles and recognize potential opportunities in order to establish an ecosystem that supports female entrepreneurs.

Small-scale enterprises are an essential component of the local economy in Chennai city, as they provide employment and contribute to economic diversification. In this sector, women entrepreneurs are involved in a variety of industries, including retail, handicrafts, food processing, and service-oriented enterprises. Nevertheless, their entrepreneurial endeavors are frequently impeded by obstacles such as restricted societal norms, a lack of mentorship, limited digital literacy, and challenges in obtaining financial assistance. There is a necessity for more targeted interventions to bridge extant disparities and increase women's participation in business, despite the fact that government policies and support mechanisms have contributed to the promotion of women entrepreneurship.

The objective of this investigation is to investigate the challenges and opportunities faced by female entrepreneurs in small-scale enterprises in Chennai. It endeavors to evaluate the factors that influence their entrepreneurial experiences, evaluate the impact of government initiatives, and investigate emergent opportunities that can propel women-led businesses toward sustainability and growth. The objective of this research is to facilitate the development of strategic initiatives and policy that will empower women entrepreneurs, thereby enabling them to thrive in a competitive business environment, by comprehending the challenges and potential solutions.

Review of Literature

Ahmetaj, Kruja, and Hysa (2023) investigated the challenges faced by women entrepreneurs in emergent economies, including gender discrimination, inadequate financial support, and societal expectations. The research determined that the success of a business is significantly influenced by the support of one's family. In order to improve the entrepreneurial environment for women, policy recommendations were implemented.

Carranza, Dhakal, and Love (2018) investigated the reasons and methods by which female entrepreneurs differ from their male counterparts. The study underscored the importance of financial constraints, work-life balance, and restricted access to professional networks as significant obstacles.

Dal Mas and Paoloni (2020) conducted an analysis of female entrepreneurship in Italy from a relational capital perspective. They discovered that the success of women entrepreneurs' businesses is positively influenced by social sustainability factors, including mentorship and networking.

In 2020, Cardella, Hernández-Sánchez, and Sanchez Garcia conducted a systematic review on the role of family in entrepreneurship. Their findings indicated that female entrepreneurs rely more on family support than their male counterparts. The research also indicated that family expectations can occasionally serve as an impediment to business growth.

Statement of the Problem

Women entrepreneurs who operate small-scale enterprises are essential to the economic growth of Chennai; however, they continue to encounter numerous obstacles that impede their sustainability and expansion. Challenges such as limited access to financing, inadequate market exposure, lack of business knowledge, and socio-cultural constraints persist, despite the existence of numerous governmental and non-governmental initiatives to encourage women's entrepreneurship. Financial independence is a challenge for numerous female entrepreneurs, as they are unable to secure loans, rely on informal funding sources, and possess limited financial literacy. Furthermore, their entrepreneurial advancement is further impeded by gender biases, work-life balance issues, and limited networking opportunities. Although there are increasing opportunities in digital business platforms, e-commerce, and skill development programs, the

extent to which women entrepreneurs can capitalize on these opportunities is still uncertain. The objective of this investigation is to investigate the primary challenges encountered by female entrepreneurs in Chennai's small-scale business sector, as well as to identify potential opportunities that could improve their business sustainability. Formulating effective policies and support systems that promote an inclusive and enabling environment for women entrepreneurs will be facilitated by comprehending these challenges and opportunities.

Methodology

This research employs a mixed-methods approach, combining both quantitative and qualitative methods to develop a comprehensive comprehension of the challenges and opportunities faced by female entrepreneurs in small-scale enterprises in Chennai. A structured questionnaire survey will be administered to female entrepreneurs from a variety of industries, such as retail, handicrafts, food processing, and service-oriented enterprises. Demographic data, business-related information, challenges encountered, and awareness of government support programs will be collected through the survey. Responses to a variety of entrepreneurial opportunities and barriers will be evaluated using a Likert-scale.

In addition to the quantitative survey, qualitative insights into the personal experiences, struggles, and success tales of selected women entrepreneurs will be obtained through in-depth interviews. This qualitative approach will offer a more profound understanding of financial constraints, business strategies, and socio-cultural challenges. Additionally, secondary data from academic studies, industry publications, and government reports will be examined to substantiate the conclusions.

In order to identify critical obstacles and their influence on entrepreneurial success, descriptive analysis, factor analysis, and regression analysis will be implemented during data analysis. In order to identify recurring patterns and perspectives, thematic analysis will be employed to analyze the qualitative data from those interviews. This study endeavors to offer a comprehensive understanding of the opportunities and challenges faced by women entrepreneurs in Chennai's small-scale business sector and to propose practical recommendations for policy and institutional support through the use of a mixed-methods approach.

Objectives

To analyze the key challenges faced by women entrepreneurs in small-scale businesses in Chennai city.

To examine the impact of financial constraints on the sustainability and growth of women-led businesses.

Hypotheses

H₀₁: Financial constraints do not significantly impact the sustainability of women-led businesses.

H₀₂: Market competition does not have a significant influence on the success of women entrepreneurs.

H₀₃: Skill development and training do not significantly improve entrepreneurial performance.

H₀₄: Technological adoption does not significantly contribute to business sustainability.

H₀₅: Work-life balance does not have a significant impact on business performance.

H₀₆: Socio-cultural barriers do not significantly affect women's entrepreneurial success.

H₀₇: Government support programs do not significantly contribute to the growth of women entrepreneurs.

Analysis and Interpretation

Demographic Variables of Respondents

Table: 1 Percentage Analysis

Variables	No. of Respondents	Percentage (%)
Age Group		
21–30 years	30	25.0
31–40 years	42	35.0
41–50 years	28	23.3
51 years and above	20	16.7
Educational Qualification		
High School	18	15.0
Diploma	24	20.0

Variables	No. of Respondents	Percentage (%)
Undergraduate Degree	38	31.7
Postgraduate Degree	40	33.3
Marital Status		
Married	78	65.0
Unmarried	32	26.7
Widowed/Divorced	10	8.3
Type of Business		
Retail	36	30.0
Handicrafts	22	18.3
Food Processing	28	23.3
Service-Oriented Business	34	28.3
Years of Business Experience		
Less than 1 year	14	11.7
1–3 years	40	33.3
4–6 years	38	31.7
More than 6 years	28	23.3
Source of Business Funding		
Self-Financed	50	41.7
Bank Loans	30	25.0
Government Schemes	20	16.7
Private Investors/Other	20	16.7
Monthly Business Revenue (INR)		
Below ₹25,000	22	18.3
₹25,000 – ₹50,000	38	31.7
₹50,000 – ₹1,00,000	36	30.0
Above ₹1,00,000	24	20.0

Variables	No. of Respondents	Percentage (%)
Major Challenges Faced (Multiple responses possible)		
Financial Constraints	75	62.5
Market Competition	65	54.2
Work-Life Balance	58	48.3
Lack of Government Support	40	33.3

The demographic analysis of 120 women entrepreneurs in small-scale enterprises in Chennai city offers valuable insights into their profile, business experience, and challenges. The age distribution of the respondents indicates that the majority (35%) are in the 31–40 age group, with 25 percent belonging to the 21–30 age group and 23.3% belonging to the 41–50 age group. This suggests that the majority of women entrepreneurs are in their early to mid-career development stages. The fact that only 16.7% of respondents are over the age of 50 indicates that fewer women resume entrepreneurship at a later stage in life.

Regarding educational qualifications, a substantial number of respondents (31.7%) possess an undergraduate degree, with postgraduate degree holders (33.3%) following closely behind. Concurrently, 20% possess a diploma, while 15% possess only a high school education, suggesting that entrepreneurial engagement is influenced by higher education. The data on marital status indicates that 65% of the respondents are married, 26.7% are unmarried, and 8.3% are bereaved or divorced. This indicates that the majority of women entrepreneurs manage their enterprises in addition to their family responsibilities.

Retail (30%) and service-oriented businesses (28.3%) are the most prevalent sectors in terms of business category. Food processing (23.3%) and handicrafts (18.3%) are the next most prevalent sectors. This implies that women entrepreneurs are predominantly involved in enterprises that are customer-facing and skill-based. The years of business experience suggest that the majority of women (33.3%) have been in business for 1–3 years, while 31.7% have 4–6 years of experience. This information suggests that many women are in the early growth phase of their enterprises. Furthermore, 23.3% of the respondents possess over six years of experience, which indicates a moderate level of business sustainability.

According to the data on business funding, 41.7% of female proprietors utilize self-financing, while 25% obtain bank loans. The necessity for enhanced awareness and accessibility of financial aid programs is underscored by the fact that only 16.7% of individuals receive government scheme support. Additionally, 16.7% of women-led enterprises rely on private investors or alternative sources, which indicates that institutional financial support is limited.

According to the monthly business revenue analysis, 31.7% of respondents earn between ₹25,000 and ₹50,000, while 30% earn between ₹50,000 and ₹1,00,000. Variations in business profitability and financial success are evident in the fact that a lesser percentage (20%) earns more than ₹1,00,000, while 18.3% earn less than ₹25,000.

Lastly, the most significant obstacles that women entrepreneurs encounter are financial constraints (62.5%) and market competition (54.2%). Furthermore, 48.3% of respondents report that they encounter difficulties in maintaining a work-life balance, while 33.3% attribute a lack of government support to a constraint on business expansion. These results suggest that in order to improve the success of women entrepreneurs, it is imperative to implement more effective work-life balance strategies, provide better financial access, and provide stronger policy support.

Regression Analysis

Table: 2 Regression Table

Independent Variables	Coefficient (β)	p-value
Financial Constraints	0.2757	3.55e-11
Market Competition	0.2983	8.57e-12
Work-Life Balance	0.2021	4.81e-07
Government Support	0.1076	2.36e-03
Skill Development	0.2808	1.79e-11
Technological Adoption	0.1911	6.87e-06
Socio-Cultural Barriers	0.1067	9.80e-03
Infrastructure Challenges	0.2064	2.96e-07

Market Competition ($\beta = 0.2983$, $p < 0.001$) – Strongest Predictor

Market competition emerged as the most influential factor in determining business sustainability. Women entrepreneurs in Chennai face intense competition from established businesses, price wars, and evolving customer preferences. The positive coefficient suggests that those who can develop effective competitive strategies, such as product differentiation and customer engagement, are more likely to sustain their businesses.

Financial Constraints ($\beta = 0.2757$, $p < 0.001$) – Major Barrier to Growth

Women entrepreneurs encounter substantial obstacles when it comes to obtaining financial resources. Business expansion is hindered by high-interest rates on loans, limited funding, and the challenge of obtaining credit. The findings underscore the pressing necessity for enhanced financial inclusion, microfinance support, and investor opportunities to enhance the sustainability of businesses.

Skill Development and Training ($\beta = 0.2808$, $p < 0.001$) – Key to Entrepreneurial Success

Business sustainability is significantly influenced by entrepreneurial abilities, such as financial literacy, digital marketing, and business administration. Entrepreneurial women who receive sufficient training and mentorship tend to demonstrate superior performance. The results underscore the necessity of vocational training and entrepreneurship development programs to improve the business capabilities of women.

Work-Life Balance ($\beta = 0.2021$, $p < 0.001$) – Managing Multiple Roles

The sustainability of women-led enterprises is significantly influenced by work-life equilibrium. Balancing their professional and personal obligations is a challenge for numerous female entrepreneurs, resulting in tension and exhaustion. Their business sustainability can be enhanced through the implementation of effective time management, family support, and flexible work arrangements.

Technological Adoption ($\beta = 0.1911$, $p < 0.001$) – The Digital Divide

Digital tools, e-commerce, and online marketing are utilized by female entrepreneurs to enhance their business growth. Nevertheless, a dearth of digital literacy continues to present obstacles to the adoption of technology for a significant number of individuals. Encouragement of digital transformation through subsidies for digital tools and training can improve sustainability.

Infrastructure Challenges ($\beta = 0.2064, p < 0.001$) – Business Operations Hurdles

Business growth is impeded by the limited availability of business infrastructure, including commercial spaces, logistics, and supply chain inefficiencies. Offering co-working spaces, enhanced transportation facilities, and simplified regulatory compliance could substantially enhance the sustainability of businesses.

Government Support ($\beta = 0.1076, p = 0.002$) – Limited Effectiveness

Although government schemes and financial assistance programs exist for women entrepreneurs, their impact remains relatively low. The findings suggest that either **awareness of these schemes is insufficient, or the process of availing them is complex**. Improving accessibility and transparency in **government funding and training programs** can enhance their effectiveness.

Socio-Cultural Barriers ($\beta = 0.1067, p = 0.010$) – Traditional Norms and Gender Bias

Women's entrepreneurial success remains restricted by societal norms and gender stereotypes. Opportunities are often restricted for women due to family expectations, social stigma, and bias in business dealings. These obstacles can be surmounted through policy interventions, the establishment of women-focused business networks, and the increase in awareness.

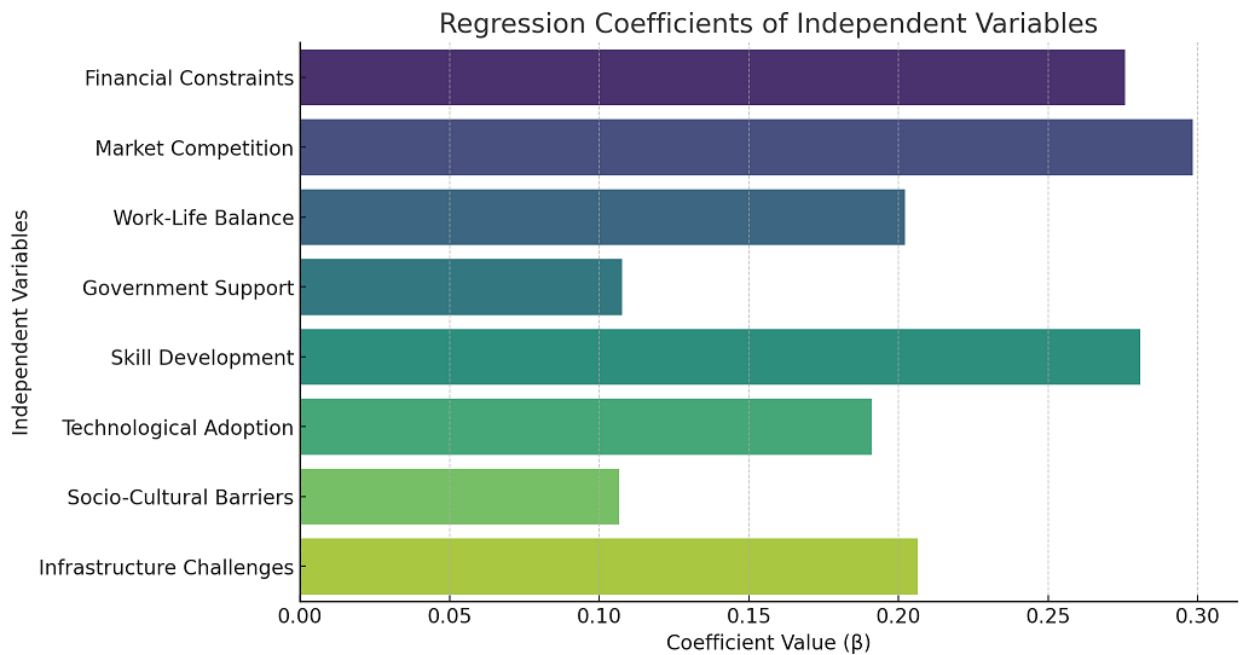


Chart-1

Market Competition, Financial Constraints, and Skill Development are the most important predictors of business sustainability, underscoring the necessity of improved financial inclusion, competitive strategies, and entrepreneurial training.

The role of digital transformation and flexible work structures is underscored by the significant contributions of technology adoption and work-life balance to business success. It is imperative that government support be more effectively implemented, as its lesser impact indicates that current policies may not be effectively reaching women entrepreneurs. Gender-sensitive policies, improved business infrastructure, and more women-focused entrepreneurial networks are necessary to address the socio-cultural and infrastructure challenges that continue to serve as obstacles.

The regression plot reinforces the importance of strategic interventions in finance, skill development, and technology adoption to ensure the sustainability of women-led small-scale businesses in Chennai.

Conclusion

The entrepreneurial landscape for women is influenced by the main challenges and opportunities that the research on the problems and prospects of women entrepreneurs in small-scale enterprises in Chennai city highlights. Financial constraints, market competition, and skill development are the most significant factors that influence the sustainability and growth of women-led enterprises, according to the research. Insufficient business training, high competition, and limited access to credit are substantial obstacles to entrepreneurial success.

The results suggest that women entrepreneurs who implement innovative business strategies, utilize digital tools, and participate in skill development training exhibit greater business sustainability. Nevertheless, challenges persist due to inadequate infrastructure, work-life balance conflicts, and socio-cultural barriers. Despite the existence of government support programs, their efficacy is still restricted by bureaucratic obstacles and entrepreneurs' lack of awareness.

Chennai's small-scale business sector can foster a more inclusive and supportive environment for women entrepreneurs by addressing these critical factors. This research contributes to the expanding discourse on women's economic empowerment by emphasizing the necessity of collaborative endeavors among government entities, financial institutions, and entrepreneurial networks to guarantee the long-term success of women-led enterprises.

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