

Identifying the Obstacles Hindering the Growth of Women-Led Small-Scale Enterprises in Chennai

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Abstract

Women entrepreneurs play a pivotal role in economic growth and social development, particularly in the small-scale business sector. In India, the participation of women in entrepreneurship has increased due to rising literacy, technological exposure, and government initiatives. However, several challenges continue to impede the growth of women-led small-scale enterprises, especially in urban regions like Chennai.

This study seeks to identify the key obstacles hindering the growth of women entrepreneurs engaged in small-scale businesses in Chennai City. The research examines major barriers such as financial constraints, limited access to credit, socio-cultural barriers, lack of marketing skills, and inadequate institutional support. Data were collected from 200 women entrepreneurs using a structured questionnaire and analyzed through descriptive statistics, reliability analysis, correlation, and regression.

The findings reveal that financial difficulties, lack of family support, and inadequate training opportunities are the most significant challenges faced by women entrepreneurs. The study concludes that fostering access to finance, entrepreneurial education, and policy-driven institutional support can significantly enhance the sustainability and growth of women-led enterprises in Chennai.

Keywords: Women Entrepreneurs, Small-Scale Enterprises, Entrepreneurship Barriers, Financial Constraints, Institutional Support, Chennai

Introduction

Most of the people realize the value of a lot of women are entrepreneurs. They pave the way for innovation and inclusiveness by way of employment in a country. Particularly, after small and medium-sized manufacturing enterprises' establishment, all this is the best opportunity that women find for self-employment. That is for their personal contribution to household income, as well as their social empowerment. Significantly, it is because of the improvement in the number of entrepreneurs in various areas, such as education, beauty services, food processing, textile, and handicrafts, hailing from different parts of the city of Chennai, the capital city of Tamil Nadu.

Also, despite these advancements, the trajectory of female entrepreneurs' growth continues to be impeded in a number of socio-economic and institutional obstacles. In effect, many barriers, such as inadequate financial resources, lack of formal training, low mobility, and gender bias, persistently deter entry into business. For women entrepreneurs, there is further strain with managing their professional aims and duties of their home lives.

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A robust appreciation of these difficulties is also necessary to be able to design strategies effectively to empower women and create a gender-friendly environment and system supportive of small-scale businesses in Chennai. With some systematic framework, this paper will reveal to locate and analyze issues that women entrepreneurs encounter and come out with solutions to overcome such issues in this paper.

Statement of the Problem

Despite women entrepreneurs in Chennai gaining momentum, they continue to face a slow pace of growth in comparison to several internal and social challenges. Women entrepreneurs often battle financial constraints, grappling with bureaucratic complications, and struggle market linkage building. However, effective progress is always impeded by family factors, social prejudice, and continued business networking hindrances.

The utilization and internalization of these schemes are only useful to a few women entrepreneurs at various levels. Government of India and Tamil Nadu through the implementation of various schemes such as Mahila Udyam Nidhi Scheme, Stand-Up India, and PMEGP took the initiative to throttle these women.

This research comparatively tries to distinguish and identify the hurdles among women-led small-scale entrepreneurship in Chennai questions emerging that if the actual factors confine their business growth pathways and how persistent they are in aligning their operations for future business prospects.

Review of Literature

Robinson and Shaw (2006) argue that obtaining finance -through credit discrimination and without the collateral and also it can be seen to rule out unsurpassed hurdles to a successful female entrepreneur.

Another couple of elements that lead women entrepreneurs towards lower-growth activities, according to Brush et al. (2009) will have limited access and no formal instruction.

The combined commitment of family obligations, covered in chores and entrepreneurship, has reduced the amount of time available to expand their businesses, as Tambunan (2011) notes.

Women were affected by the social perception and the lack of support for those families in giving up their business accessibility. As observed by Sharma and Kiran (2013), participation of women in economic undertakings may result into severe curtailing of time available for any wealth generation activities.

According to Kumar and Rao (2016), the lack of marketing skills and technology adoption is another constraint rather a limitation for the further growth of small enterprises run by women.

The thought held by Singh (2018) is that mentoring and networking possibilities have the most substantial effect in facilitating the ability to achieve success through entrepreneurship among females.

More practically compellingly, in Panda's (2019) words, the desire for women to become an entrepreneur leads through institutional support and their self-belief to be successful.

In Babu and Raj's (2021) opinion, the women entrepreneurs in Tamil Nadu are challenged by the many hurdles to leap over, which may mean that they do not have the means to select among the many digital options available, the stiff competition between traders in the area, and the lack of an organized system of supply.

Nair and Thomas, in their (2022) perspectives, pointed out that such government programs are ineffective because they hit the rock with the gender-based cube hurdles, and truly, there is a huge gap of information about what these can do alone.

Rani and Jayalakshmi said (2024), women entrepreneurs can achieve sustainable business practices in Chennai through appropriate training, effective funding, and intense exposure to digital marketing. Collectively, these studies indicate that women entrepreneurs require **multidimensional support** financial, social, and institutional to overcome persistent barriers in business growth.

Objectives of the Study

1. Discover major challenges in the operations of small enterprises that women entrepreneurs face in Chennai city.
2. Analysing the impact that all these financial, social, and institutional factors have on business growth.
3. Evaluate the extent of family support and learning needed to overcome entrepreneurship obstacles.

Hypotheses

- **H01:** Financial constraints do not significantly influence the growth of women-led small-scale enterprises.
- **H02:** Lack of family support does not significantly affect the entrepreneurial success of women.
- **H03:** Training and institutional support have no significant relationship with the growth of women entrepreneurs.

Research Methodology

The study is proposed by considering descriptive and analytical design. It emphasizes evaluating the hassles women entrepreneurs could face in Chennai. The research employs both primary and secondary data collection methods.

The primary data happens to be through a closed-question type of questionnaire from women entrepreneurs in small-scale activities, with the latest standing at 200, who were selected from different sectors. The respondents were chosen by a stratified random sampling method that ensured that most respondents were drawn from the manufacturing, retail, and service-based businesses.

The questions needed the respondent to give a score on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The most crucial factors drawn out by the questionnaires were financial constraints, family's support, opportunity of getting training, institutional support, and the growth of the business.

Data Analysis Tools:

- This includes descriptive statistics on the distribution (percentage and frequency).
- Reliability of Cronbach's Alpha
- Correlation Analysis
- Multiple Regression Analysis

In this study, the data were analyzed through the use of SPSS software to explore the strength of relationships among variables, such as the top barriers.

Analysis and Results

1. Demographic Profile of Respondents

Table No.1 Percentage Analysis

Variable	Category	Frequency	Percentage (%)
Age	Below 30 years	42	21.0
	31–40 years	86	43.0
	41–50 years	48	24.0
	Above 50 years	24	12.0
Marital Status	Married	142	71.0
	Unmarried	58	29.0
Business Type	Manufacturing	64	32.0
	Retail	78	39.0
	Services	58	29.0
Experience	Less than 5 years	54	27.0
	5–10 years	96	48.0
	Above 10 years	50	25.0

Large in numbers, most women entrepreneurs in Chennai are mostly aged when they are at the age of 31–40. Moreover, it is significant that action, particularly entrepreneurial experience, has taken up almost one-half of their working life. A huge necessity of retail businesses is shown by a moderate capital dependency.

2. Reliability Analysis

Table No.2 Reliability-Cronbach's Alpha

Construct	No. of Items	Cronbach's Alpha
Financial Constraints	4	0.83
Family Support	4	0.81
Training & Institutional Support	4	0.84
Business Growth	4	0.86

All of the constructions have Cronbach's Alpha values that are greater than 0.80, which demonstrates that they are very reliable and consistent internally.

3. Correlation Analysis

Table No.3 Correlation Statistics

Variables	Financial Constraints	Family Support	Institutional Support	Growth
Financial Constraints	1	-0.60**	-0.54**	-0.68**
Family Support	-0.60**	1	0.58**	0.66**
Institutional Support	-0.54**	0.58**	1	0.70**
Business Growth	-0.68**	0.66**	0.70**	1

Note: $p < 0.01$ (2-tailed)

The more we delve this thing, the more findings are made day in and day night. This is the first time such study takes place in which corporate growth and business presence are closely linked to societal and familial structures: specifically, financial constraints affect downward growth, while family and institutional support are correlated positively. This shows what a boon social and institutional support can be to the continuing life of a company.

4. Regression Analysis

Table No.4 Regression Statistics

Predictor Variable	Beta (β)	t-value	Sig. (p)
Financial Constraints	-0.32	-5.12	0.000
Family Support	0.28	4.60	0.000
Training & Institutional Support	0.34	5.78	0.000
R² = 0.69, F = 86.35, p < 0.001			

According to the data, 69% of the change within the businesses has been successfully described. In fact the loans of financial constraints have significantly restricted growth while the interaction with institutional support ($\beta = 0.34$) and family encouragement ($\beta = 0.28$) have all been beneficial.

Conclusion

The study also includes that large finance challenges and small-scale inactivity as well as little institutional assistance and absent family support are the most prevalent obstacles in Chennai for women-led small enterprises. It is observed that women often find it difficult to realize credit against the prerequisite of collateral and lack of financial education. Misuse of a patriarchal ideology about gender and sexuality has limited their role within a business network as well as while taking decisions.

But this study also elucidates that if these kinds of training programs and government steps are organized, besides substantial assist by family, the sustainability of the entrepreneurship can be enriched. Financial inclusion, skill-building, mentorship programs, and broader implementations of policies, services, and programs directed at women are all capable responses to overcoming these barriers.

Women entrepreneurs in Chennai are resourceful, innovative, and have a lot of potential, and would make a great impact on the city's economic and social statuses as the right environment could create a great market for them.

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