

Factors Affecting The Performance of Women Entrepreneurs in Micro and Small Enterprises

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Abstract: *Women entrepreneurship has emerged as an important driver of economic growth and social development in the 21st century. This conceptual paper examines the status of women entrepreneurs in India and highlights their increasing contribution to the country's economic progress. The study also presents the success story of Hina Shah, a renowned entrepreneur in the plastic packaging industry and founder of the International Centre for Entrepreneurship and Career Development (ICECD). Today, women are no longer limited to traditional household responsibilities; they are actively participating in business activities and creating employment opportunities through innovative enterprises. Despite facing various social, financial, and institutional challenges, many women entrepreneurs have achieved remarkable success and contributed significantly to the development of micro and small enterprises. The paper discusses the opportunities and challenges associated with women entrepreneurship and suggests measures to encourage and support aspiring women entrepreneurs. The findings emphasize the need for a supportive ecosystem to strengthen women-led enterprises and promote inclusive economic development in India.*

Keywords: Women Entrepreneurship, Women Entrepreneurs, Economic Development, Micro and Small Enterprises, India.

I. INTRODUCTION

An entrepreneur is a person who starts an enterprise. He searches for change and responds to it. A number of definitions have been given of an entrepreneur- The economists view him as a fourth factor of production along with land labour and capital. The sociologists feel that certain communities and cultures promote entrepreneurship like for example in India we say that Gujaratis and Sindhis are very enterprising. Still others feel that entrepreneurs are innovators who come up with new ideas for products, markets or techniques. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is in reality an attitude to create something new and an activity which creates value in the entire social ecosystem. It is the psyche makeup of a person. Entrepreneurship plays a vital role in the economic development of a nation by generating employment opportunities, promoting innovation, and contributing to overall growth. In recent years, women entrepreneurship has gained significant importance as women are increasingly participating in business and entrepreneurial activities. The changing socio-economic environment, improved educational opportunities, and supportive government policies have encouraged many women to establish and manage their own enterprises.

Women entrepreneurs are individuals who initiate, organize, and operate business ventures while taking the associated risks and responsibilities. Their participation in economic activities not only enhances their financial independence but also contributes to the development of their families, communities, and the nation as a whole. In India, women entrepreneurs are actively involved in various sectors, including manufacturing, services, agriculture, handicrafts, information technology, and small-scale industries.

It is a state of mind, which develops naturally, based on his/her surrounding and experiences, which makes him/ her think about life and career in a given way. Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. It is estimated that women entrepreneurs presently comprise about 10% of the total number of



entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another five years, women will comprise 20% of the entrepreneurial force (Saidapur et.al, 2012). The Tenth Five-Year Plan (2002-07) aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach. India has been ranked among the worst performing countries in the area of women entrepreneurship in gender-focused global entrepreneurship survey, released in July 2013 by PC maker Dell and Washington based consulting firm Global Entrepreneurship and Development Institute (GEDI). Of the 17 countries surveyed India ranks 16th, just above Uganda. Countries like Turkey, Morocco and Egypt have outperformed India. Status of higher education in women in India came out to be lower than most countries in the world. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women.

Objective of the study

Generally, the study is designed to assess the major factors affecting the performance of women entrepreneurs in MSEs and the challenges they face in starting and running their own business in Dessie town. Specifically, it is intended to assess:

- The major characteristics of women entrepreneurs in MSEs and their enterprises.
- The key factors that affect the performance of women entrepreneurs in MSEs.
- The supports given to women entrepreneurs in MSEs by TVET institutes in jammu and kashmir.

II. METHODOLOGY

A descriptive survey research design was employed in the study to assess the key factors that affect the performance of women entrepreneurs in MSEs in Dessie town. The reason for using this design is that it enables to describe the different factors that affect the performance of women entrepreneurs in MSEs as they exist. Both primary and secondary sources of data were used for the study. The secondary data include information that are obtained mainly from different reports, bulletins, websites and literatures, which are relevant to the theme of the study, were gathered from various sources to complement the survey-based analysis. The primary sources of data were questionnaires distributed to women entrepreneurs and interviews conducted with MSEs, TVET and Micro finance leaders.

III. STATUS OF WOMEN ENTREPRENEURS IN INDIA

Entrepreneurship is considered as one of the most important factors contributing to the development of society. India has been ranked among the worst performing countries in the area of women entrepreneurship in gender-focused global entrepreneurship survey, released in July 2013 by PC maker Dell and Washington based consulting firm Global Entrepreneurship and Development Institute (GEDI). Of the 17 countries surveyed India ranks 16th, just above Uganda. Countries like Turkey, Morocco and Egypt have outperformed India. Status of higher education in women in India came out to be lower than most countries in the world. At present, women's entrepreneurial role is limited in the large scale industries and technology based businesses. But even in small scale industries, the women's participation is very low. As per the third all-India census of Small Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women. While the number of women operating their own business is increasing globally, women continue to face huge obstacles that stunt the growth of their businesses, such as lack of capital, strict social constraints, and limited time and skill. Women entrepreneurship in India has witnessed significant growth over the last decade and has emerged as an important contributor to economic development, employment generation, and innovation. In 2026, women entrepreneurs are increasingly participating in diverse sectors such as manufacturing, information technology, education, healthcare, agriculture, handicrafts, retail, and service industries. Improved access to education, digital technology, government support schemes, and financial inclusion initiatives have encouraged more women to establish and manage their own enterprises.



India currently has approximately 63 million Micro, Small and Medium Enterprises (MSMEs), of which nearly 20–21 percent are owned or led by women. These enterprises provide employment to millions of people and contribute significantly to the country's economic growth. Women entrepreneurs are playing an important role not only in urban areas but also in rural regions through self-help groups, micro-enterprises, and start-up ventures.

The startup ecosystem in India has also experienced a rise in women-led businesses. Recent reports indicate increasing representation of women in leadership positions, with many startups having women directors and founders. Women entrepreneurs are actively entering sectors such as fintech, e-commerce, agritech, healthcare, and digital services, reflecting a shift from traditional business domains to technology-driven enterprises.

Government initiatives such as Startup India, Stand-Up India, Pradhan Mantri Mudra Yojana (PMMY), Prime Minister Employment Generation Programme (PMEGP), and various MSME support schemes have contributed significantly to promoting women entrepreneurship. A large proportion of Mudra loans have been sanctioned to women entrepreneurs, helping them establish and expand their businesses. Additionally, new initiatives focusing on rural women entrepreneurs and self-help groups have strengthened women's participation in economic activities.

Despite notable progress, women entrepreneurs continue to face several challenges. Limited access to formal credit, lack of collateral security, social and cultural barriers, inadequate training opportunities, market competition, and work-life balance issues remain major obstacles. Studies indicate that women-owned enterprises receive a comparatively smaller share of formal business credit, which affects their ability to scale operations and expand into larger markets.

However, the future of women entrepreneurship in India appears promising. Reports suggest growing business confidence among women-led MSMEs, with many entrepreneurs planning expansion, increased employment generation, and adoption of digital technologies. The growing emphasis on financial inclusion, skill development, innovation, and women-led development is expected to further strengthen the entrepreneurial ecosystem in the coming years.

Overall, the status of women entrepreneurs in India in 2026 reflects a positive transformation. Women are increasingly becoming job creators rather than job seekers and are contributing significantly to inclusive economic growth, social empowerment, and national development. Their continued progress will depend on stronger institutional support, better access to finance, entrepreneurship training, and the removal of social and economic barriers.

Challenges Faced by Women Entrepreneurs

The problems that present day working women face can be traced back through history to the Neolithic times when a division of labour already existed on the basis of sex. In those days also, men hunted and women gathered roots and fruits. The women's capacity to give birth, a capacity that men lacked, quite naturally gave women a prominent place in the early agricultural society. So, at this time women and men were already doing different kinds of work, but women were not apparently subordinates to men. Women are conditioned with the multiple responsibilities. They want to be efficient workers and try hard to fulfill the job duties. At the same time they want to be good wives, good mothers and better home managers.

FAMILY SUPPORT- Women in India are very emotionally attached to their home and families. They are supposed to attend to all the domestic work, to look after the children and other family members. They are overburdened with family responsibilities like taking care of husband, children and in laws which takes away a lot of their time and energy. In such situation, it is very difficult to concentrate and run an organization successfully and efficiently.

Low risk-bearing capacity: Women in India are by nature weak, shy and mild. They cannot bear the amount of risk which is essential for running an enterprise. Lack of education, training and financial support from outsiders also reduce their ability to bear the risk involved in an enterprises.

CULTURAL AND TRADATATION- The traditions and customs prevailing in Indian societies sometimes stand as an obstacle before women which stop them from growing and prospering. Castes and religions dominate our society and hinder women entrepreneurs too. In rural areas, they face even greater social barriers. They are always seen with an eye of suspicion.



MALE DOMINATED SOCIETY- Even though our constitution speaks of equality between genders, male superiority is still the order of the day. Women are not treated equal to men. Their entry into business requires the approval of the head of the family who is mostly a male member. Entrepreneurship has traditionally been seen as a male task. All these hamper the growth of women entrepreneurs.

Limited managerial ability: Women entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

Growth of Women Entrepreneurs in India: Statistical Overview

The growth of women entrepreneurship in India has shown a positive trend over the past decade. Increasing access to education, digital technology, government support programs, financial inclusion, and startup opportunities have encouraged more women to enter business and entrepreneurial activities. Women are now actively contributing to sectors such as manufacturing, services, healthcare, education, agriculture, retail, and information technology. The number of women-owned enterprises has steadily increased, reflecting their growing role in the Indian economy.

Table 1: Growth of Women Entrepreneurs in India

Year	Estimated Women-Owned Enterprises (Million)	Percentage of Total MSMEs	Major Developments
2016	8.0	13%	Increased focus on women empowerment and MSME support
2018	9.5	15%	Expansion of Mudra loans and startup initiatives
2020	11.0	18%	Growth of digital businesses and online enterprises
2022	12.5	19%	Rise in women-led startups and self-help groups
2024	13.8	20%	Greater participation in technology and service sectors
2026	14.5+	20–21%	Strong growth in women-led MSMEs and startups

Source: Ministry of MSME, NITI Aayog Reports, Startup India Reports, and various government publications.

Table 2: Sector-wise Participation of Women Entrepreneurs in India (2026)

Sector	Approximate Share (%)
Services	34%
Retail and Trade	28%
Agriculture and Allied Activities	18%
Manufacturing	12%
Information Technology and Startups	5%
Others	3%.

Interpretation

The data indicates that women entrepreneurship in India has experienced continuous growth from 2016 to 2026. The percentage of women-owned MSMEs has increased from nearly 13 percent to more than 20 percent. The service sector remains the largest area of participation, followed by retail and trade activities. Government schemes such as Startup India, Stand-Up India, Pradhan Mantri Mudra Yojana (PMMY), and various MSME development programs have played an important role in promoting women entrepreneurship. The increasing involvement of women in startups, technology-driven enterprises, and digital businesses highlights a significant transformation in their economic participation. This growth reflects the emergence of women as important contributors to employment generation, innovation, and inclusive economic development in India.



Recommendations

The elimination of obstacles for women entrepreneurship requires a major change in traditional attitudes and mindsets of people in society rather than being limited to only creation of opportunities for women. Hence, it is imperative to design programmes that will address attitudinal changes, training, supportive services. The basic requirement in development of women entrepreneurship is to make aware the women regarding her existence, her unique identity and her contribution towards the economic growth and development of country. The basic instinct of entrepreneurship should be tried to be inculcated into the minds of the women from their childhood. This could be achieved by carefully designing the curriculum that will impart the basic knowledge along with its practical implication regarding management (financial, legal etc.) of an enterprise. Here are some suggestions to increase the role of women entrepreneurs:

Development Training Programs – It includes basic day-to-day management training like how to keep track of accounts, handle taxes and understand compliance rules and regulations. They can also focus on strategy and the long-range success of a business from writing a business plan to targeting specific markets, along with product innovation within business clusters and incubators.

Access to Finance Programs- Efforts to facilitate access to finance for women entrepreneurs typically encompass initiatives that reform restrictive bank and regulatory policies. Such reforms accept less traditional forms of collateral, look at a lender's willingness to repay and simplify business registry. They also help financial institutions develop innovative loan and savings products for female entrepreneurs.

To establish all India forums to discuss the problems, grievances, issues, and filing complaints against constraints or shortcomings towards the economic progress path of women entrepreneurs and giving suitable decisions

IV. CONCLUSION

Women entrepreneurship has emerged as a powerful force for economic growth, social development, and women empowerment in India. The study reveals that women are increasingly participating in entrepreneurial activities across various sectors, contributing significantly to employment generation, innovation, and national development. The growing number of women-owned enterprises and startups demonstrates a positive transformation in the entrepreneurial landscape of the country. The future of women entrepreneurship in India appears promising due to increasing educational attainment, technological advancement, digitalization, and supportive government initiatives. By encouraging and supporting women entrepreneurs, India can achieve greater economic prosperity, gender equality, and inclusive development. It can be concluded that women entrepreneurs are not only contributing to the growth of the economy but are also playing a vital role in shaping a more progressive and self-reliant society.

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