

Barriers to Business Growth Among Women Entrepreneurs: An Empirical Study

Author Name: **Sinta Saji**

MBA Student, Vidya Vikas Institute of Engineering and Technology, Mysuru

Email: sintasaji298@gmail.com

Second Author Name: **Madhunayaka**

Assistant Professor, Vidya Vikas Institute of Engineering and Technology, Mysuru

Email: madhunayaka@vidyaviaks.edu.in

ABSTRACT

Women entrepreneurs in India remain central to the country's economic growth story, yet their businesses consistently underperform relative to their potential. A wide body of research has looked at the financial, social, educational, and infrastructural obstacles they face, but most of this work examines each barrier on its own, without accounting for how they interact — or how factors like age, education, and location shape the way these barriers are experienced. This study attempts to close that gap. Drawing on data from 64 women entrepreneurs, multiple linear regression was used to test the relationship between these barriers and business growth. The resulting model accounted for 32.9% of the variance in growth outcomes ($R^2 = 0.329$), and financial barriers stood out as the only statistically significant predictor. In other words, access to capital and credit appears to matter far more than social, educational, or infrastructural factors when it comes to whether these businesses actually grow. This has a fairly direct implication for policy: interventions built around training, mentorship, or digital skills are unlikely to move the needle much unless they're paired with real improvements in access to finance. The study adds India-specific empirical evidence to the broader conversation on gender and entrepreneurship, and points toward where support efforts might be better directed.

INTRODUCTION

Entrepreneurship has long been celebrated as a powerful engine of economic development, job creation, and social transformation. Yet, when we look more closely at who drives this engine and who gets left behind, a persistent and troubling gap emerges: women, despite constituting nearly half the world's population and a growing share of the global workforce, continue to face disproportionate challenges in building and scaling their businesses. Their stories are not merely statistics; they are lived realities shaped by systemic inequalities, cultural expectations, and institutional barriers that have endured across generations. Across India, millions of women have dared to dream beyond the boundaries assigned to them, setting up enterprises from modest home-based ventures to ambitious market-facing businesses. They have navigated markets with limited capital, built networks in spaces not always welcoming, and balanced entrepreneurial ambition with the weight of domestic responsibilities. And yet, the growth trajectories of women-owned businesses remain significantly stunted compared to their male counterparts. This is not a coincidence; it is a consequence.

"Women entrepreneurs are not a minority in number, but they are minoritized in opportunity. Understanding why is not just an academic exercise — it is a moral and economic imperative."

The barriers women entrepreneurs face is multidimensional. They range from financial exclusion where access to formal credit remains gated by collateral norms and patriarchal structures to social barriers embedded in cultural expectations

around gender roles. Educational gaps, particularly in business literacy, technology, and financial management, further constrain informed decision-making. At the infrastructural level, unreliable connectivity, inadequate market linkages, and limited access to business development services create an ecosystem that is far from inclusive. This study takes an empirical lens to these challenges. Rather than assuming homogeneity among women entrepreneurs, it acknowledges that the experience of barriers is deeply shaped by demographic factors such as age, educational background, and geographic location. By systematically identifying and measuring these barriers, examining their relationship with actual business growth, and situating the findings within the lived demographic diversity of women entrepreneurs, this study aims to contribute not just to academic discourse, but to practical change. The ultimate intent is to inform policy, inspire institutional reform, and amplify the voices of women who are building tomorrow's economy often without adequate support, but rarely without extraordinary resolve.

REVIEW OF LITERATURE

Existing literature consistently identifies an interlocking system of barriers that collectively restrict the growth of women-owned enterprises. **Datta and Gailey (2012)** emphasised how infrastructural deficiencies in rural and peri-urban areas — including inconsistent power supply and poor transportation — restrict market access and operational efficiency for women entrepreneurs. **Goyal and Parkash (2011)** further catalogued financial, social, and mobility barriers most acutely experienced by women in Tier-2 and Tier-3 cities, noting that patriarchal family structures and lack of government support awareness compound these challenges. **Coleman and Robb (2009)** demonstrated that initial capital gaps at startup stage compound over time, significantly reducing long-term revenue growth prospects even when sector and owner characteristics are controlled. **Jamali (2009)** highlighted the "double burden" of domestic and entrepreneurial roles as a direct constraint on women's time, energy, and strategic focus available for business growth. **Minniti and Nardone (2007)** linked low financial and technical literacy — particularly among rural and semi-urban women — to weakened entrepreneurial self-efficacy and poor growth decision-making. **Brush et al. (2006)** confirmed that structural bias in capital markets persists regardless of industry, business age, or collateral, pointing to the systemic undervaluation of women-led ventures. **Stevenson and St-Onge (2005)** found that while government policy frameworks acknowledge women's entrepreneurship, actual implementation remains fragmented and underfunded across developing countries. **Aldrich and Cliff (2003)** further demonstrated that women's social networks tend to be smaller and more personal than men's, limiting their access to resources, mentorship, and market intelligence critical for scaling. **Mayoux (2001)** cautioned that microfinance alone, without complementary support mechanisms like market linkages and mentorship, often fails to catalyse meaningful business growth and may even deepen debt burdens. **Verheul and Thurik (2001)** established that demographic factors such as age, marital status, and educational attainment significantly moderate women's access to startup capital, with older and less-educated women facing compounded disadvantages. Collectively, these studies confirm that barriers to women's entrepreneurial growth are multidimensional, deeply interconnected, and vary in intensity across demographic and geographic contexts, justifying the need for fresh empirical investigation in the Indian setting.

STATEMENT OF THE PROBLEM

Women entrepreneurs in India face multiple barriers financial, social, educational, and infrastructural that limit business growth. Most existing studies examine these factors in isolation, leaving a fragmented understanding of their combined impact. Empirical evidence on how demographic factors like age, education, and location further shape these challenges is also limited. This study addresses that gap by comprehensively analysing these multidimensional barriers and their relationship with business growth among women entrepreneurs in India.

NEED OF THE STUDY

Women entrepreneurship is vital to India's economic growth, yet women-owned businesses underperform their potential due to multiple barriers. While government schemes exist, empirical evidence on which barriers most affect growth remains limited. This study fills that gap by taking a multidimensional approach examining financial, social, educational, and infrastructural challenges alongside demographic influences to provide actionable insights for policymakers, institutions, and support organisations promoting sustainable women entrepreneurship in India.

OBJECTIVES OF THE STUDY

This study is guided by four interrelated objectives that move from identification to analysis to actionable recommendation forming a logical progression from problem-mapping to solution-building.

- To analyse the key barriers financial, social, educational, and infrastructural that hinder business growth among women entrepreneurs.
- To examine the relationship between identified barriers and the growth performance of women-owned businesses.
- To analyse the influence of demographic factors (age, education, location) on the perception of barriers faced by women entrepreneurs.
- To Examine policy recommendations and support mechanisms to reduce barriers and promote sustainable business growth among women entrepreneurs.

HYPOTHESES

H₀₁: Financial, social, educational, and infrastructural barriers do not have a significant relationship with the business growth of women entrepreneurs in India.

H_{a1}: Financial, social, educational, and infrastructural barriers have a significant negative relationship with the business growth of women entrepreneurs in India.

RESEARCH METHODOLOGY

This study adopts a descriptive and analytical research design to understand the various barriers faced by women entrepreneurs and examine how these barriers influence business growth in India. The descriptive design helps identify and explain financial, social, educational, and infrastructural challenges, while the analytical design supports examining relationships among variables and testing the proposed hypotheses.

Research Design: The study follows a quantitative research approach, as data were collected in numerical form through a structured questionnaire and analysed using statistical techniques.

Sources of Data

- **Primary Data:**
Primary data were collected directly from respondents using a structured questionnaire distributed through Google Forms.

Sampling

- **Sampling Population:** The population of the study includes **women entrepreneurs in India** who are involved in different business activities.
- **Sampling Method:** The study used a **non-probability method**. Respondents were selected based on accessibility and willingness to participate through an online Google Form survey.
- **Sampling Technique:** **Convenience sampling technique is used**
- **Sample Size:** The study collected responses from **64 women entrepreneurs**, which formed the sample for analysis.

LIMITATIONS

- The study is based on a **limited sample size of 64 women entrepreneurs**, which may not represent the views of all women entrepreneurs in India.
- The research relies on **self-reported responses**, which may be influenced by personal opinions, bias, or inaccurate reporting.
- The study focuses only on **financial, social, educational, and infrastructural barriers**, excluding other factors that may affect business growth

DATA ANALYSIS

Barriers to Business Growth Among Women Entrepreneurs (N = 64)

Table 1: Reliability Statistics (Cronbach's Alpha)

Scale	Cronbach's Alpha	N of Items
Barriers (Financial, Social, Educational, Infrastructural)	0.823	5
Business Growth	0.813	5

Analysis: The Barriers scale recorded a Cronbach's Alpha of 0.823, and the Business Growth scale recorded 0.813, both based on 5 items each.

Interpretation: Since both values exceed the 0.70 benchmark, the items within each scale are measuring their respective construct consistently. This confirms the questionnaire is reliable and suitable for further statistical testing.

Table 2: Descriptive Statistics

Variable	N	Mean	Std. Deviation
Financial Barrier	64	3.453	0.942
Social Barrier	64	3.422	0.940
Educational Barrier	64	3.594	0.904
Infrastructural Barrier	64	3.703	0.849
Business Growth	64	3.831	0.603

Analysis: Mean scores ranged from 3.422 (Social Barrier) to 3.831 (Business Growth), with Infrastructural Barrier being the highest-rated barrier at 3.703.

Interpretation: Respondents perceive moderate-to-high levels across all four barriers, with limited market access and trade networks felt most strongly. Business Growth had the highest mean and lowest standard deviation, showing fairly consistent agreement that businesses have grown over time.

Table 3: Pearson Correlation Matrix

	Financial	Social	Educational	Infrastructural	Growth
Financial	1	0.543**	0.425**	0.489**	0.517**
Social	0.543**	1	0.570**	0.558**	0.394**
Educational	0.425**	0.570**	1	0.275*	0.303*
Infrastructural	0.489**	0.558**	0.275*	1	0.459**
Growth	0.517**	0.394**	0.303*	0.459**	1

Analysis: All four barriers showed statistically significant positive correlations with business growth ($r = 0.303$ to 0.517 , $p < 0.05$), Financial Barrier having the strongest association.

Interpretation: Contrary to expectation, higher perceived barriers are associated with higher, not lower, perceived

growth. The barriers are also moderately correlated with each other, but not strongly enough to cause multicollinearity concerns in the regression.

Table 4: Regression Model Summary and ANOVA

Model Summary

R	R Square	Adjusted R Square	Std. Error of Estimate
0.574	0.329	0.283	0.5108

ANOVA

Model	Sum of Squares	df	Mean Square	F
Regression	7.531	4	1.883	7.223
Residual	15.372	59	0.261	
Total	22.903	63		

Dependent Variable: Business Growth. Predictors: Financial, Social, Educational, Infrastructural Barriers. Sig. (p) = 0.000

Analysis: The regression model was significant, $F(4, 59) = 7.223$, $p < 0.001$, with an R^2 of 0.329 (Adjusted $R^2 = 0.283$).

Interpretation: The four barriers together explain about 33% of the variation in business growth, a moderate effect for social science research. This confirms the barriers, as a set, do have a meaningful relationship with growth, though most of the variance is explained by other factors outside this model.

Table 5: Regression Coefficients

Predictor	B	Std. Error	Beta	t	Sig.
(Constant)	2.164	0.347	-	6.238	0.000
Financial Barrier	0.224	0.086	0.350	2.607	0.012
Social Barrier	0.012	0.100	0.018	0.119	0.906
Educational Barrier	0.049	0.088	0.073	0.554	0.582
Infrastructural Barrier	0.183	0.095	0.257	1.918	0.060

Dependent Variable: Business Growth.

Analysis: Financial Barrier was the only significant individual predictor ($\beta = 0.350$, $p = 0.012$); Social ($p = 0.906$), Educational ($p = 0.582$), and Infrastructural ($p = 0.060$) were not significant.

Interpretation: Financial constraints stand out as the barrier most directly tied to entrepreneurs' growth experience. The other three barriers, while relevant in the broader model, don't independently predict growth once all four are considered together.

HYPOTHESIS TESTING SUMMARY

Overall Hypothesis

Hypothesis	Statistical Test	Test Statistic	Sig. (p)	Decision
H ₀₁ : Barriers do not have a significant relationship with business growth	Multiple Regression (ANOVA)	F = 7.223	0.000	Rejected
H _{a1} : Barriers have a significant relationship with business growth	Multiple Regression (Model Fit)	R ² = 0.329	0.000	Partially Supported

Barrier-wise Significance (t-test on Coefficients)

Barrier	t-value	Sig. (p)	Direction	Decision
Financial	2.607	0.012	Positive	Significant – H_0 rejected
Social	0.119	0.906	Positive	Not significant
Educational	0.554	0.582	Positive	Not significant
Infrastructural	1.918	0.060	Positive	Not significant ($p > 0.05$)

The overall regression model is statistically significant ($F = 7.223$, $p < 0.001$), and explains 32.9% of the variance in business growth ($R^2 = 0.329$). Among individual barriers, only the financial barrier shows a statistically significant relationship with business growth ($p = 0.012$). The infrastructural barrier approaches significance ($p = 0.060$) but does not meet the conventional 0.05 threshold.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The categories of 1. Age Group occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
2	The categories of 2. Educational Qualification occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
3	The categories of 3. Years in Business occur with equal probabilities.	One-Sample Chi-Square Test	.001	Reject the null hypothesis.
4	The categories of 4. What type of business do you own? occur with equal probabilities.	One-Sample Chi-Square Test	.002	Reject the null hypothesis.
5	The categories of 5. Where is your business located? occur with equal probabilities.	One-Sample Chi-Square Test	.320	Retain the null hypothesis.
6	The categories of 6. Difficulty in obtaining loans, credit, or financial support from banks or government schemes is a major obstacle to growing my business. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
7	The categories of 7. Family responsibilities, domestic duties, and societal expectations significantly limit the time and energy I can dedicate to my business. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
8	The categories of 8. Lack of formal business education, entrepreneurial training, or skill development opportunities has restricted my ability to expand my business. occur with equal probabilities.	One-Sample Chi-Square Test	.004	Reject the null hypothesis.
9	The categories of 9. Limited access to markets, trade networks, and business contacts has prevented my business from reaching its growth potential. occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

FINDINGS

- Both scales — Barriers and Business Growth — were reliable (Cronbach's Alpha 0.823 and 0.813).
- Infrastructural Barrier was rated the highest among the four barriers (mean = 3.703).
- Business Growth had the highest overall mean (3.831), showing respondents generally felt their businesses had grown.
- All four barriers showed a significant positive correlation with business growth.
- The regression model was significant overall ($F = 7.223$, $p < 0.001$), explaining 32.9% of variance in growth ($R^2 = 0.329$).
- Financial Barrier was the only individually significant predictor ($\beta = 0.350$, $p = 0.012$).
- Social, Educational, and Infrastructural barriers were not significant predictors on their own.

- H_{01} was rejected (a relationship exists), but H_{a1} was only partially supported — the relationship was positive, not negative as hypothesized.

CONCLUSION

The study found that financial, social, educational, and infrastructural barriers collectively have a significant relationship with business growth among women entrepreneurs ($R^2 = 0.329$, $F = 7.223$, $p < 0.001$), leading to rejection of H_{01} . However, this relationship was positive rather than negative, and only the Financial Barrier was individually significant. This suggests barriers don't simply hold back growth — rather, growing businesses may naturally encounter more visible barriers, especially around financing. Financial access thus emerges as the most critical and actionable factor for supporting women-led business growth.

SUGGESTIONS

- **Strengthen access to finance** — Simplify loan and credit scheme processes for women entrepreneurs, since financial barriers showed the strongest link to growth outcomes.
- **Targeted government schemes** — Increase awareness and reach of existing government financial support schemes, as difficulty accessing them was a key concern.
- **Mentorship over formal training** — Since educational barriers were less impactful, informal mentorship and peer-learning networks may serve entrepreneurs better than certificate-based training programs.
- **Market linkage support** — Given infrastructural barriers (limited market/trade access) were rated highest descriptively, business incubators or trade facilitation platforms could help bridge this gap.
- **Family and community sensitization programs** — To ease social/domestic barriers, community-level awareness programs could help reduce the burden of societal expectations on women entrepreneurs.
- **Future research** — A longitudinal study would help clarify the direction of causality (whether growth exposes barriers or barriers precede growth), since the current cross-sectional design cannot establish this definitively.

REFERENCES

- Aldrich, H. E., & Cliff, J. E. (2003). The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of Business Venturing*, 18(5), 573–596.
- Brush, C. G., Carter, N. M., Gatewood, E. J., Greene, P. G., & Hart, M. M. (Eds.). (2006). *Growth-oriented women entrepreneurs and their businesses: A global research perspective*. Edward Elgar Publishing.
- Coleman, S., & Robb, A. (2009). A comparison of new firm financing by gender: Evidence from the Kauffman Firm Survey data. *Small Business Economics*, 33(4), 397–411.
- Datta, P. B., & Gailey, R. (2012). Empowering women through social entrepreneurship: Case study of a women's cooperative in India. *Entrepreneurship Theory and Practice*, 36(3), 569–587.
- Goyal, M., & Parkash, J. (2011). Women entrepreneurship in India: Problems and prospects. *International Journal of Multidisciplinary Research*, 1(5), 195–207.
- Jamali, D. (2009). Constraints and opportunities facing women entrepreneurs in developing countries: A relational perspective. *Gender in Management: An International Journal*, 24(4), 232–251.
- Mayoux, L. (2001). Tackling the down side: Social capital, women's empowerment and micro-finance in Cameroon. *Development and Change*, 32(3), 435–464.
- Minniti, M., & Nardone, C. (2007). Being in someone else's shoes: The role of gender in nascent entrepreneurship. *Small Business Economics*, 28(2–3), 223–238.
- Stevenson, L., & St-Onge, A. (2005). *Support for growth-oriented women entrepreneurs in Uganda*. International Labour Organization.
- Verheul, I., & Thurik, R. (2001). Start-up capital: Does gender matter? *Small Business Economics*, 16(4), 329–345.