

# Understanding the Challenges of Women Micro-Entrepreneurs in Karnataka

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**Abstract:** This study explores the multifaceted challenges faced by women micro-entrepreneurs in Karnataka, a state witnessing notable entrepreneurial activity among women. Despite policy support and increasing awareness, women-led micro-enterprises continue to encounter barriers shaped by socio-cultural expectations, limited access to institutional support, and structural inefficiencies. A descriptive research design was employed, surveying 150 women micro-entrepreneurs across five districts using structured questionnaires, interviews, and focus group discussions. The Garrett Ranking Technique was used to prioritize ten major challenges. Results reveal that balancing business and familial responsibilities is the most pressing issue, followed by gender stereotypes and lack of awareness about government schemes. The study underscores the need for targeted policy interventions, inclusive financial practices, and capacity-building programs to enhance women's participation and success in the micro-enterprise sector. The findings offer insights for policymakers, development agencies, and academic scholars seeking to promote inclusive entrepreneurship in India.

## 1. INTRODUCTION

Entrepreneurship has emerged as a powerful driver of economic growth, employment generation, and social transformation in India (Hans & Sastry, 2025a). Within this landscape, women entrepreneurship, particularly in the micro sector, holds significant potential to uplift households, promote inclusive development, and foster community resilience. Karnataka, one of India's more industrially advanced states, has seen steady growth in women-led businesses. Yet, despite favorable policy frameworks and growing awareness, women entrepreneurs in the micro segment continue to face numerous barriers that hinder their full participation and growth in the entrepreneurial ecosystem (Hans & Sastry, 2024a). The micro enterprise sector—characterized by low capital investment, limited scale, and often informal operations—serves as an entry point for many women, especially in rural and semi-urban areas. These ventures often include tailoring units, food processing, handicrafts, beauty parlors, retail kiosks, and home-based services (Hans & Sastry, 2024b). However, unlike their male counterparts, women entrepreneurs in this segment confront multi-dimensional challenges stemming from socio-cultural norms, institutional gaps, limited access to finance, and restricted mobility.

These barriers are deeply rooted in gender-based inequalities, which manifest not only in terms of economic and educational disadvantages but also in terms of social expectations and household responsibilities. Understanding and addressing these gender-specific challenges is crucial for enabling women's entrepreneurial success and for realizing the broader goals of gender equity and sustainable development in Karnataka.

## 2. REVIEW OF LITERATURE

Women entrepreneurs in Karnataka encounter a range of challenges despite the state's favorable business environment and high ranking in women entrepreneurial activity (Sankar et al., 2024). Among the most pressing barriers is limited access to finance, especially during the start-up and growth stages of their ventures (Gopinath & Chitra, 2020). Financial support from banks and government programs plays a vital role in empowering women entrepreneurs and generating employment opportunities in the region (Pushpalatha & Kalluraya, 2023). Furthermore, family support, government assistance, and access to technical knowledge are widely regarded as essential enablers of entrepreneurial success (Pushpalatha & Kalluraya, 2023). Demographic, sociocultural, psychological, and environmental factors also significantly influence the success of women-led micro, small, and medium enterprises (Hans & Sastry, 2025b). In North Karnataka, family factors impact material conditions and financial independence, while geographical factors shape behavioral traits and knowledge-related outcomes

(Mahendrakar & Soundararajan, 2025). These contextual variables further affect marketing performance and entrepreneurial sustainability.

Addressing personal, financial, and policy-related challenges, along with the strategic use of digital platforms, is crucial for promoting sustainable growth and fostering economic independence among women entrepreneurs (Mahendrakar & Soundararajan, 2025). To strengthen outcomes and policy relevance, future research should focus on larger sample sizes and broader geographic scopes, enhancing the generalizability of findings within the Indian context (Hans & Sastry, 2025b).

### 2.1. Objective of the Study

To assess and rank the major barriers experienced by women entrepreneurs in Karnataka's micro enterprise segment.

## 3. RESEARCH METHODOLOGY

### 3.1. Research Design

The study adopts a descriptive research design to systematically investigate and analyze the challenges faced by women micro-entrepreneurs in Karnataka. The aim is to capture the real-time experiences, perceptions, and constraints of women engaged in micro-enterprises across various regions of the state

### 3.2. Study Area

The research is conducted in the state of Karnataka, with a focus on both urban and rural districts, ensuring regional diversity.

### 3.3. Target Population

The population for this study consists of women entrepreneurs operating micro-enterprises in Karnataka. These include home-based businesses, self-help group -driven enterprises, and individually owned units in sectors like textiles, food processing, beauty services, retail, and tailoring.

### 3.4. Sampling Technique

A multistage sampling technique was employed:

- Stage 1: Purposive sampling to select districts based on the density of women micro-entrepreneurs and regional representation.
- Stage 2: Snowball sampling within selected districts to reach active women micro-entrepreneurs, especially those operating informally or outside registered databases.

### 3.5. Sample Size

A total of 150 women micro-entrepreneurs were surveyed across five districts of Karnataka. The sample size was determined considering time constraints, resource availability, and the need for regional representation.

### 3.6. Data Collection Methods

#### *a. Primary Data*

Primary data was collected using:

- Structured questionnaires with both closed and open-ended questions.
- In-depth interviews with selected entrepreneurs for qualitative insights.
- Focus Group Discussions with SHG members and local NGO representatives supporting women entrepreneurs.

#### *b. Secondary Data*

Secondary data was sourced from:

- Government reports (MSME annual reports, Ministry of Women & Child Development).
- Academic journals and policy briefs.
- NGO documentation and databases on women entrepreneurship in Karnataka.

### 3.7. Tools for Data Analysis

The data collected was analyzed using statistical tools and qualitative analysis methods:

Ranking technique -Garrett’s Ranking Method to prioritize challenges.

### 3.8. Scope

The study provides grassroots-level insights into the barriers hindering the progress of women micro-entrepreneurs in Karnataka and highlights areas for policy and institutional intervention.

## 4. ANALYSIS

The Garrett Ranking technique is a widely used method to prioritize factors based on respondents’ rankings. It translates ordinal ranks into interval scores, allowing for meaningful comparison. In this case, 150 respondents ranked 10 challenges faced by women entrepreneurs.

| S. No | Factors   | Rank | Percent Position | Garrett Score | Total Score (150×Score) |
|-------|---|------|------------------|---------------|-------------------------|
| 1     | Dual Responsibility: Business vs. Family                      | 1    | 5.0              | 83            | 12450                   |
| 2     | Gender stereotypes undermining decision-making and leadership | 2    | 15.0             | 70            | 10500                   |
| 3     | Lack of awareness about government schemes                    | 3    | 25.0             | 65            | 9750                    |
| 4     | Gender bias in credit disbursement                            | 4    | 35.0             | 61            | 9150                    |
| 5     | Limited Networking and Mentorship Opportunities               | 5    | 45.0             | 56            | 8400                    |
| 6     | Complexity in registration and compliance                     | 6    | 55.0             | 52            | 7800                    |
| 7     | Dependence on local or seasonal demand                        | 7    | 65.0             | 48            | 7200                    |
| 8     | Lack of self-confidence and fear of failure                   | 8    | 75.0             | 43            | 6450                    |
| 9     | Societal pressure and underestimation                         | 9    | 85.0             | 37            | 5550                    |
| 10    | Limited exposure to digital, accounting, and marketing tools  | 10   | 95.0             | 30            | 4500                    |

#### Final Garrett Ranking

| Rank | Factor  |
|------|---|
| 1    | Dual Responsibility: Business vs. Family                      |
| 2    | Gender stereotypes undermining decision-making and leadership |
| 3    | Lack of awareness about government schemes                    |
| 4    | Gender bias in credit disbursement                            |
| 5    | Limited Networking and Mentorship Opportunities               |
| 6    | Complexity in registration and compliance                     |
| 7    | Dependence on local or seasonal demand                        |
| 8    | Lack of self-confidence and fear of failure                   |
| 9    | Societal pressure and underestimation                         |
| 10   | Limited exposure to digital, accounting, and marketing tools  |

The Garrett Ranking analysis, based on a sample size of 150, reveals that the most critical challenge faced by women entrepreneurs in Karnataka is managing dual responsibilities of business and family, receiving the highest Garrett score (83), which underscores the intense pressure women face in balancing domestic duties with entrepreneurial aspirations. This is closely followed by gender stereotypes that hinder their leadership and decision-making roles, reflecting deep-rooted societal biases. The lack of awareness about government schemes ranks third, highlighting information asymmetry as a key barrier to accessing support systems. Financial discrimination, in the form of gender bias in credit disbursement, ranks fourth, suggesting that institutional barriers persist despite policy support. Limited networking and mentorship opportunities, along with the complexity of business registration and compliance procedures, occupy the mid-level ranks, pointing to structural inefficiencies in the entrepreneurial ecosystem (Sastry & Ravish, 2024). Challenges such as dependence on seasonal demand, low self-confidence, and societal pressure contribute to further constraints, indicating a need for both psychological and social empowerment. The lowest-ranked factor is limited exposure to digital tools and marketing techniques, suggesting that while important, it is seen as a secondary issue compared to socio-cultural and financial barriers. Overall, the findings indicate that addressing societal norms, improving financial inclusion, and enhancing awareness and mentorship are critical to empowering women entrepreneurs in the region.

### 5. FINDINGS AND CONCLUSION

The study reveals that women micro-entrepreneurs in Karnataka face a range of interrelated challenges that limit their entrepreneurial growth. The Garrett Ranking analysis shows that the dual burden of managing family and business responsibilities ranks as the most significant constraint, emphasizing the socio-cultural expectations placed upon women. Gender stereotypes that undermine their decision-making roles and leadership capacity emerge as the second-highest challenge, followed by a lack of awareness about existing government support schemes. Financial barriers, especially gender-based discrimination in credit disbursement, and the absence of strong mentorship or networking opportunities, also rank prominently. Mid-level challenges include complex registration and compliance processes and the seasonal or localized nature of demand for products/services. Psychological barriers such as low self-confidence and societal underestimation persist, while limited exposure to digital tools and marketing techniques, though less prioritized, still represents a technological gap. These findings highlight that socio-cultural and systemic issues are more critical than mere skill or knowledge gaps. Overall, the study concludes that a multi-dimensional approach is needed—one that simultaneously addresses social norms, institutional support systems, and capability enhancement—to empower women in the micro-entrepreneurial ecosystem.

### 6. SUGGESTIONS

To effectively empower women micro-entrepreneurs in Karnataka, a multi-pronged approach must be adopted. Firstly, there is a pressing need to strengthen work-life support systems by introducing initiatives such as affordable childcare services, flexible work environments, and family counseling programs to alleviate the dual burden of managing household and business responsibilities. Awareness about existing government schemes and benefits remains limited among many women entrepreneurs; hence, structured outreach programs, information kiosks, and localized campaigns in regional languages must be rolled out regularly to improve access and participation. Financial inclusion should be made gender-sensitive by encouraging banks and microfinance institutions to adopt non-discriminatory credit policies, offer collateral-free loans, and sensitize officials on the specific needs of women entrepreneurs. Mentorship plays a crucial role in entrepreneurial success, and establishing district-level mentorship hubs and peer learning networks can significantly improve knowledge transfer and emotional support. Simplifying business registration, licensing, and compliance procedures through single-window systems and mobile-friendly digital platforms would further help formalize women-led enterprises. Additionally, focused training on digital literacy, e-commerce, social media marketing, and bookkeeping should be imparted to bridge the existing technological divide. Addressing psychological barriers is equally important—confidence-building workshops, community engagement, and showcasing successful role models can help challenge societal norms and inspire more women to take entrepreneurial risks. Lastly, encouraging women to diversify into non-traditional sectors such as technology, logistics, or green businesses can help them scale sustainably, reduce seasonality-related vulnerabilities, and contribute more robustly to the economy.

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I am Dr. N. Subbu Krishna Sastry, a passionate academician with over 17 years of experience in teaching, research, and mentoring. I have successfully completed my Postdoctoral Fellowship in Human Resource Management under the mentorship of Dr. V. Basil Hans at Srinivas University. My research focuses on the MSME sector in India, identifying key challenges and growth opportunities. I hold postgraduate degrees in M.Com, M.A. English Literature, M.Phil, and an MBA in Marketing Management, reflecting my multidisciplinary expertise. Currently, I serve as Management Faculty at CMR School of Management, Bengaluru, where I guide and inspire young minds. I am also a Board of Examiners member for Ph.D. in Management at Bharathiar University, Coimbatore. Throughout my career, I have published scholarly articles, book chapters, and patents in management, sustainability, and digital innovation. My research interests span HRM, mental health psychology, educational transformation, and technological disruption. I have presented papers at national and international seminars and delivered numerous guest lectures. As a mentor, I have guided several Ph.D. scholars and postgraduate students across diverse domains. Beyond academics, I am a trained Carnatic classical singer with concert performance experience. I integrate music and mindfulness to foster emotional well-being in education. My academic journey is rooted in a vision to combine excellence with social impact. I believe in lifelong learning, interdisciplinary knowledge, and purposeful education. Through teaching, research, and cultural engagement, I continue to contribute meaningfully to society.

**Citation:** Dr. N Subbukrishna Sastry. "Understanding the Challenges of Women Micro-Entrepreneurs in Karnataka". *International Journal of Managerial Studies and Research (IJMSR)*, vol 13, no. 8, 2025, pp.12-16. DOI: <https://doi.org/10.20431/2349-0349.1308002>.

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