WOMEN ENTREPRENEURSHIP IN RELATION TO PSYCHOLOGICAL, DEMOGRAPHIC & SOCIO-ECONOMIC ATTRIBUTES

A SUMMARY SUBMITTED TO KURUKSHETRA UNIVERSITY, KURUKSHETRA FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN MANAGEMENT

SUPERVISOR: Prof. Naresh Kumar University School of Management K.U. Kurukshetra

Submitted by: Simmi Arora Regn. No. 01-DMK-296

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SUMMARY

The present study is an attempt to examine the relative contribution of socio-economic variables, demographic variables and psychological variables to the success of an enterprise owned by women belonging to Punjab/ Haryana/ Delhi. It was also intended to study the relation of psychological variables, socio-economic variables and demographic variables with entrepreneurial success. Psychological variables include four decision making styles – rational decision making style, intuitive decision making style, dependent decision making style and avoidant decision making style; four motives i.e. need for achievement, need for affiliation, need for approval and need for power; four entrepreneurial orientation attributes i.e. goal accomplishment, innovation, personal control and self-esteem and three personal attributes- creativity, delegation of authority and risk taking propensity. Demographic variables incorporated in the present study include age, educational qualification, type of business, number of employees working under an entrepreneur, business form and occupational experience. Socio-economic variables include residential status, monetary investment in business, sources of finance, family history of business. Entrepreneurial success of women entrepreneurs was measured on the basis of monthly income/profit earned by a respondent.

Statement of the Problem

The problem of the present study is stated as:

“WOMEN ENTREPRENEURSHIP IN RELATION TO PSYCHOLOGICAL, DEMOGRAPHIC AND SOCIO-ECONOMIC ATTRIBUTES”

Objectives

1. To study the nature and level of demographic, socio-economic attributes and entrepreneurial success.

2. To study the relationship between psychological attributes i.e. (decision making style (rational, intuitive, dependent, avoidant); motivational attributes (need for achievement, need for affiliation, need for approval and need for power); entrepreneurial orientation attributes (goal
accomplishment, innovation, self-esteem, personal control) and personal attributes (creativity, delegation of authority and risk taking propensity)) and entrepreneurial success.

3. To study the relationship between demographic variables i.e. age, education, type of business, occupational experience, number of employees working with an entrepreneur, residential status and entrepreneurial success.

4. To study the relationship between socio-economic variables i.e. family history, sources of finance, monetary investment and entrepreneurial success.

5. To examine the predictive value of psychological attributes for the entrepreneurial success.

6. To suggest measures for the growth & development of entrepreneurship in north India.

**Research Methodology**

The research methodology used to achieve the predefined objectives has been described in the following section.

1. Description of the sample
2. Brief description of the tests
3. Administration of the tests
4. Scoring of tests
5. Statistical tools used

**1. Description of Sample:**

A sample of 389 women entrepreneurs was selected from various districts of Punjab/ Haryana/ Delhi to participate in the present study. Though efforts have been made to approach District industrial centers (DICs) but the available information regarding women entrepreneurs was not sufficient for the purpose of present study. Moreover, as the sector is unorganized and universe was not known and hence random sampling cannot be used. Therefore, researcher was constrained to use purposive/convenient sampling. The participation of the respondents was voluntary. They were in age of less than 25 to greater than 55.
years. Minimum educational qualification was under matric. Entrepreneurs were having occupational experience of less than 5 years to greater than 10 years. In the present study effective response could be obtained from 248 women entrepreneurs only (44 from Punjab, 143 form Haryana and 61 from Delhi).

A structured questionnaire was administered to 389 women entrepreneurs belonging to North Indian states namely Punjab/ Haryana /Delhi for undertaking the survey of women entrepreneurs through personal contacts, e-mail and snowball technique to elicit information regarding demographic, socio-economic attributes and psychological and entrepreneurial success. Respondents were found into multiple businesses of boutiques, beauty parlors, retail stores, private schools, play schools, baby care centers, practicing private doctors and consultancy firms. A total of 389 women entrepreneurs were contacted but effective response could be obtained from 248 women entrepreneurs only. So response rate is 63.75 percent on the basis of which results are interpreted.

2. Description of tests

In order to have assessment of various variables that contribute to entrepreneurial success, standardized questionnaires were used to collect the required information. The questionnaires, each for decision making style, motives assessment, entrepreneurial orientation attributes and personal attributes (self-developed) were used to collect the data for the present study. A brief description of all the five tests is as under.

i. Decision making style (Scott and Bruce, 1995)

Decision making style has been assessed by using a questionnaire as recommended by Scott and Bruce (1995). The author developed 16 item questionnaire having statements that represent the considerations, individuals take while decision making or arriving at a solution. The responses for each item is measured on a five point Likert scale with labels from strongly agree to strongly disagree. A score of ‘1’ was given to strongly disagree and ‘5’ was given to strongly agree. Score for different decision making styles were arrived at by summing up the scores of statements relevant for those. The test-retest reliability coefficient was .610.
Decision making scale includes four statements to judge rational decision making of entrepreneurs i.e. 1, 5, 9, 13, four statements to judge intuitive decision making of entrepreneurs i.e. 2, 6, 10, 14, four statements to judge dependent decision making of entrepreneurs i.e. 3, 7, 11, 15 and four statements to judge avoidant decision making of entrepreneurs i.e. 4, 8, 12, 16.

ii. Motive scales (Mishra and Tripathi, 1980)

For the assessment of need for achievement, need for affiliation, need for power and need for approval, the scales developed by Mishra & Tripathi (1980) were used.

These scales consist of four subscales. The measure for need for achievement consisted of twelve items. The measure for need for affiliation consisted of eleven items. The measure for need for power consisted of nine items and the measure for need for approval consisted of twelve items. Hence, the total number of items in these scales was forty four.

The items in each subscale consisted of attitude statements and the subject was required to respond to them by stating their degree of agreement ranging from ‘to a very great extent’ to ‘almost no extent’ (i.e., ranging from 5 to 1). The score of the subject was the total score obtained on all the subscale items. The items were constructed in such a way that in about 50 percent of the items positive responses indicated presence of high motive.

The test-retest reliabilities for the scales ranged from 0.59 to 0.73 with an interval of one month as reported by the author. The odd-even split half reliabilities were also calculated and found to be in the range of 0.37 to 0.67.

iii. Entrepreneurial orientation attributes (Shetty, 2004)

Entrepreneurial attitude orientation scale originally developed by Robinson et al. (1991) consisting of 89 items was redesigned using hierarchical cluster analysis resulting in existence of 8 groups/factors consisting of 45 items (Shetty, 2004). Conbach alpha ranges between 0.53 and 0.76. The scales have been used to measure innovation, self-esteem, personal control and goal accomplishment. As a research tool, the respondents/subjects were made to
respond with regard to statements on five-point Likert’s rating scale ranging from strongly disagree (1) to strongly agree (5).

iv. **Personal attributes (Self-developed)**

In the present study we have taken three scales to identify personal attributes i.e. creativity, delegation of authority and risk taking propensity of women entrepreneurs.

In order to access the creativity of the respondents, investigator developed a set of questions on five point scale with the help of literature and experts review. Various aspects of creativity are measured on a 5 point scale ranging from always (5) to never (1).

In the present study delegation of authority is assessed by using a five statement subscale and measured on a 4 point scale ranging from extensively (4) to not at all (1) and to measure risk taking propensity of women entrepreneurs a five statement dichotomous subscale (YES/NO) has been designed with help of literature and expert views.

The items related to personal attributes were extracted consulting literature and seeking the advice of various experts.

**Entrepreneurial Success**

In this present study success has been objectively defined on the basis of monthly income earned by a women entrepreneur and the same is used to measure the extent of success of women entrepreneurs.

For the purpose of study success is categorized into four categories: Low success, moderately low success, moderately high success and high success depending on the net monthly income/profit earned.

*The gradation is as follows:*

Low Success: A women entrepreneur who earns a net profit / income up to ₹10,000 per month is classified as low success group.

Moderately Low Success: A women entrepreneur who earns a net profit / income ranging from ₹10,001-20,000 per month is classified as moderately low success group.
Moderately High Success: A women entrepreneur who earns a net profit / income ranging from ₹20,001-30,000 per month is classified as moderately high success group.

High Success: A women entrepreneur who earns a net profit / income more than ₹30,000 per month is classified as high success group.

3. Administration of the tests

After preliminary communication through different modes of communication i.e. personal, telephonic, e-mail proper rapport was established and their willingness to participate was ascertained. The respondents were contacted at their respective work places or residences (if it was workplace as well) as per their willingness. A total of 389 questionnaires were personally & electronically administered to women entrepreneurs doing businesses in Punjab/ Haryana/ Delhi. Respondents were also assured about their anonymity. In general the subjects were cooperative.

4. Scoring

Tests were scored using prescribed scoring keys recommended by the authors of the respective tests/questionnaires/scales. Decision making styles were scored four variables on a five point scale. A minimum and maximum possible score is 16 and 80, respectively.

Motive scales were scored for four motives i.e. need for achievement, need for affiliation, need for approval and need for power motive on a five point scale.

Entrepreneurial orientation attributes were scored for innovation, self-esteem, personal control, goal accomplishment on a five point scale ranging from strongly disagree ‘1’ to strongly agree ‘5’.

Personal attributes were scored for creativity, delegation of authority and risk taking propensity. Creativity was measured on a five point scale. A minimum and maximum possible score is 5 and 25, respectively. Delegation of authority was measured on a five point scale. There are 4 statements to assess the level of delegation of authority of an entrepreneur. So the minimum and maximum possible score is 4 and 16, respectively. Risk taking propensity was
measured on dichotomous scale. The scale consisted of five items. The scoring for ‘yes’ indicates high propensity to take risk and scoring for ‘no’ indicates lower propensity to take risk. Various demographic and socio-economic attributes were measured on a categorical scale.

5. Statistical Analysis:

Obtained data was analyzed using following statistical techniques:

1. Descriptive statistics mean, standard deviation, Z test has been used to check significance differences between the observed and expected means.

2. Chi-square analysis has been used to ascertain the association among various socio economic, demographic attributes and entrepreneurial success.

3. Pearson’s product moment correlation has been used for correlation analysis.

4. To ascertain the predictive value of all independent variables for dependent variable i.e. entrepreneurial success, regression analysis has been used.

Main findings:

On the basis of results and interpretations following are the main findings:

1. Most of the respondents are adopting rational decision making style. Along with rationality, they also focus on intuitive decision making style and hence use their judgement, feelings and earlier experiences also while arriving at a decision. Findings further reveal in some cases they seek the advice and help from other people while making decisions. It has also been observed that in few of the instances they also depend upon avoidant decision making style thus, tend to avoid immediate decision and believe in wait and watch policy till they are constrained to take decision.

2. Most of the women entrepreneurs are high in need for achievement, need for affiliation, need for approval and need for power suggesting thereby that they want to undertake challenging goals for their enterprise. At the same time, they want to affiliate with the stakeholders and other sections of the society. Moreover, they also believe that whatever enterprise they
have initiated must be approved and appreciated by the fellow members and stakeholders. That is why they want to exert power and control to give better results of their enterprise.

3. The women entrepreneurs have high attitude orientation regarding entrepreneurship. The women entrepreneurs tend to have high level of goal accomplishment, high self-esteem, express high personal control and also are highly innovative. These particular attributes are very significant for an entrepreneur to be successful in their career.

4. The findings further reveal that the respondents in the present study are highly creative and have a high risk taking propensity but they have a moderate tendency to delegate their authority suggesting thereby that they believe in centralized control on their enterprise.

5. Out of the various demographic and socio-economic attributes, education level, number of employees working with an entrepreneur, occupational experience, residential status and monetary investment in business show significant association with the entrepreneurial success. However, rest of the demographic and socio-economic attributes i.e. age, type of business, business form, sources of finance and family history did not report any significant association with entrepreneurial success.

6. The obtained pattern of inter-correlations reveal that the women entrepreneurs while making decision simultaneously use rational, intuitive and dependent decision making style whereas they usually ignore to depend upon avoidant decision making style most of the times.

7. Patterns of inter-correlations between decision making styles and motives reveal that need for achievement is positively correlated with rational decision making style and negatively with avoidant decision making style indicating that the women entrepreneurs having high need for achievement use rational decision making style while taking entrepreneurial decisions. However, they do not adopt avoidant decision making style. Highly affiliative women entrepreneurs simultaneously use rational and intuitive decision making styles relying, predominantly on
intuitive decision making style and they do not rely on avoidant decision making style. Women entrepreneurs who have high need for approval simultaneously use rational, intuitive and dependent decision making style however; predominantly they use dependent decision making style and women who want to exercise control over their enterprise usually rely on rational decision making style and do not use avoidant decision making style.

8. The pattern of inter-correlations reveals that women entrepreneurs who are highly innovative and have high goal accomplishment use rational, intuitive and dependent decision making styles simultaneously. Women with high personal control use rational and dependent decision making style whereas, high self-esteem women entrepreneurs rely only on rational decision making style and have tendency not to avoid or delay the decisions.

9. The analysis reveals that highly creative women entrepreneurs predominantly use intuitive decision making followed by rational decision making style. The other two personal attributes i.e. delegation of authority and risk taking propensity do not show any significant correlations with any of the decision making styles.

10. The pattern of inter-correlations reveal that women entrepreneurs holding rational decision making style enjoy a greater degree of entrepreneurial success. Rest of the three decision making styles do not show significant correlation with entrepreneurial success.

11. The results of the investigation reveals that women entrepreneurs having strong will to accomplish their entrepreneurial goals tend to affiliate with the stakeholders to satisfy their need for affiliation. Highly affiliative women entrepreneurs want to prove their existence and also possess tendency to seek approval from the stakeholders regarding their entrepreneurial decisions.

12. The observed pattern of inter-correlations between motives and entrepreneurial orientation attributes reveals that women entrepreneurs
having high level of goal accomplishment, innovation, personal control and self-esteem also possess high need for achievement and high need for affiliation and hence strive to achieve their goals related to the enterprise with carrying positive affective relationship with the stakeholders. Women entrepreneurs possessing high level of goal accomplishment tend to get their decisions approved from the stakeholders and women entrepreneurs who have high need for power have a tendency to possess high personal control and high level of self-esteem.

13. The pattern of inter-correlations between motives and personal attributes reveal that achievement oriented women entrepreneurs are highly creative and also have high risk taking propensity. Highly affiliative women entrepreneurs tend to believe in team work and are creative. The pattern further reveals that women entrepreneurs possessing high need for approval tend to be more creative.

14. The pattern of inter-correlations between motives and entrepreneurial success shows that women possessing high need for achievement and high need for power by exercising control enjoy a greater degree of entrepreneurial success over their enterprise.

15. Women entrepreneurs who are highly innovative and have high self-esteem have a tendency for high goal accomplishment and they also believe in exerting high personal control for the entrepreneurial outcomes.

16. The observed patterns of inter-correlations reveal that more creative women entrepreneurs possess high level of goal accomplishment, innovation, personal control and self-esteem. The women entrepreneurs who are more innovative and believe in team work, delegate authority to their employees for relevant tasks from time to time and also tend to accomplish entrepreneurial goals successfully. Further, highly innovative entrepreneurs and those possessing high self-esteem have higher propensity to take risks in their entrepreneurial tasks.

17. Pattern of inter-correlations reveals that women entrepreneurs with high self-esteem and possessing high level of innovativeness exert high level
of personal control over the entrepreneurial goal accomplishment thus enjoy a greater level of entrepreneurial success and hence earn very handsome monthly income.

18. The patterns of inter-correlations among personal attributes reveal that creative women entrepreneurs with high risk taking propensity often believe in team work and hence delegate authority to employees for completion of entrepreneurial tasks.

19. Pattern of correlations between personal attributes and entrepreneurial success reveals that women entrepreneurs with high creativity and high risk taking propensity enjoy a greater degree of entrepreneurial success.

20. The joint contribution of predictors: i.e. decision making styles, (rational, intuitive, dependent, avoidant), motives, (need for achievement, need for affiliation, need for approval and need for power), entrepreneurial orientation attributes, (goal accomplishment, innovation, self-esteem, personal control) and personal attributes, (creativity, delegation of authority, risk taking propensity) for total variance in entrepreneurial success is 51.8 percent.

21. The positive and significant predictors for entrepreneurial success are need for achievement, need for power, self-esteem, creativity, risk taking propensity of women entrepreneurs and avoidant decision making style. As avoidant decision making style emerged a positive predictor for entrepreneurial success, it can be inferred that sometimes women entrepreneurs depend on wait and watch policy for announcement of subsidies and other tax benefits offered from time to time by Government under various schemes for the growth and development of women entrepreneurs.