

Factors contributing to entrepreneurial behaviour of rural and urban women

CM SAVITHA, BS SIDDARAMAIAH and MH SHANKARA

University of Agricultural Sciences, Bangalore 560065 Karnataka

Email for correspondence: shankrimh@gmail.com

ABSTRACT

The study was conducted in Bangalore rural and urban districts of Karnataka with the objective to know the factors contributing to the entrepreneurial behavior of rural and urban women entrepreneurs. The data were collected from 120 women entrepreneurs. The results revealed that the personal, socio-economic and enterprise related variables like education, marital status, birth order, family support, socio-economic status, deferred gratification, socio-political participation, cosmopolitaness, mass-media participation, ownership of the enterprise, extent of investment and training received were positively and significantly related to entrepreneurial behavioural index of rural and urban women.

Keywords: Entrepreneurial behaviour; rural; urban; women

INTRODUCTION

Women entrepreneurship in economic development of any nation has been recognized for its significant contribution. The concept of developing women entrepreneurship lays emphasis on the utilization of the women labour force productively in generating income for their livelihood, alleviating poverty and also creating employment opportunity for others. The specialists in economic development have considered entrepreneurship development as a possible approach towards empowerment of women. A woman as entrepreneur is economically

more powerful than as a mere worker because ownership not only confers control over assets but also gives her the freedom to take decision. This also uplifts her social status in the society.

Entrepreneurship and need for achievement (n-ach) are the interrelated and synonymous terms. The latter is determined by several social and personality factors which result in entrepreneurship. Individuals having high n-ach could be developed as successful entrepreneurs. McClelland (1961) considered entrepreneur as one who exercises some control over the means of

production and produces more than what he can consume in order to sell/exchange it for individual/household income. The important characteristics of the entrepreneurs include innovativeness, risk bearing capacity, decision making under uncertainty etc. The researchers underscored the phenomenon of n-ach as a factor to explain the economic behaviour of entrepreneur and suggested several measures to improve the same. Entrepreneurship is a composite phenomenon which is determined by several factors. To develop suitable strategies it becomes necessary to know the factors which contribute to the entrepreneurship development in women.

METHODOLOGY

The study was conducted in Bangalore rural and Bangalore urban districts of Karnataka which were purposively selected since there were more number of women enterprises here. A list of all women entrepreneurs operating one or the other enterprise since three years was obtained from the concerned departments and institutions in the two selected Talukas. These enterprises were grouped into three categories viz product, process and trading sectors. Although the enterprises practiced in rural and urban areas differed there was commonality in the pattern of entrepreneurship under the three sectors. From the list obtained 20 entrepreneurs

from each of the above areas were randomly selected. Thus 120 respondents constituted the sample for the study. The data were collected with the help of pre-tested schedule. The data were scored, tabulated and analyzed using relevant statistical tools.

RESULTS and DISCUSSION

Relationship between entrepreneurial behaviour and independent variables:

Entrepreneurial behaviour index (EBI) of rural and urban women was related with the three sets of independent variables of the respondents.

EBI with personal characteristics: The results in Table 1 indicate that all the four variables viz education, marital status, birth order and family support were positively and significantly related to EBI of both rural and urban women entrepreneurs. The variables age and family dependency ratio were negatively significant with EBI. Younger age is characterized by vigour, dynamism and determination to hard work which is essential for entrepreneurship. As age advances the intensity of these characters decreases. Hence age was negatively correlated with both rural and urban entrepreneurs. In case of education positive and significant relationship was observed with both rural and urban women's entrepreneurial behaviour. Education enlarges the mental horizon of the individual

Entrepreneurial behaviour of women

Table 1. Correlation coefficient of entrepreneurial behaviour index and independent variables of rural and urban women entrepreneurs

Independent variable	Correlation coefficient (r)	
	Rural (n= 60)	Urban (n= 60)
Personal characteristic		
Age (X ₁)	-0.6817**	-0.9102**
Education (X ₂)	0.6525**	0.3941**
Marital status (X ₃)	0.4137**	0.6410**
Birth order (X ₄)	0.6418**	0.8304**
Family support (X ₅)	0.7351**	0.8974**
Family dependency ratio (X ₆)	-0.8416**	-0.6746**
Socio-economic characteristic		
Socio-economic status (X ₇)	0.8146**	0.9323**
Deferred gratification (X ₈)	0.7217**	0.9355**
Socio-political participation (X ₉)	0.6588**	0.8975**
Cosmopolitaness (X ₁₀)	0.5856**	0.9209**
Mass media participation (X ₁₁)	0.7994**	0.7847**
Enterprise related variable		
Ownership of enterprise (X ₁₂)	0.5660**	0.7654**
Extent of investment (X ₁₃)	0.7557**	0.8953**
Institutional support (X ₁₄)	0.0100 ^{NS}	0.6915**
Financial assistance (X ₁₅)	0.1386 ^{NS}	0.1150 ^{NS}
Training received (X ₁₆)	0.6948**	0.8806**

**Significant at 1% level, NS: Non-significant

and enables him to take decisions in matters relating to her profession. Women acquire status and responsibility after marriage. As she interacts with other family members she gains the confidence and experience of managing the enterprise. Hence marital status and family support were positively related with entrepreneurial behaviour.

EBI with socio-economic characteristics: Table depicts that all the five socio-economic variables viz socio-economic status, deferred gratification, socio-political participation, cosmopolitaness and mass-media participation were positively and significantly related to EBI of the two categories of

respondents. Socio-economic status indicates the sound economic position. Women who had high socio-economic status naturally were in a better position to make higher investments in their enterprise. Hence socio-economic status showed significant relationship with entrepreneurial behaviour.

The variables socio-political participation, cosmopolitaness and mass media participation were found to be positively and significantly related to entrepreneurial behaviour of both rural and urban women. All these three variables are concerned with obtaining access to external world and contact with outsiders which bring in new information. Hence the entrepreneurs had all the chances for getting new ideas to start their enterprises and become successful.

EBI and enterprise related variables:

In case of enterprise related variables the pattern of relationship was somewhat different. The three variables namely ownership of the enterprise, extent of investment and training received were significantly related while the institutional support and financial assistance were not significantly related to EBI of rural women entrepreneurs. In case of urban women entrepreneurs all the variables except financial assistance were significantly related with the EBI. The variables ownership of enterprise, extent of investment and training received were positively and significantly

related to EBI. It is natural that training increases the technical language and efficiency of the entrepreneurs to manage their enterprises. In the same way owning an enterprise independently and making more investment in it would add to the increased entrepreneurship. Financial assistance and institutional support did not show any relationship with the entrepreneurial behavior of rural women entrepreneurs while the institutional support had a significant relationship with entrepreneurial behavior of urban entrepreneurs. It appears that the institutional support and financial assistance are not forthcoming to the desired extent in rural areas while there is some degree of institutional support in urban areas. This finding is supported by the studies of Dhameja et al (2000), Aravinda and Renuka (2001) and Krishnaveni (2004).

Contribution of independent variables to entrepreneurial behaviour: The data in Table 2 depict the contribution of 16 independent variables to entrepreneurial behaviour of rural women entrepreneurs. The value of R^2 (0.8615) indicates that all the 16 variables put together explained 86.00 per cent of the variation in the entrepreneurial behaviour of rural women entrepreneurs. Among these two variables viz family dependency ratio and mass media participation were found to be significant at 1 per cent while financial assistance was significant at 5 per cent level.

Table 2. Multiple regression analysis of entrepreneurial behaviour index and independent variables of rural women entrepreneurs (n= 60)

Independent variable	Regression coefficient (b)	SE of regression coefficient (SEb)	't' value
Personal characteristic			
Age (X ₁)	-0.8743	0.4988	1.7527
Education (X ₂)	-3.0483	2.4543	1.2421
Marital status (X ₃)	-4.8548	3.7965	1.2788
Birth order (X ₄)	0.7311	3.2065	0.2280
Family support (X ₅)	4.2107	4.1419	1.0166
Family dependency ratio (X ₆)	-11.5033	3.9724	2.8958**
Socio-economic characteristic			
Socio-economic status (X ₇)	2.8317	1.7093	1.6567
Deferred gratification (X ₈)	-1.0034	0.9990	1.0044
Socio-political participation (X ₉)	4.2213	3.0663	1.3767
Cosmopoliteness (X ₁₀)	1.0834	4.2830	0.2530
Mass media participation (X ₁₁)	5.9531	2.1652	2.7494**
Enterprise related variable			
Ownership of enterprise (X ₁₂)	2.1973	3.8102	0.5767
Extent of investment (X ₁₃)	3.9741	3.1777	1.2506
Institutional support (X ₁₄)	-2.4487	2.6604	0.9205
Financial assistance (X ₁₅)	5.3721	2.7315	1.9667*
Training received (X ₁₆)	-3.5742	2.1557	1.6580

R²= 0.8615, 'F' value= 16.71, Constant= -77.3123, *Significant at 5% level

**Significant at 1% level

The data relating to urban entrepreneurs are presented in Table 3. As high as 98.00 per cent of the variation was explained by all the 16 independent variables put together. However three variables viz family support, cosmopoliteness and institutional support were significant at 1 per cent level while

socio-economic status and financial assistance were significant at 5 per cent level.

CONCLUSION

The findings clearly implied that the follow up activities for the trained farm

Table 3. Multiple regression analysis of entrepreneurial behaviour index and independent variables of urban women entrepreneurs (n= 60)

Independent variable	Regression	SE of regression	't' value
Personal characteristic			
Age (X ₁)	-0.0956	0.1530	0.6249
Education (X ₂)	0.3969	0.8656	0.4585
Marital status (X ₃)	2.6322	1.7145	1.5352
Birth order (X ₄)	-1.4166	1.2076	1.1730
Family support (X ₅)	5.8063	1.4448	5.0719**
Family dependency ratio (X ₆)	0.6903	1.4198	0.4862
Socio-economic characteristic			
Socio-economic status (X ₇)	1.0387	0.4922	2.1102*
Deferred gratification (X ₈)	0.3396	0.4016	0.8455
Socio-political participation (X ₉)	-1.1152	0.9265	1.2037
Cosmopolitaness (X ₁₀)	8.0333	1.1549	6.9558**
Mass media participation (X ₁₁)	-0.2102	0.6566	0.3202
Enterprise related variable			
Ownership of enterprise (X ₁₂)	3.4257	2.6314	1.3019
Extent of investment (X ₁₃)	-0.5034	0.4644	1.0840
Institutional support (X ₁₄)	7.0500	1.2857	5.4832**
Financial assistance (X ₁₅)	-2.1951	0.9190	2.3886*
Training received (X ₁₆)	2.2839	1.1828	1.9310

R²= 0.9889, 'F' value= 239.10, Constant= -145.4227, *Significant at 5% level

**Significant at 1% level

women need to be taken up on intensive scale. The government needs to provide required financial, technical and infrastructural support for the promotion of new enterprises. The banks and other financial institutions need to work towards individual counseling and technical advice for identification of enterprises suitable for

women. The marketing agencies should provide better linkages for the sale of their products.

REFERENCES

- Aravinda and Renuka S 2001. Women entrepreneurs: an exploratory study. Small Enterprise Development Management of Extension **28(3)**: 71-81.

Entrepreneurial behaviour of women

- Dhameja SK, Bhatia BS and Saini JS 2000. Women entrepreneurs– their perceptions, about business opportunities and attitudes towards entrepreneurial support agencies (a study of Haryana state). *Small Enterprise Development Management of Extension* **27(4)**: 38-50.
- Krishnaveni M 2004. Women entrepreneurs in rural areas of India. *Small Enterprise Development Management of Extension* **31(3)**: 22.
- McClelland DC 1961. *The achieving society*. D Van Nostrand Co, Inc, Princeton, New Jersey.

Received: 27.7.2014

Accepted: 25.10.2014