

## Entrepreneurial Behaviour of Rural Women

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### ABSTRACT

*The study was conducted in purposively selected block of Indore district of Madhya Pradesh during 2009-10 in order to know the entrepreneurial behaviour of rural women in terms of their socio-economic, psychological and family background attributes. The results of the study revealed that majority of the respondents exhibited medium to low level of entrepreneurial behaviour, while very few of them exhibited high level of entrepreneurial behaviour. The study further revealed that education, family income, risks willingness of the respondents and training received by them had positive relationship with their entrepreneurial behaviour. The study also concluded that age, family occupation, owing responsibility for failure, family type, family size, birth status in parental home, present status in in-law's home and length of experience had negative relationship with entrepreneurial behaviour. It is further concluded that dual responsibility, lack of resources, poor family support, late payment by clients, mobility and marketing constraints were the major constraints perceived by majority of the rural woman entrepreneurs.*

**Key words:** *Entrepreneurial behavior; Psychological; Family attributes;*

**E**ntrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some product or service (Kuratko and Richard, 2001).

Women entrepreneurship in economic development of any nation has been recognized for its significant contribution. The women folk can easily be considered as backbone of any nation and better half of the men in almost all spheres of community development, of which India is not an exception. Rural women, who constitute about 50 per cent of total rural population, play an active role in all spheres of economic life and contribute richly towards national income. The concept of developing rural women entrepreneurship lays emphasis on the utilization of women labour force productively in generating income for their livelihoods, alleviating rural poverty, and in reducing negative social effects of unemployment and under employment. In Indore district of Madhya Pradesh, the rural women are actively involved in various enterprises through formation of Self- Help- Groups. Hence, the study was conducted to explore entrepreneurial behaviour of rural women in Indore block of Indore district of Madhya Pradesh along with analysis

of relationship of entrepreneurial behavior of rural woman entrepreneurs with their attributes and also identify the constraints experienced by them in implementation of their enterprise.

### METHODOLOGY

The study was conducted in Indore block of Indore district of Madhya Pradesh which was purposively selected, because it served a great deal of convenience for the research worker in terms of accessibility, ease of rapport building, time, money, and efforts. A list of the villages was made around a town or kasba, where market facilities and inputs are available for the enterprises. Care was taken to select only those villages which were well connected by road to nearby towns. Six villages were selected purposively from the selected block. A list of rural woman entrepreneurs was made from each village. A total of 60 respondents (ten respondents from each village) were selected for the study by using simple random sampling method. All the respondents were individually interviewed using pre-tested interview schedule. The entrepreneurial success index developed by Sharma (2005) was used to measure the entrepreneurial behaviour of rural women.

This index included five indicators viz., net profit/gross return per unit investment, level of diversification and improvement/enterprise diversification, share of profit reinvested, degree of satisfaction and identified and planning to start a new enterprise. Pearson's Coefficient of Correlation test was used to find out the zero order correlation between any two sets of variables, which gives the degree of correlation between the variables.

## RESULTS AND DISCUSSION

*Entrepreneurial behaviour of rural woman entrepreneurs:* Data in Table 1 revealed that majority (60%) of the respondents were found to be medium in their entrepreneurial behaviour, followed by 23.3 per cent of the respondents with low level of entrepreneurial behaviour. Only 16.7 per cent respondents were found to be high in their entrepreneurial behaviour.

**Table 1. Distribution of the respondents according to their entrepreneurial success**

Entrepreneurial success	No.	%	Mean	S.D.
Low (<9.5 score)	14	23.3	13.0	3.5
Medium (9.5 to 16.5 score)	36	60.0		
High (> 16.5 score)	10	16.7		

It could be inferred that more than 80 per cent of the respondents possessed medium to low level of entrepreneurship. This is in conformity with the findings of earlier studies by *Patil et al. (1999)*, *Choudhary (2006)*, *Subramanyeshwary et al. (2007)* and *Jain & Patel (2008)*.

*Relationship between socio-economic and psychological attributes of the respondents and their entrepreneurial behavior:* To find out the relationship

between socio-economic and psychological characteristics of rural women entrepreneurs and their entrepreneurial behaviour, correlation coefficient was worked out and presented in Table 2. It was observed that out of ten socio-economic and psychological attributes studied, the correlation values of seven variables were found to be significant with entrepreneurial behaviour of rural women, while the values of three variables viz; land holding, material possession and economic status were found to be non-significant. The relationship between age and entrepreneurial behaviour was found to be negative and significant. It shows that if the rural woman entrepreneur is young in age, her entrepreneurial behaviour would be high. The finding was in conformity with the finding of *Sudhakar and Temilselvi (2007)*. Similarly, the relationship of family occupation and owing responsibility with entrepreneurial behaviour was also found to be negative and significant. The finding of the study was in agreement with the result obtained by *Sudhakar and Temilselvi (2007)* in case of family occupation. Education status of the respondents was found to have positive and highly significant relationship with the entrepreneurial behaviour. It shows that education is an important factor determining the entrepreneurial orientation of an individual as cited by *Patel et al. (2004)* and *Sudhakar and Tamilselvi (2007)*. The relationship between caste and entrepreneurial behaviour of the respondents was found to be positive and highly significant. This indicates that if the caste of rural woman is higher, the entrepreneurial orientation would also be higher. The relationship between family income

**Table 2. Relationship of socio-economic and psychological attributes of rural woman entrepreneurs with their entrepreneurial behavior.**

S. No.	Characteristic	Correlation coefficient (r)	Regression coefficient (b)	Standard error for regression (b)	Computed 't' value
1	Age	-0.559**	-0.12	0.007	1.65
2	Education status	0.726**	1.20	0.427	2.80**
3	Caste	0.353**	0.42	0.52	0.79
4	Land	0.008	-1.55	1.19	1.31
5	Material possession	0.067	-0.43	0.53	0.81
6	Family occupation	-0.288*	-0.57	0.63	0.91
7	Family income	0.281*	0.42	0.67	0.62
8	Economic status	0.057	0.29	0.35	0.82
9	Risk taking willingness	0.387**	0.47	0.22	2.09*
10	Owing responsibility for the failure	-0.347**	0.28	0.39	0.69

$R^2 = 0.61$  Intercept = 13.49

\* Significant at 5% level of probability.

F value=7.72\*\*with 10 % 49 DFS

\*\* Significant at 1% level of probability.

and entrepreneurial behaviour of rural women was found to be positive and significant. This explains that if the family income is high, the entrepreneurial behaviour would also be high. Similar finding was reported by *Sudhakar and Tamilselvi (2007)*. Risk taking willingness was also shown positive relationship with entrepreneurial behaviour. Because, an individual could be an entrepreneur when he would likes to take risk. The finding was in conformity with the finding of *Solanky and Soni (2004)*. The relationship between owing responsibility of the respondents and their entrepreneurial behaviour was found to be negative and highly significant. The variables like land holding, material possession and economic status did not show significant relationship with entrepreneurial success. It clearly indicates that these variables did not have any impact on entrepreneurial behaviour.

*Regression coefficients between entrepreneurial behaviour of rural woman entrepreneurs with their socio-economic and psychological attributes:* The regression coefficients between entrepreneurial behaviour of rural woman entrepreneurs with their socio-economic and psychological attributes was presented in Table 2. The analysis of Table 2 indicated that all the ten independent variables taken together explained 61 per cent of the variation for entrepreneurial success. The 'F' value 7.72 was significant at 1 per cent level of probability. The result implied that all the ten variables accounted for significant amount of variation for entrepreneurial behaviour. Further, it was observed that 't' test of significance expressed in coefficient of regression 'b' values were positively significant at 1

per cent level of probability for education status, whereas coefficient of regression 'b' value was positively significant for risk taking willingness at 5 per cent level of probability. On the contrary coefficient of regression 'b' values were not significant for age, caste, land, material possession, family occupation, family income, economic status and owing responsibility for failure. The results of the analysis indicated that education status and risk taking willingness of rural women entrepreneurs were most important predictors in entrepreneurial behaviour.

Relationship between family background characteristics of rural woman entrepreneurs with their entrepreneurial success. With the assumption that entrepreneurial success of rural woman entrepreneurs was influenced by their family background characteristics, the relationship of various family background variables with entrepreneurial behaviour, coefficient of correlation between entrepreneurial success and ten selected variables was computed and compared and the results which are presented in Table 3.

It was clear from Table 3 that family type of rural woman entrepreneurs had showed negative and significant relationship with entrepreneurial behaviour. It showed that joint family type rural women entrepreneur had low level of entrepreneurial behaviour. The possible reason behind this is in a joint family entrepreneur has partial or no command on the resources owned by the family. Similarly, family size, birth status in parental home, present status in in-laws home also showed negative and significant relationship with entrepreneurial behaviour. Out of the ten family

**Table 3. Relationship of family background attributes of rural woman entrepreneurs with their entrepreneurial behaviour**

S. No.	Characteristic	Correlation coefficient (r)	Regression coefficient (b)	Standard error for regression (b)	Computed 't' value
1	Family type	-0.313*	-0.25	1.54	-0.17
2	Family size	-0.384**	-0.37	0.28	-1.32
3	Family type in parental home	-0.132	-0.44	1.14	-0.39
4	Birth status in parental home	-0.287*	-0.21	0.60	-0.35
5	Present status in in-laws home	-0.443**	-1.40	0.63	-2.20*
6	Earning members	0.019	1.91	1.14	1.68
7	Working hands	0.048	0.32	0.76	0.42
8	Length of experience	-0.221	-0.61	0.67	-0.91
9	Training received	0.277*	1.46	1.15	1.28
10	Time use pattern (hours/day)	-0.021	-0.62	0.97	-0.64

R<sup>2</sup> = 0.38

Intercept = 19.69

F value=2.95\*\*with 10 & 49 DFS

\* Significant at 5% level of probability

\*\* Significant at 1% level of probability

background variables, training received was positively and significantly correlated with entrepreneurial success. *Shailja et al. (1996)* also found positive and significant relationship between training received and entrepreneurial behaviour. The variables like family type in parental home, earning members, working hands, working hands and time use pattern did not show significant relationship with entrepreneurial success. It clearly indicated that these variables did not have any impact on entrepreneurial behaviour.

The regression coefficients between entrepreneurial behaviour of rural woman entrepreneurs with their family background attributes was also presented in Table 3. The analysis of Table 3 indicated that all the ten independent variables taken together explained 38 per cent of the variation for entrepreneurial behaviour. The 'F' value 2.95 was significant at one per cent level of probability. The result implied that all the ten variables accounted for significant amount of variation for entrepreneurial behaviour.

Further, it was observed that 't' test of significance expressed in coefficient at 5 per cent level of probability for present status in in-laws home. On the contrary, coefficient of regression 'b' values were not significant for family type, family size, family type in parental home, birth status in parental home, family members, working hands, length of experience, training received and time use pattern. The result of the analysis indicated that present status in in-laws' home was the most important predictor in entrepreneurial behaviour.

*Constraints experienced by rural woman entrepreneurs in implementation of their enterprise:* Constraints experienced in the implementation of their enterprise as perceived and prioritized by rural woman entrepreneurs are presented in Table 4. The results revealed that dual responsibility was ranked first among of rural woman entrepreneurs (96.66%). Lack of resources was ranked second. Poor family support was next in order of importance. Lack of awareness (78.33%) was ranked fourth followed by late payment by clients (75%), mobility constraints (70%), marketing

constraints (65%), non payment by clients (62%), and non availability of funds from institutional sources (53.33). Finally, the non availability of guarantor (41.66%) was ranked last. Similar findings were reported by *Singh (2008)*.

**Table 4: Constraints experienced by rural woman entrepreneurs in the implementation of their enterprise. N=60**

S.No	Constraints	No.	%	Rank
1	Dual responsibility	58	96.66	I
2	Lack of resources	55	91.66	II
3	Poor family support	50	83.00	III
4	Lack of awareness	47	78.33	IV
5	Late payment by clients	45	75.00	V
6	Mobility constraints	42	70.00	VI
7	Marketing constraints	39	65.00	VII
8	Non payment by clients	37	62.00	VIII
9	Non availability of funds from institutional sources	32	53.33	IX
10	Non availability of guarantor	25	41.66	X

## CONCLUSION

The study concluded that majority of the respondents possessed medium level of entrepreneurship. Education, family income, risk willingness of the respondents and training received by them had positive relationship with their entrepreneurial behaviour. The study also concluded that age, family occupation, owing responsibility for failure, family type, family size, birth status in parental home, present status in in-law's home and length of experience had negative relationship with entrepreneurial behaviour. The study further, concluded that dual responsibility, lack of resources, poor family support, late payment by clients, mobility constraints and marketing constraints were the major constraints perceived by majority of the rural woman entrepreneurs.

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