

Original Research Article

<https://doi.org/10.20546/ijcmas.2018.710.020>

Determinants of Women Entrepreneurs' Performance in Haryana, India

Rajni* and S. Mehta

PGT Home Science, India

*Corresponding author

ABSTRACT

Keywords

Entrepreneurs, Women, Enterprise, Entrepreneurial competencies, Performance, Correlation

Article Info

Accepted:
04 September 2018
Available Online:
10 October 2018

Success, performance and growth of a SME are heavily dependent on the competencies of the entrepreneur. Therefore, the purpose of this paper is to report an empirical research into the entrepreneurial competencies which determines the performance of the enterprises owned by women entrepreneurs. This study is hoped to bring new insight to the entrepreneurship literature, academicians and policymakers. The study was carried out in Haryana state with a sample of 75 women entrepreneurs from Hisar, Panipat and Sonapat, purposively. Results indicated that entrepreneurial competencies such as initiative, sees and acts on opportunities, knowing, commitment to work, systematic planning, problem solving, persuasion, monitoring and concern for employees' welfare were significantly correlated with entrepreneurial performance. Entrepreneurial competencies played complementary and supplementary role with growth in investment, sales growth, entrepreneurs' profit, yearly turnover and increase in the number of employees in the enterprise.

Introduction

“A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life.” —Singh, 1992.

An entrepreneur is a person, who organizes, manages, and takes the risk of running a business or enterprise and the caliber required to carry on her business successfully is called her competency. Therefore, the role of an entrepreneur's competency is highly a critical

factor in achieving excellence in performance to ensure a sustainable growth and success of a venture amidst a competitive business environment. There is widespread acknowledgement that the success, performance and growth of a SME is heavily dependent on the competencies of the entrepreneur (Capaldo *et al.*, 2004). Women entrepreneurs are very good at accepting challenges and achieving it, more ambitious, forward looking, self-driven force to reckon, enthusiastic, hardworking, work as motivator for others, help others to take initiative and lead by an example. Compared to earlier days, the literacy rate among the women is increasing, they have become more optimistic, skillful to tackle situation and solve the

problems of enterprise. They are very keen to learn new ideas and try to innovate in the enterprise to survive in highly dominated competition (Lall and Sahai, 2008; Hagargi and Laxman, 2011).

Importance of entrepreneurial competency has been increasing during the past few decades due to the strategic role played by the human factor particularly the entrepreneur of a business enterprise. 56.0 % women believe that they have the skills and knowledge necessary to start businesses. Women are willing to act on the opportunities they see and that they believe they are capable of starting a business (Das, 2014).

By drawing upon the concept of competitiveness and the competency approach, Man *et al.*, (2002) proposed a conceptual model linking the characteristics of small and medium sized enterprises' (SMEs') owner-managers and their firms' performance.

The main aim of the research based on the questionnaire that includes, Does entrepreneurial traits affect women entrepreneurs' performance?

Jalbert (2000) reported that women business owners possess certain specific characteristics that promote their creativity and generate new ideas and ways of doing things. These characteristics include focus, high energy level, personal motivations, self-employed father, social adroitness and interpersonal skills.

Lerner and Almor (2002) found evidence of the link between an entrepreneur's skills, venture performance and growth. Most of the previous studies on the entrepreneurial competencies of female business owners have focused on specific aspects of their competencies or skills, and specifically consider women's competencies relative to

those of their male counterparts. Women may be weaker in skills than men. More specifically, women frequently rate themselves as less competent in financial skills than do men.

According to Man and Lau (2005), entrepreneurial competencies comprise those that are deeply rooted in a person's background (traits, personality, attitudes, social role and self-image) as well as those that can be acquired at work or through training and education (skills, knowledge and experience).

Mitchelmore (2013) described the Female Entrepreneur Competence (FEC) framework, which encompasses four clusters of competencies: personal and relationship competencies; business and management competencies; entrepreneurial competencies and human relations competencies. Further he revealed that if women perceived that they have the capabilities or competencies for entrepreneurship, they were more likely to believe that entrepreneurial opportunities exist. Accordingly, the FEC framework can be used to profile competencies and to help women to understand their strengths and weaknesses in entrepreneurial ventures.

Materials and Methods

The study was carried out in India in 2015. Out of India Haryana state was selected. A list of women entrepreneurs was procured from the DIC (District Industries Centre) office, various banks, HFC (Haryana Finance Corporation) and DRDA (District Rural Development Agencies) through personal visits. According to the list there were 40, 65 and 57 women entrepreneurs in Hisar, Panipat and Sonapat, respectively. But when actually contacted, the researcher could find only 17, 22 and 21 women entrepreneurs in Hisar, Panipat and Sonapat, respectively. Thus, to get

the required number of women entrepreneurs another sampling procedure i.e. snowball method was adopted. A sample of 75 women entrepreneurs, 25 each from Hisar, Panipat and Sonapat were interviewed on the basis of two criteria: Those who have procured loan from banks of ₹ 50,000 or more and are running the enterprise successfully for the last two years (minimum) and those who have not gone for any loaning facility yet are running their unit successfully from the last two or more years. Entrepreneurial competencies were calculated by using the scale of McClelland, EDI, Ahmedabad (McClelland 2011). Firstly, to determine the correlation of entrepreneurial performance with entrepreneurial competencies of women entrepreneurs, Spearman correlation-coefficient ('r' values) were worked out; then the technique of multiple regression analysis was employed to determine the contribution of all significant competencies to entrepreneurial performance. The data were collected through well-structured pre-tested interview schedule personally by the investigator and analyzed with the help of SPSS software.

Results and Discussion

Profile variables of the women entrepreneurs

Results pertaining to the demographic and socio-economic profile of the respondents indicated that more than half of the respondents belonged to 38-50 years of age, were married (89.3%), educated up to high school (30.7%), had nuclear family system (78.7%), medium family size (46.7%), high level of family education (57.3%), mostly engaged in business (53.3%), belonged to general caste (58.6%), hailing from urban areas (66.7%), earn between 1.5 lacs to 10 lacs annually (85.3%), were not a member of any social organization (64.0%) and had 7-12 years' experience of running an enterprise (32.0%).

As for the psychological and communication variables, 42.7% of the respondents had low level of risk orientation, 48.0% had high achievement motivation, 52.0% had high job satisfaction and 44.0% showed medium level of change proneness. 77.3% of the respondents took decision jointly with their family members related to home and enterprise and found to be in medium and high level of information source utilization and mass media exposure category respectively.

Rank wise possession of entrepreneurial competencies

Regarding entrepreneurial competencies of respondents, results in Table 1 indicated that majority of the respondents were found to be highly concerned for quality of work (I rank) systematic planners (II rank), possessed problem solving ability (III rank), committed to work (IV rank) and persistent (V rank). Least observed entrepreneurial competencies were: efficiency orientation (XIII rank), initiativeness (XII rank), persuasion and use of influence strategies (XI rank each). According to Learner and Almor (2002) women may be weaker in skills than man. More specifically, women frequently rate themselves as less competent in financial skills than do men. It means as compare to earlier days women entrepreneurs have become more skillful to tackle the situation and solve the problems of the enterprise. They strive hard to get the information related to the enterprise until success is achieved. Reason for least observed competencies may be due to their being less experienced in the competitive business, so called man's world where women often find their way blocked by discriminations. Similar competencies *i.e.* decision making, commitment to work, identifying and solving problems were most important competencies whereas innovating thinking and sees and acts on opportunities were least important competencies reported by Man and Lau

(2005); Izquierdo (2005) and Hagargi and Laxman (2011).

Correlation coefficient between entrepreneurial performance and competencies of women entrepreneurs

To determine the relationship between parameters of entrepreneurial performance like growth in investment, sales growth, profit, yearly turnover, growth in number of employee and increase in the salary of employees with entrepreneurial competencies namely, initiative, sees and acts on opportunities, persistent, knowing, concern for high quality of work, commitment to work contact, efficiency orientation, systematic planning, problem solving, self-confidence, assertiveness, persuasion, use of influence strategies, monitoring and concern for employee welfare, correlation-coefficient ('Spearman's; 'r' values) were worked out.

The results in Table 2 revealed that entrepreneurial competencies like, initiative and knowing were found to be positively and statistically significant when related with profit and turnover; sees and acts on opportunities with sales growth; commitment to work contact with profit of the enterprise; systematic planning and persuasion with growth in investment, yearly turnover and increase in salary of employees; persuasion with profit; monitoring and concern for employee welfare with growth in investment.

Problem solving competency was found to be negative but statistically significant when related with increase in the salary of the employees. Thus, it may be confirmed that growth of an enterprise run by women is highly dependent on the entrepreneurial skills and competencies of the women entrepreneurs. Entrepreneurial competencies

help the entrepreneurs to cope with the challenges that she had to face in the market. These findings are in line with the results reported by Capaldo *et al.*, (2004) and Brickmann (2008) who reported that the success, performance and growth of an enterprise is heavily dependent on the competencies of the entrepreneurs.

Multiple regression analysis of growth in investment with significant independent profile variables

The technique of multiple regression analysis was employed to determine the contribution of all significant independent variables to entrepreneurial performance (each of the six parameters of dependent variables separately).

When the multiple regression co-efficient (R^2) was estimated on the data (Table 3), it was found that 36.9 % variation in the growth of investment in the enterprise of the respondents were explained by the set of nine independent variables.

These variables were caste, social participation, risk orientation, intra family decision making and mass media exposure (profile variables); systematic planning, persuasion, monitoring and concern for employee welfare (entrepreneurial competencies).

The F value shows that this was significant at 5 per cent level ($F=10.106$).

Out of these variables, five variables namely caste and mass media exposure (profile variables); systematic planning, persuasion and monitoring (entrepreneurial competencies) were mainly responsible for variation in the growth of investment in the enterprise.

Table.1 Rank wise possession of entrepreneurial competencies by women entrepreneurs

N=75

Entrepreneurial competencies	Hisar		Panipat		Sonepat		Total	
	Mean score	Rank	Mean score	Rank	Mean score	Rank	Mean score	Rank
Concern for high quality of work	2.16	II	2.60	II	2.80	I	2.52	I
Systematic planning	2.28	I	2.76	I	2.16	V	2.40	II
Problem solving	1.96	V	2.44	III	2.36	IV	2.25	III
Commitment to work contact	1.92	VI	2.36	IV	2.44	II	2.24	IV
Persistence	1.68	IX	2.08	VI	2.36	IV	2.04	V
Sees and acts on opportunities	1.88	VII	2.36	IV	1.84	VII	2.03	VI
Knowing	2.08	III	1.52	XII	2.40	III	2.00	VII
Assertiveness	2.00	IV	2.24	V	1.68	VIII	1.97	VIII
Self confidence	1.96	V	1.92	IX	1.92	VI	1.93	IX
Concern for employee welfare	1.56	X	1.52	XII	2.00	VI	1.69	X
Persuasion	1.36	XIII	2.00	VII	1.60	IX	1.65	XI
Use of influence strategies	1.76	VIII	1.96	VIII	1.24	XII	1.65	XI
Initiative	1.44	XII	1.92	IX	1.56	X	1.64	XII
Efficiency orientation	1.52	XI	1.80	X	1.44	XI	1.59	XIII
Monitoring	1.44	XII	1.76	XI	1.56	X	1.59	XIII

Source: study of 75 women entrepreneurs from Haryana in 2015

Table.2 Correlation coefficient between entrepreneurial performance and competencies of women entrepreneurs

N=75

Sr. No.	Entrepreneurial competencies	Parameters of entrepreneurial performance					
		Growth in investment	Sales growth	Profit	Yearly turnover	Growth in no. of Employee	Increase in salary of employees
1	Initiative	.080	.053	.267*	.275*	.062	-.007
2	Sees and acts on opportunities	.194	.278*	.003	-.150	.024	-.026
3	Persistent	.156	-.036	-.084	.044	.088	-.003
4	Knowing	.105	-.151	.278*	.435**	.157	-.023
5	Concern for high quality of work	.059	-.011	-.127	-.065	-.086	-.180
6	Commitment to work contact	-.106	.002	.106*	-.070	-.145	.078
7	Efficiency orientation	.104	-.088	-.066	-.019	.014	-.048
8	Systematic planning	.226*	.062	-.105	.240*	-.055	.292*
9	Problem solving	.080	.125	-.187	-.089	-.005	-.239*
10	Self confidence	.131	-.091	.195	.138	.099	.171
11	Assertiveness	.140	.092	.105	.017	.054	.020
12	Persuasion	.314*	.016	.232*	.274*	-.187	.237*
13	Use of influence strategies	.103	.147	.037	-.068	.163	.027
14	Monitoring	.346**	-.078	.130	.135	.200	-.029
15	Concern for employee welfare	.262*	-.161	.058	.153	-.081	-.013

*Correlation is statistically significant at the 0.05 level

** Correlation is statistically significant at the 0.01 level

Source: study of 75 women entrepreneurs from Haryana in 2015

Table.3 Multiple regression analysis of growth in investment with significant independent profile variables

N=75

Sr. No.	Independent variables	'b' value (Un standardized betas)	't' value	R2	F value
1	Profile variables			.369	10.106*
	a) Caste	2.167*	3.467		
	b) Social participation	.086	.887		
	c) Risk orientation	.054	.560		
	d) Intra family decision making	.006	.060		
	e) Mass media exposure	3.052*	2.617		
2	Entrepreneurial competencies				
	a) Systematic planning	1.756*	2.334		
	b) Persuasion	8.585*	2.329		
	c) Monitoring	.167*	2.786		
	d) Concern for employee welfare	.024	.236		

*Significant at 5 per cent level of significance

t (tab) 2.887 at 73 d.f.

F (tab) 2.79 at 9, 65 d.f

Source: study of 75 women entrepreneurs from Haryana in 2015

Table.4 Multiple regression analysis of entrepreneurs' sales growth with significant independent variables

N=75

Sr. No.	Independent variables	'b' value (Un standardized betas)	't' value	R2	F value
1	Profile variables			.502	8.906*
	a) Age	.215	1.936		
	b) Experience of running enterprise	6.370	3.265		
	c) Change proneness	8.375*	3.683		
	d) Intra family decision making	.193	1.832		
	e) Mass media exposure	1.044*	2.888		
2	Entrepreneurial competencies				
	a) Sees and acts on opportunities	3.076*	2.898		

*Significant at 5 per cent level of significance

t (tab) 2.887 at 73 d.f.

F (tab) 3.47 at 6, 68 d.f

Source: study of 75 women entrepreneurs from Haryana in 2015

Table.5 Multiple regression analysis of entrepreneurs' profit with significant independent variables

					N=75
Sr. No.	Independent variables	'b' value (Un standardized betas)	't' value	R2	F value
1	Profile variables			.449	9.087*
	a) Education	.106	.784		
	b) Family education	.687*	4.191		
	c) Family occupation	.224*	2.971		
	d) Caste	.037	.328		
	e) Marital status	-.078	-.825		
	f) Nativity	.018	.145		
	g) Experience of running enterprise	1.439*	2.000		
	h) Social participation	.132	1.432		
	i) Change proneness	.848*	2.978		
	j) Job satisfaction	.081	.850		
k) Mass media exposer	.009	.996			
2	Entrepreneurial competencies				
	a) Initiative	.082	.882		
	b) Knowing	1.281*	2.987		
	c) Commitment to work	.143	1.536		
	d) Persuasion	.069	.736		

*Significant at 5 per cent level of significance

t (tab) 2.887 at 73 d.f.

F (tab) 2.18 at 15, 59 d.f

Source: study of 75 women entrepreneurs from Haryana in 2015

Table.6 Multiple regression analysis of yearly turnover with significant independent variables

					N=75
Sr. No.	Independent variables	'b' value (Un standardized betas)	't' value	R2	F value
1	Profile variables			.832	115.736*
	a) Age	.061	1.263		
	b) Education	.033	.624		
	c) Family education	.003	.055		
	d) Caste	.062	1.292		
	e) Marital status	-.050	-.985		
	f) Nativity	.046	.849		
	g) Annul income	2.450*	18.994		
	h) Social participation	1.788*	2.957		
i) Change proneness	.652	2.010			
2	Entrepreneurial competencies				
	a) Initiative	2.024	1.537		
	b) Knowing	4.822*	3.635		
	c) Systematic planning	0.624	0.400		
	d) Persuasion	2.919	1.978		

*Significant at 5 per cent level of significance

t (tab) 2.887 at 73 d.f.

F (tab) 2.30 at 13, 61 d.f

Source: study of 75 women entrepreneurs from Haryana in 2015

Table.7 Multiple regression analysis of increase in salary of employee’s with significant independent variables

N=75

Sr. No.	Independent variables	‘b’ value (Un standardized betas)	‘t’ value	R2	F value
1	Profile variables			.264	6.196*
	a) Age	-.021*	-2.361		
2	Entrepreneurial competencies	.258*	3.704		
	a) Systematic planning	-.145*	-2.257		
	b) Problem solving	.063	.537		
	c) Persuasion				

*Significant at 5 per cent level of significance

t (tab) 2.887 at 73 d.f.

F (tab) 5.68 at 4, 70 d.f

Source: study of 75 women entrepreneurs from Haryana in 2015

Thus, it may be concluded that socio-personal and economic variables and entrepreneurial competencies played complementary and supplementary role with growth in investment.

Multiple regression analysis of sales growth with significant independent variables

Multiple regression analysis presented in Table 4 indicated that six significant profile variables and entrepreneurial competencies viz., age, experience of running the enterprise, change proneness, intra family decision making and mass media exposure (profile variables) and sees and acts on opportunities (entrepreneurial competencies) taken explained to the extent of 50.2 % variation in the sales growth of the entrepreneurs.

The corresponding ‘F’ value (8.906) was found to be significant at 5 per cent level of significance. The ‘t’ value indicated that change proneness and mass media exposure (profile variables) and sees and acts on opportunities (entrepreneurial competencies) had significant effect on sales growth of the enterprise. Thus, results lead to confirm that the sales growth of the enterprise increased significantly with the increase in change proneness, mass media exposure and ability of sees and acts on opportunity of the respondents.

Multiple regression analysis of entrepreneurs’ profit with significant independent variables

A perusal of data in the Table 5 revealed that the significant profile variables and entrepreneurial competencies viz., education, family education, family occupation, caste, marital status, nativity, experience of running an enterprise, social participation, change proneness, job satisfaction, mass media exposure, initiative, knowing, commitment to work and persuasion together contributed to the extent of 44.9 % variation in the profit of the enterprise of the respondents

The variables which contributed significantly to the profit of the enterprise were: family education, family occupation, experience of running an enterprise, change proneness and knowing. This means that if women entrepreneurs who are highly educated, more changed prone, had plenty of experience to run an enterprise and with higher family educational background will surely get more profit from the enterprise. The results somewhat supported by Tubey (2013) who reported that the emerging model had $R^2 = 19.5$ meaning the five explanatory variables contributed 19.5% change in a unit change in the profit.

Multiple regression analysis of yearly turnover with significant independent variables

The multiple regression analysis presented in Table 6 highlighted that significant independent variables like age, education, family education, caste, marital status, nativity, annual income, social participation and change proneness (profile variables); initiative, knowing, systematic planning and persuasion (entrepreneurial competencies) of the respondents explained 83.2 % variation in the yearly turnover of the enterprise.

Out of these variables, annual income and social participation (profile variables) and knowing (entrepreneurial competencies) were mainly responsible for improving yearly turnover of the enterprise. It leads to inferred that yearly turnover of the enterprise increased significantly with the increase in annual income, social participation and knowledge about the various aspects of the enterprise

Multiple regression analysis of increase in salary of employee's with significant independent variables

Multiple regression analysis presented in Table 7 highlighted that the four significant profile variables and entrepreneurial competencies *i.e.* age and systematic planning, problem solving and persuasion explained to the extent of 26.4 % variation in respect to increase in the salary of employee. The corresponding 'F' value (6.196) was found to be significant at 5 per cent level of significant. The 't' value indicated that age, systematic planning and problem solving had significant effect on increase in salary of employees. It can be confirmed that systematic planning can result in increase in the salary of employees' employed in an enterprise in positive direction.

It is concluded from the findings that entrepreneurial competencies affects the performance of the entrepreneurs. It is a crucial factor which played complementary and supplementary role to the performance of the

enterprise. Women entrepreneurs were found to be highly concerned for quality of work, systematic planners and had problem solving ability, still than they are not taking initiative and not found efficiency oriented.

They could not take initiative because being an entrepreneur their work burden and responsibilities has increased, they have to take care of small children and society also had non - favorable attitude towards women owned business. They have less experienced in the competitive business, so called man's world where women often find their way blocked by discriminations.

Entrepreneurial competencies such as initiative, sees and acts on opportunities, knowing, commitment to work, systematic planning, problem solving, persuasion, monitoring and concern for employees' welfare were significantly correlated with entrepreneurial performance.

Training should be organized for women so that they improve their competencies and have a good growth in their enterprise.

It is also suggested that although the concept of entrepreneurial competencies is used widely by government agencies and others in their drive for economic development and business success, the core concept of entrepreneurial competencies, its measurement and its relationship to entrepreneurial performance and business success is in need of further rigorous research and development in practice.

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How to cite this article:

Rajni and Mehta, S. 2018. Determinants of Women Entrepreneurs' Performance in Haryana, India. *Int.J.Curr.Microbiol.App.Sci*. 7(10): 193-202. doi: <https://doi.org/10.20546/ijcmas.2018.710.020>