



Vol. 2, No. 3; Jul – Sep (2022)

Quing: International Journal of Commerce and Management

Available at <https://quingpublications.com/journals/ijcm>



A Study on Extrinsic Factors Affecting Rural Women Entrepreneurs

Dr. B. Chinna Muthu*

Assistant Professor, Department of Commerce (Aided Stream), Madras Christian College (Autonomous), Chennai, TN, IND.

ARTICLE INFO	ABSTRACT
<p>Received: 05-07-2022 Received in revised form: 02-08-2022 Accepted: 04-08-2022 Available online: 30-09-2022</p> <hr/> <p>Keywords: Extrinsic Factors; Investment; Marketing Factor; Rural Women Entrepreneurs; Technology.</p> <p>JEL Codes: J16, L26, P25.</p>	<p>The present research work aims to identify the extrinsic factors affecting female entrepreneurs from rural areas. Further, the impact of business profile of women entrepreneurs living in rural areas on the extrinsic factors were assessed with suitable statistical tools and techniques. This research paper is executed with a scientific and systematic methodology by including primary and secondary nature of data. The primary source of data for this research work was collected from 200 women who are involved in entrepreneurship with the aid of a well-structured interview schedule. Judgement sampling method was used in the rural limits of Kancheepuram district in the state of Tamil Nadu. The secondary data of the research constitutes books, journal articles and web sources. The result of the study shows that there is a relationship exist among the extrinsic factors affecting rural women entrepreneurs. The outcome of the study helps the government, policy makers and non-governmental organisations to help the rural women entrepreneurs to eliminate the problems underlying with the chosen extrinsic factors.</p>
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1.0 INTRODUCTION

An entrepreneur is a person who commences and manages a business or an entrepreneurial activity. This person assumes both the risks and the rewards yielded from this type of a venture. An entrepreneur is not an employee for another person or an organisation. Innovation, sourcing new ideas, manufacturing goods, providing a service, selling a product, or operating a business or procedures may be one or more activities of an entrepreneur. Entrepreneurship can be explained in the following words: “a capacity and a willingness to develop, organise and manage a business venture along with any of its risks in order to make a profit”. A woman entrepreneur is a female who owns, establishes, and directs any enterprise, to be more specific a business activity. The Government of India provides the following definition for a woman entrepreneur: “an enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at

* Corresponding author's e-mail: chinnamuthu@mcc.edu.in (Dr. B. Chinna Muthu)

least 51 per cent of the employment generated in the enterprise to women". The process of women entrepreneurship includes the varied factors such as production, undertaking of risks, facing issues and challenges, provision for employment for other men and women and systemising a business organisation independently.

In a country like India, culture, religion, and other social practices influences the roles and responsibilities of a women, especially from rural areas. The patriarchal system practiced in Indian society prevents women from commencing entrepreneurial activities out of their social system. Women are encouraged to participate in agriculture, farming, cattle rearing etc. if their families are involved in these businesses. However, women starting a new type of entrepreneurial activity is culturally prohibited. At present, we can witness this pattern is slowly changing due to continuous efforts taken by the government and non-governmental organisations at varied capacities. Despite several intrinsic factors affecting rural women entrepreneurs, the extrinsic factors do have a vital role in the progress and advancement of the women involved in business activities.

In this study, the researcher has found six extrinsic factors which affect rural women entrepreneurs namely investment factor, marketing factor, technology factor, management factor, legal factor, and political factor. This research work objects itself to identify the impact created by the business profile of the rural women entrepreneurs towards these selective extrinsic factors. The outcome of this research study will help influential stakeholders in creating a conducive environment for women from the rural geography of India to get rid of the extrinsic factors which affects them from performing entrepreneurial activities. This journal article is produced as part of a Minor Research Project entitled "Problems and Prospects of Rural Women Entrepreneurs in Tamil Nadu – An Empirical Study" with the funding provided by the Indian Council of Social Science Research (ICSSR), New Delhi, India.

1.1 Review of Literature

[Hossain et al., \(2018\)](#) have explained the social, cultural, economic elements which have a vivid influence on the women's entrepreneurial activities in Bangladesh. However, the study has also confirmed that the technological and religious factor doesn't have any impact on women entrepreneurship. [Parvin \(2018\)](#) have stressed that woman entrepreneurship leads to alleviation of poverty in rural areas and empowerment of women. The authors have recommended that the establishment of credit guarantee scheme for women entrepreneurs will facilitate their business growth. [Şen et al., \(2018\)](#) have determined that the aspiration of women and intention to become an entrepreneur is chiefly dominated by perceived behavioural control factor. The outcomes of their study have motivated the authors to develop recommendations for the government and policy makers which would help women to become entrepreneurs and result in the development of the economy. [Shams and Nasri \(2018\)](#) have studied the facilitating factors of female entrepreneurship in Kabul city. The study found that the motivational and economic factors have a strong impact on the growth of entrepreneurship. The researchers have also suggested that the government should protect and promote the female entrepreneurs with suitable policies and programmes.

[Guled and Kaplan \(2018\)](#) have stated that the contribution of women towards entrepreneurship is comparatively less to men due to various factors. The research work has examined the factors affecting women entrepreneurship and revealed that the government support and market factor have a significant impact towards women entrepreneurship in Somalia. [Mulat \(2017\)](#) found that the high cost of technology, lack of skills and inadequate credit facilities are the major factors which affect the women entrepreneurship and their business performance in Ethiopia.

Rani and Hashim (2017) have examined the factors influencing the success of women entrepreneurship. The study has revealed that the self-confidence and risk-taking attitude of the entrepreneur contribute positively for their business performance. Nyoni (2017) has recommended that the government should provide enough financial support, education, and training for the development of women entrepreneurs in Zimbabwe.

1.2 Research Objectives

- 1) To analyse the business profile of women from rural areas involved in business activities.
- 2) To investigate the extrinsic factors which impact the rural women entrepreneurs.
- 3) To suggest measures to tackle the issues faced by the women entrepreneurs from the rural topography.

1.3 Hypothesis Considered for this Research Work

- H_{01} – There is no significant interrelationship among the extrinsic factors affecting rural women entrepreneurs.
- H_{02} – There is no significant difference among the extrinsic factors affecting rural women entrepreneurs.

2.0 RESEARCH METHODOLOGY

The present research work is empirical in nature and includes both primary and secondary data. In order to study the extrinsic factors affecting rural women entrepreneurs, the researcher has constructed a well-structured interview schedule and procured responses from 200 women entrepreneurs spread across the rural geographical limits covering eight taluks of Kancheepuram district in the state of Tamil Nadu. The primary data of the study was collected using judgment sampling method whereas secondary data constitutes books, journals, conference proceedings, web sources etc. The interview schedule is comprised of objective questions related to the business profile of the respondents and the extrinsic factors were assessed through the list of variables under the 5-point Likert's scale which ranges from the component of strongly agree (5) to strongly disagree (1).

2.1 Limitations of the Research Study

- This research work was conducted in the rural topography of the Kancheepuram district of Tamil Nadu. Hence, the findings of the study may be limited to certain geographical stereotypes.
- The judgment sampling method has been utilised to harvest the primary data. And the sample size of this research work are 200 respondents which may limit the findings of the study.

3.0 DATA ANALYSIS AND INTERPRETATION

The primary source of data has been gathered from 200 female entrepreneurs from the rural areas and were analysed using the Analysis of Moments Structure (AMOS) software (Version 20.0) and the Statistical Package for Social Science Research (SPSS) software (Version 20.0). In order to explore the extrinsic factors affecting rural women entrepreneurs, statistical techniques viz. simple percentage analysis, multiple linear regression analysis, bi-variate correlation and confirmatory

factor analysis were done using suitable statistical tools. The Cronbach Alpha test value 0.802 confirms the reliability of data to an extend of 80.2%. The data analysis and interpretation related to the primary data is presented as follows:

3.1 Business Profile of the Rural Women Entrepreneurs

The business profile of the women entrepreneurs from rural areas was examined with the help of variables namely Status of the Business Registration, Status of Business Ownership, Type of the Business, Age of the Business (In Years), Source of Capital and Number of Workers in the Enterprise. The researcher has used simple percentage analysis to present the business-related profile of the study's respondents as follows:

Table 1 – Business Profile of the Rural Women Entrepreneurs

Business Profile	Variables	No. of Respondents (N=200)	Percent
Status of the Business Registration	Registered	131	65.5
	Unregistered	69	34.5
Status of Business Ownership	Sole Proprietorship	168	84.0
	Partnership	15	7.5
	Family Business	17	8.5
Type of the Business	Manufacturing	10	5.0
	Trading	41	20.5
	Servicing	73	36.5
	Wholesale/Retail	76	38.0
Age of the Business (In Years)	Up to 2 Years	83	41.5
	3 - 4 Years	52	26.0
	5 - 6 Years	27	13.5
	6 - 8 Years	9	4.5
	9 - 10 Years	14	7.0
	More than 10 Years	15	7.5
Source of Capital	Personal Source	156	78.0
	Institutional Source	13	6.5
	Non-Institutional Source	31	15.5
Number of Workers in the Enterprise	No Worker	28	14.0
	1 Worker	33	16.5
	2 Workers	46	23.0
	3 Workers	41	20.5
	More than 3 Workers	52	26.0

Source: *Primary Data*

The values in table 1 show that high number of respondents constituting to 65.5% have registered their business activity whereas 34.5% of the respondents have not registered their

business. The table further reveals that majority of the entrepreneurs constituting 84% are sole proprietors followed by 8.5% are handling a family business and 7.5% are engaged with partnership firms. In regard to type of business, 38.0% of the sample deals with wholesale/retail business, 36.5% of the sample deals with servicing, 20.5% of the sample deals with trading and only 5% of the sample deals with manufacturing business. It is also inferred that 41.5% of the rural women entrepreneurs runs a business aged up to 2 years, 26.0% of the sample manages a business aged between 3 and 4 years, 13.5% of the respondents' business are 5 to 6 years old, 7.5% of the entrepreneurs administer a business aged more than 10 years, 7.0% of the respondents hold business aged between 9 to 10 years and only 4.5% of the entrepreneurs runs business aged between 6 to 8 years.

The table explored that 78.0% of the sample have had a personal source for their capital, 15.5% of the sample have had a non-institutional source of capital and only 6.5% of the sample have had an institutional source of capital for their businesses. The simple percentage analysis revealed the number of workers employed in the business. It is found that 26.0% of the enterprises employed more than 3 workers whereas 23.0% of the enterprises employed 2 workers. 20.0% of the enterprises employed 3 workers, 16.5% of the enterprises employed 1 worker only and 14.0% of the enterprises have not employed any worker. The rural women entrepreneurs who have registered their business, holding a status as a sole proprietor engaged with wholesale/retail business aged up to 2 years possessing a personal source of capital and have employed more than 3 workers in the enterprise dominate the sample.

3.2 Interrelationship among the Extrinsic Factors Affecting Rural Women Entrepreneurs

From the below correlation table, it is inferred that the extrinsic factors viz. investment factor, technology factor, legal factor, marketing factor, management factor and political factor are significantly intercorrelated with each other at five percent level of significance. However, the level of correlation is moderate.

Table 2 – Bi-variate Correlation among the Extrinsic Factors Affecting Rural Women Entrepreneurs

Correlations								
Extrinsic Factors of Rural Women Entrepreneurs	Mean	N	1	2	3	4	5	6
Investment Factor	3.593	200	1					
Marketing Factor	3.676	200	.588**	1				
Technology Factor	3.508	200	.246**	.349**	1			
Management Factor	3.613	200	.402**	.512**	.261**	1		
Legal Factor	3.658	200	.550**	.584**	.417**	.473**	1	
Political Factor	3.818	200	.403**	.367**	.391**	.193**	.405**	1
**. Correlation is significant at the 0.01 level (2-tailed).								

Source: Computed Data

- H_{01} – There is no significant interrelationship among the extrinsic factors affecting rural women entrepreneurs.

The results of the bivariate correlation analysis revealed that there is a significant interrelationship among the extrinsic factors affecting rural women entrepreneurs. Hence, the null hypothesis is rejected at five percent level of significance.

3.3 Confirmatory Factor Analysis on the Extrinsic Factors Affecting Rural Women Entrepreneurs

The confirmatory factor analysis was done using AMOS software to assess whether there exist significant differences among the extrinsic factors namely investment factor, technology factor, legal factor, marketing factor, management factor and political factor.

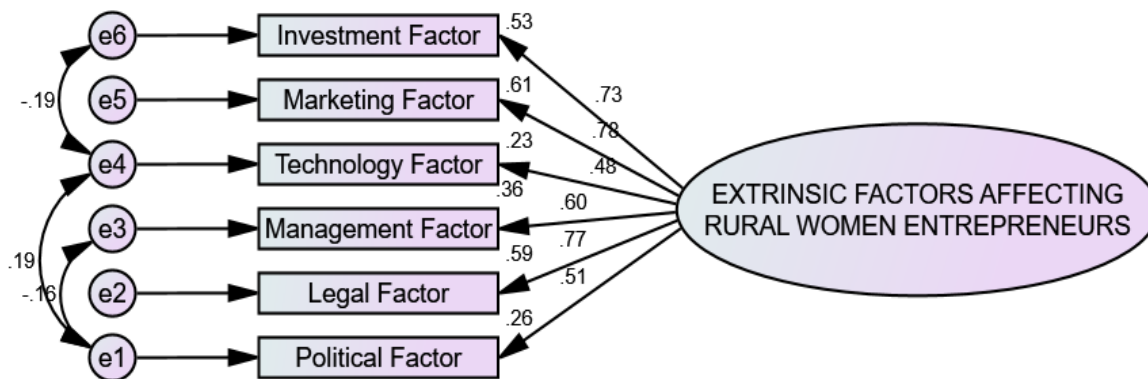


Figure 1 – Extrinsic Factors Affecting Rural Women Entrepreneurs

Source: Computed Data

Table 3 – Model Fit Summary of Confirmatory Factor Analysis on Extrinsic Factors Affecting Rural Women Entrepreneurs

Model Fit Indices	Value
χ^2	6.253
p-Value	0.395
χ^2/DF	1.042
Goodness of Fit Index (GFI)	0.990
Adjusted Goodness of Fit Index (AGFI)	0.964
Normed Fit Index (NFI)	0.983
Comparative Fit Index (CFI)	0.999
Root Mean Square Error of Approximation (RMSEA)	0.015

Source: Computed Data

- H_{02} – There is no significant difference among the extrinsic factors affecting rural women entrepreneurs.

The model fit summary of the confirmatory factor analysis viz. Chi-square value (6.253), P – value (0.395), Chi-square/Degrees of Freedom (1.042), Goodness of Fit Index (0.990), Adjusted Goodness of Fit Index (0.964), Normed Fit Index (0.983), Comparative Fit Index (0.999) and Root Mean Square Error of Approximation (0.015) revealed a good fit and it proved that there exist significant differences among the extrinsic factors. Hence, the null hypothesis is rejected at five percent level of significance.

4.0 RESEARCH FINDINGS

The rural women entrepreneurs who have registered their business, holding a status as a sole proprietor engaged with wholesale/retail business aged up to 2 years possessing a personal source

of capital and employed more than 3 workers in the enterprise dominate the sample. The analysis further ensured that the investment, marketing, technology, management, legal and political factors have a strong interrelationship, and it significantly constitutes the extrinsic factors of rural women entrepreneurship. The data analysis has revealed that the extrinsic factors viz. investment factor, technology factor, legal factor, marketing factor, management factor and political factor affecting rural women entrepreneurs are significantly different from each other.

5.0 SUGGESTIONS

The findings of the study clearly indicate that the extrinsic factors affecting rural women entrepreneurs are quite significant. However, the entrepreneurs should upgrade their business profile to reduce the impact of such affecting factors. By registering the business enterprise, choosing a suitable and trending business and procuring capital from institutional sources may help the rural women entrepreneurs to manage their entrepreneurial activities effectively. The government should choose the vibrant rural women entrepreneurs and provide them with a suitable capital resource which will ensure a healthy business investment and development. Suitable and customised training programmes can help the rural women entrepreneurs to handle marketing and technical problems effectively. Management training, knowledge on legal affairs related to business activity and awareness on political environment and its impact on entrepreneurial activity should be essentially provided to rural women entrepreneurs to efficiently manage their business operations and promptly deal with the business barriers.

6.0 CONCLUSION

The findings and outcomes of the study has provided a better picture on the influence of business profile on the selective extrinsic factors affecting the activities of women entrepreneurs living in rural settings. The identification, tapping and channelising of the hidden potentials of these entrepreneurs will positively contribute towards the progress of the country.

The establishment, the influential stake holders, the policy formulators need to forecast the results of entrepreneurial activities of women, especially from rural areas, with a vision and should take appropriate measures which will help them to overcome all the intrinsic and extrinsic problems. The scope of women entrepreneurship is wide, and the future researchers can study about the factors affecting rural women entrepreneurs individually and also identify its role and impact with varied attributes of women entrepreneurship.

7.0 ACKNOWLEDGEMENT

I hereby acknowledge that this article is a requirement of a Minor Research work titled "Problems and Prospects of Rural Women Entrepreneurs in Tamil Nadu – An Empirical Study" which is entirely funded by the Indian Council of Social Science Research (ICSSR), New Delhi, India.

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