

ROLE OF WOMEN ENTREPRENEURSHIP IN PROMOTING WOMEN EMPOWERMENT

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Abstract— The current study aims at exploring the effect of entrepreneurial skills of women in promoting women empowerment. A total of 169 women entrepreneurs were surveyed from small and medium enterprises (SMEs) located in north-west India, i.e., Gujarat. The statistical tools, like confirmatory factor analysis (CFA) and structural equation modelling (SEM) were applied for data analysis. Result reveals that women entrepreneurship positively and significantly leads to women empowerment in emerging economies like India. The study is confined to examining only women empowerment as a consequence of women entrepreneurship.

Keywords— Women Entrepreneurship and Women Empowerment.

1. INTRODUCTION

Since, the on-set of human civilization women have been forced to depend on male members for their very survival. They have never been treated at par with men till recent centuries. Gradually, with the improvement in living standard and female literacy rate, women started reducing their reliance on male members for living by selling surplus home grown grains and vegetables for earning money. With the growth of trading class in the society during past centuries, women started learning basic business skills and acquired formal entrepreneurship knowledge to start-up their own business venture. With the intent of sharing financial burden of family most women started becoming entrepreneur by compulsion, however a good number of women choose to start their business venture as a profession and means to secure empowerment in the society. Owing to growth of industrialisation and commercialisation in economy, society has witnessed remarkable changes in approach towards women's ability to run business profitably. Ease in acquiring requisite resources and improving female literacy rate have led to speedy growth of entrepreneurship among women across the globe. Entrepreneurship is seen as a profitable career avenue by modern educated women, moreover today's generation women consider entrepreneurship as a way to gain access to power and status in the society.

In developing economies like India, women have been found to be positively engaged in collaborative entrepreneurship as a way to gain financial and psychological empowerment (Datta & Gailey, 2012). The earnings generated by carrying out business ventures enables women to raise their bargaining power in family, freedom to take personal decision and undertake personal actions to bring about significant changes in their life (Datta & Gailey, 2012), which as a result help them feel psychologically empowered. Conventionally men had been treated as more entrepreneurial oriented vis-a-

vis women across the world (Minniti, Arenius & Langowitz, 2005), but study conducted by Bosma and Harding (2006) found entrepreneurial orientation tend to be higher among women in developing economies as compared to developed countries. Adequate research studies have not been observed to be carried out on studying entrepreneurial orientation among women in developing economies. Thus, the current study attempts to fill the gap found in studying women entrepreneurship in emerging economies like India. The study extends its contribution to the existing literature by exploring the role of women entrepreneurship in accelerating women empowerment in the society.

II. LITERATURE REVIEW AND HYPOTHESIS FORMULATION

2.1 Women Entrepreneurship and Empowerment

The topic of women empowerment is one of the intense debated current issues in social and political arena. Even behavioural scientists have touched upon this issue in recent decades. Corsun and Enz (1999) defined empowerment as the intrinsic motivational process of a person's experience of feeling empowered. Empowerment is always associated with delegating power to exercise personal discretion on one's own conduct at work place. There is a unanimous opinion that empowerment is a process (Kabeer, 2005) rather than a purpose (Akhter & Ward, 2009). Existing literature on the empowerment is mostly concerned with women (Elson, 1999; Wieringa, 1994), which relates to the process and entity where women are significant contributor and change agent (Mehra, 1997). Indeed, "unless the intervening processes involve women as agents of that change rather than merely as its recipients, the overall process would not be considered or defined as empowerment" (Malhotra, 2002, p. 7). Entrepreneurship is defined as motivational approach of self-efficacy (Conger & Kanungo, 1988). This motivational approach drives women entrepreneurs to

secure empowerment. Thomas and Velthouse (1990) explained empowerment as increased intrinsic drive expressed through a set of four expressions in one's perception of his/her work, i.e., meaning, competence, self-determination and impact. They emphasised that empowerment can be expressed in various form and it is difficult to explain its essence by single concept. Empowerment is concerned with boosting individual's power to take decisions inspite of implied constraints (Kabeer, 1999). Entrepreneurship extends abundant scope to women entrepreneurs for optimum utilisation of their hidden psychological and personal abilities to secure personal ambitions. This freedom in exercising abilities enables them to feel psychologically empowered.

Entrepreneurial drive among women entrepreneurs prompts them to secure psychological freedom which consequently makes them feel empowered. Datta and Gailey (2012) reported that women are actively involved in collective entrepreneurial activities to secure financial and personal empowerment in developing economies. As a result of entering entrepreneurship women entrepreneurs have witnessed good business, social and personal life (Ufuk & Ozgen, 2001). Moreover, the researchers like Abbasian and Bildt (2009) emphasised that entrepreneurship is a result oriented profession to secure empowerment among modern educated women. Starting business enterprise helps women to feel psychologically and economically independent which subsequently help them feel empowered. On the basis of above argument, we design our hypothesis:

Hypothesis: Women entrepreneurship leads to women empowerment.

III. RESEARCH METHODOLOGY

3.1. Sample design and data collection

For hypothesis testing the present study gathered data from 169 registered SMEs owned by women entrepreneurs in the Ahmedabad city of Gujarat. The contacted SMEs were from chemical, dyes, hosiery and textile. We choose Ahmedabad because the population of women is more as compared to other districts of Gujarat, as per Census 2011, Government of India, Gujarat state. For collecting requisite data a well-structured questionnaire based on five-point Likert scale was framed.

3.2. Measures

To assess entrepreneurial orientation of women entrepreneurs in Ahmedabad three dimensions of entrepreneurial orientation were adopted, i.e., innovativeness, proactiveness and risk taking, which are further measured by nine items, three each for innovativeness, proactiveness and risk-taking, generated from Covin and Slevin (1989). Whereas, degree of empowerment among women entrepreneurs

was measured by three dimensions, viz., competence (Jones, 1986), self-determination (Hackman & Oldham, 1980) and impact (Ashforth, 1989), which consist of three items each.

IV. RESULTS AND ANALYSIS

4.1. Confirmatory Factor Analysis (CFA)

For confirming fitness, reliability and validity of latent construct CFA was employed. Chi-square statistics was less than recommended 5.0 level and GFI, AGFI, NFI, TLI and CFI values of all measured models exceeded the recommended value of .90 (Inman, Lair & Green, 2009; Hoe, 2008). For ensuring internal consistency of the data composite reliability test was conducted and the value of composite reliability of the latent constructs exceeded .90. Alternative way of testing reliability is through composite reliability and in the present study; the value of composite reliability of all the latent constructs is above .90, which indicate internal consistency of the data. The construct-wise composite reliability is shown in **Table 1**. Further, validity of the scale has been established through construct validity, which includes convergent validity (Lim & Ployhart, 2006) and discriminant validity (Fornell & Larcker, 1981). Convergent validity has been confirmed through factor loading and average variance extracted and in the present study, convergent validity gets established as majority of factor loadings and average variance extracted are above .50 (**Table 2**). Discriminant validity analysis is estimated to examine the degree to which a construct is distinct from other constructs (Hair, Black, Babin, Anderson & Tatham, 2009). **Table 3** shows that each explained variance estimate on the diagonal is greater than the corresponding inter-factor squared correlation estimates below the diagonal (Malhotra, 2007). Thus, discriminant validity gets established, thereby implying that major constructs are unique. (Insert Table 1, 2 and 3 about here)

4.2. Structural Equation Modelling (SEM)

The study tested hypothesis by using SEM. The SEM results reveal that women entrepreneurship promoted women empowerment in emerging economy like India ($\beta=.536$, $p=.000$). Thus, women empowerment is the resultant outcomes of women entrepreneurship. Hence, leading to the acceptance of hypothesis. **Figure 1** represents the hypothesis results. (Insert Figure 1 about here)

CONCLUSION

The main purpose of the study is to find out the effectiveness of women entrepreneurship in promoting women empowerment in emerging economies. The result depicts that women entrepreneurship has a crucial role in accelerating women empowerment i.e., women entrepreneurship

leads to women empowerment. This result falls in line with existing studies like Datta and Gailey (2012). Autonomy and flexible working hours help them perform their work with ease which consequently creates sense of inner feeling of empowerment among women entrepreneur as they feel mentally empowered to give practical shape to their business idea into a profitable business venture. Moreover, strong entrepreneurial drive enables them to outperform in their career, which gets reflected in the performance of their firm. Good performance of their firms in terms of revenue earning and innovation motivates them to compete in today's market environment and make them feel empowered to undertake any activities.

VI. MANAGERIAL IMPLICATIONS

This study contributes to the existing field of literature by studying how women entrepreneurship helps women to develop sense of empowerment. The result of the present study has certain implications which require urgent attention of government, academicians, concerned policy makers and society at large. This finding will go a long way in helping government agencies to formulate suitable policies for encouraging and promoting entrepreneurship skills among women in India. Women coming from business family in Gujarat receive easy social acknowledgement but first generation women entrepreneurs encounter many hurdles to start-up and run their independent business. Therefore, social acceptance needs to be accorded to young women entrepreneurs for their encouragement. Financial institutions and friends are hesitant to extend financial support to aspiring women entrepreneur. Government agencies and financial institutions need to change their perception about the ability of aspiring women entrepreneur. Time has come to give equal consideration irrespective of any gender discrimination while providing loans by financial institutions. To further accelerate the growth of women entrepreneurship interest subsidy scheme needs to be launched by centre and state government to convince young women entrepreneurs to avail loan facilities from financial institutions. Easy access to financial resources and prompt social acknowledgement help women to embark upon their chosen career path which eventually make them confident and empowered.

VII. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The present study has certain limitations, which need to be addressed by future research. Firstly, study is confined to women empowerment only as the outcome of women entrepreneurship but there may be other constructs as outcomes like financial performance and life satisfaction of women

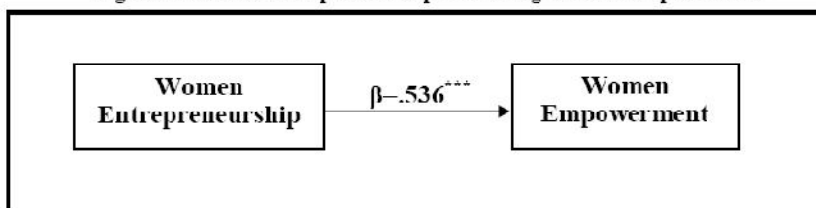
entrepreneurs. Thus, future research needs to incorporate these limitations for further refinement of existing literature. Secondly, the study collected data from Ahmedabad in Gujarat, where business friendly social environment inspires prospective women entrepreneurs to choose entrepreneurship as their career but the generalisability of our results need to be examined in other environmental context.

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Figure 1: Women Entrepreneurship Promoting Women Empowerment



CMIN/df= 1.821/1; $\chi^2 = 1.821$; GFI= .983; AGFI= .972; NFI= .954; TLI= .940; CFI= .972; RMSEA=.032 and RMR= .017.

Table 1: Reliability and Validity of Latent Constructs

S. No.	Constructs	Average Variance Extracted	Composite Reliability	Cronbach's Alpha
1.	Women Entrepreneurship	0.992	.991	.790
2.	Women Empowerment	0.992	.993	.736

Table 2: Descriptive Statistics of Measurement Models

Construct	Mean	S.D	SRW	t-Value	AVE	CR	α -Value
1. WOMEN ENTREPRENEURSHIP					0.992	0.991	0.790
(a) Innovativeness							
Focus on tried product	4.30	.464	0.659	3.892			
Launched new product line	4.25	.439	0.856	4.539			
Radical changes in product line	4.05	.677	0.776	-			
(b) Risk-taking							
High risk appetite	4.50	.506	0.830	5.216			
Goal oriented	4.48	.506	0.761	4.901			
Aggressive exploitation of opportunities	4.40	.591	0.839	-			
(c) Proactiveness							
Imitativensness in action	4.53	.506	0.930	2.239			
Initiative oriented	4.53	.506	0.858	2.291			
New product and technology introducer	4.30	.564	0.372	-			
2. WOMEN EMPOWERMENT					0.992	0.993	0.736
(a) Competence							
Self Confidence	4.25	.494	0.503	--			
Self Assurance	4.10	.841	0.909	4.176			
Mastery Over Work	4.08	.859	0.952	4.212			
(b) Self-determination							
Self Autonomous	4.48	.506	0.795	5.832			
Decision Making Capability	4.45	.552	0.864	6.319			
Work Freedom	4.50	.555	0.878	--			
(c) Impact							
Self Impact on Work	4.35	.770	0.957	--			
Control Over Firm	4.35	.736	0.904	8.352			
Influence Over Firm's Routine	4.20	.723	0.503	3.681			

Note: S.D= Standard Deviation; SRW= Standard Regression Weight; AVE= Average Variance Extracted; CR= Composite Reliability.

Table 3: Discriminant Validity of Latent Constructs

AVE	Women Entrepreneurship	Women Empowerment
Women Entrepreneurship	(0.992)	
Women Empowerment	.2471	(0.992)

Note: Average Variance Extracted (AVE) on the diagonal and squared multiple correlation between constructs below the diagonal.