

# Decision Making Behaviour of Women Entrepreneurs

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## ABSTRACT

In the present scenario, women are trying their level best to attain the quality of opportunity in various ways, which are different over the times and among society. They have steadily moved from the status of housewives to educated women, employed women and now women entrepreneurs. The dimension of decision-making is based on the individual thoughts. They may vary logically or creatively, based on situation. The business entrepreneurial decision-making approach focuses on the styles that women entrepreneurs choose the best among alternatives. These styles reflect a number of psychological dimensions. Hence, at this juncture, the women entrepreneurial action in the decision-making process gives different decision-making styles which improve the value of their enterprise. This decision-making style creates the women as a potential entrepreneurial leader. The decision-making process in business is crucial as it affects long term performance and sustainability. The purpose of the present study was to analyze the factors of entrepreneurial decision-making approach which influence the women entrepreneurs towards their entrepreneurial decision-making styles. To achieve the purpose of the study, 60 registered women entrepreneurs in Micro Small and Medium Enterprise (MSME) were identified in Coimbatore District of Tamil Nadu. Series of questions were asked through well structured interview schedule. More than half of the respondents received medium (60.00%) to high (31.67%) level of family support, more than three fourth (83.33%) of the respondents possessed medium level of self-confidence, 70.00 per cent of respondents possessed medium level of competition orientation and more than half (51.67 %) of the respondents had medium level of information sharing behaviour. Majority (60.00%) of the respondents reported to be consulting with spouse and elders for decision-making. The study exposed the results that female entrepreneurs are not exposed in various business related activities hence they take risk in their business for investment decisions, they are somewhat conservative. Hence if they spend quality time and get better training about the different of different investment, schemes and loans, they will also take risks in investment activities.

## HIGHLIGHTS

- Dependent Decision Making.

**Keywords:** Women, entrepreneurs, Decision Making, Dependent, Spouse, family support

In India, concept of women entrepreneurship is of recent origin. Women have become aware about their rights and entered in different fields of business. According to government of India, "An enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise

to women". McClelland identified two characteristics of entrepreneurship firstly "doing things in a new

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and better way” and secondly “decision-making under uncertainty”. Entrepreneurial decisions was operationally defined as the decisions taken up by women entrepreneurs regarding enterprise either individually or in cooperation with the husband/head of the family or exclusively by the husband/head of the family.

Being almost half of India’s population women entrepreneurship is very important (Khokhar and Singh, 2016). New talent pool of women entrepreneurs is forming today, as more women opt to leave corporate world to chart their own destinies. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation.

Female entrepreneurs relies on a high self-concept regarding their role in business, commitment to business and reduction of a conflict between home responsibilities and business (Zhouqiaoqin *et al.* 2013). Women entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life.

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 will also uplift her social status in the society. Educated women take good investment decisions that impact their firm performance (Robinson, Blockson, and Robinson, 2007). The women were empowering themselves technically to cope with the changing times and productively using their free time and existing skills for setting and sustaining enterprises. They were engaged in starting individual or collective income generation activities. This will not only generate income for them but also improve the decision-making capabilities that led to overall empowerment.

The decision-making of women plays a pivotal role in both family and social life hence the decision-making behaviour of women entrepreneurs was studied. Women are often pull down to take independent decisions

including starting a business (Salahuddin *et al.* 2021). In order to assess the decision-making status of women entrepreneurs, various factors, such as power to take manpower recruitment and selection decisions, power to take marketing and selling decisions and power to take major financial decisions of business enterprise, buy equipments .choose type of inputs, try new practice in the enterprise, attend meeting/ seminars, subscribe to enterprise related publications, to increase or decrease the size of the enterprise, to start a new enterprise and for joining partners was assessed.

## Methodology

The study was conducted in Coimbatore district of Tamil Nadu during the year 2019. Out of the 35 districts in Tamil Nadu, Coimbatore district has been selected purposively for the study because it is the second most industrialized district in the state, also known as the “Manchester of South India” for its development in the industry and Coimbatore District is, one among the industrially developed and commercially vibrant districts of Tamil Nadu and it has got a high concentration of Small Scale, Medium and Large-scale industries. The respondents were selected from three types sectors such as Agriculture, service and manufacturing. Registered women entrepreneurs from three units namely, MSME (Micro, Small and Medium Enterprises) Coimbatore, Non-Government Organisation named WOBEDA (Women Business Enterprise Development Association, Coimbatore, Non-Government Organisation named Ramasamy Chinnammal Trust, Coimbatore were selected for the study. A sample size of 60 respondents was selected for the study. The information to study the objective was collected by using the well structured interview schedule. By using the cumulative frequency, the decision-making behaviour of entrepreneurs was classified into low, medium, high. The decision-making behaviour of entrepreneurs like expanding business, investing more, joining partners, diversifying products, production and marketing plan were measured on a three point continuum namely high, medium and low levels. A scoring pattern of 3, 2, and 1 were assigned for high, medium, and low respectively. Based on the total score, the respondents were classified into

three categories as low, medium and high based on cumulative frequency method. Percentage analysis was used for making simple comparison for calculating percentages for different items regarding the decision-making behaviour of entrepreneurs.

## Findings and Discussion

The profile Characteristics of respondents of the women entrepreneurs were studied to explore the motivational factors influencing the entrepreneurship behaviour. Once this is studied knowledge on the psychological factors influencing the entrepreneurship behaviour will be known, this facilitates the extension personnel and policy makers to reinforce the psychological basis of the women entrepreneurs and in turn facilitate them to move forward in the economic development.

**Table 1:** Profile Characteristics of Respondents (n=60)

Sl. No.	Category	Number of respondents	Percentage
<b>I</b>	<b>Family support</b>		
	Low	5	8.33
	Medium	36	60.00
	High	19	31.67
<b>II</b>	<b>Competition Orientation</b>		
	Low	4	6.67
	Medium	42	70.00
	High	14	23.33
<b>III</b>	<b>Self-confidence</b>		
	Low	6	10.00
	Medium	50	83.33
	High	4	6.67
<b>IV</b>	<b>Information sharing behavior</b>		
	Low	13	21.67
	Medium	31	51.67
	High	16	26.67
<b>V</b>	<b>Training</b>		
	Low	4	6.67
	Medium	47	78.33
	High	9	15.00

Majority (68.00 %) of the respondents belong to the middle age category (35-45 years). Middle aged women might have showed more keenness, their rich knowledge and awareness towards entrepreneurship

to earn their living and to move forward might be the probable reason for the result. This finding is in line with the findings of Thilagam (2012).

Table 1, states that more than half of the respondents received medium (60.00%) to high (31.67%) level of family support. The probable reason might be that the majority of the married respondents received good support from their husbands and family members in running their enterprise viz., Investment, Enterprise Management and Marketing. Rehman & Muhammad Azam (2012) observed that work- and life balance issues can result in positive outcomes, like a growth in entrepreneurial sectors when they follow flexible schedules

Table 1, elucidates that the women entrepreneurs possessed 70.00 per cent of competition orientation which is a positive sign to move forward to achieve their business goals with will power. Three fourth of the respondents had medium level of competition orientation so this might have instigated the respondents to take risk in running the business.

Table 1, clearly states that more than three fourth (83.33%) of the respondents had medium level of self-confidence, this might be because of the inner urge to move forward with good planning, production and marketing activities to withstand the heavy competition and moreover to meet out their family needs as majority of the family belonged to nuclear family. Sathyapriya (2016) found that the diversified respondents had medium (85.00 %) to high level (15.00 %) of market perception

From Table 1, it can be observed that more than half (51.67 %) of the respondents had medium level of information sharing behaviour and 26.67 per cent and 21.67 per cent had high and low level of information sharing behaviour respectively, this might be because the respondents might be willing to share the information with persons only whom they believe. Considering the number of trainings attended more than three fourth (78.33 %) of the respondents had medium level of training the reason might be because majority of the respondents are married and they have to shoulder many responsibilities and if they move out the entire routine will have to be change with many alternatives.

Robita and Nandita (2011) explained that the 152 (47.5%) trained women entrepreneurs received guidance from training institutions and majority 175 (54.7%) of untrained women entrepreneurs received guidance from their parents for starting their enterprises.

Decision-making is pivotal to any activity. The extent to which a woman is able to take independent decision is a measure of her strong empowerment. Shabana (2012) found that Women Entrepreneurs are not only nominal owners of their business, but do have a complete decision-making authority, in its execution and operations. Balogun *et al.* (2017) & Mondal *et al.* 2013, suggested that good management skills with high confidence can easily compete in decision-making in the market and get success in her venture. They do take the assistance of experts in important and complicated matters but otherwise it is their leadership and decision-making ability which helps them in running their business successfully.

The distribution of the respondents according to decision-making behaviour is given in the Table 2.

**Table 2:** Distribution of respondents according to their decision-making behaviour (n=60)

Sl. No.	Category	Number	Percentage
1	Low	10	16.70
2	Medium	36	60.00
3	High	14	23.33
<b>Total</b>		<b>60</b>	<b>100.00</b>

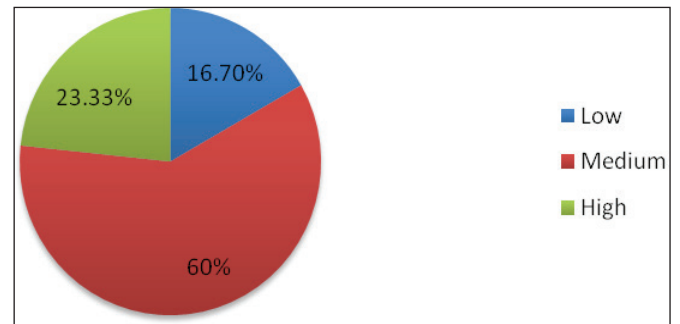
**Table 3:** Component wise distribution of respondents according to the decision-making behaviour (n=60) \*

Sl. No.	Behavioural Category	Number	Percentage
1	Self without consulting others	8	13.33
2	Consulting with Spouse/ elders	40	66.70
3	Consulting all the family members	7	11.70
4	Help others in taking decisions	5	8.33
5	No participation	0	0

\*Multiple responses.

It could be observed from Table 2 that majority of

the respondents (60.00%) possessed medium level of decision-making ability followed by high (23.33%) and low (16.70) levels. The results showed that less than three-fourth of respondents had medium to high level of decision-making ability which influenced to run the business successfully. decision-making behaviour of the entrepreneur was represented in fig. 1.



**Fig. 1:** Distribution of women entrepreneurs based on decision-making behaviour

It could be seen from Table 3 that majority (66.70%) of the respondents reported to be consulting with spouse and elders for decision-making. Less than one fifth (13.33%) of the respondents possessed self decision-making pattern followed by 11.70 per cent and 8.33 per cent of the respondents in the categories of consulting all the family members and help others in taking decisions respectively. The women entrepreneurs always took decision by their own or by consulting with others but did not remain ideal without taking part in decision-making hence no participation was observed to be null.

The entrepreneurs could take crucial decisions like expanding business, investment, joining partners, diversifying products in consultation with spouse. The production and marketing plan of the enterprise was outlined by discussing with team members and partners. They could make their own decision at the time of urgency. The nature of “we feeling” existing among the members which makes them to help others in decision-making. Lack of resources and societal inhibitions made them dependent on their spouses, thus limiting their capacity to make independent decisions. The women entrepreneurs who start an enterprise for their survival had greater discretion in terms of decision-making and depended a lot on their spouse compared with those



who started enterprises to exploit an opportunity and whose basic needs were comfortably met by the spouse's income. This finding derives support from the study conducted by Jeba Mary (2012) and Thilagam (2012).

## CONCLUSION

Entrepreneurship development among women helps to enhance their personal capabilities and increase decision-making status in the family and society as a whole. From the study it has been observed that the majority of the women entrepreneurs was dependent on their spouse for decision-making hence women should owe to enhance the participation of the women more in the decision-making process at various phases of implementing entrepreneurial activity. For this the women entrepreneurs need to be equipped with the logistics of running enterprise, rationality, theories of price fixing, collective bargaining, collective responsibility skills etc by attending many trainings, good mass media exposure, wider contact, insight entrepreneurial knowledge about the schemes, marketing channel for better enhancement in decision-making behaviour.

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