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Development of entrepreneurial profile assessment scale for entrepreneurs

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Abstract

A major avenue for the development of rural women is through the establishment of their own enterprise. Entrepreneurship especially in women not only generates good income but also provide flexibility of work hours that is needed for homemaker. In Indian women entrepreneurs, there is a need to assess personnel & entrepreneurial profile in order to increase their enterprise. So, keeping all this in mind an entrepreneurial profile assessment scale was developed which is useful in assessing and analyzing the entrepreneurial profile.

Keywords: Entrepreneur, assessment scale, rural women.

Introduction

Vision of India's independence: That all people have the chance to live healthy and productive lives can be realized to a great extent through economic independence. Among various other ways of developing economically, promotion of entrepreneurship can be one of the reliable and viable options for any country.

When the developed nations like USA, UK and Japan realized the importance of "Spirit of Enterprise" among their people long back, India has made a late entry (Rani, 1996). Today the country is making a planned effort to develop entrepreneurship because it not only provides larger employment but also mobilizes local resources, skills and savings and disperse industries for wider distribution of wealth. This strategy results in the attainment of more balanced regional development and also serves a seed- bed for large industries among both men and women of working age. While the entrepreneurial activities of men in India are satisfactory, the women entrepreneurship is in its toddler stage. The women entrepreneurs in rural India lag still far behind the desired achievements.

Promotion of women entrepreneurship is necessary path to economic stability of women and her family, leads to more spending on education and health, increased decision making power and reduced gender discrimination. Besides there are certain other reasons for spread of women entrepreneurship viz. its close link to social- cultural, religious and psychological variables, the flexible nature of work that combines gainful employment with domestic responsibilities and economic demands specially in middle class women, and the modernization that snatch bread and butter of an increasing number and proportion of women. This attracted the attention of policymakers and planners towards the significance of women's productive activities and their need of income generation.

The first National Conference of Women Entrepreneurs held at New Delhi in November 1981, called for priority to women in the allotment of land, sheds, sanction of power, industrial licensing etc. The second International Conference of Women Entrepreneurs held in 1989 at New Delhi also made certain declarations viz. all National Governments should promote women's involvement in social and economic development programmes, provide necessary infrastructural support, training and marketing facilities, and enact legislation to remove constraints in their way, arrange for transfer of relevant technology and financial assistance (Desai, 2005).

Since then, for last 20 years, the process of developing women entrepreneurial culture in India has been initiated at varying rates in different parts of the country. The entrepreneurial activity at any time is dependent upon a complex and varying combination of socio- economic, psychological and other factors. The various environmental factors exercise a strong influence on the personality or personal back ground of the entrepreneurs. Therefore, any attempt to understand the entrepreneurial spirit among people should include an examination of the socio- economic origins of the entrepreneurs. The process of

interaction and adaptation between the individual and his environment goes on continuously (Gupta and Srinivasan, 2005).

In case of women entrepreneurs specially in rural areas, many problems emerge with their buffer effects like shortage of efficient arrangements for marketing and sale, shortage of raw materials, stiff competition, high cost of production, low mobility, family responsibilities, social attitudes, low ability to bear risks, lack of education, low need for achievement and many more circumstantial factors.

The women business owner may differ according to location, culture, ethnic background, economic policies and other such influential factors but the challenges for them remain essentially the same. Entrepreneurship does not emerge and grow spontaneously, rather it is dependent on several economic, social, political and psychological factors that vary from individual to individual, place to place, time to time, these environmental factors may have positive or negative influences on the growth of entrepreneurship, where in positive factors influences will promote the growth, the negative factors will work as inhibitors.

Although entrepreneurship has initiated in India but reasons for low initiation rate, slow growth and closure of enterprise are not uncommon. There is a need to analyze the various personality factors of women, various environmental factors and their complex and varying combinations their of an effort is required to develop a measure to assess the various strengths and weaknesses in the personalities of women entrepreneurs besides suggesting a way of concretely studying the opportunities and threats in their environment so, that the women entrepreneurs and their environment can be studied, assessed, analyzed for identifying the motivators and demotivators, supporters and retarders, problems and risks present in the personality in the environment and their interactions.

Attention of government and policy makers has been attracted towards rural women entrepreneurs and therefore some work has been done and policies have been made on promoting rural women for entrepreneurship by giving funds and training. A large number of women are still in need of motivation, training and support for undertaking any economic activity. Qualities of entrepreneurs are most important for implementing, running and managing of enterprise. There is a need to identify qualities of an entrepreneur. The present effort is made to develop the entrepreneurial profile assessment scale for promoting the entrepreneurship.

Methodology

Entrepreneurial profile assessment scale is made for assessing the qualities/ capacities/ profile of rural women related to entrepreneurship. As everybody in this world is blessed with some qualities but there is need to recognize those qualities and use them into some productive use. This scale was meant to serve this purpose of identifying some qualities for establishment and running of small scale enterprise. The study was conducted in rural areas of Udaipur District of Rajasthan. It was conducted in several steps as mentioned in results and discussion with different sample sizes.

Results and Discussion

Entrepreneurial profile assessment scale

In order to analyze the entrepreneurial profile environment of rural women, a scale i.e. entrepreneurial profile assessment scale (EPAS) was developed on the lines of the Likert summated rating scale. The different steps followed to develop the scale were as under:

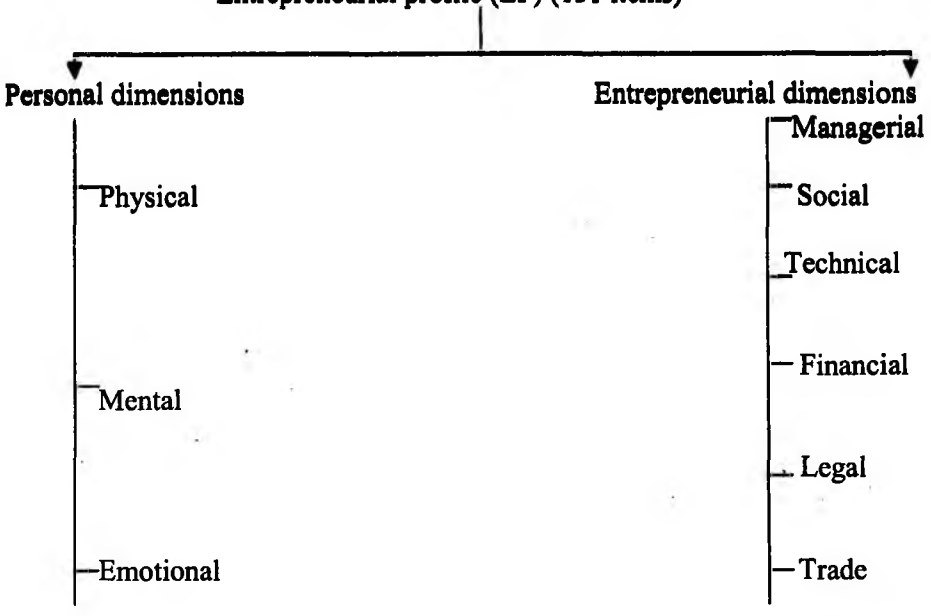
Step I- Generating items

This is the essential first step of scale development process, wherein; the items related to different dimensions of a measurable set of attributes were listed through reference work. The task of generating items for the scale- was done in two stages. Firstly, the items related to profile were collected from literature available in books, journals and various internet sources. This helped in generating an exhaustive list of items for the entrepreneurial profile. There were a total of 130 items for entrepreneurial profile after literature survey.

In the second stage, the list of 130 items of EP was given to a panel of judges in the field. After brainstorming the final list of entrepreneurial profile and environment was given to a panel of 7 experts from the fields of educational institutes, management experts, government machinery (DIC, chamber of commerce, industries) and NGOs to make necessary additions, deletions and modifications in the list. The final list on both entrepreneurial profile was in the following format:

Entrepreneurial profile

This had two major dimensions with sub- dimensions within them given as under:



Thus, personal dimension had 3 sub-dimensions and entrepreneurial dimension had 6 sub- dimensions.

The expert evaluations lead to increase in the number of items in the EP.

In EP there was an increase of 21 items and thus the final list had 151 items. Since, it is desirable to have as large a set of potential items as possible at this stage.

Step II - Rating the items

In this step the items list is given in the field to judge the each item for its extent of acceptability to the prospective users of the scale. For this purpose the following steps were undertaken:

i) Translation of statements in Hindi (the user's language)

ii) Assigning responses to each item to rate them in the following manner:

Strongly disagree	1
Disagree (high)	2
Disagree (low)	3
Agree (low)	4
Agree (high)	5
Strongly agree	6

iii) Selection of hundred women to be the judges to rate the items of both EP

iv) Getting the 151 items on EP rated by the women judges.

Step III - Item analysis and selection of items

In making judgments about which item to retain for the final scale and which item to drop, an item – total correlation was done on the ratings done by 100 women judges. The ratings scores for each judge were totaled and arranged in ascending order. From this, responses of 25% of high scorer judges and 25% of low scorer judges were identified. For each item t-test was done between the mean values for the item for the top and bottom quarter of judges. Higher t-values meant greater distances between the highest and lowest judges, indicating that the item had the capacity of differentiating the respondents. The final selection of items was done on the followed basis:

i) Higher t-values of the item

ii) Researcher' judgment about the item

In this way the EP had 36 items (table 1). In EP there were 9 sub-dimensions and thus, there were 4 items in each sub-dimension. In this way 115 items from EP were removed through item analysis.

The final version of 36 items of EP was administered on a sample of 100 women on a 6-point scale (0 to 5, agreement-disagreement scale)

Table 1. Total number of items retained in both scales

S.N.	Scale	No. of statements	No. of dimensions	Equal no. of statements retained in each dimension
1	EPAS	36	9	Physical (4), mental (4), emotional (4), managerial (4), technical (4), financial (4), legal (4), trade (4).

Step- IV Administering the scales

A separate sample of 100 women that were not part of the actual sample were given the final scale wherein they were asked to give their responses between 0 to 5 on a 6 point, agree – disagree scale. The women were assured that there was no right or wrong answers. The investigator personally went to field and contacted the women to collect information.

Step- V Reliability of scales

After item–analysis the scale was subjected to test of reliability to find out their consistency in providing results after repeated use. The reliability was found by calculating the correlation coefficient of scores of 100 women by:

i) Split – half method: in this method the scale was divided into equal halves by selecting alternative items. A karl-Pearson correlation coefficient was calculated between the two halves of each scale, for both the scales.

ii) Test – retest method: in this method the same scales were administered on previous sample after a lapse of one month period and the karl – Pearson correlation coefficient was calculated between the responses of both the tests for the scales independently.

Table 2. Reliability scores of the scale (EPAS) developed

S.No.	Scales	Method	Reliability
1.	EPAS	Split-half	0.842583
		Test-retest	0.960977

Step- VI Validity of the scales

The tool was validated to ensure their dependability in assessing the entrepreneurial profile of rural women. A number of measures were adopted to establish the content and construct validity viz., creation of items after thorough literature, scanning and brainstorming with panel of experts. The panel was requested to comment on favourability and un favourability of the items to the concept that help in suitability modifying the scale without affecting the meaning of desired aspects to be enquired in the item. Both the tests on EP may be useful in assessing, analyzing the entrepreneurial profile. Besides it may be closely related to the economic and social empowerment of women. Further the criterion related validity of the scale was established by calculating the index of reliability.

Table 3. Validity scores of the scale (EPAS), developed

S.No.	Scale	Method	Validity
1.	EPAS	Split – half	0.917923
		Test –retest	0.980294

The reliability and validity scores calculated by both methods indicate that the scale was highly reliable and valid for the purpose it was developed.

Conclusion

The scale is meant for assessing the profile of entrepreneurs. The level of EPAS of respondents can be assessed by cumulative scores of any single dimension on 0-20 or of the total scale on a 0-120 scale. Weighted score is assigned for each response opted and the scores obtained by individual respondent on 36 items are added.

Table 4. Interpretation of EPAS

Scores			Interpretation
Overall EPAS		EPAS in Individual dimension	
Personal	Entrepreneurial		
0-10	0-20	0-3.33	Very poor
11-20	21-40	3.33-6.66	Poor
21-30	41-60	6.67-10.0	Average
31-40	61-80	10.1-13.33	Good
41-50	81-100	13.34-16.66	Very good
51-60	101-120	16.67-20	Excellent

Entrepreneurial Profile Assessment Scale (EPAS)

Aspects	Strongly agree (5)	Agree (high) (4)	Agree (low) (3)	Disagree (low) (2)	Disagree (high) (1)	Strongly disagree (0)
A. Personal profile						
1.Physical aspect						
(1) I am physically sound						
(2) I have energy to perform						
(3) My eye – sight is low						
(4) I have muskulo- skeletal problems						
2. Mental aspects						
(1) I am not innovative						
(2) I am adaptable						
(3) I am not committed for my work						
(4) I have control over self						
3. Emotional aspects						
(1) I am motivated by achievements						
(2) I can't control my emotions						
(3) I have less self- confidence level						
(4) I have positive attitude towards work						
B. Entrepreneurial profile						
(4) Managerial aspects						
(1) I can solve problems						
(2)I can't take risks						
(3) I have no knowledge about environment						
(4) I can marshal resources						
(5) Social aspects						
(1) I can communicate with all						
(2) I want to improve my status						
(3) I can't accommodate with group members						
(4) I am not socially responsible						
(6) Technical aspects						
(1) I can efficiently handle equipments and machine						
(2) I am not efficient in selecting raw materials						
(3) I can't able to maintain standard quality of products						
(4) I am able to save energy while using machine						
(7) Financial aspects						
(1) I can't able to achieve financial flexibility						
(2) I have no knowledge about rebates in taxing						
(3) I am able to get returns on investment						
(4) I can control my finances effectively						
(8) Legal aspects						
(1) I know about patenting						
(2) I have no knowledge about acquisition of land						
(3) I have no knowledge about various environmental regulations						
(4) I am aware of consumer protection laws						
(9) Trade aspects						
(1) I am able to fix the price of the product/ service						
(2) I can understand contractual terms						
(3) I have no knowledge about market trends						
(4) I can't able to advertise my products						

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Instructions for the administration of tool

Any investigator can use this tool to assess the profile of entrepreneur. The responses are to be taken by marking on any one choice out of six choices (strongly agree, agree (high), agree (low), disagree (low), disagree (high), strongly disagree). The care must be taken by the investigator that no item is left without responding.

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