

Women Entrepreneurial Behaviour and Role of Psychological Capital

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Abstract

This study investigated the influence of psychological capital on women entrepreneurs' innovative behavior. The result indicates that women with high self-efficacy and internal locus of control scored higher on entrepreneurial innovative behavior than women with low self-efficacy and external locus of control. There was also a significant relationship between highly educated women and lowly educated women. Women are encouraged to believe in themselves while their acquisition of higher education will provide impetus for growth and achievement in entrepreneurial innovative activities. Further studies in relation to task specifics are recommended.

Keywords: Innovative Behavior, Self-efficacy, Women Entrepreneurs, Psychological Capital.

INTRODUCTION

The tremendous significance growth of small firms towards the end of 20th

century has robed on women's employment status (Loveman & Sengenberger, 1991; Acs & Audretsch, 1999; Quince & Whittaker, 2003). Initially, women's work has been centered in the home, whereas, these days women are now involved in income generating ventures that contribute economically to the family and community growth. Although, entrepreneurship is perceived as a 'male' domain because its task are often associated with masculine behavior (Dickerson & Taylor, 2000; Verheul, Uhlander & Thurik, 2005). Females are however, now involved in entrepreneurial activities possibly not only as a means for economic survival but also as a means of positive social repercussions for themselves and their social environment (UNIDO, 2001). Thus, according to Lee and Venkataraman (2006), the involvement of females entrepreneurship may have arose from the disequilibrium between their aspirations and the perceived valuation of the labor market offers.

Despite many shortcomings and constraints, contemporary women are setting up their own enterprises, even in countries where economic decisions would normally be taken by the male head of the households. India is a good example of this phenomenon. This is because according to Hoffman (1974), women employment has some effect upon her domestic roles and her personality factors. Although, many of the problems reported for different countries women are common. However faced problems are attributable to socio-cultural factors (Ehigie & Idemudia, 2000; Ehigie & Umoren, 2003; Kitching & Woldie, 2004; World Bank,

1995). This is because some cultures and social traditions play a significant role in determining who becomes an entrepreneur. For instance, women are not expected to be involved in occupations that will take them outside their matrimonial home; rather they are expected to manage the family and 'be submissive to their husbands' (Ehigie & Idemudia, 2000). Nevertheless, women are increasingly expected to work due to completion of educational careers and decline of domestic work as an occupation (Ehigie, 2000). In addition, small-scale businesses are perceived as ventures that require less demand (Babalola, 1998). Possibly, this is why Berger and Byvinie (1989) found that female entrepreneurs are higher in informal sector than male entrepreneurs in India. Although, Kitching and Woldie (2004) opined that female entrepreneurs in India are hindered by a variety of barriers despite having made considerable advances. However, not all women that are involved in entrepreneurial venture turn out to be successful as possibility to make poor decisions regarding the factors relating to little or no innovative behavior abound.

Innovation is the generation of ideas, its acceptance and the implementation of such ideas, which are either novel, or modification of existing processes, products or services (Babalola, 2006). Studies showed that it is one of the most critical capabilities that successful entrepreneurs should possess because it relates to the production or adoption of useful ideas and idea implementation (Kanter, 1988; Van de Ven, 1986) including re-structuring of existing or old products or ideas. Significant

innovations allow companies to establish dominant competitive positions and afford newcomer companies an opportunity to gain an edge in the market (Erdil, Erdil & Keskin, 2004). Researchers were of the view that innovative behaviour is related to the ability to generate ideas and the willingness and skill to work with these ideas (Scott and Bruce, 1994; West and Farr, 1989). To Scott and Bruce (1994), individual innovation begins with problem recognition and the generation of ideas or solutions, either novel or adopted, as such, making entrepreneurial innovation results in creative expression of individuals. Similarly, West and Farr (1989) defined innovative behavior as 'all individual actions directed at the generation, introduction and application of beneficial novelty at any organizational level'.

Some studies on innovation collapsed the suggestion and implementation of ideas into single-measure (Scott & Bruce, 1994) as opposed to those that separate them into two-measures (de Jong & den Hartog, 2003). The use of two-measures is because the factors that influence successful implementation tend to differ from those that influence the initiation of ideas (de Jong & den Hartog, 2003). As the foundation of innovation is ideas, the study of innovative behavior among women entrepreneurs should be of importance as 'there has been scanty attention on innovation at the individual and group levels' (West & Farr, 1989). In addition, since there is little or no systematic empirical research on the level of innovativeness among women entrepreneurs', relying on

generalized conclusion may lead to systemic error regarding the specific nature of women entrepreneurs.

LITERATURE REVIEW

In his theory of expectancy, Vroom (1964) proposed that a person's behavior is motivated by the expectation that her behavior will lead to certain outcomes, together with the values she places on those outcomes. He situated his theory on the notion that behavior is a function of interaction of personality and the environment. Vroom's theory built on the concepts of valence, instrumentality and expectancy. Applying this to women entrepreneurs, it is expected that the level at which women will engage in entrepreneurial innovative behaviour is dependent on how well they desire growth (valence), their perceived probability that their efforts will lead to achievement of their goal (their enterprise growth) and that their innovativeness will have a positive effect on their enterprise. Nevertheless, a study by Cliff (1998) showed that women value personal considerations as more important than economic considerations for business expansion decisions. It can therefore be argued that the different approaches to venture creation and involvement among women entrepreneurs may lead to their enterprise expectancies (Brush, 1992; Cliff, 1998; Orser & Hogarth-Scott, 2003).

To Weiner (1974) ability, effort, task difficulty, and luck are the most important factors affecting attributions for achievement. Attribution is classified along three causal dimensions of locus of control, stability and

controllability. Locus of control is concerned with confidence in being able to control outcomes, which can be either internal or external. It is a personality predisposition, which describes an individual's perception of their ability to change a situation. McNairn and Mitchell (1992) refer it as a set of beliefs about behaviour. A belief in external control means a person believes an event is largely the product of forces beyond her control. A belief in internal control means a person believes an event is dependent upon her behaviour (Craig, Franklin & Andrews, 1984). An individual with strong internally locus of control may tend to believe that she can influence and alter situation through the exercise of her skills and knowledge. Strong internal control tends to bring in self-confident. Hence, women entrepreneur with strong internal control is likely to seek opportunities to improve her enterprise by trying new techniques and technologies that will enhance its growth. The opposite is likely for the strong externally control individuals. Research has however demonstrated strong linkages between locus of control and behaviour in areas as diverse as physical and mental health, intellectual achievement, and entrepreneurship (Lefcourt 1981; Rauch & Frese 2000; Sia, Hungerford & Tomera, 1985; Van Kooten, Schoney & Hayward, 1986). According to Rauch and Frese (2000), business owners have a slightly higher internal locus of control than other populations.

Other personal variable that is being assumed to influence women entrepreneurial innovative behavior is self-efficacy. Self-efficacy has to

do with how competent one feels in what one is doing. It is a person's belief on one's ability to successfully reach an expected goal as a result of one's actions (Bandura, 1997). It is also a motivational construct that has been shown to influence an individual's choice of activities, goal levels, persistence, and performance in a range of contexts (Zhao, Scott & Hills, 2005). Thus, self-efficacy is assumed to have been accumulated through the development of complex cognitive, social, linguistic and/or physical skills that are obtained through experience (Bandura, 1982; Gist, 1987). Studies showed that high self-efficacy is essential to most human performance (Bandura, 1997; Bandura, Pastorelli, Barbaranelli & Caprara, 1999; Sequeira, Mueller & Mcgee, 2007). Thus, without a strong sense of self-efficacy, an individual has little incentive to act or to persevere in the face of difficulties (Bandura, 2002).

Women's socialization experiences have been used by social learning theorist (Hackett & Betz, 1981) to explain women's lack of strong expectations of personal efficacy in relationship to many career related behaviours, thereby limiting the full attainment of their potential. To Bussey and Bandura (1999), a variety of factors may influence gender development (educational practices, occupational systems) while confirming that the differences in women and men are due to socialization practices. Thus, the reliance on the notion that enterprise creation is a male domain may make gender role pressures to influence perceived efficacy. For instance, Kalleberg and Leicht

(1991) hypothesized that women were thought to engage in innovative behaviour less frequently whereas their study revealed that women were as likely to report business innovations as men were. It is possible therefore that with high self-efficacy women entrepreneurs are likely to excel and engage in innovative behaviour. Just as Wood and Bandura (1989) noted, high self-efficacy expectations regarding performance in a specific behavioural setting lead individuals to approach that setting, whereas low self-efficacy expectations lead individuals to avoid such setting. Bandura (1995) and Eden (1992) pointed out that individuals with low self-efficacy think and behave differently than people with high self-efficacy. All these attest the empirical findings (De Noble, Jung & Ehrlich, 1999; Sequeira, et al., 2007; Zhao, Scott & Hills, 2005) which concluded that individuals with high self-efficacy are more likely to engage in observable behaviour such as establishing a strong motivational link between self-confidence in performing entrepreneurial tasks and explicit behaviour regarding an enterprise venture.

HYPOTHESIS

In this study, therefore the following hypotheses will be examined:

- Women entrepreneurs with internal locus of control will score higher on innovative behavior than women entrepreneurs with external locus of control.
- Women entrepreneurs with high self-efficacy will score higher on innovative

behavior than women entrepreneurs with low self-efficacy.

- Women entrepreneurs with high self-efficacy and internal locus of control will significantly score higher on innovative behavior than others in combined categories of locus of control and self-efficacy.
- Highly educated women entrepreneurs will score higher on innovative behavior than lowly educated women entrepreneurs.

LIMITATIONS OF THE STUDY

With most empirical research, our study has a number of limitations:

- Studying individual innovative behavior in a natural work context is a complex and difficult task because the criterion is often difficult to validate, and researcher is often limited to the use of perceptual measures. Perhaps this is why there has been little research done in this area.
- The current study relies on survey data, and thus, it is not as rigorous testing an experiment in a pure laboratory setting.
- This study did not separate the two-stages, which capture innovative behavior (that is, initiation and implementation of ideas). Nevertheless, future studies should separate them into measures reflecting the task specific problems each poses. For a fuller understanding of this phenomenon, in-depth qualitative and quantitative research is required in addition to also

incorporate other kinds of cognitive and behavioral factors that may affect women entrepreneurial innovative behavior.

METHODS

Research Design

The independent variables in this study are age, educational status, self-efficacy and locus of control while the dependent variable is entrepreneurial innovative behavior. All the variables were measured using a questionnaire. The statistical tools used for analysis were t-test for independent measures and 2 by 2 ANOVA.

Participants

Four hundred and five (405) women entrepreneurs with age range 20-60 years and mean age of 38.39 years participated in the study. The women entrepreneurs were systematically selected from the population of women business owners in service cum product sector.

This category comprises of women designers, interior decorators, and producer and decorator of bridal materials, school proprietors and fashion designers. About sixty three percent of the participants (254 {62.72%}) were highly educated (above secondary education-diploma, degree and postgraduate certificates) while lowly educated (primary and secondary certificates) comprised 151 (37.28%).

Instruments

Survey questionnaire was in the data collection for this research. It involved both

nominal and continuous measures. Strong support was achieved for the instruments with reliability alpha levels above the .60 threshold (Nunnally, 1970). The questionnaires contained the demographic variables of age and education, in addition to the measures of psychological capital (locus of control and self-efficacy) and innovative behavior.

Locus of control scale which consisted of 10-item developed by Paulhus (1983) was used for this study. It originally had a mean of 51.8 for male and 52.2 for females with SD of 6 for both females and males. With a 5-point Likert response format ranging from (1) strongly disagree to (5) strongly agree, the scale indicates the higher the score above average, the more internal and the lower the score below average the more the external. The scale had a Cronbach alpha coefficient of .96. For Self-efficacy scale, Schwarzer and Jerusalem's (1993, 2000) 10-item modified measure of self-efficacy regarding entrepreneurial tasks was adopted. This measure of self-efficacy was significantly and moderately related to general self-efficacy. A 5-point Likert scale was used, ranging from 1 (no confidence) to 5 (complete confidence). It has a Cronbach alpha of .89. The individual innovative behavior scale, was originally developed by Scott and Bruce (1994) as a 9-item scale and increased as 12-items, was modified for use in this study. It is a self-rated measure of individual intentional efforts directed towards creativity as well as introducing and applying new ideas within an enterprise role. Finally, a 10-item with a 5-point Likert response format ranging from

1 (never) to 5 (always) was used. It also has a Cronbach alpha of 0.87.

Procedure

Questionnaires were administered to the respondent at their organizational site. Participation was voluntary and confidentiality of responses was assured. The participants had the choice of responding to the questionnaires immediately or later; however, while some filled and returned the questionnaire the same day, others gave appointment for days to come for the questionnaire.

RESULTS

The raw data obtained from the field by questionnaires were subjected to statistical analysis to confirm or discard the stated hypotheses. The detailed result of the statistical analysis is presented according to the stated hypothesis. First, the means, standard deviations, and correlations for all variables are shown in Table 4.1. In the table, locus of control and self-efficacy were significantly correlated with each other and with entrepreneurial innovative behavior.

The first, second and third hypothesis examined the main and interaction effect of the psychological capital (locus of control and self-efficacy) on entrepreneurial innovative behavior. The results in showed the mean values of all the factors as table 4.3 showed the summary results of 2 by 2 ANOVA. The results showed that women with internal locus of control ($M = 72.79$) significantly scored higher on entrepreneurial innovative behavior

than women with external locus of control ($M = 34.58$), $F(1,401) = 403.00$, $p < 0.05$.

Similarly, there was significant mean difference between women with high self-efficacy ($M = 71.3$) and those with low self-efficacy ($M = 48.94$) on entrepreneurial innovative behavior ($F(1,401) = 41.71$, $p < 0.05$). While there was statistically significant two-way interaction effects between locus of control and self-efficacy on innovative behavior among the women entrepreneurs ($F(1,401) = 78.49$, $p < .05$).

The two-way interaction effects between locus of control and self-efficacy on entrepreneurial innovative behavior. Women under the conditions of internal locus of control and low self-efficacy ($M = 75.07$) were the highest scorer on entrepreneurial innovative behavior whereas the score of women under the condition of external locus of control and low self-efficacy ($M = 34.01$) were the lowest on entrepreneurial innovative behavior. It implies therefore that individual differences tend to be more pronounced on internal locus of control in terms of these psychological capitals on entrepreneurial innovative behavior than high self-efficacy dispersion.

There was significant difference between the educational status of lowly educated certificate holders ($M = 36.02$) and the highly educated certificate holders ($M = 71.94$) on entrepreneurial innovative behavior ($t = -40.34$, $p < .000$), indicating that education influences entrepreneurial innovative behavior.

DISCUSSION

In this study, all the tested variables were statistically significant on entrepreneurial innovative behavior among women entrepreneurs. First, the finding from this study provides evidence that there are strong relationship between the psychological capitals of self-efficacy, locus of control and entrepreneurial innovative behavior. Linking this findings to Vroom's (1964) expectancy theory, it implied that the women entrepreneurs could have been influenced by the desire to grow (valence), with the perceived probability that entrepreneur innovative behavior would lead to achievement of enterprise growth (instrumentality) and that innovativeness would have a desired effect on their business venture (expectance).

The findings also clearly showed that being internally controlled influenced entrepreneurial innovative behavior among women entrepreneurs. Thus, confirming previous research that demonstrated strong linkages between locus of control and behavior in areas such as entrepreneurship (Lefcourt, 1981; Rauch & Frese, 2000; Sia et al., 1985; Van Kooten et al., 1986). Probably the findings came out like this because as (Rauch & Frese, 2000) stated business owners have a slightly higher internal locus of control than others. It may be that being internally control makes it possible for the women to engage in entrepreneurial activities and may have subsequent empower them to be innovative.

For according to Gist (1989), individuals with a strong internal locus of control tend to

see opportunities to improve their skill base and have the confidence to try new techniques and technologies. It can be presumed therefore that being internally controlled might have contributed towards women's high score entrepreneurial innovative behavior. Thus, it means that internal locus of control could be a significant when considering innovativeness among women entrepreneurs.

The findings of hypothesis, which sought to find difference in the level of self-efficacy, revealed that high self-efficacy is a significant factor on women entrepreneurial innovative behavior. Hence, it confirms the studies such of Bandura (1997), Bandura et al. (1999) and Sequeira et al. (2007) that high self-efficacy is essential to most human performance. It also led credence to Wood and Bandura (1989) assertion that high self-efficacy expectations regarding performance in a specific behavioral setting lead individuals to approach a situation such as entrepreneurial innovativeness. The significant effect of interaction between locus of control and self-efficacy suggests a further confirmation of previous research, which indicated that individuals with strong internal locus of control tend to be self-confident and will tend to exhibit high self-efficacy or mastery (Bandura, 1997; Pearlin & Schooler, 1978).

Other findings from this study showed that education is one of the significant factors that lead to entrepreneurial innovative behavior. A possible explanation for this finding is that higher educational attainment (Bussey & Bandura, 1999) could have played a significant

influence on women entrepreneurs' social learning. Thus making them to overcome what Hackett and Betz (1981), called the limiting factors to full attainment of one's potentials.

CONCLUSION

Considering the result of the study, it could be construed that internal locus of control is the most significant factor in entrepreneurial innovative behavior. In addition the study also highlighted the significant roles of possession of higher education and high self-efficacy among women entrepreneurs. These attributes might have propelled the women's belief in their ability to make things work and try out new styles and strategies on their enterprises without fear of failure.

It is expected that this study will further help policy makers and women entrepreneurial training programs to stimulate ability, which are intrinsic in individuals for the exhibition of entrepreneurial innovative behavior.

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