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Entrepreneurial behavior of rural women in Muzaffarpur district of Bihar

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Abstract

Entrepreneurship plays a pivotal role in driving the economic growth of any nation, and the advancement of women in entrepreneurship is an indispensable component of this process. A study was undertaken in the Muzaffarpur district of Bihar during the period of 2020-2021 to assess the personal and socio-economic backgrounds as well as the entrepreneurial behavior of rural women engaged in business ventures. The study surveyed 120 respondents and gathered primary data through semi-structured interviews. Entrepreneurial behavior was examined across three dimensions: production efficiency, managerial acumen, and market knowledge. Results revealed that a majority of rural women entrepreneurs (65%) exhibited a moderate level of entrepreneurial behavior, with smaller percentages displaying high (18.3%) or low (16.7%) levels. The analysis also indicated that rural women entrepreneurs typically had moderate levels of extension contacts, exposure to mass media, participation in organizations, aspirations, and value orientation. Furthermore, a positive and significant correlation was observed between personal and socio-economic characteristics such as land holding size, annual income, extension contacts, mass media exposure, and level of aspiration with entrepreneurial behavior among rural women.

Keywords: Entrepreneurship, entrepreneurial behaviour, production efficiency, managerial ability, market knowledge

Introduction

Women's entrepreneurship is vital for economic growth, offering women opportunities for self-reliance, financial success, and leveraging technological advancements to bridge gender gaps in business. Women's growing economic role in India is driven by industrialization, urbanization, and changing societal attitudes, shifting from traditional roles to successful entrepreneurship, contributing to the nation's progress.

In India, there are 149.8 million women in the workforce, with 61.5 million in rural areas and 28.0 million in urban areas (NSSO, 2017) ^[10]. Their work participation rate is 25.51%, with 20.50% in the organized sector and 32.14 lakh women employed in other sectors. Entrepreneurial behaviour, as determined by one's activities, contributes to profit-oriented enterprise adoption. Rural women's entrepreneurship development fosters personal growth and decision-making influence within their families and society. Rural women possess the capability to establish and manage enterprises with minimal financial input, bolstered by support and motivation. Women's entrepreneurship, which emerged in India in the late 1970s, has evolved from urban to rural and semi-urban areas, enabling women to generate income and sustain their families. A "women entrepreneur" in India pertains to women involved in industrial activities, such as manufacturing, assembling, and servicing, with the government recognizing two key criteria: 51% ownership and 51% employment participation by women. Women entrepreneurship is officially defined as an enterprise with women holding a minimum 51% financial interest and

generating at least 51% of the employment opportunities for women.

In India, approximately 11% of entrepreneurs are women (Singh, 2014) ^[17], accounting for 8.05 million out of 58.5 million entrepreneurs, with 79% self-financed. India ranked 3rd globally in new firm creation (1.24 lakh in 2018) and saw a 12.2% growth rate from 2014 to 2018, with the most preferred sectors being tailoring (27%), dairy (19%), and others in animal husbandry (14%) among women (NSSO PLFS 2017-18) ^[10].

Bihar exhibits stark gender disparities in labour force participation, with only 4.4% of women compared to 71% of men. Women's Worker Population Ratio is exceptionally low at 4.3%, while regular employment is 27.8% and 63.1% in rural and urban areas, respectively.

(All India report Economic census, 2014). Among the 1,53,610 women entrepreneurs in Bihar, only 5% received government support. This necessitates exploring the profile and entrepreneurial behaviour of women in the state, especially the rural women who are deemed more disadvantaged than their urban counterparts. Keeping in view above point an effort has been made to study the entrepreneurial behavior of rural women in the Muzaffarpur district of Bihar with the following objectives:

1. To study the personal and socio-economic profile of rural women entrepreneurs.
2. To understand the entrepreneurial behavior of rural women entrepreneurs.
3. To find the relationship between dimensions of entrepreneurial behavior and personal and socio-

economic characteristics of rural women.

- To identify the entrepreneurial constraints faced by rural women.

Methodology

The research was conducted in the Muzaffarpur district of Bihar within the timeframe of 2020-2021, utilizing a structured schedule to gather primary data. Employing a descriptive research design, the study selected Muzaffarpur district purposively due to its diverse array of entrepreneurial activities. Out of the sixteen blocks within the district, Saraiya and Marwan were specifically chosen for their proximity to the Saraiya KVK S, where comprehensive training and advisory services are available, facilitating ease of access for participants.

Five villages were then selected using simple random sampling, totalling 120 respondents. With the study's scope and objectives in mind, entrepreneurial behavior was

designated as the dependent variable, with sixteen independent variables selected based on a review of literature and expert consultations. These independent variables encompassed factors such as age, education, marital status, family size, occupation, landholding size, annual income, farming experience, family labor force, training received, extension contacts, mass media participation, organizational participation, level of aspiration, and value orientation.

To assess entrepreneurial behavior, a scale developed by Anitha (2004) ^[1] was adopted with modifications, focusing on three dimensions: production efficiency (13 items), managerial ability (15 items), and market knowledge (9 items).

Result and Discussion

1. Personal and socio-economic profile of rural women entrepreneurs

Table 1: Socio-economic profile of women entrepreneurs

N=120

Sl. No.	Variables	Categories	Frequency	Percentage
1.	Age (years)	25-44	84	70.00
		45-64	36	30.00
2.	Education	Illiterate	34	28.30
		Primary	53	44.20
		Middle School	15	12.50
		High School	7	5.80
		Graduation	11	9.20
3.	Family size	3-6	68	56.70
		7-10	47	39.20
		11 and above	5	4.10
4.	Marital status	Married	117	95.50
		Widowed	3	2.50
5.	No. of children	Up to 2	45	37.50
		3-4	73	60.80
		>5	2	1.60
6.	Occupation	Agriculture and subsidiary	100	83.34
		Other occupation	20	16.6
7.	Size of land holding	Below (1Ha)	67	55.80
		Small (1-2 Ha)	12	10.10
		Small medium (2-4 Ha)	37	30.80
		Medium (4- 10 Ha)	4	3.30
8.	Farming Experience (in years)	1 to 10	68	56.70
		>10 to ≤ 20	47	39.20
		>20 to ≤30	5	4.10
9.	Family Labour Force	Up to 2	42	35.00
		3-4	69	57.50
		>4	9	7.50
10.	Training received	Yes	40	33.33
		No	80	66.40
11.	Extension Contact	Low (>2.2)	30	25%
		Medium (2.2- 6.8)	70	58.33
		High (<6.80)	20	16.66
12.	Mass media participation	Low (>1.74)	16	13.30
		Medium (1.74-6.22)	84	70.00
		High (<6.22)	20	16.00
13.	Organizational Participation	Low (>0.12)	37	30.80
		Medium (0.12- 1.48)	75	62.50
		High (<1.48)	8	6.70
14.	Level of Aspiration	Low (>16.71)	15	12.50
		Medium (16.71- 22.91)	81	67.50
		High (>16.71)	24	20.00
15.	Value orientation	Low (<8.16)	28	23.33
		Medium (8.16- 10.84)	67	55.83
		High (>10.84)	25	20.84

The majority of rural women entrepreneurs (84%) are in the age range of 25-44 years, reflecting a trend observed in previous studies. A significant portion (44.20%) of women entrepreneurs have a primary degree, while 28.30% are illiterate, aligning with findings by Nalawade and Ingale (2013) [18] and Manisha Singh (2016) [12]. 56.70% of rural women entrepreneurs have 3-6 members in their family, possibly due to preferences for nuclear families among young and middle-aged individuals. Marriage is prevalent among rural women entrepreneurs, with 95.50% being married and 2.50% widowed, consistent with previous studies (G. Nagamuthu, 2018; Ram *et al.*, 2013; Seemaprakalpa, 2016) [9, 12, 14]. The majority (60.8%) of rural women entrepreneurs have 3 to 4 children, similar to findings by Sowmya (2009) [16]. Most rural women (83.33%) are engaged in agricultural and subsidiary micro-enterprises, reflecting a preference for

farming as a primary occupation. Landholding is generally small, with 55.80% having less than 1 hectare, possibly due to land fragmentation. A significant portion (84.16%) of women entrepreneurs is above the poverty line, with an average annual income of Rs. 64,895.83, attributed to the practice of cash crops and subsidiary micro-enterprises. The majority (56.70%) of rural women have 1 to 10 years of farming experience, indicating a focus on agriculture as their primary occupation. Regarding training and participation, 66.70% of rural women have not participated in any training programs, possibly due to dual duties and lack of awareness, while 56.70% have a medium level of extension contact.

2. Entrepreneurial behavior of rural women entrepreneurs

Table 2: To understand the entrepreneurial behavior of rural women entrepreneurs

N=120				
Sl. No.	Components	Category	Frequency	Percent
1.	Production Efficiency	Low (<34.06)	25	20.8
		Medium (34.06- 44.18)	75	62.5
		High (>44.18)	20	16.7
2.	Managerial ability	Low (<34.10)	21	17.50
		Medium (34.10- 44.00)	76	63.30
		High (>44.00)	23	19.20
3.	Market knowledge	Low (<21.79)	16	13.40
		Medium (21.79- 27.41)	85	70.80
		High (>21.41)	19	15.80

In Table 2, over 62.50% of rural women entrepreneurs exhibit a medium level of production efficiency, likely attributed to optimal decision-making regarding seed rates, crop selection, and timely input application for higher profits. Regarding managerial ability, 63.30% of respondents demonstrate a medium level, achieved through

personal crop inspections, active participation in subsidiary units, and ensuring maximum profit during crop harvesting. The majority (70.80%) of women possess a medium level of market knowledge, possibly influenced by factors such as medium-level extension contact, organizational participation, cosmopolitanism, and their level of aspiration.

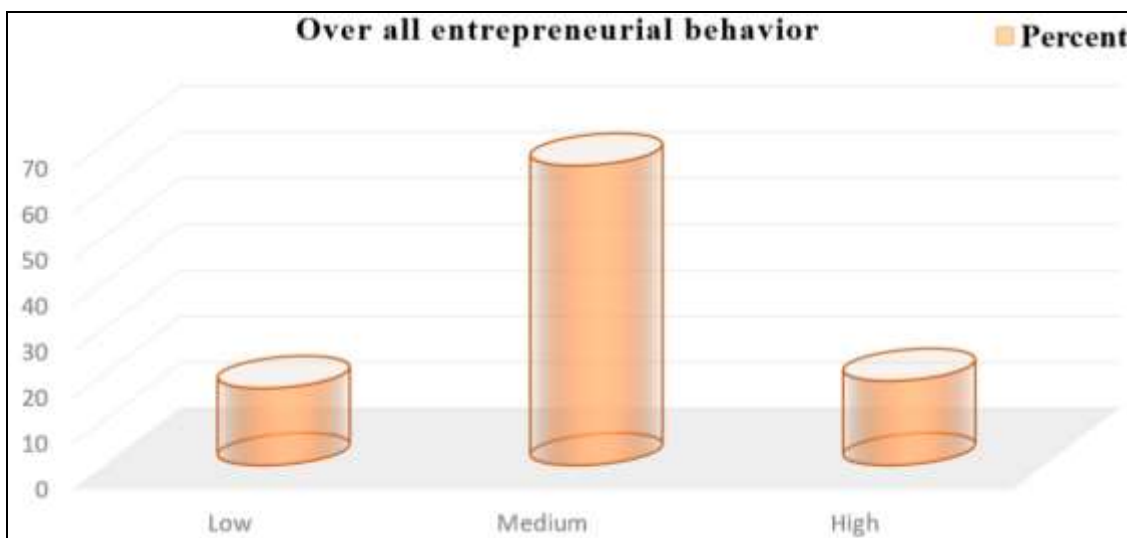


Fig 1: Distribution of the respondents based on their overall entrepreneurial behavior

In Fig. 1. 65.00% of respondents exhibit a medium level of entrepreneurial behavior, with 18.3% and 16.70% demonstrating high and low levels, respectively, aligning with findings by Manilas *et al.* (2016) [5] and Gaikwad and

Lalhriatpuii (2018) [4]. The medium entrepreneurial behavior is attributed to factors such as literacy, middle age, willingness to work hard, education-driven search for opportunities, and involvement in various developmental

programs, indicating a proactive approach among rural women entrepreneurs.

3. Relationship between dimensions of entrepreneurial behavior and personal and socio-economic characteristics of rural women

Table 3: Relationship between personal and socio-economic characteristics of rural women and production efficiency

(n=120)

Sl. No.	Variables	Correlation co-efficient 'r' value	'p' value
1.	Age	-0.138	0.134
2.	Education	0.230*	0.011
3.	Family size	0.208*	0.023
4.	Size of land holding	0.420**	0.000
5.	Farming experience	0.013	0.889
6.	Family labour force	0.206*	0.024
7.	Income	0.221	0.015
8.	Mass media exposure	0.244**	0.007
9.	Extension contact	0.468**	0.000
10.	Organization participation	0.036	0.699
11.	Level of aspiration	0.399**	0.000
12.	Value orientation	0.111	0.228

* Significant at 0.05 % level ** Significant at 0.01 % level

Table 3 reveals distinctive patterns regarding the significance levels of various factors in relation to production efficiency. It is evident that variables such as landholding size (0.319), extension contacts (0.392), and level of aspiration (0.349) exhibit notably high significance levels at the 1% threshold. Conversely, factors including education (0.219), annual income (0.193), and mass media exposure (0.208) demonstrate significance at the 5% level. On the other hand, variables such as age, family labor force, farming experience, income, organizational participation, and value orientation display non-significant relationships with production efficiency, as indicated by their respective p-values.

Table 4: Relationship between personal and socio-economic characteristics of rural Women and managerial ability

(n=120)

Sl. No.	Variables	Correlation co-efficient 'r' value	'p' value
1.	Age	-0.022	0.814
2.	Education	0.219*	0.16
3.	Family size	0.100	0.275
4.	Size of land holding	0.319**	0.000
5.	Farming experience	0.043	0.644
6.	Family labour force	0.107	0.243
7.	Income	0.193*	0.035
8.	Mass-media exposure	0.225*	0.013
9.	Extension contact	0.392**	0.000
10.	Organization participation	-0.034	0.711
11.	Level of aspiration	0.349**	0.000
12.	Value orientation	0.049	0.596

* Significant at 0.05 % level ** Significant at 0.01 % level

Table 4 provides insights into the significance levels of various factors concerning managerial ability. It indicates that variables such as landholding size (0.405), extension contacts (0.412), mass media exposure (0.264), and level of

aspiration (0.359) exhibit considerable significance at the 1% threshold. Moreover, education (0.188), family size (0.220), and family labor force (0.190) demonstrate significance at the 5% level. Conversely, factors such as age, farming experience, organizational participation, and value orientation show a lack of significant relationship with managerial ability, as evidenced by their respective p-values.

Table 5: Relationship between personal and socio-economic characteristics of rural women and of market knowledge

(n= 120)

Sl. No.	Variables	Correlation co-efficient 'r' value	'p' value
1.	Age	-0.168	0.066
2.	Education	0.143	0.119
3.	Family size	0.209*	0.022
4.	Size of land holding	0.298**	0.001
5.	Farming experience	-0.064	0.487
6.	Family labour force	0.247**	0.007
7.	Income	0.049	0.592
8.	Mass media exposure	0.049	0.592
9.	Extension contact	0.335**	0.000
10.	Organization participation	0.094	0.308
11.	Level of aspiration	0.234**	0.007
12.	Value orientation	0.151	0.101

* Significant at 0.05% level ** Significant at 0.01% level

Examining Table 5 reveals intriguing findings regarding the relationships with market knowledge. Notably, family size (0.209) emerges as significantly associated with market dynamics. Conversely, variables such as landholding size (0.298), family labor force (0.247), extension contacts (0.335), and level of aspiration (0.234) demonstrate stronger significance in their relationship with market knowledge. However, factors including education, age, farming experience, income, organizational participation, and value orientation exhibit non-significant relationships with market knowledge, as indicated by their respective p-values.

Conclusion

Rural women possess inherent knowledge, skills, and resources necessary for entrepreneurship. However, they require access to information on procedures and loans, market knowledge, technological advancements, funding agencies, government schemes, as well as motivation, technical skills, and support from family, extension workers, and organizations. Despite facing various constraints in personal, financial, marketing, production, and labor aspects, rural women entrepreneurs exhibit moderate levels of extension contacts, mass media exposure, organizational participation, aspirations, and value orientation.

These entrepreneurs also demonstrate moderate levels of entrepreneurial behavior, production efficiency, and market knowledge, which are essential dimensions of entrepreneurial success. Furthermore, the relationship between the personal and socio-economic profiles of rural women reveals that education, landholding size, annual income, extension contacts, mass media exposure, and aspirations significantly correlate with entrepreneurial behavior.

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