

Entrepreneurial Behavior of Self - Employed Ones: A Comparative Analysis

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Abstract

Entrepreneurship is a key of success of 21st century workforce. Phenomenon of Entrepreneurship has been growing during the last decades. Entrepreneurial Penetration has attracted many researchers from past years. Entrepreneurial behavior is extension of this concept which is attracting the attention of researchers and academicians in recent times. Many researchers have conducted the studies on the entrepreneurs to study their psychological and economic approaches towards their behavior. There is a high need and impact of entrepreneurial behavior in India still needs to be explored. In global context, the issues adjoining gender-based are being given increasing eminence. The present study attempts to explore the factors that explain the behavior of the self-employed ones. The study also compares the entrepreneurial behavior of men and women self-employed entrepreneurs. Exploratory factor analysis is used to identify the factors of entrepreneurial behavior and psychometric properties of factors were validated using confirmatory factor analysis. The sample size consist of 120 self employed ones. Study used Independent sample t-test for comparison of entrepreneurial behavior among men and women.

Keywords: Self employed entrepreneur, Entrepreneurial Behavior

1. Introduction

Entrepreneurship is one of the critical measures to contribute in the country's economic growth. To enhance the Entrepreneurship, it is very important to understand the behavior of the entrepreneurs to create the future notion about entrepreneurship. This dimension needs a lot of attention of researchers and academicians to contribute towards the country's growth by analyzing the attitudes of the entrepreneurs. The performance of any entrepreneur is dependent on his/her entrepreneurial behavior and that becomes the key driver for evaluation. To judge the attitude and behavior of entrepreneur's entrepreneurial behavior is the key element (Jain, R., & Ali, S, 2012)

The study of entrepreneurship is insufficient if the role of entrepreneurial behavior is overlooked while determining the attitude of the entrepreneurs. Entrepreneurial behavior has certain elements and traits that define the entrepreneurs spirit for being an entrepreneur which includes growth parameters, networking, autonomy, innovation and the like. Autonomy is one of the most important motive in starting a business. Level of autonomy helps in achieving the higher level of entrepreneurial satisfaction (Gelderen, 2011).

Lot of factors are responsible in entrepreneurial behavior which includes family and social support, education, autonomy, income etc. which outlines their behavior towards extension of their business in the long run. Lot of studies are conducted till date which has given the new avenue and definition to entrepreneurship and behavior. Some of the studies highlighted self-efficacy and impact of education on self-efficacy as the key element of entrepreneurial behavior (Wilson et al., 2009) Entrepreneurial behavior is depicted by the entrepreneurial education. It is very imperative to appreciate the factors which plays inseparable role in defining the entrepreneurial behavior (Entrialgo et al., 2016).

1.1. Self-employed Ones

To capture the real aptitude in the society there is the need to appraise the self-employed ones who can create new venture and can serve the society in the coming years. Lot of skilled based businesses are run by self-employed entrepreneurs and there is high need to understand their behavior towards entrepreneurship. The real self-employed are those people who get the attributes associated with entrepreneurial self which includes creativity, willingness to take risks, motivation, skills and ability to get opportunity (Anderson, 2011) Self-employed ones are those who identify themselves as self-employed in their own business or in professional service. According to the National Longitudinal Survey of Youth rate of self-employment increases with the high age as compare to the age of 20- 25. Self-employed workers are encouraged through self-employed parent and more education (Fairlie, 2005)

Research on work satisfaction shows that self-employed are more satisfied with their work than employed ones because of the high autonomy and skill utilization. Self-employed enjoy more autonomy and flexibility by skill utilization (Hundley, 2001) Self-employment is solution of the

youth unemployment problems. Self-employed workers tend to be work in construction service industries and to work in professional occupations. Self-employed ones tend to earn more than salaried people as skills are acknowledged more in self-employment than in the job sector (Williams, 2004). According to the previous literature it has been found out that self-employed ones are more satisfied with their work than the others (Gevaert et al., 2018). The rate of self employment varies with age and worker characteristics. Self employment is seen as more prevailing in the part time workers. The present study aimed at providing the new perspective by targeting self- employed ones of Amritsar and Jalandhar in the study. The present study focuses on the self-employed workers and their behavior towards their business. The present study is conducted on the people who does not fall under the category of entrepreneurs rather in the category of Self-employed ones who begin their business with a skill (Boston, 2013). In this study the people running their own coaching institute, boutique, salons and similar small businesses are taken as part of the population to conduct the study.

1.2 Need of the Study

This study is a step to pinpoint the issue of entrepreneurial behavior of self-employed entrepreneurs which needs to be addressed. No doubt that academicians and practitioners alike have devoted a considerable thought to the various aspects of entrepreneurial behavior and intentions of entrepreneurs but very few studies have been undertaken on studying and comparing entrepreneurial behavior of self-employed ones in India. In present study an attempt is made to explore the factors that identify the entrepreneurial behavior of self-employed ones thereby comparing the entrepreneurial behavior of men and women self-employed ones.

2. Review of Literature

Prochotta et al. (2018) identified the new meaning and concept of Entrepreneurship in the paper. The findings of the study revealed that entrepreneurial behavior is the most innovative behavior that is to be studied and determines the factors of the entrepreneurial behavior and reviewed that individual's entrepreneurial competence plays a determinant role in the early stage of starting a business.

Gevaert et al. (2018). Investigated the mental well-being of the self- employed and results of the study found out that motivation, opportunity and becoming self-employed easily positively affect the mental well-being of the self-employed. The study assumed the self-employed people to have high levels of entrepreneurial characteristics. The results recommended that self-employment should be promoted and policies need to be framed that focus on the work related characteristics of the self-employed.

Entrialgo et al. (2016) studied the Impact of role of social cultural factors like education on entrepreneurial behavior. The study had proved the education has significant role in strengthening the entrepreneurial attitudes these results have implications on women entrepreneurs as well. Entrepreneurial education is true indicator of entrepreneurial behavior.

Linan et al. (2013) in his study identified the role of social environment for men and women to start the business and concluded that there is no difference in the entrepreneurial intentions of men and women but men shows more favorable results about the intentions than women whereas Mohammad (2009) found that there was significant difference between the attitude of the entrepreneur graduate and non-entrepreneur graduate students.

Noseleit (2014) applies unique approach to study the causal relationship between female self-employment and children and found out that women have high intention to become self-employed when more children are present in household and it is also found that self-employment status positively influences the child birth in older women than younger women. The study concluded that children plays important role in male and female self-employment rates.

Autio et al. (2013) realized the various consequences of the cultural practices on the entrepreneurial behavior. The result of the study found out that the impact of cultural practices on the entrepreneurial behavior and intentions, and demonstrates the value of multilevel techniques in analyzing the effect of culture on entrepreneurs.

Svaleryd (2015) identified the association between the business cycles and self-employment and found out that women with high education tend to shift to self-employment in good times and concluded that individuals with higher level of education are more likely to be self-employed and role of push and pull factors are important as in downturns people with high education are pushed into (Svaleryd, 2015) self employment

Douglas et al. (2013) found out that there are individual differences in self-efficacy and attitudes to the outcomes from entrepreneurial behavior. Attitudes, autonomy, ownership and self-efficacy are perceived to be factors that drive entrepreneurial behavior

Shimmar et al. (2012) examined the role of culture and gender in entrepreneurial behavior or intention. The findings of the study indicated the significant differences in gender perceptions. The study also highlighted the relationship between entrepreneurial intentions and barriers whereas Dana et al. (2013) identified that social capital is helpful in promoting entrepreneurship only when cultural capital is in place. The study highlighted that social capital has been utilized for the economic purposes than for commercial entrepreneurship.

Wilson et al. (2009) highlighted the importance of entrepreneurial interest concluded that self-efficacy is one of the key component in entrepreneurial behavior and also posits the influence of education on self-efficacy.

Michael et al. (2008) found out that the outside assistance play a role in influencing the formation of new business and other related entrepreneurial skills whereas Fairley (2005) identified relationship between self-employment and various job and earnings outcomes and found out that the major determinants for self-employment are aversion to risk, entrepreneurial ability and preference for autonomy

Endres et al. (2006) compared the entrepreneurial behavior with the of the neoclassical, behavioral and Austrian theory and identified that Austrians and behaviorist start with the business taking into consideration the common purpose and are alerted to achieve their goals.

Tullous (2002) found out that entrepreneurial behavior of the self-employed ones faces the challenges regarding financial, accounting and management skills.

3.1 Objectives of the study

The main objectives of the study are:

1. To identify the factors of entrepreneurial behavior of self-employed entrepreneurs
2. To compare the entrepreneurial behavior of male and female self-employed entrepreneurs

3.2 Research Methodology

The study is primary in nature and to meet the outlined objectives the data was collected through questionnaire. The questionnaire was designed in such a manner that it meets the requirements of research questions of the study. The opinion from the field expert, academicians and experienced researchers was also considered to finalize the questionnaire. It contained 17 statements to evaluate entrepreneurial behavior of respondents. The sample of 120 respondents is taken for the study and out of 120, only 113 questionnaires were found out to be complete and is used to conduct further analysis. The validity and reliability of the scale is checked through cronbach alpha which is found to be satisfactory.

Cronbach's Alpha	N of Items
0.874	17

Reliability of the data comes out to be 0.874. It means that the data is reliable. In the above table, the alpha value is more than 7 which is in line with the recommended value to carry out exploratory research. This suggests that the subscales are reliable for measuring entrepreneurial behavior based on internal consistency. So, the items in the scale are reliable enough to conduct an exploratory research on entrepreneurial behavior.

4. Data Analysis

The data was analyzed with the help of SPSS software and AMOS. The differences were checked at 5% level of significance. To meet the objectives of our study various factors that affect the entrepreneurial behavior of self-employed ones is to be studied.

Table 4.1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.736
Bartlett's Test of Approx. Chi-Square Sphericity	924.836
Df	136
Sig.	.000

To check the suitability of data for factor analysis, Kaiser-Meyer-Olkin measure of Sampling Adequacy is found out which is 0.736 and results of correlation matrix was computed and examined which indicated that there were enough correlations to justify the application of factor analysis. 5 factors are found out and are able to explain the 73.9% variance and rest is explain using other factors that are not mentioned in our data. The results was found to be satisfactory for all the variables to carry out factor analysis and explore the different factors of entrepreneurial behavior. Bartlett's test of Sphericity revealed statistically significantly number of correlations among variables. Hence data meet all the standards and revealed that it is fit for factor analysis. Principal Component Analysis was employed for extracting factors. Factors having eigenvalues greater than 1 have been selected.

The results of Principle Component Analysis with VARIMAX rotation indicated 5 factors. Out of 5 extracted factor 4 factors represented 16 statements have been given appropriate names on the basis of variables represented in each case as single statement was included in factor 5 with low loading so that factor was excluded.

The names of the factors, variance extracted and factor loadings have been summarized in the Table.

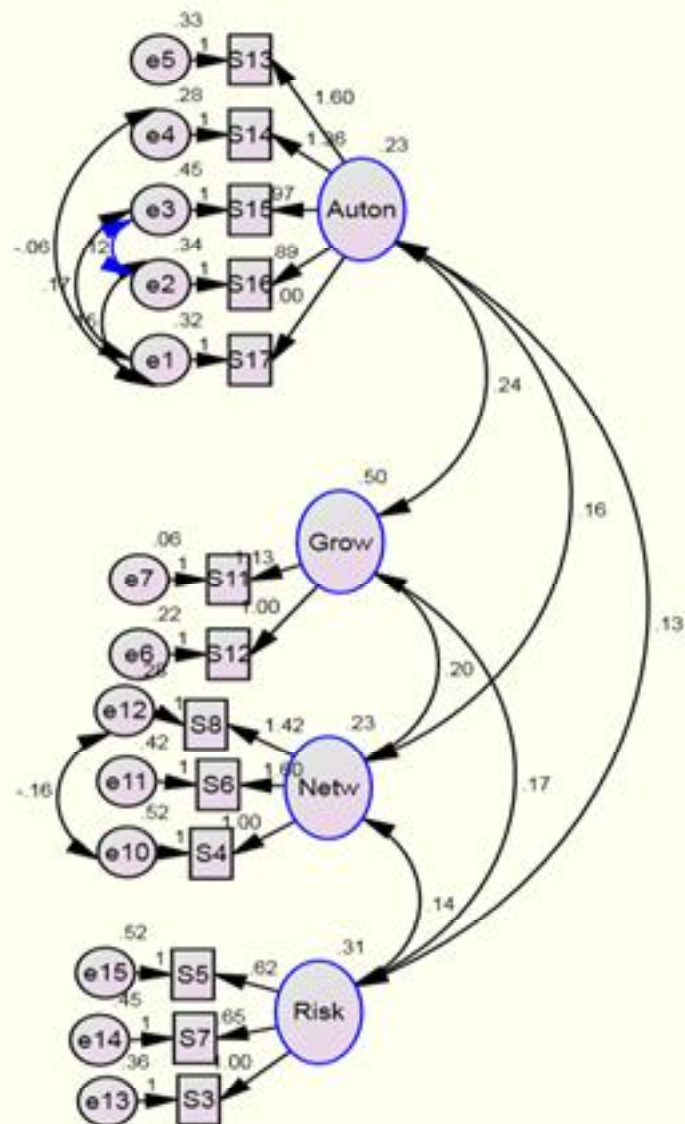
Table 4.2 Factor Analysis and Factor Names

Factor	Name	Statements	Loading	Reliability
Factor 1	Autonomy	Due to autonomy I find it suitable to be an entrepreneur	0.819133	0.85
		I can take valuable decision of my business on my own	0.774771	

		I am good at meeting people and exploring their ideas	0.688959	
		I am keen to put resources for innovation in my business	0.678484	
		being an entrepreneur I feel free to make decision and can apply Creativity	0.818	
		I focus on being an influencer in Business	0.641645	
Factor 2	Growth	I feel contented with the growth of my business	0.856938	
		I am getting enough new customers	0.763	
		professional relationships are helping me to grow my business	0.659077	
		I am feeling satisfied by owning my Business	0.853841	0.829
Factor3	Network	To grow my business I am exploring new markets and products	0.872058	
		I am putting more efforts to grow my Business	0.742961	
		my business is running as per my expectations	0.57726	0.744
Factor 4	Risk taking	I am planning to add more employees in my current business	0.835756	
		I am ready to take the risk in my business	0.735147	
		I am thinking to invest more in my business	0.555511	0.722

The result of factors extracted from 17 statements used in questionnaire to evaluate entrepreneurial behavior of self-employed entrepreneurs (See Table 4.1). Four significant factors are identified. Suitable names are given to the factors. As per the factor analysis table and reliability of factors it is found that data is fit for confirmatory analysis as the factor loading in each case is more than 0.72 which is threshold recommended for confirmatory research. CFA was applied on the factors and model was found to be fit with GFI score i.e. .815. So study confirms the factors using AMOS that are explored using SPSS.

Figure 4.1: Confirmatory factor analysis results



Source: Authors creation using E-views

Table 4.3 RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.063	.815	.688	.484
Saturated model	.000	1.000		
Independence model	.244	.382	.279	.327

As per the values in the table $GFI > .8$ which means it is meeting the threshold limit and justify that model is fit.

Gender Differences in Entrepreneurial Behavior

The study also identifies the difference of entrepreneurial behavior of men and women self-employed entrepreneur. To compare the difference independent sample t-test is applied to compare the mean scores of men and women self-employed entrepreneurs. The results are shown as below:

Table 4.1: Gender Differences in Entrepreneurial Behavior

Sub-scales of Entrepreneurial Behavior	Mean Scores		p-value
	Men entrepreneur	Women entrepreneur	
Autonomy	3.71	3.78	0.488
Growth	3.87	3.50	0.021*
Network	3.64	2.50	0.016*
Risk-Taking	3.45	2.77	0.034*

*Significant at $p < 0.05$

The result is found to be significant which means that there is difference between the entrepreneurial behavior of Men and Women self-employed entrepreneurs. In case of autonomy Women entrepreneurs have slightly high mean scores than Men entrepreneurs and result is found to be insignificant which means that both feel autonomy while running their business and feel independent to make valuable decisions for their businesses justified with the study conducted by Linan et al. (2013) which concluded that there is no difference in the entrepreneurial intentions of men and women. Women entrepreneurs are found to be high on the autonomy (Sexton et al., 1990). Autonomy is one of the most important motive to start own business. Level of autonomy is found out to be a dominant source of entrepreneurial satisfaction (Gelderen, 2011). The study shows some differences in the behavior of men and women self-employed entrepreneurs that needs attention for the future research and results.

There is high difference found out in case of the network as mean value of Men entrepreneurs is more which states that they have high network skills to expand their business whereas due to some constraints women entrepreneurs are not able to grow their business because of the network. In risk taking also there is high difference of mean scores and Men entrepreneurs are found to have more risk taking ability than the women entrepreneurs. Women scored lower on traits related to risk taking and higher on the autonomy (Sexton et al., 1990). These scores indicate that women self employed entrepreneurs are not ready to take risk because of certain personal or professional constraints. The results are being justified by the study being conducted by Akhter et al. (2014) who considered these statements to judge the attitude towards the above parameters to discuss entrepreneurial behavior. Gender differences were found out for entrepreneurial behavior. The result of the study proved that there is difference between the entrepreneurial behavior of men and women as women feel that the entrepreneurial role is less adequate for them (Linan et al. 2013).

Practical and theoretical implication of your study

The present study identified the difference of entrepreneurial behavior of men and women which implied that there is a gender difference in the behavior. The result of the study is in support with study conducted by Wilson et al. (2009) and Sexton et al. (1990) As self-employed women are found to be low on networking, risk taking and are found to be in line with self-employed men entrepreneurs on autonomy. Therefore, women should be more encouraged to take participation in entrepreneurial activities. Government should create appropriate regulatory environment to provide more educational opportunities, safety programs, women entrepreneurship development programs etc. to encourage women more to take on entrepreneurial qualities.

Conclusion

Entrepreneurial behavior impacts the way self-employed ones carry out their activities in their business. Self-employed enjoy more autonomy and flexibility in their work culture and their behavioral characteristics includes growth, risk, network and autonomy which are identified as the key factors in the present study. The study identified the difference in the behavior of self-employed men and women as men are more inclined towards taking risk and ownership in their business and these factors are impacting them in their business activities. Both are found to have same behavior in context of Autonomy as both feel independent to take their own decisions. High differences are found to be in risk taking ability and networks of self-employed ones. The results also finds the difference9 all variables of entrepreneurial behavior construct, except one. Based upon this observation and the results of the study it can be concluded that the network, growth and risk-taking behavior are predictor of entrepreneurial behavior. To increase the women intention there is a need for women entrepreneurs club or associations that will open the visibility into this area in the years to come and women can see entrepreneurship as the best career option for them. More skill based business need to be established which will promote the self-entrepreneurship

Scope and Limitations of the Study

To carry out the current study the sample is taken from Amritsar and Jalandhar city, so the results can't be generalized. There were time and cost constraints that are attached while making survey through questionnaire. The findings of this study were based on the expressed opinions of the respondents on questionnaire and reliability of their responses can't be confirmed. Though every attempt was made to take a representative sample but the survey may not be symbolic of the views of the rest of the target population.

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