

## LOCUS OF CONTROL, PERSONAL EFFICACY AND FINANCIAL AFFLUENCE: DO THEY MAKE WOMEN ENTREPRENEURS SUCCESSFUL?

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**Abstract:** Globalization and diversity of workforce has perceived an economic transition when women have been seen to engage themselves in economic activities besides their household responsibilities and other obstacles coming into their way. Women entrepreneurship has thrived in multiples. Women joining business have been supplying a more instant contribution to the economy. Yet women have faced varied hassles to sustain themselves in the business. Therefore it becomes necessary to understand that in spite of hurdles what pulls women entrepreneurs to be successful in their business. Three very important psychological dispositions that has made women entrepreneurs firm, rigid and sustainable initiates with the first step towards believing in their capacities (*personal efficacy*), *locus of control (LOC)* in their personality and affluence. The present study has attempted to explore these variables pertaining to women entrepreneurship and study the relation of these variables to success and failure of their ventures.

**Keywords-** Personal Efficacy, Locus of Control, Women Entrepreneurs, Success Failure, Affluence

**Introduction:** Women play a fundamental role in the economic development of the country. The remarkable 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). Originally, women's work has been confined to domestic chores, but in recent years there has been a spurring growth of women entrepreneurs who are involved in generating revenues through their business exploits that contribute economically to the family as well as community growth. There has constantly been a pejorative opinion on women becoming entrepreneurs and that it is the domain exclusively for "male". This stereotypical observation is grounded with masculine behavior as this trait is quintessential to become a successful entrepreneur. (Dickerson & Taylor, 2000; Verheul, Uhlaner & Thurik, 2005). 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 behaviors.

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 dependence on the conception that enterprise creation is a male domain may generate gender role pressures to influence perceived efficacy. For instance, Kalleberg and Leicht (1991) hypothesized that women were thought to engage in innovative behavior 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 behavior. Just as Wood and Bandura

(1989) noted, high self-efficacy expectations regarding performance in a specific behavioral 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 behavior such as establishing a strong motivational link between self-confidence in performing entrepreneurial tasks and explicit behavior regarding an enterprise venture. In this study, therefore the following hypotheses will be examined:

Despite many limitations and constrictions, nevertheless today's women are setting up self-enterprises, even in countries with rigid patriarchal set up where fiscal decisions would usually be taken by the male head of the families. According to World Bank (1995) report, Nigeria stands as a good example of this phenomenon. Hoffman (1974) agrees that women employment disturbs her from performing her domestic roles and affects her personality factors. Although, many of the problems are common to both the American women and the Nigerian business women (Parikh, 1987), however Nigerian female entrepreneurs face hitches due to the prevalent socio-cultural dogmas (Ehigie & Idemudia, 2000; Ehigie & Umoren, 2003; Kitching & Woldie, 2004; World Bank, 1995).

The patriarchal culture is a stumbling block to women's entrepreneurial growth. It inhibits women's involvement in occupations for 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). However, women are gradually 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 Nigeria. Although, Kitching and Woldie (2004) opined that female entrepreneurs in Nigeria are hindered by a variety of barriers, nevertheless they havemade considerable advances in entrepreneurship.

The present study is therefore orchestrated to clarify the factors that influence women entrepreneurial success. Fetching its root from psychological theories and resource based theories, the paper tries to understand whether psychological variables of Locus of Control and Personal Efficacy and resource, i.e. financial affluence makes women entrepreneurs successful?

**Locus of Control and Self Efficacy:** Some of the crucial factors for successful achievement that Weiner (1974) suggests are ability, effort, task difficulty and luck. 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. In personality psychology, locus of control refers to the extent to which individuals believe they can control events affecting them. In a nutshell, locus of control is a one-dimensional construct that stretches from internal to external. The question that arises is whether an internal or external locus of control is sought after. Literature suggests that it is psychologically healthy to have control over the things or events that one can change.

Understanding of the concept was developed by Julian B. Rotter in 1954 meaning a person's "locus" (Latin for "place" or "location") is hypothesized as either internal (the person believes they can control their life) or external (meaning they believe their decisions and life are controlled by environmental factors which they cannot influence, or by chance or fate).

In prior studies on locus of control in workplace, internal locus has been reported to be positively related to favorable work outcomes, like positive task and social experiences, greater job motivation (Ng, Eby, & Sorensen, 2006), decision-making (Hendricks, Vlek, & Calje, 1992; Kaplan, Reneau&Whitecotton, 2001), satisfaction (Judge & Bono, 2001). Furthermore, internally-oriented individuals tend to deal better with ambiguity (Abdel-Halim, 1980), and influenced by the future attainment of desired goals (Abel

&Hayslip, 2001; Thornton, 1978), perhaps because of the belief in their own abilities (Griffeth&Hom, 1988). Self-belief is fundamental in comprehending the Locus of Control for entrepreneurial achievement. A belief in internal control implies that a person is persuaded that an event is dependent upon his/her behavior (Craig, Franklin & Andrews, 1984). An individual with robust internal locus of control may tend to believe that she can influence and alter situation through the exercise of her prowess and knowledge. Strong internal control lifts self-confidence. Hence, women entrepreneur with strong internal control are resilient and tenacious in their exploits. They are innovative and seek opportunities to improve their enterprise by trying newfangled techniques and technologies that will enhance its growth. The contrary is likely for the strong external control on individuals. Research has however demonstrated strong linkages between locus of control and behavior 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 proprietors have a slightly higher internal locus of control than the other populations.

Other personal variable that is being assumed to influence women entrepreneurial innovative behavior is self-efficacy. Self-efficacy is a person's credence on himself that he or she can achieve a specific activity. It deals with one's competency level in their endeavors. Bandura (1997) defines self-efficacy as "people's judgment of their capabilities to organize and execute courses of action required to produce given attainments" and have the consequence that "people's level of motivation, affective states, and actions are based more on what they believe than on what is objectively true. Bandura suggests that self-efficacy "is associated with how competent one feels in what one is doing. It is a person's belief in one's ability to successfully reach an expected objective as a result of one's actions". (Bandura, 1997) It is also a motivational construct that has demonstrated 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 indicated that high self-efficacy is indispensable 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). As Covin and Slevin (1991) and DTI (2001), made a behavioral study and identified that self-efficacy and innovativeness is a part of behavior that are imperative in both policy and organizational contexts, similarly, Cooper and Gascon (1992) found that individual variables (personality traits and demographic characteristics) were relatively poor predictors of survival and success let alone of specific organizational behavior such as innovativeness. In contrast, Mumford and Gustafson's (1988) study suggested that education is important to innovation, while Schiller and Crewson, (1997) stated that education and experience were positively correlated with entrepreneurial performance.

**Financial Affluence:** Financial affluence makes an entrepreneur more comfortable to launch a venture. When sufficient amount of venture capital is available, an entrepreneur finds it easy to take the risks of the business. The present study has taken into consideration the financial condition of the entrepreneurs by self-reported statement as to whether they had faced any financial problem while launching the business and procuring capital for the business, whether they had come from affluent families where their father, husband or any other significant members have supported them with financial assistance. Thus according to their self-report, the entire sample was divided into categories of affluent and non-affluent entrepreneurs.

**Table 1: State-Wise Women Entrepreneurship Profile : Enterprises Owned by (Fourth All India Census of MSME: Unregistered Sector)**

S. No.	State/UT	In Lakhs	S. No.	State/UT	In Lakhs	S. No.	State/UT	In Lakhs
1	All India	18.06	13	Gujarat	0.57	25	Mizoram	0.01
2	Andaman and Nicobar Islands	0	14	Haryana	0.16	26	Nagaland	0.04
3	Andhra Pradesh	1.11	15	Himachal Pradesh	0.11	27	Orissa	0.9
4	Arunachal Pradesh	0.06	16	Jammu and Kashmir	0.12	28	Puducherry	0.02
5	Assam	0.2	17	Jharkhand	0.24	29	Punjab	0.78
6	Bihar	0.47	18	Karnataka	1.86	30	Rajasthan	0.55
7	Chandigarh	0.06	19	Kerala	2.31	31	Sikkim	0.01
8	Chhattisgarh	0.12	20	Lakshadweep	0	32	Tamil Nadu	3.03
9	Dadar and Nagar Haveli	0	21	Madhya Pradesh	1.06	33	Tripura	0.02
10	Daman & Diu	0	22	Maharashtra	0.85	34	Uttar Pradesh	0.75
11	Delhi	0.19	23	Manipur	0.01	35	Uttarakhand	0.15
12	Goa	0.1	24	Meghalaya	0.16	36	West Bengal	2.05

Source: <https://data.gov.in/catalog/entrepreneurship-profile-enterprises-owned>

**Review of Literature:** After studying the extant literature the major findings are presented in the following table.

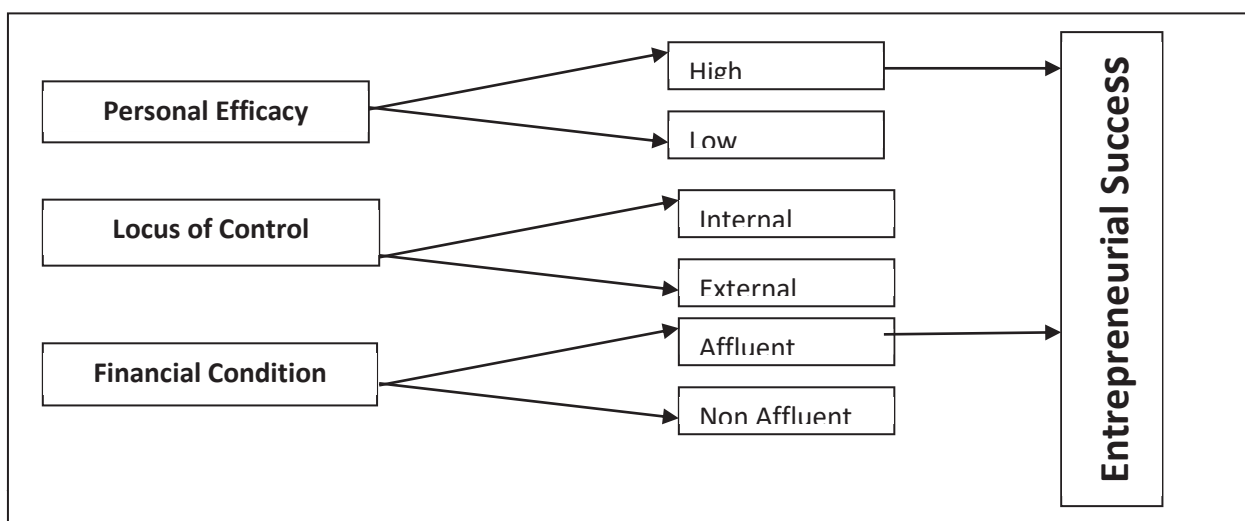
**Table 2: Summary of Review of Literature**

Researchers	Purpose	Findings
<b>Farley (1987)</b>	Evaluating entrepreneurial behavior as risk-taking and thrill-seeking	Identified that generally the risk takers and 'thrill seekers "breaks the rules".
<b>Eagly (1987)</b>	Conducted a study on entrepreneurship.	Concluded that gender is a social construct. Individuals born into either gender group have differing success because of social, political and economic structures.
<b>Carter &amp; Blush (2004)</b>	They explained that resources and motives change and affect the ways in which men and women differ in the interests, intentions, and the resources they may be able to acquire throughout their lives.	It is likely that perceptions of available resource and support may affect a women's choice to engage in self-employment and the decisions they make in building their businesses.
<b>McClelland,</b>	Identify the importance of the Locus of	Found that a belief in internal locus of control was a

(1961)	control in entrepreneurship research as one of the most dominant entrepreneurial characteristics	better predictor of entrepreneurial intentions than n-Ach measurement (McClelland, 1961).
Baron et al (2001)	Had noted that the role of entrepreneurs appear to be less subject to gender stereotyping and that when cast as an entrepreneur	Found that male and female enjoy favorable ratings on attributes like decisiveness, career seriousness, assertiveness and ambitiousness.
Reitz & Jewell, (1979)	Suppositions were made about women who are internally oriented	They are more involved in their jobs than externally oriented women, perhaps because of the idea women receive less reinforcement and feel less secure
Noor (2002)	Studied on women with internal locus of control	Identified that women with internal locus of control were positively related to satisfaction but only for situations within the workers' control.
Furnham&Drakeley, 1993	Studied on situations out of the workers control.	Internals felt more dissatisfied due to feelings of powerlessness as individuals with little access to power might develop external control beliefs
Wilson et al. (2007)	Empirically supported earlier findings on the relationship between entrepreneurial self-efficacy and career intention formation and the specific effect of gender.	They found that entrepreneurial self-efficacy differs by gender with males typically scoring higher on perceived self-efficacy than females. In addition, they also found a significant effect of entrepreneurship education on development of self-efficacy beliefs, which was especially strong for women.
Kickul et al., 2007 Wilson, F., Marlino, D. and Barbosa, S.D. (2007)	Conducted a study in this field.	Established that gender related differences and prior work experience has proved to be more powerful for developing self-efficacy among males but that self-efficacy had a stronger effect on entrepreneurial intentions for women.
Mueller and Conway Datoon (2008)	Made a study in examining gender role orientation as a determinant of entrepreneurial self-efficacy.  They tested the relationship between gender role-orientation and entrepreneurial self-efficacy	Found contrary results: there were no significant differences in perceived self-efficacy beliefs between male and female students in their study.  Found that earlier in the start-up process the combination between masculine and feminine traits improves performance while later in the process masculine role orientation significantly determines the development of entrepreneurial self-efficacy.
Gartner, William B., Kelly G. Shaver, Elizabeth Gatewood, and Griffeth, R.W., & Hom, P.W. (1988).	Conducted a study in trends in the entrepreneurship literature, and acknowledged the areas that are important for success in entrepreneurship. The study has focused on the personal characteristics and personality traits of the entrepreneur.	The researcher has identified the attributes leading to entrepreneurial success. They are. tolerance for ambiguity, risk-taking tendency need for achievement, locus of control, and Type-A behavior
Tracey and Phillips (2007)	They a compelling argument on social entrepreneurial ventures that are growing around the world, and because these enterprises have their own unique set of challenges to overcome, academic entrepreneurship programs <i>should</i> be including the study of social	Identifies that because these enterprises have their own unique set of challenges to overcome, academic entrepreneurship programs <i>should</i> be including the study of social

	entrepreneurship in their curricula.	
<b>Lall&amp;Sahai, (2008)</b>	Conducted a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business	The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner's characteristics as self-perception self-esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.
<b>Cphoon, Wadhwa&amp; Mitchell, (2010)</b>	Presented a detailed exploration of men & women entrepreneur's motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs.	Identified top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company. The study concluded that Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.
<b>Shaver, Gartner, Gatewood, &amp; Vos, 1996)</b>	A longitudinal study assessed the relationship between psychological characteristics and business organizing activities, using measures of achievement motivation, locus of control, risk perception, and creativity.	The most significant difference between men and women entrepreneurs was found in scores on innovation and achievement/activity

**Fig 1 : Conceptual Model Relating Personal Efficacy, Locus of Control and Financial Affluence of the Women Entrepreneurs**



**Sample size:** The present study has employed 200 women entrepreneurs from West Bengal.

**Sampling method:** The sampling method used for this study is Simple Random Sampling because the researcher used lottery method to select the 200 entrepreneurs from the universe.

**Objectives of the Study:** The objectives of the present study are:

1. To understand the nature of locus of control among affluent and non- affluent women entrepreneurs.
2. To understand the nature of personal efficacy among affluent and non- affluent women entrepreneurs
3. To understand the relation between locus of control and personal efficacy with success and failure in entrepreneurship.
4. To understand whether affluent and non- affluent women entrepreneurs differ in terms of their locus of control and personal efficacy.

**Measures: Locus of Control:** Data was collected using a loco inventory developed by UdaiPareek (1992). It is 30 - item scale with 10 items each under internality, externality (others) and externality (chance). The 5-point scale is used in scoring responses ranging from "hardly feel" (0) to "strongly feel" (4). An example item is "My success or failure depends mostly on the amount of effort I put in". The three dimensions of LOCO inventory are: Internal (I), External - Others (E-O) and External - Chance (E-C). Scores will range from 0 - 40 for each of the three columns internality, externality (others) and externality (chance). The instrument links locus of control to seven areas: - General Success or effectiveness Influence Acceptability Career Advancement Rewards.

**Personal Efficacy Scale:** by UdaiPareek( 2001). The scale contains 20 items. Each statement has to be

rated on a five point scale ranging from 1-5. 1=not at all true, 2=occasionally true, 3=somewhat true, 4=fairly true, 5=mostly true.

**Results Analysis:** The study has made an attempt to explore and understand the nature of personal efficacy among affluent and non -affluent women entrepreneurs, to understand the nature of personal efficacy among women entrepreneurs with different locus of control, to understand whether affluent and non- affluent women entrepreneurs differ in terms of their locus of control and personal efficacy and finally understand the relation between locus of control and personal efficacy and financial condition with success and failure in entrepreneurship.

From the study conducted, and the results obtained thereof, it can be stated that the psychological disposition of affluent and non- affluent women entrepreneurs in West Bengal as studied by the researcher has been found not very high for the overall sample studied; for personal efficacy it is 61.96 for the overall sample.

The study has made it possible to identify a set of skills that can be regarded as important for entrepreneurial engagement. The study has been able to probe into a couple of 'entrepreneurship skills' which are relevant to the success of entrepreneurship among women. Entrepreneurship skills are linked with proficiencies in doing a business successfully, besides it is also important that the entrepreneurs possess some inherent psychological profile that makes them better fit for the profession. If equipped with those identified traits, the ability to capitalize on recognized opportunities and a range of skills associated with increasing and implementing business plans to enable such opportunities become much higher (Table).

**Table 3: Descriptives on Personal Efficacy among Women Entrepreneurs**

		Personal Efficacy
N	Valid	200
	Missing	0
Mean		61.96
Std. Error of Mean		.932
Median		60.00
Mode		65
Std. Deviation		13.206

The study has focused on understanding the major psychological dispositions of women entrepreneurs, i.e. personal efficacy and LOC. For the purpose, the entire sample has been, on the basis of data obtained classified into groups of affluent and non - affluent entrepreneurs; besides they have also been

categorized on the basis on LOC. Further analysis will try to explore the nature of the mentioned psychological variables on the basis of this categorization.

**Personal Efficacy and Locus of Control:** Personal efficacy among the women entrepreneurs were

studied in the present study. For this purpose, the overall group of 200 women entrepreneurs was studied into two perspectives. One of the groupings was based on their locus of control (LOC), which was specifically three in number; they are Internal LOC, External- Others LOC and thirdly External-Chance LOC. The study has found that the group with internal LOC has highest PE (M=78.61), with a SD of 4.539, followed by the women entrepreneurs with external-others LOC (61.45) with an SD of 5.25, while that with the group having external-chance LOC has been found to be 48.60. Thus it has been found that entrepreneurs with internal LOC have the maximum personal efficacy, i.e. the power to achieve a desired goal. Those with internal LOC have the highest

confidence and belief on what they are proficient to accomplish in life; even they are responsible for the incidents and events that occur in their lives. They have their own strategies to motivate themselves, they motivate themselves during distress. Results also reveal that there is a significant difference among the three groups of entrepreneurs, grouped on the basis of their LOC, with respect to their personal efficacy score. This implies that the way these three groups of entrepreneurs think, believe, self-regulate, and choose their way of work. The constructs of the personal efficacy scale have established the differences between the mentioned groups (Table 4).

**Table 4: Table Showing the Measures of Central Tendency and Dispersion, Mean Difference among the Women Entrepreneurs’ Personal Efficacy with Three Types of Locus of Control.**

Psychological Dispositions of Personal Efficacy	N	Mean	Std. Deviation	Anova Results
Personal Efficacy of Women Entrepreneurs with Internal LOC	56	78.61	4.539	591.31 <sub>df=197</sub> P<.000
Personal Efficacy of Women Entrepreneurs with External- Others LOC	82	61.45	5.254	
Personal Efficacy of Women Entrepreneurs with External-Chance LOC	62	48.60	4.170	

When coming into the affluent and non-affluent women entrepreneurs their personal efficacy have been compared and data reveals that the affluent group of entrepreneurs (N=103) has a mean of 52.71 while that of non-affluent group has been found to be 72.42 with an SD =8.67. Thus it can be seen that non-affluent group of entrepreneurs have higher, and tested via t-test, a significantly higher perceived personal efficacy than their affluent counterparts. This is a very important finding; personal efficacy is

definitely a task-specific construct that embraces a consideration of positive attitude an entrepreneur will have about her venture; non-affluent entrepreneurs come across several hurdles in their business, and an increased personal efficacy is definitely going to provide them with the extra mileage. Personal efficacy will provide the entrepreneur with beliefs and confidence about internal (personality) and external (environment) restraint and opportunities.

**Table 5: Table Showing Measures of Central Tendency for Personal efficacy among the Affluent (N=103) and Non Affluent (97) Women Entrepreneurs (Overall Sample, N=200)**

Psychological Dispositions	Categories of Women Entrepreneurs	N	Mean	Std. Deviation	Mean Difference
Personal Efficacy	Affluent	103	52.71	6.57	-17.02, <sub>df=198</sub> P<.000
	Non- Affluent Women Entrepreneurs	97	72.42	8.67	

**Entrepreneurial Success and Failure:** With respect to the group of women entrepreneurs who have been successful in entrepreneurship and those who were not successful, an attempt was made to check their personal efficacy. It has been found from the results that the mean of personal efficacy scores for the successful group is higher (M=71.26, SD= 8.47) and that for the unsuccessful groups has been found to be low (M=50.59, SD= 5.02), gain the difference between

the means of these two groups have been found to be statistically significant (t=18.87, p=<0.000). Thus from the results, it has been established that personal efficacy is very important prerequisite to be present to entrepreneurs for entrepreneurial success. A higher level of this disposition has been found to have contributed towards success in the venture.

**Table 6: Table Showing Measures of Central Tendency for Proactivity and Personal efficacy among the Successful (N=88) and Not Successful (N= 112) Women Entrepreneurs**

	Personal Efficacy (Successful Group)	Personal Efficacy (Unsuccessful Group)
Mean	71.26	50.59
Std. Error of Mean	0.79	.511
Median	72.0	52.00
Mode	65.0	45 <sup>a</sup>
Std. Deviation	8.47	5.02
T – Test Results	18.87, p<0.000	

In this phase of analysis an attempt was made to see how success and failure in entrepreneurship is related to locus of control, personal efficacy and financial condition of the entrepreneur. Here, a Discriminant Function Analysis has been conducted. From the Table of ANOVA it can be concluded that personal

efficacy of the women entrepreneurs (Smallest value of Wilkes Lambda) is an important variable to discriminate the groups. From Table it can be seen that all the variables are significantly contributing to entrepreneurial success ( $p<0.000$ ).

**Table7 : Discriminant Analysis of Women’s Entrepreneurial Success**

	Wilks' Lambda	F	df1	df2	Sig.	Canonical Discriminant Function Coefficients
Personal Efficacy	0.350	367.881	1	198	.000	1.538
Locus of Control	0.357	356.131	1	198	.000	.043
Financial Conditions	0.404	292.691	1	198	.000	.747
Constant						-6.621

The results for the canonical discriminant function were: Eigenvalue= 2.368; Wilks' l = 0.297 ( $R^2= 0.70$ );  $X^2= 237.99$ ;  $df=4$ ;  $p < 0.0000$

Discriminant analysis has the ability to maximize the between group differences on discriminant scores and minimizes the within-groups differences. The eigen value is one statistic for evaluating the magnitude of a discriminant analysis. A large eigen value is associated with a strong function. In the present analysis, the eigen value has been found to be very high (2.368). This implies that the between-groups differences are revealed and the difference is very strongly explained. Wilks'  $\lambda$  indicates how good the discriminating power of the model is. Therefore, this highlights the importance of the variables: the lower the value of Wilks'  $\lambda$  the higher the percent of explained variance of the dependent variable; since the percent of explained variance is calculated as  $[1 - (\text{Wilks' } \lambda)] \times 100$ . Wilks'  $\lambda$ ; in the case where all the functions are in the analysis (0.297), indicates that differences between the two groups of entrepreneurs, successful and unsuccessful account for 70% of the variance in the predicting variables. The significance of the  $X^2$  implies that the discriminant functions discriminate well between the successful and unsuccessful groups. The canonical relation is a correlation between the discriminant scores and the levels of the dependent variable. A high correlation

indicates a function that discriminates well. The present correlation of 0.70 is pretty high (1.00 is perfect). This is one of the statistics used to answer the question, "How well does the model work?" The model here accounts for 70% of between group differences. This shows the significance the test used to answer the question, "Does the model work?" This model does "work" and is a good fit for explaining the contribution of personal efficacy, locus of control and entrepreneurial success. The data reveals that among the variables studies maximum contribution is made by proactivity (Wilks'  $\lambda=0.350$ ), followed by personal efficacy (Wilks'  $\lambda=0.357$ ), financial conditions (Wilks'  $\lambda=0.404$ ) and lastly by locus of control (Wilks'  $\lambda=0.505$ ). The final thing to examine is the reclassification table. This show how accurately the model can assign participants to their correct groups. The percentage correct is the average percentage correct for each group. This percentage correct is probably an overestimate of the classification accuracy of the model, because it is being "tested" using the same sample that was used to construct the model. In the present case, 88.5% cases are correctly classified.



**Table 8: Classification Table of Groups Classified from Discriminant Analysis**

Classification Table		Successful Unsuccessful	Predicted Group Membership		Total
			1	2	
Original	Count	Successful	81	7	88
		Unsuccessful	16	96	112
	%	Successful	92.0	8.0	100.0
		Unsuccessful	14.3	85.7	100.0

a. 88.5% of original grouped cases correctly classified.

**Discussion:** As far as economic development is concerned, women entrepreneurship is considered to be a prime factor. They have made a remarkable contribution in the field of economic development starting from innovation, implementation, competitiveness and job formation, but less emphasis has been given on the skills required for becoming potential entrepreneurs booming in entrepreneurship. Shaver, Gartner, Gatewood & Vos (1996) suggests that the most radical difference between men and women entrepreneurs was found in scores of innovation and achievement/activity. There must be predisposing factor towards making a successful entrepreneur. Tracey and Philips (2007) have identified the necessity of including the study of social entrepreneurship in their curricula.

The aim of this study is to understand the nature of locus of control and personal efficacy among affluent and non-affluent women entrepreneurs, how locus of control and personal efficacy leads to success and failure in entrepreneurship. Various studies by scholars have found out assorted issues and different outcome in their study on internal locus of control. McClelland (1961) in his study found that a strong belief in internal Locus of Control was a better predictor of entrepreneurial intentions than n-Ach measurement. Research studies suggest that women with internal Locus of control and high self-efficacy make better entrepreneurs as they have high innovative behavior than women with external Locus of control. Noor (2002) in her study identified that women with internal locus of control were satisfied workers but only within the workers control.

Research and policy has focused upon the conditions necessary for entrepreneurship - typically defined in terms of the creation of new ventures - to flourish. 'Entrepreneurship skills' issues have been addressed primarily in relation to the education system. Baron et.al. (2001) found that both the genders enjoy favorable ratings on attributes like decisiveness, career seriousness, assertiveness and ambitiousness. Other researchers like Gartner, William B., Kelly G. Shaver, Elizabeth Gatewood and Griffith, R.W., & Hom, P.W. (1988) have found out attributes like tolerance for ambiguity, risk-taking tendency, locus

of control and type-A behavior for entrepreneurial success. According to the study made by Lal & Sahai, (2008) on the psychographic variables like degree of commitment, entrepreneurial challenges, it has been identified that there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

A sample demography of women entrepreneurs covered in the study states that the psychological temperament of affluent and non-affluent women entrepreneurs in West Bengal has been found not very high for the overall sample studied; for personal efficacy it is 61.96 for the overall sample. The study also identified the importance of 'entrepreneurial skills' for successful entrepreneurial engagement.

Studies suggest that locus of control in workplace, internal locus has been reported to be positively related to favorable work outcomes. Qualities like positive task and social experiences, greater job motivation, decision-making, satisfaction. Furthermore, internally-oriented individuals tend to deal better with ambiguity and influenced by the future attainment of desired goals because of the belief in their own abilities.

Contrasting opinions have been identified in the various studies on Self-efficacy which has become a predominant criteria for entrepreneurial success. When analyzed, research has identified that entrepreneurial self-efficacy differs by gender with male scoring high on perceived self-efficacy than females. They have also identified tangible effect of entrepreneurship education on developing self-efficacy for women. Thus, entrepreneurial education should be made obligatory to develop self-efficacy for women. Muller and Conway Datoon (2008), in their study in examining the role of gender orientation of entrepreneurial self-efficacy found contrary results. One study identified no significant differences in perceived self-efficacy beliefs between male and female students. Another study found that the combination of both the masculine and feminine traits improves performances and develops entrepreneurial self-efficacy.

Important findings also delineate that a positive attitude would motivate and persuade an entrepreneur in her entrepreneurial exploits. Non-affluent entrepreneurs confront obstacles in their business, and an increased personal efficacy will undeniably provide them with the extra mileage. Personal efficacy will provide the entrepreneur with beliefs and confidence about internal (personality) and external (environment) restraint and opportunities.

Culminating the diverse opinions and research studies carried on the two attributes, Locus of control and self-efficacy among affluent and non-affluent women, we can conclude that both Locus of control and self-efficacy are imperative for women entrepreneurial success. Consistent training and education on entrepreneurship will invariably turn women to successful entrepreneurs. Both internal

and external locus of control are influential in its own degrees based on the surrounding factors.

Women entrepreneurs with Business license have higher score of personal characteristic factor, when compared to women without Business license. The mean score for personal characteristic factor score is low. The personal characteristic factor score for respondents with PG qualification was the highest and school qualification was the lowest. The personal characteristic factor score for women entrepreneur operating in service sector was the highest and trade sector was the lowest.

**Conclusion:** The present study has concluded that locus of control, personal efficacy and affluence do play significant role in deciding success in entrepreneurship. Personal efficacy will provide the entrepreneur with beliefs and confidence about internal (personality) and external (environment) restraint and opportunities.

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