



# Association Between Socio-Economic Factors and Income: A Study of Women Entrepreneurs in Mizoram, India

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## ABSTRACT

Women entrepreneurs are playing a significant role and are now a crucial component of economic progress in the globalized world. The main objective of the study is the association between the socio-economic factors and the average monthly income of female entrepreneurs in Mizoram, India. This research is supposed to fill the gaps by investigating the association between the socio-economic factors and income of women entrepreneurs. For the purpose of the study, primary data were collected through structure questionnaire from 400 sample women entrepreneurs. Chi-square test is applied to study the association between the variables. The study found that there is a significant association between educational qualification, business experience, nature of business and the average monthly income of the women entrepreneurs ( $p < 0.05$ ). The study recommended that effective measures are required to provide entrepreneurial awareness, orientation, and skills development programs for the development of women entrepreneurs in the country.

**Keywords:** *Entrepreneurship, Monthly income, Socio-economic factors, Women entrepreneurs*

## INTRODUCTION

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Entrepreneurship is considered to enhance the productivity, capacity and size of the economy with the help of creativity and competitiveness (Acs et al., 2008). Entrepreneur is a person who perceives an idea of establishing a new business enterprise and then bring together all the factors of production such as man power, land, equipment, material arranges necessary capital needed for business. A country's economic growth is mostly dependent on its entrepreneurs, who are risk-takers, highly motivated and action oriented.

Women entrepreneurship has played an important part in the economic development of a region. A women entrepreneur is the one who starts business and run it successfully by taking all the risks and aiming to be successful. According to Khanka (2016), women entrepreneurs are those women who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running business. Women are engaged in agricultural operations, household industries, trade and commerce and other related economic activities. Women entrepreneurship is regarded as a key driver of economic progress.

Socio-economic factors have a significant impact on human life. The socio-economic factors such as education, income, consumption behaviour are the basic factors which can mould human life (Annapurna, 2023). Demographic characteristics such as age, gender, marital status, work experience, business age,

income level and education level are the non-financial factors that influence business performance (Tasman et al. 2023). According to Chiliya and Roberts-Lombard (2012), demographic characteristics such as age, gender, education, and work experience have a significant impact on business performance. Xu et al. (2018) highlighted that age has a positive effect on business performance because as people get older and more experienced in their careers, they make wiser judgments that will have a positive impact on the performance of business. According to Kelly et al. (2012), an adequate level of education increases the level of self-confidence of women entrepreneurs which will improve the business performance. Many studies (e.g., Morrison, 2000; Todorovic and McNaughton, 2007) revealed that prior work experience of an entrepreneur has a positive influence with business growth.

## LITERATURE REVIEW

Some important existing research studies regarding the impact of socio-economic factors of women entrepreneurs are reviewed here as under to highlight their findings.

Khan (2014) examined the socio-economic factors influencing entrepreneurship development in SMEs in Chennai. The study revealed that the factors which are not considered to be of high importance in the bygone days, such as education, religion, previous experience, family type and legal status have significant influence on the entrepreneurial behaviour and the operational performance of the selected SMEs' business, in the recent period.

Ahmed (2018) conducted a study on socio-economic impact of women entrepreneurship in Bangladesh. The study found that their values and reputations have gained betterment along with their business. The study also revealed that the women entrepreneurs had to face a number of difficulties while trying to set up their work such as finding a place to open a shop in the market. The study also identified that most of the respondents did not face any complications performing their roles as spouse, parents, or homemaker while running the business.

Ahmed and Kar (2019) conducted a study on influence of demographic factors on business performance in Ethiopia. The study revealed that age, educational level and prior work experience of the youth entrepreneur were found to be positive and significantly important in explaining the perceived business performance.

Ayinaddis (2023) revealed in the study that the variables such as social, economic, and legal and administrative factors have a positive relationship with women's entrepreneurial performance in MSEs. On the other hand, demographic factors are found to be insignificant variables in predicting women's entrepreneurial performance in MSEs.

Tasman et al. (2023) analysed the effect of demographic characteristics consisting of age, business age, income and education level on the business performance of women entrepreneurs. The focus of this research is women entrepreneurs in West Sumatra. The results showed that age, business age and education level had a significant positive effect on the business performance of women entrepreneurs.

## OBJECTIVE OF THE STUDY

The main objective of the study is to examine the association between the socio-economic factors of the women entrepreneurs and their average monthly income.

## RESEARCH METHODOLOGY

The study is conducted in Mizoram, one of the North-Eastern states in India. Mizoram is situated between the two neighbouring countries of Bangladesh and Myanmar, having a total area of 21,078 square kilometres. According to IndiaCensus.net, the estimated population of Mizoram in 2023 is 1,308,967. The study focuses on women entrepreneurs in two districts in Mizoram such as Aizawl and Lunglei districts. Aizawl district is the most populous district and Lunglei is the second. The total sample of 400 women entrepreneurs were selected by using purposive sampling method. Data were collected by using both primary and secondary sources. Primary data were collected by using structure questionnaire which were developed based on the

literature reviewed (e.g., Mathew and Panchanatham, 2011). The primary data were collected during the period of December, 2021 – April, 2022. Secondary data were collected through government records, journals and websites. Chi-square test is used to study the association between the demographic factors and the average monthly income of the female entrepreneurs.

## RESULTS AND DISCUSSION

### Association between age and average monthly income

To know the association between the age of women entrepreneurs and their average monthly income, Chi-square test is applied as shown in table 1.

**Table 1: Test of association between age and average monthly income**

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	27.247	20	.128
Likelihood Ratio	a	20	.129
Linear-by-Linear Association	27.215	1	.001
N of Valid Cases	10.349		
	400		

There is no significant association between the age of women entrepreneurs and their average monthly income since the significant value is more than 0.05.

### Association between marital status and average monthly income

It is attempted to know the association between the marital status of the entrepreneurs and their average income. To test the association between the two variables, Chi-square test is applied as shown in table 2.

**Table 2: Test of association between marital status and average monthly income**

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	15.923a	12	.195
Likelihood Ratio	15.498	12	.215
Linear-by-Linear Association	.837	1	.360
N of Valid Cases	400		

There is no significant association between the marital status of the women entrepreneurs and their average monthly income since the significant value is greater than 0.05.

### Association between educational qualification and average monthly income

To know the association between the educational qualification of the women entrepreneurs and their average monthly income, Chi-square test is applied as given in Table 3.

**Table 3: Test of association between educational qualification and average monthly income**

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	73.659a	24	.000
Likelihood Ratio	37.916	24	.035
Linear-by-Linear Association	11.182	1	.001
N of Valid Cases	400		

There is a significant association between the educational qualification of the women entrepreneurs and their average monthly income since the significance value is less than 0.05. The effect size is 0.215 as calculated in table 4.

**Table 4: Effect size**

	Value	Approx. Sig
Phi	.429	.000
Cramver's V	.215	.000
No of valid cases	400	

#### Association between experience in business and average monthly income

It is attempted to know the association between the business experience of the entrepreneurs and their average income. To test the association between the two variables, Chi-square test is applied as shown in Table 5.

**Table 5: Test of association between business experience and average monthly income**

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	38.139a	20	.009
Likelihood Ratio	33.981	20	.026
Linear-by-Linear Association	14.198	1	.000
N of Valid Cases	400		

There is a significant association between the business experience of the female entrepreneurs and their average income since the significant value is less than 0.05. The effect size is 0.154 as calculated in Table 6.

**Table 6: Effect size**

	Value	Approx. Sig
Phi	.309	.009
Cramver's V	.154	.009
No of valid cases	400	

#### Association between the nature of business and the average monthly income

To know the association between the nature of business and the average monthly income of the respondents, Chi-square test is used to study the association between the two variables as given in table 7.

**Table 7: Test of association between nature of business and average monthly income**

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	156.694a	76	.000
Likelihood Ratio	135.691	76	.000
Linear-by-Linear Association	.278	1	.598
N of Valid Cases	400		

There

is a

significant association between the nature of business and the average monthly income of the women entrepreneurs since the significant value is less than 0.05. Here, the effect size is 0.313 as shown in table 8.

**Table 8: Effect size**

	Value	Approx. Sig
Phi	.626	.000
Cramver's V	.313	.000
No of valid cases	400	

## CONCLUSION

The socio-economic factors have an impact on the business performance of women entrepreneurs. The study focuses on the association between the socio-economic factors of the women entrepreneurs and their average monthly income from the business in Mizoram. The results indicated that there is a significant association between educational qualification, business experience, nature of business and the average monthly income of the women entrepreneurs. However, no significant association was found between age, marital status and average monthly income of the female entrepreneurs.

Today's business is a complex and risky undertaking, thus female entrepreneurs must keep up with the latest trends and technical breakthroughs in order to take their business to the next level. The study concluded that effective initiatives must be taken to give women with entrepreneurial knowledge, orientation, and skill development programs. To encourage women's entrepreneurship, the government, donor agencies, non-governmental organizations (NGOs), the business community, and all other relevant stakeholders will implement various interventions to expand women's participation in formal economic sectors, particularly business and industry. Women's education is making a significant contribution to social transformation. More women will enter traditionally male-dominated fields in the future.

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