

Psychosocial Factors Influencing Decision-Making Power among Women Entrepreneurs in Karnataka

Ms. Harini Ramarathnam

Student, Psychology, Jain University

Abstract

There is a substantial contribution from women entrepreneurs in terms of social development and economic activity. This also depends on their ability to take business decisions independently using their personal capabilities and the social support systems. In this study, we will explore the association of social and psychological factors influencing decision making focusing specifically on women entrepreneurs in Karnataka.

Based on modes of enterprise operation, a quantitative survey was conducted using a structured questionnaire based on 5-point Likert scale for 74 women entrepreneurs residing in Karnataka. The analysis is done using Cronbach's alpha, ANOVA (one way analysis of variance, Descriptive statistics and multiple regression. The outcome of the analysis revealed that highest mean is attained indication high motivations levels for decision making, network support, family support, self-efficacy, risk taking and emotional regulation. The lowest mean was recorded for the cultural and social factors.

Another interesting fact is that the Decision-making power had a variance across the size of employees on groups, $F(3,70) = 3.015$, $p = 0.0356$, with eta squared of 0.114. There was a key significance in the seven-predictor regression model $F(7,66) = 4.275$, $p = 0.0006$, and it also highlighted the 31.2% of the observed variance. The significant individual predictors are social and cultural factors and Self-efficacy. The research findings indicate that entrepreneurial decision-making power has multiple dimensions and is primarily associated with the individual confidence, the wider social and cultural environment and enterprise context.

Keywords: Women Entrepreneurs, Social Factors, Decision-Making, Self-Efficacy, Entrepreneurial Psychology, Entrepreneurship, Karnataka

Introduction

Women led enterprises contribute to a significant extent in terms of social change, household income, economic participation, and employment and this is primary basis for choosing women entrepreneurs as an important focus area for this research.

Based on various literature reviews revolving around the topic it is indicated that the key individual characteristics alone do not determine the desired outcomes but the contextual factors revolving around cultural, social, family and institutional scenarios also create an impact (Yadav & Unni, J.2016. Based on these systematic reviews, it is important to accept that the research is multidisciplinary in nature and it is

well understood if we also give importance to family, institutional support, social-cultural context in the dimension of women entrepreneurship (Cardella, G. M. 2020).

The central element for the continuity of any business and progressive growth is the entrepreneurial decision making. Entrepreneurs need to be good decision makers to identify the opportunities, plan the allocation of resources, risk mitigation, stakeholder negotiations, devise strategic and operations through effective choices. In the case of women entrepreneurs, these decisions are possible and aligned when they take decisions based on self-worth, motivation, family support, self-efficacy, emotional regulation, networking, risk orientation and alignment with the social or cultural expectations.

The relevance of Entrepreneurial self-efficacy is highlighted through concerns related to the belief of the individuals in terms of their ability to perform the tasks as a construct related to entrepreneurship psychology (Newman, A, et.al,2019).

The present study does not solely focus on business performance or entrepreneurial intention but it also significantly emphasizes the decision-making power of women entrepreneurs. It also throws light on the respondent's ability to handle business analysis, figure out alternatives, conduct risk assessment and practice taking independent decisions related to strategy and operations. This ardent focus is crucial as it highlights the distinct nature of entrepreneurial agency and emphasize the fact that decision making and business ownership are related and they co-exist.

The research is restricted to Karnataka as there are a lot of women entrepreneurs operating as micro and small enterprises and various sectors. The impact that the social and psychological factors have on decision making power across various employee groups irrespective of the size.

Review of Literature

Literature review is the integral element for research on women entrepreneurship in identifying the serious need for stronger contextual and theoretical facts and insights specific to their challenges, experiences and risk management.

Yadav and Unni (2016) presented the fact that there is a rapid improvement in research related to women entrepreneurship but they are fragmented across various geographical contexts and disciplines. Cardella et al. (2020) highlighted the key importance of family, institutional conditions, socio-cultural context and entrepreneurial education as key indicators for research.

Extending the zone of research, during the challenging conditions of uncertainty in entrepreneurship, the psychological factors play a crucial role. According to the Social Cognitive Theory, behavior is regarded as the result of interaction among dynamic environmental influences and personal factors (Bandura, A,1986).

Self-efficacy is another key area of research indicating the belief system in gauging capability of the entrepreneur to perform her tasks in a successful manner. represents belief in one's capacity to perform tasks successfully. Newman et al. (2019) regarded entrepreneurial self-efficacy as a prominent construct for the research linking it with theoretical references to Social Cognitive Theory and researching on the implications based on entrepreneurial challenges and outcomes.

In the case of critical business challenges and situations of uncertainty, the way the women entrepreneurs handle and respond is another factor attributing to the research. It is also observed that factors like emotional regulation, motivation, risk-taking, resilience can also shape up the response levels during those challenges. In a broader perspective, research also reiterates that even if there is a high level of a psychological characteristic it doesn't indicate that specific characteristic is independent variable

predicting a key business outcome. Therefore, in empirical entrepreneurial research, the distinction between inferential relationships and descriptive levels are regarded as a significant and important.

It is also equally important to regard the social influences also as a relevant characteristic. Jennings and Brush (2013) argue that the family, institutional, and social contexts are inbuilt variables in the life of women entrepreneurs and they can challenge any assumptions presented by traditions theories of entrepreneurship. Another underrated variable is the gender role perspective and it is considered to play a key role in providing access to various opportunities, behavior and influence authority (Ajzen, I.,1991). For women entrepreneurs, the constraining or enabling environment is created by various factors like networks, family support and key institutional conditions.

The research literature supports an integrated perspective addressing both the context and individual capability can provide insights related the journey of women entrepreneurs. The current study is keen to build on this perspective by researching the various social and psychological variables simultaneously and correlating them with the key decision-making power of women.

Theoretical Framework

The study revolves around three theoretical perspectives. Firstly, Theory of Planned Behavior stating that behavior is influenced by perceived behavioral controls, subjective norms and attitudes. This framework is relevant as it interprets that decisions taken by women entrepreneur can be impacted by social expectations the ability to handle any entrepreneurial challenge and various personal evaluations defining the state and style of entrepreneurship.

Second, the Gender Role Theory enlightens as how various social expectations associated with women can impact the access to authority and key operational behaviors. In the current research, the social and cultural factors are regarded not only as background characteristics but also as contextual conditions relating with ability of women in making thoughtful decisions.

Third, the Social Cognitive Theory provides an insightful reciprocal interaction between key behavioral traits, personal characteristics, and challenging environmental situations. Social Cognitive theory forms the basis for reviewing the psychological characteristics and self-efficacy aligned with the cultural and social conditions.

Consolidating the key references from the above theories it is evident that these insights present a conceptual framework in determining the effectiveness of the decision-making power of women entrepreneurs in association with social and psychological factors. The empirical analysis further drill down these broad categories into multiple characteristics decision making, network support, family support, self-efficacy, risk taking and emotional regulation.

Problem statement and Research Objectives

The independent decision making by women is still an uneven entity even though there is an increasing trend of women inclining towards entrepreneurship. The current research study focuses on addressing this gap by observing the decision-making capabilities and the key dependencies of women entrepreneurs in Karnataka.

The Key objectives are listed as below

- To identify the various psychological factors and social factors that impact the decision-making power of women entrepreneurs.

- To analyses the relationship between social and psychological factors and their impact on the decision-making process of women entrepreneurs.

The study tests the following hypotheses in a broader perspective:

H1: Psychological factors are significantly associated with the decision-making process of women entrepreneurs in Karnataka.

H2: Social factors create a significant impact on the decision-making power of women entrepreneurs.

Methodology

Research Design

The research design is cross-sectional and quantitative as it includes inferential and descriptive statistical analysis. Data collection is done using semi structured questionnaire for women entrepreneurs in Karnataka. The research design also includes specific predictors related to the decision-making power like sample patterns, employee size across various departments and groups and examines the impact of these combined association with the decision-making process of women entrepreneurs.

Participants and Sampling

The final respondents sample size consisted of 74 women entrepreneurs who met the eligibility research criteria. The research eligibility criteria indicated that the participants must be women who owned or co-owned a business and they should be involved in business decision-making, had operated the business for at least one year, and were located in Karnataka. In order to identify and select the eligible respondents, snowball and purposive sampling technique was used. The respondents were selected from various business associations, local business communities and entrepreneurial networks.

Research Instrument

The semi structured interview questionnaire is structured as four broad sections. Section A is related to the respondent details and business information. Section B examined on the psychological constructs, like motivation, risk-taking, self-efficacy, and emotional regulation. Section C throws light on the social and contextual constructs, including family support, network support, and social/cultural factors. Section D measures the specific intensity of the decision-making power. All the options were rated on the basis of Likert scale ranging from 1 mapped to Strongly Disagree to 5 mapped to Strongly Agree.

Variables

Table 1. Study Variables and Operationalization

Variable	Role	Measurement
Decision-making power	Dependent variable	Composite 1–5 score
Self-efficacy	Independent predictor	Composite 1–5 score
Motivation	Independent predictor	Composite 1–5 score
Risk-taking	Independent predictor	Composite 1–5 score
Emotional regulation	Independent predictor	Composite 1–5 score
Family support	Independent predictor	Composite 1–5 score
Network support	Independent predictor	Composite 1–5 score
Social/cultural factors	Independent predictor	Composite 1–5 score

Employee count	ANOVA grouping variable	Self-employed: 1–5; 6–10; >10 employees
----------------	-------------------------	---

Statistical Analysis

The statistical analysis is done using Descriptive statistics for measuring the maximum and minimum values of study constructs and standard deviation. Cronbach's alpha is using for checking on the internal consistency. One-way ANOVA was used to examine the key differences across the various employee-size groups. Multiple regression technique was opted to test the combined attribute of the seven explanatory variables with respect to the decision-making power. Finally, the statistical significance was assessed at a level of 5%.

Results

Descriptive Statistics

Table 2. Descriptive Statistics of Major Study Variables

Variable	SD	Minimum	Maximum	Mean
Self-efficacy	0.55	3	5	4.35
Motivation	0.5	3	5	4.56
Risk-taking	0.63	2	5	4.15
Emotional regulation	0.57	2.7	5	4.18
Family support	0.67	2.4	5	4.34
Network support	0.74	2	5	4.03
Social/cultural factors	0.64	2.4	5	3.96
Decision-making power	0.61	2.6	5	4.39

The mean score is highest for Motivation ($M = 4.56$, $SD = 0.50$), followed by decision-making power ($M = 4.39$, $SD = 0.61$), self-efficacy ($M = 4.35$, $SD = 0.55$), and family support ($M = 4.34$, $SD = 0.67$). The lowest mean was recorded for social/cultural factors ($M = 3.96$, $SD = 0.64$). These results enlighten us on the sample's response profile and there are no predictive relationships.

Reliability Analysis

Table 3. Internal Consistency of Study Constructs

Construct	Cronbach's alpha	Interpretation
Self-efficacy	0.76	Good
Motivation	0.87	Good
Risk-taking	0.86	Good
Emotional regulation	0.84	Good
Family support	0.86	Good
Network support	0.81	Good
Social/cultural factors	0.64	Interpret with caution
Decision-making power	0.85	Good

The values demonstrated the effectiveness of the internal consistency. Cronbach's alpha values ranged from 0.76 to 0.87 for all the construct except social /cultural factors. This emphasizes that we need to int-

interpret the social and cultural factors cautiously.

Decision-Making Power Across Employee-Size Groups

Table 4. Decision-Making Power by Employee-Size Group

Employee Group	n	SD	Mean
Self-employed only	32	0.54	4.5
1–5 employees	23	0.66	4.1
6–10 employees	7	0.49	4.7
>10 employees	12	0.60	4.5

The highest observed mean is noted among respondents with 6–10 employees ($M = 4.7$), while the lowest occurred among respondents with 1–5 employees ($M = 4.1$). The pattern observed is non-linear across employee-size categories.

ANOVA Across Major Constructs

Table 5. One-Way ANOVA Results Across Employee-Size Groups

Construct	p-value	Result	F
Decision-making power	0.0356	Significant	3.015
Self-efficacy	0.0016	Significant	5.619
Motivation	0.0709	Not significant	2.447
Risk-taking	0.0454	Significant	2.815
Emotional regulation	0.1732	Not significant	1.708
Family support	0.0309	Significant	3.133
Network support	0.5964	Not significant	0.633
Social/cultural factors	0.0095	Significant	4.114

The one-way ANOVA indicated a statistically significant, $F(3,70) = 3.015$, $p = 0.0356$. The value of the eta squared was 0.114, indicating the variance in decision-making power was across employee-size grouping in this sample.

There is significant statistical difference for self-efficacy, family support, risk-taking, social/cultural factors across employee-size groups.

Multiple Regression Analysis

Table 6. Multiple Regression Model Summary

Statistic	Value
R	0.559
R ²	0.312
Adjusted R ²	0.239
F (7,66)	4.275
Model p-value	0.0006
Sample size	74

There is statistical significance in the seven-predictor regression model, $F(7,66) = 4.275$, $p = 0.0006$. The model produced $R = 0.559$ and $R^2 = 0.312$, indicating that the seven predictors jointly accounted for 31.2% of the observed variance in decision-making power. The adjusted R^2 was 0.239.

Table 7. Individual Regression Coefficients

Predictor	SE	B	p-value	T	Result
Self-efficacy	0.148	0.352	0.0203	2.378	Significant
Motivation	0.176	-0.091	0.6066	-0.517	Not significant
Risk-taking	0.179	-0.038	0.8333	-0.211	Not significant
Emotional regulation	0.178	0.34	0.0606	1.909	Not significant
Family support	0.12	0.023	0.8482	0.192	Not significant
Network support	0.091	-0.083	0.3659	-0.91	Not significant
Social/cultural factors	0.101	0.211	0.0407	2.088	Significant

The significant positive predictor of the decision-making power was self-efficacy ($B = 0.352$, $p = 0.0203$) along with social/cultural ($B = 0.211$, $p = 0.0407$). The other attributes like network support, family support, risk-taking, motivation was not statistically significant in the model.

Discussion

The interpretation after the data analysis indicate that motivation alone is not enough to determine the effectiveness of decision-making power of women entrepreneurs. Even though the highest mean recorded for motivation in the sample, it is not considered as a significant unique predictor and this difference enlightens the importance of separating a descriptive data from other variables from independent contribution of predictive variables.

The clear and consistent individual-level predictor is Self-efficacy with a highly reported positive coefficient associated with higher degree of decision-making power. This is in alignment with the perceived capability of Social Cognitive Theory and the literature review on entrepreneurial self-efficacy. The result should nevertheless be interpreted as an association rather than as evidence that self-efficacy causes greater decision-making power.

There is a significant contextual dimension in the social/cultural factors as they had lowest mean and yet they were statistically significant for regression analysis and ANOVA. The favorable conditions are indicated by the positive regression coefficient of social/cultural factors and is associated with higher degree of decision-making power. This interpretation highlights the reliability scale is lower ($\alpha = 0.635$).

Another important dimension is the analysis of the size of the employee. It is identified that decision-making power varied significantly in four employees group but the pattern did not indicate a direct correlation like increase in employees leads to increased decision making power, The outcome of this observation is that enterprise scale may alter the distribution and nature of decision making and as the enterprise grows, the decision-making can involve partners, investors, delegation, other stakeholders and employees.

The interpretation for family support and risk-taking also illustrates as why ANOVA and regression analyses needs to be interpreted together. It is observed that both the variables indicated significant differences across different employee-size groups and yet those are not significant unique predictors based on regression model. Network support construct is insignificant as it did not show any unique regression effect or notable group difference. These results do not indicate that family and network support can be discounted but they provide sufficient evidence these variables independently influence the decision-making power of women entrepreneurs in Karnataka. The final outcome is both the hypotheses are complied based on the data analysis.

Implications

Implications for Entrepreneurship Development

Based on the research findings, the entrepreneurship development programs for women can focus beyond technical skills and motivation and stress on confidence in entrepreneurial capability and business conducive social conditions. The training can be strategized incorporating business knowledge along with risk assessment, confidence building, negotiation, opportunity evaluation and decision-making best practices.

Support Ecosystem implications

The contextual barriers that have been highlighted affecting the decision-making authority of the women can be focused by incubators, policy programs, support organizations and business associations. The final results reiterate that it is important to strengthen individual capability considering the social and cultural conditions.

Research Implications

This research study elevates the decision-making capabilities using a multidimensional approach. The future empirical research can revolve around financial access, age of business, mentorship, digital adoption, stakeholder relationships, institutional support and family responsibilities and their role in impacting the decision-making process.

Limitations of the study

- There were 74 respondents and this has limited scope to generalize the wider women entrepreneur population in Karnataka.
- The unequal employee groups especially the 6–10 employee group, having only seven respondents.
- The social/cultural factors scale has lower internal consistency (Cronbach's alpha = 0.635), and this calls for cautious data interpretation based on target audience.
- ANOVA results are omnibus and hence the post-hoc analysis is needed to identify the group differences based on specific pairs.
- The observed variance is 31.2% based on the regression model and this variance is attributed to the substantial variation beyond the current model.

Scope for Future Research

The Future research can be done across different geographical locations beyond Bangalore especially the tier-II and tier-III cities, and rural districts of Karnataka. It is ideal to use the stratified sampling across sector, employee size, business age, funding stage and ownership structure. In the advent of time, longitudinal research can provide insights in business growth, self-efficacy, support systems, and decision-

making power over time. Structural equation modelling can examine indirect and direct relationships among self-efficacy, social and cultural conditions, support systems, and decision-making power.

Conclusion

Based on the research study, it is concluded that there is empirical evidence that decision-making power of women entrepreneurs has a multidimensional outcome and is associated with social and cultural conditions, business contexts and psychological capability of the individual. There was significant difference on decision-making power based on the size of employee and the statistically significant seven predictor regression model contributing to 31.2% variance. Social and cultural factors and Self efficacy are the individual predictors in the regression model.

It also indicates that though the entrepreneurial motivation is high among respondents, it is incorrect to equate with the decision-making authority. It also implies that confidence to exercise judgement and contextual challenges create an impact on the decision-making process, it is important to understand that these conclusions are associative and can be interpreted within the sample, cross sectional design and measurement limitations.

Acknowledgement

The author would like to express heartfelt gratitude to her family for their support while doing this research. Special thanks are extended to Ms. Padmajah Narasimhan for reviewing the research and providing valuable support with the research application as a research companion. The author also thanks all the women entrepreneurs who participated in the study and attempted the questionnaire and helped her to do the research.

References

1. Ahl H., "Why research on women entrepreneurs needs new directions", *Entrepreneurship Theory and Practice*, 2006, 30 (5), 595–621.
2. Ajzen I., "The theory of planned behavior", *Organizational Behavior and Human Decision Processes*, 1991, 50 (2), 179–211. [[https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)]
3. Bandura A., *Self-efficacy: The exercise of control*, W. H. Freeman, 1997.
4. Baughn C. C., Chua B. L., Neupert K. E., "The normative context for women's participation in entrepreneurship", *Entrepreneurship Theory and Practice*, 2006, 30 (5), 687–708.
5. Boubker O., Arroud M., Ouajdouni A., "Entrepreneurship education and entrepreneurial intention among university students: The mediating role of self-efficacy and psychological capital", *Journal of Entrepreneurship Education*, 2023, 26 (2), 1–12.
6. Brush C. G., De Bruin A., Welter F., "Advancing theory development in venture creation: Signposts for understanding gender", *Entrepreneurship Theory and Practice*, 2019, 43 (3), 437–451.
7. Brush C. G., Greene P., Balachandra L., "The gender gap in venture capital progress, problems, and perspectives", *Venture Capital Journal*, 2018, 20 (2), 115–136.
8. Cardella G. M., Hernández-Sánchez B. R., Sánchez-García J. C., "Women entrepreneurship: A systematic review to outline the boundaries of scientific literature", *Frontiers in Psychology*, 2020, 11, 1557. [<https://doi.org/10.3389/fpsyg.2020.01557>]
9. Carter S., Shaw E., *Women's business ownership: Recent research and policy developments*, Small Business Service Research Report, 2006.

10. De Bruin A., Brush C. G., Welter F., "Advancing a framework for coherent research on women's entrepreneurship", *Entrepreneurship Theory and Practice*, 2007, 31 (3), 323–339.
11. Elam A., Brush C., Greene P., Baumer B., Dean M., Heavlow R., *Global entrepreneurship monitor women's entrepreneurship report*, Babson College, 2019.
12. Gupta V. K., Turban D. B., Bhawe N. M., "The effect of gender stereotype activation on entrepreneurial intentions", *Journal of Applied Psychology*, 2023, 108 (1), 1–15.
13. Hazudin S. F., Kader M. A. R., Tarmuji N. H., Ishak M., "Discovering small business start-up motives, success factors and barriers: A gender analysis", *Procedia Economics and Finance*, 2022, 37, 437–443.
14. Hughes K., Jennings J., Brush C., Carter S., Welter F., "Extending women's entrepreneurship research", *Entrepreneurship Theory and Practice*, 2012, 36 (3), 429–442.
15. Islam N., Hoque M. S., "Enhancing decision making abilities of women through entrepreneurship development", Paper presented at the 2nd Africa-Asia Dialogue Network (AADN) International Conference on Advances in Business Management and Electronic Commerce Research (AADNIC-ABMECR), Ganzhou, Jiangxi, China, 2020, November 27–29.
16. Jalil M. A., Azam F., Rahman M., "Entrepreneurial resilience and business performance among women entrepreneurs", *Journal of Entrepreneurship and Innovation in Emerging Economies*, 2023, 9 (1), 23–40.
17. Jennings J. E., Brush C. G., "Research on women entrepreneurs: Challenges to existing theories and future directions", *Academy of Management Annals*, 2013, 7(1), 663–715.
18. Klyver K., Nielsen S., Evald M., "Women's self-employment and institutional context", *Small Business Economics*, 2013, 40(2), 447–465.32. Kuratko D., *Entrepreneurship: Theory, process and practice* (11th ed.), Cengage Learning, 2020.
19. Newman A., Obschonka M., Schwarz S., Cohen M., Nielsen I., "Entrepreneurial self-efficacy: A systematic review of the literature on its theoretical foundations, measurement, antecedents, and outcomes, and an agenda for future research", *Journal of Vocational Behavior*, 2019, 110, 403–419. [<https://doi.org/10.1016/j.jvb.2018.05.012>]
20. Ratten V., "Women entrepreneurship in emerging economies", *Journal of Entrepreneurship in Emerging Economies*, 2021, 13(2), 231–243.
21. Shane S., Venkataraman S., "The promise of entrepreneurship as a field of research", *Academy of Management Review*, 2000, 25(1), 217–226.
22. Shastri R., Sinha A., "The socio-cultural challenges faced by women entrepreneurs in India", *International Journal of Entrepreneurship and Small Business*, 2021, 42(1), 1–15.
23. Singh S., Reynolds R., Muhammad S., "Women entrepreneurs and resilience", *Journal of Entrepreneurship and Innovation in Emerging Economies*, 2020, 6(1), 123–142.
24. Suganthi N., Asokhan M., "Decision making behaviour of women entrepreneurs", *International Journal of Social Sciences*, 2021, 10(4), 351–355. [<https://doi.org/10.46852/2249-6637.04.2021.8>]
25. Varshney D., Pandey S., Gupta R., "Women entrepreneurship in India: Challenges and opportunities", *Journal of Entrepreneurship in Emerging Economies*, 2022, 14(2), 1–18.
26. Wlosowicz T., "Emotional Text Reception in L1, L2 and L3, as Exemplified by Excerpts from Louise L. Hay's Self-Help Book *You Can Heal Your Life*", 2017. 10.1007/978-3-319-56892-8_8.
27. Yadav V., Unni J., "Women entrepreneurship: Research review and future directions", *Journal of Global Entrepreneurship Research*, 2016, 6(1), 1–18. [<https://doi.org/10.1186/s40497-016-0055-x>]

28. Zhao H., Seibert S., Hills G., "The mediating role of self-efficacy in entrepreneurial intentions", Journal of Applied Psychology, 2005, 90(6), 1265–1272.