



# Construction of Scale for Measuring the Managerial Abilities in Small enterprises of the Rural Women

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## ABSTRACT

Women play a crucial role in rural economy and in India large percentage of micro enterprises in rural areas are run by them. Agro based enterprises such as vegetable production, dairy management and petty trading activities provide various livelihood opportunities for women in rural areas. Micro enterprises act as vehicles for creating jobs, raising household income and enhancing the purchasing power of the farm families but in order to run the microenterprises successfully women need to possess different managerial abilities such as opportunity scanning, business planning, organizing, directing, controlling, marketing and evaluating. Hence, it becomes necessary to assess the managerial abilities of rural women for strengthening of micro enterprises. Therefore, an attitude scale was constructed for measuring the managerial abilities of the rural women in managing micro enterprises. A total number of 29 statements were selected to measure the managerial abilities of the rural women and Likert method of summated ratings was used for construction of the scale.

**Key Words:** Controlling, Business planning, Directing, Evaluating, Micro enterprises, Opportunity scanning, Organizing, Marketing.

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## INTRODUCTION

Women play a significant and crucial role in agriculture and allied sectors such as livestock production, horticulture, agro-forestry, fisheries etc. Women not only contribute formidable workforce to microenterprises but also manage diversified micro enterprises in rural India. The Micro, Small and Medium Enterprise Development Act (MSMED) Act, 2006 defines the micro enterprise as enterprise engaged in the manufacturing or production of goods, whose investment in plant and machinery does not exceed Rs. 25 lakh, and enterprise in providing or rendering services, whose investment in equipment does not exceed Rs.10 lakh. Micro-enterprises are those industrial and business undertakings where owners, individuals, friends or relatives supply capital; they operate locally, and the size of business as well as management is small. Micro enterprises provide livelihood security to rural women by providing self employment. Micro enterprise is an effective instrument of social and economic development (Sharma *et al*, 2012).

Micro enterprises not only enhance productivity, generate employment but also help to develop managerial abilities of rural women. Women should have various management abilities such as opportunity scanning, business planning, organizing, directing, controlling, marketing and evaluating for successful running of any kind of enterprises. By keeping this in view, an attempt was made to construct an attitude scale to measure the managerial abilities of the rural women in managing micro enterprises.

## MATERIALS AND METHODS

The method of summated rating scale suggested by Likert (1932) was followed in the construction of attitude scale. The following steps were followed for the development of the scale.

### Collection and selection of the statements:

The statements related to the managerial abilities of the rural women were framed and selected first by reviewing literature and consulting experts in the

fields of extension education and rural and women development. The screening of the statements was made on the criteria suggested by Edwards (1957). The judgment sheet with 60 selected items was submitted to the panel of judges. Out of 60 items, 35 items whose weighted means were equal or above the overall mean were selected for item analysis.

#### Item analysis:

The selected statements were prepared in the form of summated rating scale with 5 – point response continuum i.e., ‘Always’, ‘Frequently’, ‘Some times’, ‘Rarely’ and ‘Never’ by assigning scores of 5, 4, 3, 2 and 1, respectively. These statements were translated into Telugu and administered to 30 rural women who were selected randomly outside the sample area. Thirty five statements were subjected to item analysis. All the 30 respondents were arranged in ascending order of total scores on the summated rating responses. Thereafter, 25 per cent respondents from top and same number from bottom in terms of total score on the statement were selected and grouped. These two categories provided the criterion group by evaluating the individual statement was made. The critical ratio, that is t-value which is a measure of the extent to which a given statement differentiates between the high and low groups of respondents for each state was calculated by using formula suggested by Edwards (1957).

$$t = \frac{X_H^1 - X_L^1}{\sqrt{\frac{\sum(X_H - X_H^1)^2 + \sum(X_L - X_L^1)^2}{n(n-1)}}$$

#### Scoring technique

The total score for each individual on the scale was computed by summing the weightage of the individual item response.

#### Reliability of the scale

A scale is reliable when it consistently produces the same results when applied to the same sample. In this study, two types of reliability tests were used, namely a) test- retest reliability and b) split-half reliability. In this method the scale was administered to 30 rural women from outside sample area, twice

with 15 days interval. Thus, two sets of scores were obtained for the same respondents. The correlation coefficient was  $r = 0.88$  indicating that the scale was stable or dependable for measuring the managerial abilities of the rural women. The scale was further subjected to split half reliability. In this method, the scale was administered to 30 respondents. Two sets of scores were derived on half forms of scale containing odd and even number of statement for the same respondents and the scores were correlated. The reliability was estimated by the Spearman Brown formula. The coefficient of reliability thus obtained in this case was 0.809, which was found significant at 0.01 level of probability indicating the internal consistency of the scale constructed.

#### Validity of the scale

The validity of the scale was examined with the help of content validity by determining how well the contents of the scale represented the subject matter under the study. As all the possible items covering the universe were selected by discussion with extension experts, reviewing the literature and strict adherence to the judges. It could confirm that the instrument satisfied the content validity.

### RESULTS AND DISCUSSION

According to table 1, a total number of 29 statements having ‘t’ value of 1.75 and more were selected for final scale. These statements were later grouped under seven broad dimensions i.e., opportunity scanning, business planning, organizing, directing, controlling, marketing and evaluating.

It was evident (Table 1) that opportunity scanning or the ability of the rural woman to identify and understand the environment in which she operates is the primary thing for initiating and smooth running of any micro enterprise. After scanning the business environment, proper planning of enterprise activities well in advance is the essential prerequisite for organizing the enterprise work based on its importance. Directing and controlling of enterprise through proper decision making and

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**Table. 1. Scale for measuring the managerial abilities of the rural women in managing micro enterprises.**

Sr. No	Statement	t - Value
<b>i)</b>	<b>Opportunity scanning</b>	
1.	Assessing profitability of the enterprise	3.021
2.	Considering the credit facilities.	2.756
3.	Considering the location of the enterprise	2.995
<b>ii)</b>	<b>Business planning</b>	
4.	Defining aim before starting enterprise activities.	2.053
5.	Taking adequate care in selecting crops/animals/products.	3.012
6.	Calculating the total costs before hand	2.341
7.	Procuring money before starting enterprise activities.	2.950
8.	Forecasting sales and costs of the enterprise.	2.041
9.	Considering the past experiences while planning activities.	3.022
10.	Considering the sources of the raw material well in advance.	4.554
11.	Anticipating the obstacles while running the enterprise	2.987
<b>iii)</b>	<b>Organizing</b>	
12.	Enumerating the enterprise activities before hand	2.987
13.	Prioritizing enterprise work according to its importance	4.584
14.	Arranging the inputs for their timely use	3.161
<b>iv)</b>	<b>Directing</b>	
15.	Taking major decisions about the enterprise	2.388
16.	Collecting new information related to enterprise	4.254
17.	Supervising enterprise activities	2.967
18.	Motivating the workers to perform enterprise activities effectively	3.161
<b>v)</b>	<b>Controlling</b>	
19.	Taking remedial measures when something goes wrong	3.005
20.	Keeping accounts for costs and profits	2.810
21.	Ensuring proper utilization of resources available	3.161
<b>vi.</b>	<b>Marketing</b>	
22.	Finding out customers need	4.600
23.	Knowing about competitors and their products	3.087
24.	Considering the prices customers prepared to pay for the products before marketing	4.112
25.	Involving in sales promotion activities	1.998
26.	Getting feedback from the customers	1.956
<b>vii)</b>	<b>Evaluation</b>	
27.	Reviewing the business condition of the enterprise	1.976
28.	Visualizing future plans of the enterprise.	2.876
29.	Self assessment as an entrepreneur	1.923

by taking remedial actions, when something goes wrong are identified as essential managerial abilities for an entrepreneur in the scale. Financial success of an enterprise solely depends on marketing ability of micro entrepreneurs, hence five statements in the final scale were measuring the marketing abilities of the rural women. Evaluation is a continuous process for reviewing the business condition and visualizing future plans of the enterprise, hence three statements with significant 't' values were included in the final scale. Hence, the above attitude scale measuring the managerial abilities of rural women in micro enterprise management under various dimensions.

### **CONCLUSION**

The scale was found to be reliable and valid and therefore, it can precisely measure the managerial abilities of the rural women in managing micro enterprises. By measuring the managerial abilities of rural women micro-entrepreneurs, extension functionaries can plan and implement various development programmes for promotion of micro – enterprises in rural areas. This scale can also be effectively used for assessing the managerial abilities of rural women for organizing capacity building activities for women in order to strengthen rural microenterprises.

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