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## Strategic Entrepreneurship among Business Women of Jammu & Kashmir: Scale Development and Validation

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### Abstract

*Strategic entrepreneurship which is the simultaneous portrayal of advantage and opportunity seeking behaviors is pretty young and researchers are continuously exploring it on different fronts. The purpose of this paper is to use dimensions retrieved from the available literature to develop and validate a scale which can be used to assess strategic entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir in India. The study reports from a cross-sectional quantitative data of women entrepreneurs of the state of Jammu & Kashmir. The major takeaway of this study is that innovativeness, entrepreneurial culture, entrepreneurial leadership, entrepreneurial mindset, strategic management of resources and networking significantly load on strategic entrepreneurship. Also all these dimensions are significantly displayed by women entrepreneurs while exhibiting strategic entrepreneurship as per the study. The results may have significant influence on entrepreneurial and public policy making in the state of Jammu & Kashmir.*

**Keywords:** Scale, Strategic Entrepreneurship, Women Entrepreneurs.

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### 1. Introduction

Entrepreneurship and strategic management, both are indispensable for organizational growth and creation of wealth (Amit and Zott, 2001; Hitt *et al.*, 2001). Entrepreneurship on one hand, has organizational growth and wealth creation as its prime objectives (Ireland *et al.*, 2003; Ibourk and Amaghous, 2016), while strategic management helps significantly, in understanding the reasons for differences in wealth creation in different organizations (Teece *et al.*, 1997; Farjoun, 2002). Growth and wealth creation are related to each other as growth enables firms to create wealth by building economies of scale and market power. Since these disciplines have their individual existence, it was in 2001, when they were collaborated and combined into one separate discipline called Strategic Entrepreneurship by Hitt and his colleagues. Strategic Entrepreneurship is concerned with simultaneous portrayal of opportunity seeking and advantage seeking behaviors ultimately resulting in higher value to the individuals, organizations and the society (Hitt *et al.*, 2001). In an organization either opportunities identified are not exploited properly to ensure greater wealth to stakeholders or they are not able to identify new opportunities

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which set stakeholders to increased risk of dynamic business environment. Through strategic entrepreneurship an effective combination of opportunity seeking (Entrepreneurship) and advantage seeking (Strategic management) behaviors is ensured leading to greater organizational wealth. Alone none is sufficient but together they can move miracles for any organization.

## 2. Women Entrepreneurship in India and the State of Jammu & Kashmir

In the wake of economic globalization and liberalization, women entrepreneurship is gaining much importance in India. Traditionally Indian society was male dominated but now the coin has flipped and women are seen as equal partners who can give tough competition to their male counterparts (Shah and Saurabh, 2015). Northern part of India is quite unique in terms of its population, culture, traditional trading etc (Biswal and Sangma, 2014). The state of Jammu & Kashmir in India also belongs to the northern part and is different in terms of its demographic profile, societal norms, culture, trading etc. Researchers (Sharma, 2013; Dar and Ahmad, 2013) propose that women entrepreneurs in the state face numerous problems but still they are growing with each passing day and changing the frozen thoughts of the society regarding them. This calls to explore women entrepreneurs on both strategic as well as entrepreneurial fronts.

The annual report of Ministry of Statistics and Programme Implementation, Government of India reveals that the annual GDP of the state of Jammu & Kashmir in year 2014-15 was INR 8,79, 210 millions which is one of the lowest in any Indian state and its unemployment rate as per 4th annual employment unemployment survey report by Ministry of Labour and Employment, Government of India, in 2013-14 was 4.9% which is one of the highest in the country.

Strategic entrepreneurship may provide a solution to the problem of growth and creation of wealth, as already been deduced by various researchers but this concept is not yet evaluated for the state of Jammu & Kashmir. So, the present endeavor proposes a study of strategic entrepreneurship among women as a tool to reduce unemployment and enhance economic growth.

## 3. Literature Review

Hitt *et al.* (2011) propose a new model of strategic entrepreneurship which is input-process-output based. This study emphasizes that strategic entrepreneurship helps to use the resources in the most effective and efficient way. Katila, Chen and Piezunka (2012) in their study identify the competitive moves with which firms achieve superior performance. The results of this study reveal that entrepreneurial firms require competitive strategies that are different from the controlled group of comparable large firms. So to be successful entrepreneurs should be entrepreneurial in behavior and strategic in nature. Gelard and Ghazi (2014) in their study tried to explore the various dimensions of strategic entrepreneurship among Iranian entrepreneurs. The statistical analysis of the study revealed that entrepreneurial mindset, innovation, capital mobilization, entrepreneurial management and leadership, growth and profitability are the major dimensions of strategic entrepreneurship among Iranian entrepreneurs. Hitt *et al.* (2001) in their study propose that entrepreneurship is all about identification and exploitation of opportunities available through the property of risk taking and pro-activeness behaviors to ensure innovation and creativity. But to achieve most out of it, they are also required to act strategically. This calls for entrepreneurship and strategic aspects to be collaborated and linked together to create a new concept of strategic entrepreneurship as per them. Gupta *et al.* (2002) discuss that effective entrepreneurship in developing markets is a strategic process and strategic management cannot succeed without entrepreneurial orientation there. This makes entrepreneurship and strategy inevitably linked to each other. The construct established by this study proposes a sound relationship between the entrepreneurial strategy and the success of such sample enterprises. Luke *et al.* (2011) aimed

to integrate the concepts of entrepreneurship and strategic management to develop a conceptual framework of strategic entrepreneurship. The results reveal that firms need to rely on core skills and resources from the strategic perspective and innovation from the entrepreneurial perspective if they want to gain the fruits of being strategically entrepreneurial. Parihar *et al.* (2013) conducted a study to know about the entrepreneurial characteristics of women entrepreneurs in the state of Jammu and Kashmir. The results of this study reveal that women entrepreneurs in Jammu region have low entrepreneurial competencies and to them it is essential to give them training and support, make them aware of the various schemes and programmes available for them, create a conducive scenario for them to work in.

Upon reviewing the relevant literature, significant studies were found which explored different dimensions of strategic entrepreneurship. Most important of these dimensions which have been considered for the present study includes: Innovativeness, Entrepreneurial culture, Entrepreneurial leadership, Entrepreneurial mindset, Strategic management of resources and networking.

#### **4. Research Gap**

Review of literature on strategic entrepreneurship reveals that since this concept is relatively new, researchers are still debating to take any stand on what actually constitutes it. Literature on strategic entrepreneurship among women is lesser than other disciplines and meager for the state of Jammu & Kashmir. Furthermore, after reviewing the relevant literature, a scale for assessing the strategic entrepreneurship for women of the state of Jammu & Kashmir is found to be nonexistent. So a research gap is evident. This calls us to research and reveal, how women entrepreneurs of the state of Jammu & Kashmir exhibit opportunity and advantage seeking behaviors simultaneously i.e. what constitutes strategic entrepreneurship among them.

#### **5. Data and Methodology**

##### ***Research Objectives***

Research objectives are presented as under:

1. To identify the major dimensions of strategic entrepreneurship existing among women entrepreneurs of the state of Jammu & Kashmir and which among them are most contributing.
2. To develop a scale for assessing the strategic entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir.

##### ***Data***

The data used in this study have been collected by administering a structured questionnaire to 405 women entrepreneurs belonging to the state of J & K in India. The sample size was derived from the total population of 10,700 as per latest report published by the ministry of commerce and industries, J & K, 2014. The entrepreneurs were randomly selected from the list provided by Jammu Kashmir entrepreneurship development institute (JKEDI), using random numbers generated through Microsoft excel and asked varied questions to explore their strategic perspective of entrepreneurship. Using the standard formula for calculation of a sample size at a 95% confidence level and confidence interval 5, we obtained a sample size of 384. This was the lower limit for the sample size but we were able to take more responses and extended it to 405. The primary survey was done during the time period of September 2016 to January 2017. These women entrepreneurs are operating from any of the twenty two districts of the state.

##### ***Data Analysis and Interpretation***

Before moving on with the empirical analysis, the data was checked for any missing values and normality. No missing values were found in the data. Normality was checked at both univariate

and multivariate levels to determine if the data is well-modeled and possesses normal distribution. The results of these tests are given below:

### Univariate Normality Testing

Tests like Anderson-Darling's test and Shapiro-Wilk's test proposed non-normality of data since p-value was significant in each case and less than 0.05, null hypothesis was accepted. Hence the data is non-normal at univariate level.

**Table 1: Univariate Normality Test**

Variable	Anderson-darling's normality test			Shapiro-Wilk's normality test		
	Statistics	p-value	Normality	Statistics	p- value	Normality
Inn	0.7283	0.0000	No	46.5718	0.0000	No
EC	0.4802	0.0000	No	89.2849	0.0000	No
EL	0.6062	0.0000	No	55.1693	0.0000	No
EM	0.8039	0.0000	No	30.4879	0.0000	No
SMR	0.7137	0.0000	No	37.0957	0.0000	No
NET	0.5961	0.0000	No	70.2805	0.0000	No

### Multivariate Normality Testing

At the next stage, data was checked for multivariate normality using Mardia's multivariate normality test and Henze-Zirkler's test. Again p-value was found to be significant and less than 0.05, which made us accept the null hypothesis of data not possessing multivariate normality.

**Table 2: Multivariate Normality Test**

Mardia's multivariate normality test		
g1p: 31.28102	g2p : 115.82	Chi-small skewness: 2131.61
Chi-skewness: 2111.469	z-kurtosis : 69.64979	P value: 0.0000
p-value skewness: 0.0000	p-value kurtosis : 0.0000	
Henze-Zirkler's multivariate normality test		
HZ	32.49713	
p-value	0.0000	

Earlier absence of the normality in data forced researchers to use the non-parametric techniques for further analysis. However statistical software packages like SAS and Mplus use tools which don't require data to be normal. So the current study employs Mplus software with MLR estimation for Confirmatory Factor Analysis to achieve its objectives.

### Profile of the Respondents

The demographic profile of respondents reveals that 72% of them fall in the age group of 20-40 years and about 27% are from the age group of 40-60 years. Respondents are well qualified

*Strategic Entrepreneurship among Business Women of Jammu & Kashmir:  
Scale Development and Validation*

with just 0.5% of them exporting what they produce. Income levels are not as high as survey was done among small enterprises of the state of Jammu & Kashmir.

**Confirmatory Factor Analysis (CFA)**

This measurement modeling technique helps to map measures onto theoretical constructs. This is connoted by the corresponding loadings of the constructs measured. This will help us to ascertain if innovativeness, entrepreneurial culture, entrepreneurial mindset, entrepreneurial leadership, strategic management of resources and networking adequately load on the strategic entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir. For this purpose Mplus Version 7 was used developed by Muthen and Muthen (1998). Table 3 shows the Factor loadings of 26 items selected for representing strategic entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir. The results of CFA are given below:

**Table 3: Factor Loadings**

Factor (R <sup>2</sup> )	Items	Factor Loadings:					
		I	II	III	IV	V	VI
Innovativeness (57.8% of Variance)- Inn	Over the next few years we could change up to 50% of the processes that support our current business model (Inn1)	.913					
	We have already put measurable resources (human and financial) behind our innovation agenda (Inn2)	.877					
	We have a good record of rolling out new products and services in the market (Inn3)	.851					
	Innovation is a core value in this organisation (Inn4)	.862					
	Our strategic planning process is oriented towards grabbing the opportunity (Inn5)	.892					
	Our strategic initiatives aim at gaining competitive advantage (Inn6)	.858					
	We strongly emphasize research and development, technological leadership and innovations (Inn7)	.89					
Entrepreneurial Culture (50% of Variance) - EC	We have many promising ideas that we have time and resources to pursue (ec1)		.819				
	We change according to changes in the external environment (ec2)		.852				
	We never lack ideas that we can convert into profitable services (ec3)		.807				
	We focus on improving our firm's existing services (ec4)		.865				
Entrepreneurial Mindset (71.9% of Variance)- EM	We passionately pursue entrepreneurial opportunities (em1)			.914			
	We emphasize the disciplined pursuit of the promising opportunities (em2)			.87			

	We usually have consistent focus on execution (em3)			.88			
	We have a commitment to engage everyone in identifying and pursuing entrepreneurial opportunities (em4)			.827			
Entrepreneurial Leadership (55.2% of Variance) -EL	We emphasize good interpersonal relations, tactful and diplomatic leadership (el1)			.815			
	Our leadership is able to persuade others of our viewpoint (el2)			.836			
	We emphasize giving courage and confidence through reassuring and advising (el3)			.851			
Strategic Management of Resources (79.7% of Variance) -SMR	We focus on the firm specific resources that can be used to protect a competitive advantage (smr1)				.758		
	Our resources are managed strategically so that they foster simultaneous use of opportunity and advantage seeking behaviors (smr2)				.782		
	We have ability to strategically structure the resource portfolio (smr3)				.857		
	We encourage strategic and gradual processes of acquiring and using resources (smr4)				.826		
Networking (65.1% of Variance) -NET	We have strong ties with all the stakeholders of the firm (net1)						.926
	We use our relationships with stakeholders to gain access to resources (net2)						.873
	We associate with organisations like that of ours to learn from them (net3)						.78
	We use our relationships with the stakeholders to market ourselves (net4)						.883

Significant at  $p < 0.01$

**Table 4: Model Diagnostics**

Chi-square ( $\chi^2$ )	425.158	CFI (Comparative fit index)	.968
Degree of freedom (df)	293	TLI (Tucker-Lewis index)	.964
P-Value	0.0000	RMSEA (Root mean square error of approximation)	0.033
Scaling correction factor for MLR	1.9312	SRMR (Standard root mean square residual)	0.037

Significant at  $p < 0.01$

*Strategic Entrepreneurship among Business Women of Jammu & Kashmir:  
Scale Development and Validation*

After performing CFA, we got the factor loadings and model fit indices as depicted in Tables 3 and 4. All the variables loaded adequately on the strategic entrepreneurship as values are higher than .75 in all the cases and are significant also. Although researchers like Bowen and Guo (2011) suggest that values of 0.4 are respectable. Model fit indices are all supporting the model as values are in their prescribed range:

**CFI**- It should be greater than 0.9 for a model to be acceptable (Cheung and Rensvold, 2002).

**TLI**- Acceptable value for this index is 0.9 (Cheung and Rensvold, 2002).

**RMSEA**- Model is acceptable if value is less than or equal to 0.05 (Browne and Cudeck, 1993).

**SRMR**- Value below 0.80 is a good fit (Hu and Bentler, 1999).

**$\chi^2/df$ (Relative Chi-Square)**: It should preferably be less than 2 for a good model fit as per Tabachnick and Fidell (2007).

Hence we have achieved a good model fit with respectable factor loadings, indicating an efficacious CFA.

#### **Validity and Reliability**

Next the instrument was checked for its reliability and validity using Composite Reliability, Average Variance Extracted, Maximum Shared Variance and Average Shared Variance. The values are given in Table 5 below:

**Table 5: Reliability and Validity Results**

	<b>CR</b>	<b>AVE</b>	<b>MSV</b>	<b>ASV</b>
<b>SMR</b>	0.881	0.651	0.578	0.481
<b>INN</b>	0.959	0.771	0.476	0.373
<b>EC</b>	0.903	0.699	0.440	0.334
<b>EM</b>	0.928	0.763	0.578	0.440
<b>EL</b>	0.873	0.696	0.460	0.364
<b>NET</b>	0.924	0.752	0.536	0.407

As per Hair *et al.* (2010), for the data to be reliable composite reliability (CR) should be greater than 0.7. For convergent validity, AVE should be greater than 0.5 and for discriminant validity; both MSV and ASV should be less than AVE. Above table depicts that our data is fulfilling all these conditions which makes us draw the inference that the data used by us is both reliable and valid enough for further processing.

#### **6. Results and Discussion**

The results reveal that Innovativeness, entrepreneurial culture, entrepreneurial mindset, entrepreneurial leadership, strategic management of resources and networking significantly contribute towards strategic entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir. All of them portray respectable loadings (more than 0.75) which enable us to make such interpretation. This is in congruence with the findings of previous researchers. It implies that while showcasing opportunity-seeking and advantage-seeking behaviors simultaneously, the

women entrepreneurs of the state of Jammu & Kashmir are basically driven by their entrepreneurial mindset, innovativeness, entrepreneurial culture, entrepreneurial leadership, strategic management of resources and networking with the stakeholders. Innovativeness, entrepreneurial mindset and networking showcase maximum loadings indicating their maximum contribution to the strategic perspective of entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir. Moreover the model diagnostics reveal a good model fit indicating an efficacious CFA. The results also reveal that the scale used is robust and can be used for future studies as well. The R-square values were also good, thereby giving an impression that the scale can be used for test-retest analysis.

## 7. Conclusion and Implications of the Study

The most significant takeaway of this study is that women entrepreneurs of the state of Jammu & Kashmir exhibit opportunity-seeking and advantage-seeking behaviors simultaneously as measured by their entrepreneurial mindset, entrepreneurial culture, entrepreneurial leadership, innovativeness, strategic management of resources and networking. Innovativeness, entrepreneurial mindset and networking exhibit maximum contribution to the measurement of strategic entrepreneurship among women entrepreneurs of the state of Jammu & Kashmir. Moreover this study provides a platform which can be used by future researchers to assess the strategic perspective of entrepreneurship among women owned enterprises in the state of Jammu & Kashmir and how it impacts their overall performance.

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*Strategic Entrepreneurship among Business Women of Jammu & Kashmir:  
Scale Development and Validation*

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