

IMPACT OF SOCIO-ECONOMIC FACTORS ON WOMEN'S ENTREPRENEURIAL INTENSION: THE MODERATING ROLE OF SKILL DEVELOPMENT

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ABSTRACT

Women's participation in the workforce not only helps to shift the prevailing attitudes and economic structures within a region, but also has a significant impact on the economic well-being of their families. By earning a wage, women can supplement their family's income, leading to an improved standard of living and better overall health outcomes. Therefore, this study aims to find the relationship between socio-economics factors and female's entrepreneurial intension. Further, it also tries to investigate the moderating role of skill development between socio-economics factors with Women's entrepreneurial intension in the context of female in southern Punjab Pakistan. This study collected the data with authentic and well-developed questionnaire. The sample size for the analysis consisted on the 230 participant and further used Smart PLS for data analysis. This study found that the women participating are essential for the development of overall society. The study revealed the crucial role played by women in contributing to household economy, as reflected by the income generated by them being comparable to that of male workers. This can be attributed to the significant drive exhibited by housewives to assist their husbands in easing the financial burden, along with the favourable opportunities presented by natural resources. While the skill development program positively and significantly enhance the chances of Women's entrepreneurial intension

Keywords: women's empowerment, socio-economic factors, training development, Saudi Arabia, Smart PLS.

1. INTRODUCTION

Women are an essential component of any society and play a crucial role in supporting all aspects of life (Fayyaz et al., 2021). Unfortunately, in some societies, women are relegated to a secondary position, which is difficult to accept (Niaz & Iqbal, 2019). Empowering women by their own business involves granting them authority in their daily lives, which is the key to their status and power. In other words, when women are empowered, they are given the ability to exercise control over public decision-making and their own lives (Abbas & Muneer, 2019). Women's contributions to the workforce not only affect the mind-set and economic perspectives of a society but also significantly impact the economic welfare of their

families (Zuhri et al., 2020). In modern times, the social developmental process has brought about changes in family dynamics, with the emergence of single-parent or single-headed households (Shadabi et al., 2020). In current time, Female entrepreneurial intentions in Pakistan are influenced by a complex interplay of cultural, economic, and social factors (Khan et al., 2021; Muhammad et al., 2019). Despite facing significant barriers such as gender discrimination, limited access to capital, and socio-cultural constraints, many women in Pakistan are increasingly showing a strong desire to engage in entrepreneurship. Factors such as improved educational opportunities, supportive family networks, and

access to microfinance and entrepreneurship training programs are encouraging more women to consider starting their own businesses. Moreover, there is a growing recognition of the role of women entrepreneurs in contributing to economic development and community enlargement leading to a gradual shift in societal attitudes (Khan et al., 2021). However, to fully realize their entrepreneurial potential, there needs to be a concerted effort to address the structural barriers they face, promote inclusive policies, and provide on-going support and mentorship. By fostering a more supportive environment, Pakistan can harness the entrepreneurial spirit of its women, driving economic growth and social progress (Yunis et al., 2018).

Therefore, this study is very significant for the policy makers, society and further future research to see the importance of women empowerment. The research will be important for formulating an effective and supportive strategy to empower Pakistani women and activate their expected roles in achieving economic development is significant in contributing to the financial support. Female entrepreneur economically has been shown to have positive effects on both the individual and the society as a whole. By increasing women's contribution to the labour market and enhancing their self-dependence and capacity, the research aims to maximize their participation in sustainable development and contribute to the economy of Saudi Arabia. The theoretical and practical significance of this research lies in providing valuable insights to decision-makers in both the governmental and private sectors. By identifying the level of women's economic authorisation, decision-makers can utilize women's energy and potential to align with regional and international trends. This research can also serve as a guide for policymakers in formulating policies and programs that promote women's economic empowerment.

2. Literature review

This section of the paper is consisted on the review of previous studies that explained the socio-economic factors of the female entrepreneurial intension. These studies are published in well ranked journal and gave best concept related to the female entrepreneurial intension in the context of different countries.

2.1 Socio-economic factors and female entrepreneurial intension

Socio-economic factors play a significant role in women's empowerment. Women's empowerment refers to the process of enabling women to have greater control over their lives, achieve their goals, and access equal opportunities in all aspects of life. The socio-economics factors are consisted on the education, financial factors, decision making power, self-esteem, self-confidence etc (Soharwardi & Ahmad, 2020). First of all, Education is one of the most critical factors for female's entrepreneurial intension. Educated women tend to have better health outcomes, earn more, and have more control over their lives. Women's entrepreneurial intension opportunities are essential for their economic empowerment, an access to decent work and equal pay for equal work are critical factors for women's economic empowerment (Naz & Ashraf, 2020; Fayyaz et al., 2021). Women also get entrepreneurial intension by the access to financial resources for their economic independence, access to credit, savings, and insurance can help women start their businesses and achieve financial stability (Seaman et al., 2016; Yunis et al., 2018). Further, the legally independence is also a factor for the female's entrepreneurial intension. Women's legal rights, including their rights to own property, inherit, and divorce, are crucial for their empowerment (Aziz et al., 2020; Sharma, 2020). Further, Social norms and attitudes towards women can have a significant impact on their empowerment. Gender stereotypes and discrimination can limit women's access to education, employment, and political participation (Ahmed & Hyndman-Rizk, 2020). Therefore, this current study have developed following hypothesis that

H1: Socio-economic factors has positive and significant relationship with female entrepreneurial intension

a. Moderating role of Skill development between Socio-economic factors and female entrepreneurial intension

Training and skill development is important factor to make any person enable to earn and learn professional skills (Thorne, 2021). In this study the training and skill development is used as mediator. For the empowerment mostly known as an

objective that is attained through education (Soharwardi & Ahmad, 2020), however, all knowledge is not used to measure the empowerment; consciousness and skills development are also excellent tools to measure empowerment. As the socio-economic factors are attributing to the female’s entrepreneurial intension and skill development enhance the possibilities of female’s entrepreneurial intension by increasing the skills among them. Skill development can play a significant role in mediating the relationship between socio-economic factors and female’s entrepreneurial intension. Women from lower socio-economic backgrounds often have limited

access to skill development programs (Diniz et al., 2020). Providing them with access to these programs can equip them with the necessary skills and knowledge to pursue better job opportunities and achieve financial independence. Skill development can also increase women's earning potential, which can have a positive impact on their entrepreneurial intension with higher earnings, women can have more control over their finances, which can lead to greater autonomy and decision-making power (Fayyaz et al., 2021).

H4: *Skill development moderate the relationship with Socio-economic factors and female entrepreneurial intension*

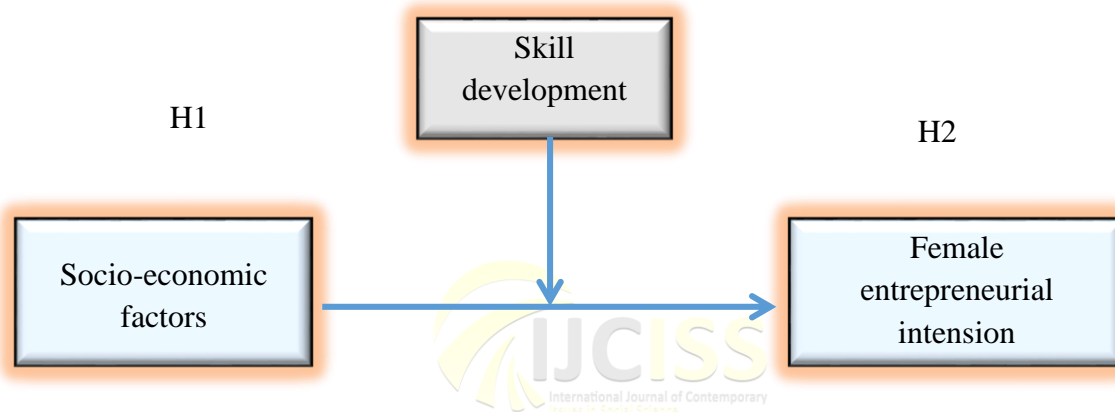


Figure 1: Conceptual formwork
 Source: Developed by author

Figure 1 explains the conceptual framework of the study. This diagram explains that socio-economic factors have direct and indirect relationship with Female entrepreneurial intension. For the indirect relationship socio-economic factors impact on the skill development and further, then skill development impact positively on the female’s entrepreneurial intention.

3. Methodology

3.1 Participant and procedure

This is cross-sectional study and implemented convenience sampling methods for data collection. The aims to accepted this method is its perfection in results (Kianto et al., 2018). It is among the utmost common and universally used sampling processes in the research of social studies (Farrokhi & Mahmoudi-Hamidabad, 2012). In this technique, provide the population with representative standards, including convenience,

geographical nearness, and convenience at a specified time, and readiness to participate for the cause of observation (Hultsch et al., 2002).

The target population was women of southern Punjab of Pakistan. Before the distribution of questionnaires and formal data collection, the author confirmed the efficiency of the questionnaire by a preliminary test. Furthermore, after authorizing the rationality of the questionnaire, this study distributed 500 questionnaires to the participants. It was guaranteed to the participants that this exploration was solely for educational purposes and the statistics would be confidential. To increase the rate of response, the author translated the questionnaire from English into the Urdu language. The data is collected from the Punjab Pakistan to address the research objectives. Around 230 out of 400 operational questionnaires were returned for analysis. The total response rate was 57.5 percent.

This was made between January to March 2024. Following table explains the demographic feature of participants.

Table 1: Demographic characteristic of participants

Variable	Scale	Percentage
Regions	Vehari	59
	Burewala	25
	Malsi	16
Age	20 to 30	33
	31 to 40	49
	41 to 50	18
Education level	Less than bachelor	24
	Bachelor	63
	Master's degree or higher	13

3.2 Measurement

This study used as female entrepreneurial intention as dependent variable. The measurement scale is adopted from the study by (Al-Jubari et al. 2019; Liñán and Chen 2009; Solesvik et al. 2012). Further, in this study Socio-economic factors are independent variable. This study measure the variable from the items developed by (Aloui & Shams 2020). Skill Development is mediator between socio-economic factors and women’s empowerment. This variable is measure with items developed by (Ul-Hameed et al., 2018).

3.3 Data analysis

In this study for the data analysis statistical tool SmartPLS was applied. The aim of selecting this method for data analysis is a feature of the sample/data. Further, this data analysis methodology has achieved much importance in the field of management and its associated studies. This method of data analysis is used in many disciplines and predictive research (Hair Jr et al., 2020) Furthermore, PLS-SEM is regarded as the best method for predicting the effects of the

dependent variable (Hair Jr et al., 2016). This study primarily conducted measurement model tests to check the Cronbach’s Alpha, average variance extracted, composite reliability, and HTMT ratio. Moreover, the theoretical model was analyzed by testing the discriminant validity (DV) and correlation. Further, common method bias has been used such as coefficient of determination (R²), effect size (F²), predictive relevance (Q²) and SRMR. At the end this study performed SEM on the data to test the proposed hypothesis.

4. Results

4.1 Assessment of measurement model

This current study inspected Cronbach's Alpha (CA) and composite reliability (CR) to measure the construct reliability. The table 2 demonstrations the measurement model with CA and coefficient. These values are acceptable at 0.70 threshold level (Martinez-Martin et al., 2013). In the term of composite reliability, these values are greater than recommend threshold values 0.70 (Hair Jr et al., 2016). So, the proposed model is acceptable.

Table 2: Measurement model

Variables	Items	loadings	Alpha	CR	AVE
Socio-economic Factors	SEF1	0.791	0.804	0.812	0.735
	SEF2	0.839			
	SEF3	0.748			
	SEF4	0.873			
	SEF5	0.923			
Female entrepreneurial intension	EI1	0.732	0.812	0.904	0.772
	EI2	0.774			
	EI3	0.911			

	EI4	0.784			
	EI5	0.772			
	EI6	0.893			
	EI7	0.681			
Skill Development	SD1	0.941	0.967	0.965	0.986
	SD2	0.853			
	SD3	0.835			
	SD4	0.942			
	SD5	0.845			

Note(s): AVE = Average Variance Extracted,
 CR= Composite Reliability, CA =
 Cronbach’s Alpha

Further, this study measured Forenell Larckera and heterotrait-monotrait (HTMT) ratio to examine the discriminant validity (Fornell & Larcker, 1981). Table 3 shows the results of discriminant validity and enlightened that variable has significant and positive correlation.

Table 3: Discriminant validity (Fornell-Larcker criterion)

	Socio-economic Factors	Skill Development	Female entrepreneurial intention
Socio-economic Factors			
Skill Development	0.421		
Female entrepreneurial intention	0.301	0.639	

4.2 Assessment of structural model

In this part of the analysis, this study tested the hypotheses of the study with the help of SmartPLS techniques such as bootstrapping. Bootstrapping is a very important technique in getting co-efficient path factor loading (Hair Jr et al., 2020)

Table 4: Hypothesis constructs.

Hypothesis	Relationship	beta	Standard error	T-value	P-value	Decisi on	R ²	Q ²	F ²	VIF
H1	SEF -> FEI	0.03	0.024	4.687	0.001	Yes	0.70	0.27	0.00	1.24
H2	SCF-> SD -> FEI	0.20	0.056	4.478	0.000	Yes				

The structural model is tested through bootstrapping for 230 cases and 5000 resamples recommended by Hair et al. (2017) to examine the hypotheses. The results for H1 showed that there is positive relationship between socio-economic factors and female’s entrepreneurial intension ($\beta = 0.031, p > 0.001$). Therefore, H1 was supported. Similarly, H2 explains that socio-economic factors positively influence female’s entrepreneurial intension with skill development as a moderator (β

$= 0.203, p < 0.000$). Table 3 shows the structural model.

Further, there are some tests, such as coefficient of determination (R²), predictive relevance (Q²), effect size (F²), are applied before analyzing the hypotheses. Consequently, this study found that this anticipated model is a significant fit for the present study. In addition, the value of the determination of coefficient (R²) must be greater than 0.1 (Chin, 1998). F² in the Table (5) explains the strength of effect. For instance, the value 0.02

explains small effect, 0.15 denotes medium effect, and the value 0.35 explains strong effect (Henseler et al., 2009). This table explains that there is medium effect of socio-economics factors on women empowerment.

5. Discussion

This study aims to develop find out the socio-economics factors (self-esteem, self-efficiency, freedom of mobility, Access to services, Access to education, Decision making in daily life, economic empowerment and gender-based violence) on the female's entrepreneurial intension and to investigate the moderating role of skill development. Therefore, four hypotheses have been developed to see the relationship. Socio-economic factors have a direct and positive relationship with female entrepreneurial intentions in South Punjab, Pakistan. These factors, such as access to education, financial resources, and social support networks, play a crucial role in shaping the entrepreneurial landscape for women in this region. With better education, women are more likely to develop the skills and knowledge necessary to start and run businesses effectively. Financial resources, such as microfinance and government grants, provide the capital needed for women to overcome economic barriers and invest in entrepreneurial ventures. Additionally, strong social support from family and community encourages women to pursue business opportunities, offering them the confidence and motivation to break away from traditional roles. As these socio-economic factors improve, more women in South Punjab are inclined to engage in entrepreneurship, contributing to regional economic development and gender equality (Seaman et al., 2016).

Skill development positively moderates the relationship between socio-economic factors and female entrepreneurial intentions in South Punjab, Pakistan. When women acquire relevant skills such as financial literacy, business management, and technical expertise, they are better equipped to capitalize on socio-economic opportunities like education and access to financial resources (Khan et al., 2021; Muhammad et al., 2019; Yunis et al., 2018). This empowerment enables them to navigate challenges more effectively and boosts their confidence in launching and sustaining entrepreneurial ventures. Furthermore, skill development enhances women's ability to leverage

social support networks, making them more adept at building partnerships, securing funding, and identifying market opportunities. As a result, skill development not only strengthens the influence of socio-economic factors on entrepreneurial intentions but also ensures that women can maximize their potential in entrepreneurship, fostering greater economic participation and innovation in the region (Seaman et al., 2016).

5.1 Theoretical implication

This current study has empirical as well as theoretical implications. Reviews of current studies enhance the ability to develop the theoretical framework that gives the foundation for the current study. This study is very unique in many aspects. First, this study used socio-economics factors to investigate the relationship with female's entrepreneurial intension and moderating role of skill development, such combination of variables has never been used. Second, this study found no direct relationship between socio-economic factors and women empowerment but it has indirect relationship with the help of moderation (skill development). Due to its uniqueness, the theoretical implication of this study in Saudi Arabia provides the best concept to policymakers, researchers, and administrative bodies for the implication of vision along with current model.

5.2 Practical implication

This study has strong practical implications in private and public sector as well as in society. This study has great contribution for the best implication and clarity in policies for the female's entrepreneurial intension. The finding of this study explains that women are very important part of the society, whereas socio-economics factors have positive relationship with women's participation in political, social and economic activities. First, this study is vital to provide more efforts to raise the level of awareness of society. Second, this study explains that the future benefit of female's entrepreneurship for the economy and society. The implementation of results target the citizen through modern technological means such as social media, as well as through visual and print media, workshops, forums and lectures.

Third, this study has best contribution for encouraging and accelerating the empowerment of Pakistani female to enter the entrepreneurship,

which is one of the main pillars of sustainable development. The practical implementations work to support women and enable them to invest their income and invest in it by the family, society and the state by enacting supportive laws and legislations and granting them more economic and social freedoms through awareness programs and guidance directed at women and society.

Forth, current study encourage and prepare the female component to practice private work more than focusing on the job in a way that enhances its social status, and working to remove all negative concepts about women practicing work in the private sector and encouraging women to start new small or medium projects that are economically feasible and facilitating their access to training and necessary financing, where women can take decisions and use their abilities.

6. Limitation and future research

The women are providing great contribution and with advancement of time the women participation in the society has been increased. The women's contribution in economic and business has great impact on the economic development and it helps a lot in improving the quality of life. In spite of, great contribution of this study for explaining socio-economic factors of female's entrepreneurial intension in context of south Punjab Pakistan, this study has some limitations such as this study selected some specific areas of the south Punjab and being Islamic country it has different culture, resources abundances and working environment for the women. Therefore, same model can be test in western countries. Secondly, this study used skill development as the moderator; future studies can use technological innovation or use of smart technologies as the mediator or moderator to bring novelty in the model.

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Appendix:
Scales of Women’s entrepreneurial intention Socio-Economic Factors and Training/ Skills Development

Variable	Items	Sources
<p>Women’s entrepreneurial intention (Dependent)</p>	<ol style="list-style-type: none"> 1. I am ready to do anything to be an entrepreneur. 2. My professional goal is to become an entrepreneur. 3. I will make every effort to start and run my own business. 4. I am determined to create a business in the future. 5. I have very seriously thought about starting a business. 6. I intend to start a business within five years of graduation. 7. I have thought of entrepreneurship as a career option. 	<p>Al-Jubari et al. (2019). Liñán and Chen (2009); Solesvik et al. (2012)</p>
<p>socio-economic factors (Independent)</p>	<ol style="list-style-type: none"> 1. The availability of nearby organisations has an impact on my ability to get a job or create my own business. 2. The availability of transportation affects my ability to gain employment in organisations or my ability to be self-employed. 3. My parent’s lack of belief in the importance of work affected my employment or self-employment desires. 4. The long working hours for some jobs affected my ability to get a job or become self-employed. 5. Workplaces that provide joint services to women and men together affect my ability to get a job, or create my own business. 	<p>Aloui, & Shams Eldin, (2020)</p>
<p>Skill Development (Moderation)</p>	<ol style="list-style-type: none"> 1. Training and Skills development programs are useful in helping me in running my business. 2. The frequency of skills development programs is adequate. 3. Training and skill development programs are useful in improving my social status. 4. Training and skill development programs are useful in improving my family life. 5. Training and skill development programs are useful in helping me to develop my personal attributes/qualities. 	<p>Ul-Hameed et al., (2018)</p>