

Study of Factors Which Motivate Agri-Entrepreneurs to Initiate Start Up in Rural Areas of Madhya Pradesh

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Abstract:

India is a country of villages. About two-thirds of India's population lives in villages and earns its livelihood from agricultural activities. Madhya Pradesh, despite its rich heritage and fertile soil, is economically backward. Rural agricultural entrepreneurship can be the best solution for the development of this sector. There is ample scope for agri-entrepreneurship in rural areas and there is a need to exploit this area, so that agri-entrepreneurs can get gainful employment. For the development of India, rural economy will have to be developed. There are ample opportunities for rural agri-entrepreneurship in Madhya Pradesh and the youth are ready to capitalize on this opportunity with their innovative and agri-entrepreneurship ideas. The Government has given importance and support to the promotion and development of rural agricultural entrepreneurship. In this study, the researchers attempt to find the factors that motivate agricultural entrepreneurs to launch start-ups in rural areas of Madhya Pradesh.

Descriptive research design has been designed for the development of agricultural entrepreneurs in rural areas of Madhya Pradesh. Primary data was collected through questionnaires filled by 100 agricultural entrepreneurs. The study analyzes the impact of various motivational factors on agri-entrepreneurs to launch start-ups in rural areas of Madhya Pradesh. The findings of the study reveal that there are 5 factors that motivate agricultural entrepreneurs to launch start-ups in rural areas of Madhya Pradesh.

Key Words: Agricultural Entrepreneur, Motivational factors, Rural, Start up, Madhya Pradesh, Youth.

Introduction:

The word entrepreneur is derived from *entrepreneur*, a French word which means to act. Scholars from many disciplines have defined entrepreneurs in different ways. An entrepreneur is an innovator who identified and exploited opportunities and transformed those opportunities into ideas and added value through time, effort, money or skills to turn the idea into a business and reap rewards from the market. In a simple way, an entrepreneur can be defined as a person who creates an innovative idea to solve an existing problem of the society and turns it into a business. Entrepreneur helps people to make life easier than before and earns money by converting the help into business opportunity. The entrepreneur works in a style different from others. Entrepreneurs work smart instead of hard.

Agricultural Entrepreneurs are the future of any nation. Country steps forward towards overall development and progress with the help of a healthy youth population. Progress and challenges go hand in hand. Today, one of the major challenges faced by the countries is Youth unemployment. The youth unemployment rate is growing at an alarming speed. Governments are planning and framing job creating strategies to increase employment and use the youth power in economic growth. Agricultural Entrepreneurship is a promising option to decrease the unemployment rate. If Agricultural Entrepreneurship promoted actively, it can help to engage youth into the employment and sustain economic growth that leads to the overall society development. Increment in Agricultural entrepreneurship is a sign of the progress of any society.

Agricultural Entrepreneurship created stars and multi-millionaires. Paytm founder Vijay Shekhar Sharma, Flipkart founder Bansal brothers, Oyo rooms founder Ritesh Agarwal, Ola founder Bhavish Aggarwal, etc. are the examples of successful Indian Agricultural Entrepreneur, who transformed their idea and passion into a successful business and changed the economic world. There are similar big names of successful Agricultural Entrepreneurs in other countries too. However, there is a need to create many more stars and make available the opportunities for every youth to dream big and be a successful entrepreneur.

Rural Agricultural entrepreneurs are the persons who establish their entrepreneurship ventures in the rural area. In other words, rural Agricultural entrepreneurship means establishing entrepreneurship venture or business units in the rural areas. Rural Agricultural entrepreneur is the one who is looking forward to taking such a risk. Rural Agricultural entrepreneurs refer to those who perform entrepreneurship activity in rural areas with the utilisation of local resources to solve the local issues. By offering employment opportunities to people in the villages, Rural Agricultural entrepreneurs increase the living standard and purchasing power of the people and help rural society.

The present study has focus on factors which motivate Agricultural Entrepreneurs to initiate start-ups up in rural areas of Madhya Pradesh. Various peculiar motivating factors which are studied are as under:

1. Availability of ample Opportunities in market
2. Substantial and promising profits after investment
3. Passionate about business idea / desire to do something creative
4. Fluctuation in income
5. Less competition in market segments
6. Opportunity to create own fortune /social status
7. Past experience in Business /Job
8. Government Policies and schemes are attractive

Literature Review:

1. **Patidar Shyam (2017)** in their research topic “Opportunities Available for Entrepreneurs in India” has focused that there are several opportunities in rural areas for new or existed entrepreneur in India. Nowadays our Indian government starts several schemes to help and motivate rural Agricultural entrepreneurs for utilising their internal skills. Training and education, Marketing, transportation, supplier, packing, food products, recycling and waste management, organic farming, textile, media, health sector, toys, energy sector, tourism sector, automobile sector and etc. are the various field where are the large opportunities for entrepreneurs available which helps to developing country as well as nation. In any of above areas the entrepreneur can start up the new business. The researcher said that for entrepreneur India reveals opportunities at present. According to his choice an entrepreneur has to select the correct field of his own passion. Through “make in India” Indian government is also creating opportunities. At the end of the research, conclusion is that; there are lots of opportunities available for entrepreneurs in India, from these anyone can build up and explore himself as an entrepreneur by choosing the right way.

2. **Priya Udhaya. M and Kowsalya. C (2017)** in their research titled “A Study on How to Motivate a Woman as an Entrepreneur in Coimbatore District” points that entrepreneurship is the way to raise the economy of the country. This research is focused on demographic profile of women entrepreneurs and helps to analyse the motivational factor responsible for start-up their own business in the Coimbatore district of Tamil Nadu. The research highlighted, that there are six motivational factors such as Economic difficulties and challenging atmosphere, Social Freedom, Knowledge and economic support, Family interests and background, Career prosperity, Name and Fame that motivates the women to become entrepreneur. These motivating factors help to women entrepreneurs to set up an enterprise in Coimbatore District of Tamil Nadu. Nowadays women entrepreneurs are increasing at a considerable rate. Efforts are being done at global level to develop women’s involvement in the business sector.

3. **Y. Aya, A. T. Senaji, & E. Njeru, (2018)** in his research titled “Factors Affecting Growth of Youth Led Small and Medium Enterprises in Kenya: A Case Study of Garment Enterprises in Central Business District, Nairobi County, Kenya” said, Agricultural Entrepreneurship may be a key tool for development of human capital necessary for the longer term, unfastening the economic potential of the youth and promoting sustainable growth. In this study, researchers were aimed to find out the factors affecting the growth of enterprises led by youths in Kenya. The study also concluded that limited access to finance, unfavourable terms of credit, Lack of collaterals and high interest rates negatively impact the growth of youth led garment enterprises. On government policies and growth of youth led garment enterprises the study concluded that government policies affected the growth of youth led garment enterprises. The study also concluded that government imposing high tax on business, inability of government policies to control high bank interest rates negatively impacted on the growth of youth led garment enterprises. Further the study concluded high inflation had negatively affected growth of youth led garment enterprises.

4. **Straka Jakub and Tuzova Marcela (2016)** in his research titled “Factors Affecting Development of Rural Areas in the Czech Republic: A Literature Review” discussed about the factors as social, economic, environmental, and

cultural which can be favourable to define rural growth. So, the important point of this paper is too searched about factors and direction about the growth of rural Agricultural entrepreneurs in the Czech Republic. The main focuses of this research are on Czech rural regions were examined. In study, 14 main factors were identified that affect the development of rural areas of Czech Republic. Municipalities and local social action group are the key factors in the rural growth process. Can say, they know about the area, and have a straight vision for the development.

5. **Laha Sankar Sidhartha (January 2019)**, in their research titled “Rural Agricultural entrepreneurship - Problem and Prospects: An Empirical Analysis” said that rural Agricultural entrepreneurs are those who play an important role in the economic development of the country. It is found that the growth and development of rural Agricultural entrepreneurship motivate for self-employment, results in broad dispersal of financial and industrial activities and helps in the maximal use of locally available raw materials and labour. Can say that the most of rural Agricultural entrepreneurs are facing lots of problems due to lack of basic amenities in rural areas like, lack of education, financial problems, marketing hurdles, management and human resource problems, insufficient technical and conceptual ability etc. The research studied the effect of socio-economic background on development of rural Agricultural entrepreneurship. It was found that educational qualification, gender, income, age group etc. of entrepreneurs had a deep impact on the rural Agricultural entrepreneurship development. Education, age and family significantly motivate the entrepreneurial ambition of the aspirant. It is found in the study that a good percent of rural Agricultural entrepreneur had haunted the initiative to business creation within the age bracket of 31-40 years.

Research Methodology

Statement of Research Study

In recent years entrepreneurship has emerged as a career option to youth agri-entrepreneurs and a capable counter of unemployment. Entrepreneurship may provide solution to various problems but the growth of Agricultural entrepreneurship is not up to the mark in rural area. After a reasonable literature review, the researcher has decided to work on a theme on rural Agricultural entrepreneurship that includes identification of factors motivating Agricultural Entrepreneurs to initiate start up in rural areas of Madhya Pradesh.

Objectives

The following is the objectives of present study-

1. To study the factors which motivate Agricultural Entrepreneurs to initiate start-ups up in rural areas of Madhya Pradesh.

- **Scope of the Study**

1. The study is conducted in Khargone and Burhanpur Districts.
2. The Agricultural Entrepreneurs from rural areas are the target of this study.
3. The scope of the study is to identify the driving factors that motivate Agricultural Entrepreneurs to initiate start-ups up in rural areas of Madhya Pradesh.

- **Research Methods**

Research method is a strategy used to implement the research design in order to find the answer of research question. Research method can be qualitative, quantitative or mixed. For present study, quantitative research method is used. For analysis of collected data some statistical techniques i.e. SPSS software and data presentation techniques i.e. bar graph and tables are used.

- **Size of Sample**

100 Agricultural Entrepreneurs from villages of Khargone and Burhanpur Districts.

- **Sampling Techniques**

The random sampling technique is used to conduct survey for this research.

- **Data Collection**

The data was collected by using both primary and secondary sources. Primary data is collected from the Agricultural Entrepreneurs working in the rural areas of Khargone and Burhanpur districts through questionnaire. The data from various secondary sources like research papers, Reference Books, Reports, website has been taken.

• **Data Analysis and Interpretation:**

Table 1
Effect of opportunity availability on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	22
Agree	40
Neutral	7.2
Disagree	20.8
Strongly Disagree	10
Total	100

Source-Primary Data

Interpretation: Here a share of thirty one percent of respondents disagreed to the fact. The share of 62% of respondents agreed that the availability of ample opportunities in market motivates them to become rural Agricultural entrepreneurs and aggregately seven percent of respondents remain neutral on the statement.

Table 2
Effect of Substantial and promising profits after investment on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	20
Agree	38.4
Neutral	11.2
Disagree	27.2
Strongly Disagree	3.2
Total	100

Source-Primary Data

Interpretation: Table 2 depicts that 58% rural Agricultural entrepreneurs believed that it was the substantial and promising profits after investment that motivate them to become rural Agricultural entrepreneurs. Thirty one percent rural Agricultural entrepreneurs have thinking that there are no effects of substantial and promising profits after investment on the rural Agricultural entrepreneurs and eleven percent respondents remain silent on the issue.

Table 3
Effect of Passion for business idea on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	36.8
Agree	31.6
Neutral	8
Disagree	14.8
Strongly Disagree	8.8
Total	100

Source-Primary Data

Interpretation: Table 3 depicts that 68% of rural Agricultural entrepreneurs of the sample were said that they were Passionate about business idea and had a desire to do something creative so they become entrepreneur while twenty four

percent of rural Agricultural entrepreneurs were found to be on the disagreeable mode. The share of eight percent of respondents remained neutral.

Table 4
Effect of Fluctuation in income on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	34.4
Agree	33.6
Neutral	9.6
Disagree	15.2
Strongly Disagree	7.2
Total	100

Source-Primary Data

Interpretation: On asking the effect of fluctuation in income on entrepreneurship, 68% respondents positively respond by ticking on strongly agree and agree column of the question whereas twenty two percent disagreed to the statement that fluctuation in income motivate them to choose rural Agricultural entrepreneurship. A share of ten percent of the respondents kept themselves on neutral zone.

Table 5
Effect of Less competition in market segments on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	14.8
Agree	28
Neutral	11.2
Disagree	22.4
Strongly Disagree	23.6
Total	100

Source-Primary Data

Interpretation: The results in the Table 5 determine the effect of less competition in market segment on rural Agricultural entrepreneurship. To that, 43% of respondents were found to be agreed with the statement while forty six percent of respondents disagreed with the fact. On another hand, a share of eleven percent of respondents remained neutral.

Table 6
Effect of Opportunity to create own fortune /social status on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	21.6
Agree	34.8
Neutral	15.2
Disagree	20
Strongly Disagree	8.4
Total	100

Source-Primary Data

Interpretation: Table 6 demonstrates that 56% respondents claimed that it was opportunity to create own fortune/ social status that motivate them to choose rural Agricultural entrepreneurship. Whereas, twenty nine percent respondents opined negative. Fifteen percent respondents are to be on neutral side.

Table 7
Effect of Past experience in Business /Job on rural Agricultural entrepreneurs.

Response	Percent
Strongly Agree	11.2
Agree	19.2
Neutral	9.2
Disagree	33.2
Strongly Disagree	27.2
Total	100

Source-Primary Data

Interpretation: On inquiring the impact of past experience in business/ job on selection of rural Agricultural entrepreneurship, 42% rural Agricultural entrepreneurs agreed on the statement by ticking agree and strongly agree options whereas forty percent rural Agricultural entrepreneurs disagreed with the statement. Eighteen percent respondents kept themselves neutral. Table 7 reveals that is no significant impact of past experience in business/ job on selection of rural Agricultural entrepreneurship in the youths of Madhya Pradesh.

Table 8
Effect of attractive Government policies and schemes on rural Agricultural entrepreneurs

Response	Percent
Strongly Agree	15.2
Agree	23.2
Neutral	11.2
Disagree	35.6
Strongly Disagree	14.8
Total	100

Source-Primary Data

Interpretation: Table 8 tries to find out the effect of attractive Government policies and schemes on rural Agricultural entrepreneurs. To that, only 38% respondents agreed that attractive Government policies and schemes motivate them to become rural Agricultural entrepreneurs while fifty one percent rural Agricultural entrepreneurs denied the fact. Eleven percent respondents chose to remain neutral.

Findings:

Following factors motivating Agricultural Entrepreneurs to initiate start up in rural areas of Madhya Pradesh the most-

- Availability of ample Opportunities in market
- Substantial and promising profits after investment
- Passionate about business idea / desire to do something creative
- Fluctuation in income
- Opportunity to create own fortune /social status

Conclusion:

This is an undisputable fact that motivational factors play a significant role in pushing forward the Agricultural Entrepreneurs to initiate their entrepreneurial ventures in the rural areas. Present study suggested that there are many motivational factors motivate the Agricultural Entrepreneurs of Madhya Pradesh. Fluctuation in income, Substantial and promising profits after investment are the major factors that motivate youths to start entrepreneurial ventures in rural areas. Youths initiate start-ups in rural areas of Madhya Pradesh due to availability of ample Opportunities in market. Opportunity to create owns fortune and social status have given a spark to youths to take rural Agricultural entrepreneurship. Youths who are passionate about business idea and have a desire to do something creative initiate their start-ups in rural areas of Madhya Pradesh.

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