

Need to Ignite Entrepreneurial Skills among the Rural Youth: A Study in Madhya Pradesh

Mohsin Uddin

*Discipline of Psychology, School of Social Sciences, Indira Gandhi National Open University,
New Delhi, India*

KEYWORDS Career. Economic Status. Hope of Success. Psychological Traits. Risk Taking. Social Factors

ABSTRACT Rural entrepreneurship is the ideal source of self-employment, which directly contributes to the development of village economy. The objective of this study is to analyse the correlation between psychological and social factors of entrepreneurship abilities in village youth. The study adopted a survey research method. Data was gathered from two districts of Madhya Pradesh, India, namely, Sagar and Damoh. Data collected from the questionnaire administered was analysed using a correlation test. Findings of the study address the factors why the rural youth do not opt for entrepreneurship as a career. The result revealed that there was significant correlation between determination and hope for success and a negative relationship was observed between age and entrepreneurship.

INTRODUCTION

Entrepreneurship is an important aspect for the economic development of India and it is a solution for eradicating poverty in rural India. Therefore, there is more emphasis on the flagship programme for micro credits. Ahmad et al. (2012) found that rural entrepreneurship is one of the pillars of rural development.

In this era, these rural youth act as extension agents not only in ensuring dissemination of knowledge, skills and the best practices but also in guaranteeing adoption of technology. The rural entrepreneurs also act as local influencers creating groups of early adopters and leveraging the word of mouth technique, which works as the best in rural settings. Psychosocial variables influencing entrepreneurial behaviour need to be studied to promote entrepreneurship in rural society. According to Ashley et al. (2009), there are many personal traits that motivate youth's decision towards the choice of entrepreneurship as a work engagement. These can be divided into two parts as demographical and psychological factors. A study by Mustafa (2019) reveals that the most of the youth have a high need for achievement. Youths with a high level of need for achievement tend to be more competitive and motivated in using prospects available in a business. This demonstrates that youth have high internal motivation to attain achievement to go into the entrepreneurial world.

A study by Sowol et al. (2018) studied a sample of 355 unemployed youths within the age groups of 15-34 years. The study revealed that lack of financial sources is linked to unemployment. Kothari (2013) studied the socio-psychological factors of entrepreneurship in a literature survey and found that specific communities, castes and ethnic groups and social institutions, social norms, culture, and social values affect the level of entrepreneurship. Further, he added that personality traits also affect entrepreneurship.

Isiwu et al. (2017) conducted a study to examine the psychological factors that influence women entrepreneurial intentions in Nigeria. The paper explained that self-efficiency was a significant predictor of women participation in entrepreneurship.

Eduardo et al. (2017), who surveyed the socio-cultural factors and youth entrepreneurship in rural regions, revealed that in Spain the livelihood of being entrepreneurially active is no different for young and old individuals, and between rural and urban regions. The study by Irine et al. (2017) provides the result of this study showing that the family environment has a significant and positive effect on the entrepreneurship goal. Behrooz (2016) reveals that age, education, experience, population, social position, social dignity, community relations, consciousness and information have an effect on entrepreneurship.

Chatterjee (2017) found that gender based discrimination has come down in rural areas. He also stated that the source of motivation of rural entrepreneurship stands significant for desire of innovation and unemployment. The study by Sharma et al. (2013) in their literature survey on challenges, problem and performance appraisal, revealed that rural entrepreneurship finds its problems owing to the lack of primary financial support, risk taking abilities and new idea generation. Psychological and social factors have a strong combination of entrepreneurial behaviour (Rokhman et al. 2015).

Although, the rural entrepreneurs are delivering good goods in developing the rural economy in recent days, there have been few studies regarding rural entrepreneurship in different part of the world as well as India. However, few studies are reported in the north and south parts of the country. There is an acute need to assess the social and psychological factors affecting entrepreneurship in central parts of the country with reference to the Bundelkhand region of Madhya Pradesh. The findings of the study will help policymakers and social workers with strengthening the start-up India programme.

Objectives

The present study considers the following objective:

1. To analyse the correlation of psychological and social factors with youth entrepreneurial development in a rural setting.

METHODOLOGY

The research work was undertaken in the Bundelkhand region of Madhya Pradesh. Two districts were selected randomly, namely, Sagar and Damoh. One block headquarter from each of the selected districts and one village from each block were selected randomly. From each village, 30 youths were selected using a stratified random sampling technique and were asked to fill a questionnaire in the local language. A well-structured interview questionnaire was constructed to get information, and the items were framed in simple Hindi language. The questionnaire was composed of two parts. The first part dealt with demographic variables. The second

part consisted of 30 questions about determination, hope of success, innovativeness, knowledgeability, motivation, manageability, risk taking, self-confidence and use of feedback. In this paper, age, educational qualification and socio-economic status in society and aspiration were correlated with the parameters of entrepreneurship abilities. The youths were asked to state their opinion on the given statements.

Data Collection Process

The present research is based on a survey research method. Primary data was collected using self-developed structured questionnaire. Before administrating the research tools, the questionnaire was pre-tested on five rural youth in a nearby village. The objectives of pre-testing were to assess the reliability and validity of the tool for the data collection. Based on learnings and inputs received from social scientists, necessary modifications were made. A primary set of data was collected during spring 2018.

RESULTS AND DISCUSSION

A total of 160 youth participated in this study. Table 1 represents their social and economic profile. Age is an important demographic variable

Table 1: Social and economic profile of youth

<i>Profile</i>	<i>Sagar</i>	<i>Damoh</i>
<i>Age</i>		
% of youth between (18-25) years	68.33	63.33
% of youth between (26-32) years	31.67	31.67
% of youth 33 years and above	0	5.00
<i>Marital Status</i>		
Single	16.67	9.00
Married	83.33	91.00
<i>Education</i>		
New Literate	23.3	15.0
Literate	8.0	0
Primary School	8.33	6.67
Middle School	30.00	36.67
High School	20.00	15
Higher Secondary	10.67	25.0
Higher Education	0	1.66
<i>Economic Status</i>		
Below Poverty Line (BPL)	61.67	68.33
Above Poverty Line (APL)	38.33	31.67

Source: Primary data

that affects career selection. The youth are seeking information and taking initiatives, which is an important trait for entrepreneurship. Age wise, the distribution of the youth is presented in the table and it shows that 68.33 percent of the youth in Sagar district and 63.33 percent in Damoh were in the age group of 18-25 years. The marital status of the youth must have influenced the risk-taking behaviour. In Sagar district, 83.33 percent youth are married whereas in Damoh district, this was 91.00 percent.

Education is a significant trait with which the business starts. The levels of academic qualification of youth may affect their entrepreneurial personality. Regarding educational qualification of the sample village, the literacy level is good. It is observed that 30.00 percent of youth have middle school certificates, 20.00 percent of youth have high school and 10.67 percent youth have higher secondary certificates in Sagar district. The findings signified that the youth have sufficient educational qualification for choosing a career as an entrepreneur. It is understandable that education is facilitating this decision and they are seeking information. This finding confirms the result of Turker et al. (2009).

The economic status of rural youth represents their living conditions in the society. The youth belong to Above Poverty Line families, which have a strong base to start enterprises. It can be clearly understood that 61.67 percent from the BPL category and 38.33 percent from the APL family are shown in Sagar district. Further, it is observed that the 68.33 percent from BPL and 31.67 percent also belong to the APL family in Damoh district.

Table 2 illustrates the scores among the study variables of entrepreneurship development. Among the variables, the score was counted to be lowest (10.00) for motivation and the highest (23.17) for manageability. With regards to risk taking, 58.5 percent were under the medium category, followed by 22.33 and 19.17 in the high and low categories, respectively. Determination and use of feedback for improvement had approximately two-thirds of the youth who were in the medium category. In terms of self-confidence and knowledgeability, around 60.00 percent of the respondents were in the medium category. About 76.50 percent youths are motivated to do entrepreneurial activities. It is observed

that more than half of the population are representing medium level in regards to all ten characteristics of entrepreneurship.

Table 2: Distribution of youth regarding entrepreneurship understanding

S. no.	Variables	High	Medium	Low
1	Risk taking	22.33	58.50	19.17
2	Hope of success	23.17	59.50	17.33
3	Determination	15.83	68.67	15.5
4	Use of feedback	13.33	69.33	17.31
5	Self-confidence	19.00	62.67	18.33
6	Knowledgeability	17.33	59.17	23.5
7	Motivation	10.00	76.50	13.50
8	Manageability	23.17	53.33	24.50
9	Innovativeness	22.33	52.67	25.00
10	Achievement	12.33	51.00	36.67

Source: Primary data

The data indicates that, from the rural youth point of view, manageability, hope of success and risk taking are the high impact factors whereas determination and motivation have least impact on entrepreneurship. This study was in line with the finding of Fard et al. (2018). The research by Uddin (2012), Dewberry and Duncan (2018), Bo (2017) and Saeed et al. (2015) also found that personality traits are important for entrepreneurship.

In order to explore the relationship between demographical variables and psychological variables the Pearson correlation coefficient was used (Table 3). The result of the tests, indicated that the significant positive relation between the education, age below 26 years and economic status with entrepreneurship traits at the significance level of 0.05 but age of above 26 years reveal a negative relationship with entrepreneurship traits. These results are in line with earlier studies by Criaco (2012) and Hatak et al. (2014) showing that the age is negatively correlated with entrepreneurship. Thus, the present findings support previous findings and notions by Ismail et al. (2009) who in their research study revealed that demographic factors like age and education affect the entrepreneurial activities.

CONCLUSION

The analysis indicates primarily that socio-cultural factors can influence both positively and

Table 3: Correlation coefficient of psychological and social traits

Traits	Risk taking	Hope of success	Persistence	Use of feedback	Self-confidence	Knowledgeability	Determination	Manageability	Innovativeness	Achievement	Entrepreneurship orientation
Age above 26	-0.219*	-0.198*	-0.084	-0.146	-0.153	-0.120	-0.127	-0.121*	-0.187*	-0.071	-0.176
Age below 26	0.103	0.077	0.127	0.089	0.131	0.78	0.104	0.068	0.009	0.111	0.106
Education	0.260**	0.246**	0.168	0.237**	0.225*	0.189*	0.213*	0.269*	0.251**	0.184*	0.260**
Economic status	0.171	0.213*	0.161	0.203*	0.162	0.062	0.191*	0.136	0.107	0.162	0.183

negatively on entrepreneurial emergence in a society. The finding of the research is limited to the correlation of psychological and social traits that affect the rural youth. The results were based on primary information from the two districts of Sagar division. The research paper focuses on the correlatives of psychological and social factors with rural entrepreneurs. Most of the rural youth have medium level understanding, and desperately need capacity building. Education, economics and aspiration were positively correlated and it demonstrates that youngsters have more entrepreneurship ability whereas the older age youth do not. Finally, this study shows the factors how the rural youth do not opt for entrepreneurship as a career.

RECOMMENDATIONS

There are four important recommendations that can be made from the research paper.

- ♦ First, the Ministry of Rural Development and the Ministry of Skill Development and Entrepreneurship should organise Entrepreneurship Development Programmes for rural youth to develop their capacities so that they can get livelihood.
- ♦ Secondly, village leaders should provide psychological interventions to motivate youth with regards to development of entrepreneurship behaviour.
- ♦ Thirdly, the government should initiate more focused and specific programmes for rural youth.
- ♦ Lastly, the counselling practitioners and social workers should make use of social and psychological variables while counselling the youth in colleges and schools.

IMPLICATIONS

The Government of India or any other educational institutions may use the findings of this research as a secondary data for policymaking and strengthening of the Start-up India Programme. The study could be used as a data source for researchers, working in the field of entrepreneurship and rural development. The results of the research study will be helpful in bringing awareness among rural youth.

REFERENCES

- Ahmad AR, Wan F WY, Noor MH, Ramin AK 2012. Preliminary study of rural entrepreneurship development program in Malaysia. *Journal of Global Entrepreneurship*, 2(1): 1-8.
- Ashley-Cotleur C, King S, Solomon G 2009. Parental and Gender Influences on Entrepreneurial Intentions, Motivations and Attitude. From <<http://usasbe.org/knowledge/proceedings/proceedings>> (Retrieved on 24 April 2019).
- Behrooz S 2016. Social Factor affecting Entrepreneurship and Youth Employment, *International Journal of Humanities and Cultural Studies*, 3(1). From <<https://www.ijhcs.com>> (Retrieved on 13 March 2019).
- Bo Z 2017. Research on cultivation scheme based on TPB of entrepreneurial talents in Chinese local application-oriented universities. *Eurasia J Math Sci Technol Educ*, 13: 5629–5636.
- Criaco G 2012. *The Role of Age as a Determinant of Entrepreneurial Intention: Direct and Indirect Effects*. Barcelona: Autonomous University of Barcelona.
- Chatterjee S 2017. *Emerging Trends in Rural Self Employment*. Jaipur: RBSA Publishers.
- Dewberry C, Duncan, JR Jackson 2018. An application of the theory of planned behavior to student retention. *J Vocational Behaviour*, 107: 100–110.
- Eduardo GA, Bayon M C 2017. Socio-cultural factor and youth entrepreneurship in rural regions. *Review of Business Management*, 19(64): 200-218.

- Fard FM, Dehghan SA, Lotfian A, Salehi L 2019. Analysis of factors affecting the development of an entrepreneurial student. *International Journal of Advanced Biological and Biomedical Research*, 7(1): 44-56.
- Hatak I, Harms R, Fink M 2014. Age, job identification, and entrepreneurial intention. *Journal of Managerial Psychology*, 30(1): 38-53.
- Irine H, Yeni HP, Gerzon M, Benedictus EA 2017. The Factors Affecting Entrepreneurship Intention. *International Journal of Entrepreneurial Knowledge*, 5(2). From <http://ijek.org/files/IJEK_2-2017v5/IJEK-2-2017,v.5_herdjiono,i.puspa,y,h.maulany,g.aldy,b.e..pdf> (Retrieved on 14 March 2019).
- Isiwu P I, Onwuka I 2017. Psychological factors that influences entrepreneurial intention among women in Nigeria: A study based in South East Nigeria. *The Journal of Entrepreneurship*, 26(2): 176-195.
- Ismail M, Khalid AS, Othman M, Kamaruzaman J, Rahman AN, Kasim MK, Zain SR 2009. Entrepreneurial intention among Malaysian undergraduates. *International Journal of Business and Management*, 4(10): 54-60.
- Kothari HC 2013. Socio-psychological factors of entrepreneurship: A survey. *Researchjournal's Journal of Entrepreneurship*, 1(1): 1-11.
- Mustafa MB 2019. Factors Stimulating Students to Venture into the Field of Entrepreneurship Towards Producing Entrepreneurs Among University Students. *International Journal of Academic Research in Business and Social Sciences*, 9(3). From <http://hrmars.com/hrmars_papers/Factors_Stimulating_Students_to_Venture_into_The_Field_of_Entrepreneurship_Towards_Producing_Entrepreneurs_Among_University_Students.pdf> (Retrieved on 11 December 2019).
- Sowol O E, Hogue ME, Adeyeye OP 2018. Entrepreneurship: Psychological Factors Influencing Youth's Desire for Self sustenance in Mpumalanga, Academy of Entrepreneurship Journal, Volume 24, Issue 2. From <<https://www.abacademies.org/articles/Entrepreneurship-Psychological-Factors-Influencing-Youths-Desire-For-Self-1528-2686-24-2-150.pdf>> (Retrieved on 14 March 2019).
- Rokhman W, Ahamed F 2015. The role of social and psychological factors on entrepreneurial intention among Islamic college students in Indonesia. *Entrepreneurial Business and Economics Review*, 3(1): 29-42.
- Sharma M, Chaudhary V, Bala R, Chauhan R 2013. Rural Entrepreneurship in Developing Countries: Challenges, Problems and Performance Appraisal. From <https://www.ripublication.com/gjmb_spl/gjmbv3n9_16.pdf> (Retrieved on 10 March 2019).
- Saeed S, Yani-de-Soriano M, Yousafoi Y S, Muffatto M 2015. The role of perceived university support in the formation of students' entrepreneurial intention. *J Small Business Management*, 53(4): 1127-1145.
- Turker D, Selcuk SS 2009. Which factors affect entrepreneurial intention of university students? *Journal of European Industrial Training*, 33(2): 142-159.
- Uddin M 2012. Facilitating leadership and decision making qualities through Self Help Groups: A study in Sagar Division of Madhya Pradesh. *Indian Journal of Health and Wellbeing*, III(2): 549-551.

Paper received for publication in August, 2019
Paper received for publication in February, 2020