

## Association between Selected Attributes of FPO Members and Their Entrepreneurial Behaviour

Swati Khandave<sup>1</sup>, Jyothi M. Deshmukh<sup>2</sup> and Mahammad Shafi R. Sk.<sup>3</sup>

1. Asso. Prof., Agril. Extension, College of Agri. Pune, 2. Asstt. Prof., Agril. Extension, College of Agri., Latur,

3. Ph. D. Scholar, Agri. Ext. and Communication, B. A. Collage of Agri., A.A.U., Anand, Gujarat

*Corresponding author e-mail: swatim912@gmail.com*

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### ABSTRACT

*The study was conducted in Pune district of Western Maharashtra. Data were collected through personal interview schedule by purposively selected based on maximum number of FPOs working in vegetable production. The results indicated that the indicators are consequently arranged according to their mean score i.e., market orientation, self confidence decision making ability, economic motivation, risk orientation, scientific orientation, achievement motivation, communication skills, innovativeness and planning ability. Majority of the respondents were in the medium level of entrepreneurial behaviour index. The results of correlation analysis clearly indicated that the independent variables namely age, education, occupation, social participation, annual income, knowledge, attitude, sources of information and extension participation were had positive and significant association with their entrepreneurial behaviour of member.*

**Key words:** Relationship; FPO members; entrepreneurial behaviour;

In Indian context, majority of the farmers fall into low technology group consisting of small and marginal farmers with limited resources and are operating at subsistence level. At grass root level, it is noticed that day by day young generation is losing the interest in farming and migrating towards cities. This might be due to continuous decline in per capita land holding, increased nuclear families, fragmentation of land, climate change. It is expected that further development in agriculture is possible by organizing these farmers, mobilizing their resources, building a strong link between knowledge and technology, promoting agro processing, value addition and marketing activities.

Considering these facts, Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India has initiated a movement of organizing small and marginal farmers into groups in the form of Farmer Producers Organizations (FPOs) registered under the Companies Act, 1956. As working in an organisation provides wide scope for developing business skills, professional attitude and entrepreneurial qualities amongst the members. Moreover, it is suggested that for competing in national

and international markets, agriculture needs to function with entrepreneurial approach. With this background present study entitled Association between selected attributes of FPO members with their entrepreneurial behavior was conducted with the following objectives

- i. To study the entrepreneurial behavior of the FPO members
- ii. To study the association between selected attributes of FPO members and their entrepreneurial behavior

### METHODOLOGY

The study was conducted in Pune district of Western Maharashtra. From Pune district, *Khed, Junnar* and *Purander* tehsils were selected purposively based on maximum number of FPOs working in vegetable production. Five, four and two FPOs were selected from *Khed, Junnar* and *Purander* tehsils, respectively. Based on total number of members of FPO, 10 per cent respondents were selected proportionately from each FPO this forms total 200 sample size. Main indicators of entrepreneurial behaviour were identified by taking the expert opinion of judges and structured schedule

was developed to study the contribution of each indicator towards developing overall entrepreneurial behaviour of the member. The respondents were grouped into three categories based on the entrepreneurial behaviour index (EBI) and mean score of each indicator is considered as its share in developing overall entrepreneurial behavior. Karl Pearson’s coefficient of correlation test was used to find out association between the selected attributes of FPO members and their entrepreneurial behaviour and the formula were given below.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

**RESULTS AND DISCUSSION**

*Share of each indicator and their importance in entrepreneurial behaviour:* It can be seen from the Table 1 that market orientation contributes 34.12 per cent share in entrepreneurial behavior with 1<sup>st</sup> rank followed by self confidence (31.96%), decision making ability (29.04%) with 2<sup>nd</sup> and 3<sup>rd</sup> ranks respectively. Whereas economic motivation, risk orientation, scientific orientation and achievement motivation secured 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> ranks respectively as per their importance in overall entrepreneurial behavior as expressed by the respondents. Further member felt achievement motivation and communication skills nearly equally important (24.33 and 24.05%) with 8<sup>th</sup> and 9<sup>th</sup> ranks respectively.

**Table 1. Share of each indicator in entrepreneurial behaviour (N = 200)**

Indicators	MS	Rank
Market orientation	34.72	I
Decision making ability	29.04	III
Economic motivation	27.27	IV
Risk orientation	25.53	V
Planning ability	23.14	X
Self confidence	31.96	II
Scientific orientation	25.04	VI
Innovativeness	23.48	IX
Communication skills	24.05	VIII
Achievement motivation	24.33	VII

*Entrepreneurial behaviour of the member farmers:* An entrepreneurial behaviour of the member was measured by making three categories based on their entrepreneurial behavior index and presented in Table 2. It can be seen from Table 2 that majority of the respondents (67.50%)

were in the medium level of entrepreneurial behaviour index, while 19.00 per cent respondents fell under the category of high entrepreneurial behaviour. The remaining 13.50 per cent respondents possessed low level of entrepreneurial behaviour.

**Table 2. Distribution of the respondents by their entrepreneurial behavior index (EBI) (N = 200)**

Category	No.	%
Low (upto73.96 E.B.I.)	27	13.50
Medium (73.97to 82.56 E.B.I.)	135	67.50
High (Above 82.56 E.B.I.)	38	19.00
Total	200	100.00

X = 78.76                      S.D. = 4.80

Thus, a result shows that by and large, the members of vegetable producer farmer’s organisation have fairly good entrepreneurial behaviour. This might be due to their better score on almost all the parameters selected to measure the entrepreneurial behaviour. Secondly, organisation might have helped them to develop entrepreneurial qualities and enterprise on economic point of view. These findings are in conformity with the findings of *Gamit et al. (2015)* and *Chaudhary (2017)*.

**Table 3. Correlation coefficient of selected independent variables of respondents with their entrepreneurial behaviour (N = 200)**

Independent variables	r-value
Age (X <sub>1</sub> )	--0.340**
Education (X <sub>2</sub> )	0.792**
Occupation (X <sub>3</sub> )	0.194**
Social participation (X <sub>4</sub> )	0.334**
Land holding(X <sub>5</sub> )	0.067 <sup>NS</sup>
Annual income(X <sub>6</sub> )	0.215**
Credit utilization(X <sub>7</sub> )	0.093 <sup>NS</sup>
Irrigation method (X <sub>8</sub> )	-0.060 <sup>NS</sup>
Cropping Pattern (X <sub>9</sub> )	0.053 <sup>NS</sup>
Market distance (X <sub>10</sub> )	0.002 <sup>NS</sup>
Knowledge (X <sub>11</sub> )	0.798**
Attitude (X <sub>12</sub> )	0.553**
Sources of information (X <sub>13</sub> )	0.285**
Extension participation (X <sub>14</sub> )	0.678**

\*\*Significant at 1% level N. S. = Not significant

*Correlation analysis of selected independent variables and entrepreneurial behaviour of the members :* It is evident from Table 3 that out of 14 independent variables, the correlation coefficient values of 8 variables viz., education (0.792), social participation (0.194) Occupation (0.334) annual income (0.215), knowledge (0.798) and

attitude (0.553), extension participation (0.285) Sources of information (0.678) were statistically found to be positively and significantly related with entrepreneurial behaviour of members at 0.01 level of significance. The findings are in line with Savitha *et al.* (2014) and Thakur and Barman (2015). Whereas, age was found to be negatively significant with entrepreneurial behaviour. The afore said important variables affecting the entrepreneurial behaviour are mostly the components responsible for social as well as psychological development of an individual which further leads for economic growth and thus have influenced the entrepreneurs' ability. Whereas as age increases, physical efficiency of an individual decreases hence age found to be negatively correlated with entrepreneurial behaviour. Similar findings were reported by Savitha *et al.* (2014) and Gamit *et al.* (2015)

As far as the variable credit utilization, land holding, irrigation method, cropping pattern and market distance were concerned, the computed correlation coefficients were found to be not-significant indicating no relationship with entrepreneurial behavior. As land holding, credit utilization, irrigation method, cropping pattern and market distance are the situational variables which may change

over a period of time and hence may not have influenced the entrepreneurial behaviour of the member.

## CONCLUSION

The study indicated that the indicators are consequently arranged according to their mean score i.e., market orientation, self confidence decision making ability, economic motivation, risk orientation, scientific orientation, achievement motivation, communication skills, innovativeness and planning ability. It also concluded that majority of the FPO members possessed medium to high entrepreneurial behavior due to direct access to inputs, technology and market through the producers' organisation. Also trainings and exposure to various business activities under FPO might have helped them to manage their enterprise more efficiently. The study revealed that certain variables like age, education, occupation, social participation, annual income, knowledge, attitude, sources of information and extension participation had established significance on entrepreneurial behaviour. Therefore, extension agencies should aim at manipulating these variables for promoting entrepreneurial behavior among the farmers.

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