



## Entrepreneurial Behaviour of Trained Entrepreneurs of North Karnataka

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### ABSTRACT

Rural Development and Self Employment Training Institute (RUDSETI), a unique initiative in mitigating the problems of unemployed, was taken-up in Ujire, a small village near Dharmastala. This venture was taken up by Sri Dharmasthala Manjunatheshwar Educational (SDME) Trust and two nationalized banks namely Syndicate Bank and Canara Bank under the visionary leadership of Padmabhushan Dr. D. Veerendra Heggade, Dharmadhikari of Dharmasthala. The collective thinking of the trust, the banks and the people had led to giving a shape and an institutional framework to the initiative taken-up in the form of RUDSETI in 1982, which was registered under Karnataka Societies Registration Act 1960. Due to the success of Ujire experiment, RUDSETI has now encouraged to establish 578 units in India out of which 31 units are in Karnataka (National Directory of RSETIs, 2015).

**Key words :** Rural development and self-employment training institute (RUDSETI).

**H**uman behaviour in an enterprise is generally concerned with the thoughts, feelings, emotions and actions of the people working in it. The entrepreneurs are key persons of any country for promoting economic growth and technical change. Entrepreneurial behaviour is directly concerned with the understanding, prediction and control of human behaviour in enterprises. Callahan defined Entrepreneurial behaviour is a subset of entrepreneurial activities concerned with understanding, predicting and influencing individual behaviour in entrepreneurial settings. In this study entrepreneurial behavior of entrepreneurs were studied based on eight components viz., innovativeness, risk orientation, achievement motivation, economic motivation, coordinating ability, social participation, Cosmopolitaness and planning ability.

The mission of RUDSETI is to channelize youth

power in wealth creation and empower youth to share economic progress equitably. The objectives of the institute are to – (1) identify, orient, motivate, train and hand hold the rural youth to take up self-employment ventures (2) take up research and development activities in Entrepreneurship and Rural Development and (3) train village level workers to work in rural development.

The main objective of RUDSETI is to transform rural youth to acquire a productive identity through short duration interventions, which include motivation and training. The institute offers need based and location specific training of different types of programs with duration of 1-8 weeks. The institute caters to youth in the age group of 18-35 years. Basic education desirable is preferably up to 10<sup>th</sup> standard. The facilities are provided free of cost to the trainees. The trainees are expected to reside at the institute, which increases their

self-confidence and develops their ability in interactions with batch-mates.

*Types of training programmes provided* : RUDSETI offers more than 60 types of entrepreneurship development programmes (EDPs) in various avenues. All the programmes are from one to six weeks. They are classified in to four categories-

- i. Agricultural EDPs include agriculture and allied activities, dairy farming, poultry, bee keeping, horticulture, plant nursery, etc.
- ii. Product EDPs include dress designing, agarabatti making, soft toys making, food processing, bakery products, embroidery, fabric painting, etc.
- iii. Process EDPs include electric motor rewinding and pump set maintenance, beauty parlour, photography, videography, phone servicing, domestic electrical appliances repair, two-wheeler servicing, computer DTP, refrigeration and air condition, computer tally, computer basics, etc.
- iv. General EDPs include Rural Entrepreneurship Development programme (REDP), EDP for women, Prime Minister Employment Guarantee Programme (PMEGP), etc.

The present study was conducted to analyze the entrepreneurial behaviour of the trainees who had undergone training in RUDSETI.

## METHODOLOGY

This study was conducted in Bagalkote, Vijayapur and Uttar Kannada districts of Karnataka. From each district 50 respondents who had undergone training in RUDSETI from 2009-2012 were selected making the sample size of 150. Personal interview method was used for data collection. Suitable statistical tools like frequency, percentage, mean, standard deviation and correlation were used for analysis of the data. To analyse the entrepreneurial behaviour of beneficiaries, entrepreneurial behaviour scale developed by Chaudhari (2006) was used with minor modifications. The score obtained by individual respondent on 8 psychological attributes were pooled which was score of entrepreneurial behaviour for that respondent. Further respondents were categorized into low, medium and high group on all the 8 psychological attributes. Entrepreneurial Behaviour Index (EBI) was also calculated by using formula:

$$EBI = \frac{\text{Obtained score}}{\text{Maximum Obtainable score}} \times 100$$

## RESULTS AND DISCUSSION

The entrepreneurial behaviour of beneficiaries studied and assessed using scale developed by Chaudhri (2006) with slight modifications. The entrepreneurial behaviour of beneficiaries comprised of eight components such as, innovativeness, risk orientation, achievement motivation, economic motivation, coordinating ability, social participation, cosmopolitanism and planning ability. Entrepreneurs' profile on these eight dimensions were analysed by pooling the scores obtained. Detailed data with regards to component wise have been furnished in Table 1 and the same have been interpreted and discussed, as follows,

*Innovativeness*: Innovativeness is the way of doing something differently and in a better way. It also means to create new products and present to the market. The innovation in entrepreneurship is a key value for the longevity of an enterprise. Entrepreneurs must keep themselves abreast with the current trends and demands. The innovation in entrepreneurship is to produce new products & services to meet the changing demands of the customers, only then he is accepted by the society as an innovator and as a change agent. An innovative entrepreneur is therefore one who introduces new goods, inaugurates new methods of production, discovers new market and reorganizes the enterprise.

The data presented in Table 1 revealed that, 44 per cent of the trained entrepreneurs belongs to high category of innovativeness, 34 per cent of them belongs low category and 22 per cent of them belongs to medium category of innovativeness. The probable reason might that irrespective of the training all entrepreneurs are innovative as they take up new and upcoming enterprise which will fetch them a good market.

*Risk orientation*: Entrepreneurship means risk. Most entrepreneurs are risk takers by nature. Risk taking is an opportunity for a rewarding outcome. An entrepreneur being the owner of the enterprise is prepared to take all risk and uncertainty involved in running the enterprise. Starting a new enterprise always involves risk and trying to do something new and different is also risky. The enterprise may earn profits or incur losses because of various factors like increasing competition, changes in customer preferences/ shortage

**Table 1. Distribution of respondents as per different components of entrepreneurial behavior (N=150)**

Component	Category	Range	No.	%
Innovativeness	Low	<19.24	51	34.00
	Medium	19.24-20.95	33	22.00
	High	>20.95	66	44.00
Risk orientation	Low	<15.21	52	34.60
	Medium	15.21-16.74	43	28.60
	High	>16.74	55	36.80
Achievement Motivation	Low	<11.20	58	38.80
	Medium	11.20-13.42	46	30.60
	High	>13.40	40	26.60
Economic Motivation	Low	<15.25	48	32.00
	Medium	15.25-16.95	35	23.40
	High	>16.95	67	44.60
Co-ordinating ability	Low	<11.41	60	40.00
	Medium	11.41-13.06	54	36.00
	High	>13.06	36	24.00
Social Participation	Low	<12.85	39	26.00
	Medium	12.85-14.83	47	31.40
	High	>14.83	64	42.60
Cosmopolitaness	Low	<12.06	85	56.60
	Medium	12.06-13.87	8	5.40
	High	>13.87	57	38.00
Planning ability	Low	<8.10	36	24.00
	Medium	8.10-9.27	60	40.00
	High	>9.27	54	36.00

of raw materials and so on. An entrepreneur therefore needs to be bold enough to assume the risk involved in the enterprise.

Data in Table 1 revealed that 36.80 per cent of the trained entrepreneurs belongs to high category of risk orientation, followed by low (34.60%) and medium category (28.60%). High risk orientation of entrepreneurs has also been reported by *Jhamtani et al. (2003)*.

**Achievement Motivation :** Achievement motivation implies a concern for excellence *i.e.*, to do the best to excel in his profession. High achievers are often successful in running their own business. People with high achievement motivation like to take calculated risks and want to win. They have a desire to do something more efficiently and better than others. Need for achievement stimulates the behavior of a person to be an entrepreneur. Achievement motivation is more of a psychological variable which differs from individual to individual. It is assumed that achievement motivation forces the individual towards reaching the goals, which an individual sets for himself. This is demonstrated by

the results in table 1 which revealed that 38.60 per cent of trained entrepreneurs had belongs to low achievement motivation followed by medium (30.60%) and high (26.60%) achievement motivation category. The results are in line with the findings of *Murali and Jhamtani (2003)*, *Pandeti (2005)*, *Nagesha (2005)*, *Shah et al. (2010)*, *Kiran et al. (2012)*, *Ram et al. (2013)* and *Borauha et al. (2015)*.

**Economic Motivation :** It refers to the value attached by the entrepreneur to profit maximization. Entrepreneurship is nothing but making money and the very purpose of entrepreneurship is to make money. Moreover, money can bring the basic comforts in life. To live a decent life, one needs money and so money is the main motive for entrepreneurship. Unless one is not economically motivated, the individual cannot make sincere efforts and create interest in the profession and earn profit out of it. The information in Table 1 is in line with this and shows that, 44.60 per cent of the respondents belong to high category of economic motivation followed by low (32.00%) and medium (23.40%) categories of economic motivation.

**Co-ordinating ability :** Co-ordinating ability is the act of making different people or things work together for a goal. Co-ordination is the unification, integration, synchronization of the efforts of group members so as to provide unity of action in the pursuit of common goals in a well-organized way. It seeks wholehearted support from various people working at various levels.

The results presented in table 1 shows that more number (40.00%) of trained entrepreneurs belongs to low category of coordinating ability followed by medium (36.00%) and high categories (24.00%).

**Social participation :** It is to create more opportunities for people to meet and learn from each other, either face to face or virtually or using digital media. Results revealed that majority (42.60%) of trained entrepreneurs belongs to high category social participation, 31.40 per cent of them belong to medium category and 26 per cent of the entrepreneurs belong to low category of social participation (Table 1). This could be because trained entrepreneurs had better exposure and chances of meeting other entrepreneurs. They had an opportunity to interact and exchange ideas with resource persons to learn many aspects regarding their enterprise.

**Cosmopolitaness :** Cosmopolitaness is the degree to

which an entrepreneur is oriented outside his community or village that might make him have more access to innovations. The information in table 1 shows that more than half (56.60%) of trained entrepreneurs belongs to low category of cosmopolitaness followed by high (38.00%) and medium (5.40%) categories of cosmopolitaness. The results are in line with the findings of *Nagesha (2005)*, *Pandeti (2005)*, *Chaudhari (2006)*, and *Borauha et al. (2015)*.

**Planning ability :** Planning is a key in running an enterprise. Planning is a major part of the business. Planning skills are necessary to develop a budget to manage resources *etc.* Planning is the process of designing a consistent integrated program of actions that when carried out will accomplish specific goals. A planner should be able to construct plans that achieve long-run goals without consuming excessive resources. Planners must be skilled at implementing and monitoring a plan that has been skillfully crafted which can greatly increase the success in the business. The present study (Table 1) shows that forty percent the of trained entrepreneurs belongs to medium category of planning ability followed by high and low category of planning ability. The results are in line with the findings of *Borauha et al. (2015)*.

This might be because most of the entrepreneurs in the present study were managing small enterprise. They did not give much importance to planning. They have managed their enterprise with family labour and have not been maintaining accounts or balance books.

**Table 2. Distribution of respondents according to their entrepreneurial behaviour level (N=150)**

Category	Range	No.	%
Low	<108.78	47	31.30
Medium	108.78-115.69	53	35.40
High	>115.69	50	33.30

**Categorization of respondents based on their entrepreneurial behavior level :** The perusal of Table 2 indicates that, 35.40 per cent of the trained entrepreneurs belongs to medium category of entrepreneurial behavior level, 33.30 per cent of them belongs to high category of entrepreneurial behavior level and 31.30 per cent of the beneficiaries belongs to low entrepreneurial behavior level. More number of the entrepreneurs belonged to medium level of entrepreneurial behaviour this might be due to uniformity of beneficiaries with respect to financial condition, land holding, education level and economic motivation. The

findings are in agreement with the findings of *Suresh (2004)* and *Avhad et al. (2014)*.

**Entrepreneurial behavior index of the trained entrepreneurs :** The entrepreneurial behavior index was calculated for each of eight attributes and also for overall entrepreneurial behavior. The data presented in Table 3 revealed that the highest EBI was found in economic motivation (89.48) attribute and was ranked first. The lowest EBI was found in case of planning ability (57.95) was ranked last out of all eight attributes. However, “entrepreneurial behavior index” calculated for risk orientation, innovativeness, coordinating ability, social participation, cosmopolitaness and achievement motivation were ranked II, III, IV, V, VI and VII respectively. The EBI for overall behavior was found to be 77.94. The highest index in case of economic motivation may be due to that, to live a decent life one needs money and so money is the main motive for entrepreneurship. Unless one is not economically motivated, the individual cannot make sincere efforts and create interest in the profession and earn profit out of it.

**Table 3. Entrepreneurial behavior index of respondents**

Components	MS	EBI	Rank
Innovativeness	20.10	83.75	III
Risk Orientation	15.98	88.77	II
Achievement Motivation	12.30	68.37	VII
Economic Motivation	16.10	89.48	I
Co-ordinating Ability	12.24	81.60	IV
Social Participation	13.84	76.92	V
Cosmopolitaness	12.96	72.03	VI
Planning ability	8.69	57.95	VIII
Overall EBI	112.24	77.94	

EBI=Entrepreneurial Behavior Index

The lowest EBI was found in case of planning ability (57.95) this might be because most of the entrepreneurs in the present study were managing small enterprise. They did not give much importance to planning. They have managed their enterprise with family labour and have not been maintaining accounts or balance books. The overall entrepreneurial behaviour index 77.94 can be termed as moderate.

**Relationship between trained entrepreneurs and their entrepreneurial behavior :** The coefficients of correlation of each of the socio-personal and socio-economic variables with entrepreneurial behavior of beneficiaries have been furnished in Table 4.

Table 4 clearly indicates that, the selected

**Table 4. Relationship between socio-economic characteristics of beneficiaries and their entrepreneurial behavior (N=150)**

Socio-economic characteristics	Correlation value ( r )
Age	-.046
Education	.375**
Family type	.019
Family size	-.150
Income	.061
Information source consultancy	.456**
Extension contact	.394**
Mass Media Participation	.458**
Innovative proneness	.553**
Risk orientation	.369**
Achievement Motivation	.626**
Economic Motivation	.420**
Decision making	.308**
Co-ordinating ability	.637**
Social participation	.367**
Cosmo politeness	.508**
Planning ability	.529**
Quality of life	.315**

characteristics of beneficiaries viz, education information source consultancy, extension contact, mass media participation, innovativeness, risk orientation, achievement motivation, economic motivation, decision

making ability, coordinating ability, social participation, cosmopolitaness, planning ability and quality of life was found to have positive and significant relationship at 0.01 level of probability. Further, remaining characteristics of the entrepreneurs of the entrepreneurs such as age, family type, family size and income did not establish any significant relationship with their entrepreneurial behavior.

**CONCLUSION**

It can be concluded from this study that, majority of the respondents had medium level of entrepreneurial behaviour. The variables such as education, information source consultancy, extension contact, mass media participation, innovativeness, risk orientation, achievement motivation, economic motivation, decision making ability, coordinating ability, social participation, cosmopolitaness, planning ability and quality of life was found to have positive and significant relationship at 0.01 level. The training given by RUDSETI for different skill development has resulted in establishment of more number of agricultural related enterprise therefore it is necessary to create more opportunities for unemployed graduates to undergo training of agricultural and establishment of small and medium enterprises by establishing more number of entrepreneurial centers at taluka level.

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