

## **Rural Entrepreneurship Development: An Insight in to the Psychological and Social Correlatives**

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### **Abstract**

Rural entrepreneurs are good at filling the gap and help in developing the village economy. It is an important aspect in economic development of India and it is a solution for eradicating poverty in Rural India. Therefore, there are more emphases on flagship programme on micro credits. An explorative study was conducted in two districts of Madhya Pradesh in India. 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 the best in rural settings. My research paper focusses on the correlatives of Psychological and Social factors with rural entrepreneurs. The findings of the study address the factors how the Rural Youth do not opt for entrepreneurship as a career.

**Keywords:** Psychological – Social, Rural Entrepreneurship, Youth

Rural entrepreneurs are good at filling the gap and help in developing the village economy. It is an important aspect in economic development of India and it is a solution for eradicating poverty in Rural India. Therefore, there are more emphases on the flagship programme on micro credits.

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. Sowol et. al. 2018, studied 355sample of unemployed youths within the age groups of 15-34 years. The study revealed that lack of financial sources is linked to unemployment. Kothari, 2013, studying the socio-psychological factors of entrepreneurship is literature survey, he 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, P. I., and Onwuka, I. 2017, conducted a study to examine the psychological factors that influence women entrepreneurial intentions in Nigeria. The paper explained the self-efficiency was a significant predictor of women participation in entrepreneurship. Eduardo Gómez-Araujo and Manoj Chandra Bayon, 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. Irine H. et al 2017 provide the result of this study showing that family environment has significant and positive effect on the entrepreneurship goal. Behrooz Sabuhilaki, 2017, reveals that age, education, experience, population, social position, social dignity, community relations, consciousness and information have an effect on entrepreneurship. Chatterjee, et al. 2017, found that Gender based Discrimination has come down in rural area. He also stated that the source of motivation of rural entrepreneurship stands significant for desire of innovation and unemployment. Monika Sharma et al 2017 in her literature survey on challenges, problem and performance appraisal, study reveals that rural entrepreneurship finds its problems owing to the lack of primary financial support, risk taking abilities and new idea generation.

**In view of the above studies, my research paper considers the following objectives:**

To analyze the correlates of psychological and social factors with the Youth Entrepreneurial Development in Rural setting.

## Research Method

The research work was undertaken in Madhya Pradesh. Two districts were selected randomly namely Sagar and Damoh. One block headquarter from each selected districts and one village from each block selected randomly. From each village, 30 youth were selected stratified random sampling technique and were asked to fill a questionnaire in local language. A well structured interview questionnaire was constructed to get information, the items were framed in as simple language in Hindi. In this paper, Age, Educational Qualification and Socio-Economic status in society and aspiration were correlated with the parameters of entrepreneurship abilities.

## Data collection process

Present research is based on survey research method. Primary data collected by using self-developed structured questionnaire. Before administrative the research tools, questionnaire was pre tested on five rural youth in nearby village. The objectives of pre testing was to assess the reliability and validity of tool for the data collection. Based on learning and inputs received from social scientists necessary modifications were made.

## Result and Discussion

Table:1- Social and Economic profile of Youth

Profile	Sagar	Damoh
Age		
18-25	68.33	63.33
26-32	31.67	31.67
33 and above	0	5.00
Marital Status		
Single	16.67	9.00
Married	83.33	91.00
Education		
New literate	23.3	15.0
Literate	8.0	000
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
Economic status		
BPL	61.67	68.33
APL	38.33	31.67

From above table-1, most of the participant (68.33) in Sagar district were in the age group of 18-25, 83.33 per cent married and 61.67 from BPL families. 63.33per cent youth were in age group of 18-25, 83 per cent were married and 61.67 per cent From BPL. Regarding educational qualification of the sample village, the literacy is not good. It is observed that 23.3 per cent youth were new literates where as 8.0 percent youth were literates. In Damoh district, 63.33 per cent were age group of 18-25, Most of the youth have been married. About 68.33 per cent youth belongs to below poverty line families.

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
Total		100.00	100.00	100.00

Below table-2 illustrates that many of the youth, overall the ten variables of entrepreneurship development. Entrepreneurship Traits, in regards to Risk Taking, 58.5 per cent were under the medium and followed by 22.33 and 19.17 high and low category respectively. Determination and use of feedback for improvement approximate two third youth who were in medium category. In terms of self-confidence and knowledgeability around sixty percent of the respondents were from medium category. About 76.50 per cent youths are motivated to do entrepreneurial activity. It is observed that more than half of the population is representing medium level in regards to all ten characteristics of entrepreneurship.

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	-0.219*	-0.198*	-0.084	-0.146	-0.153	-0.120	0.127	0.121*	0.187*	0.071	-0.176
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
Motivation	0.103	0.077	0.127	0.089	0.131	0.78	0.104	0.068	0.009	0.111	0.106

\*Correlation is significant at 0.05 levels of probability

\*\* Correlation is significant at 0.01 levels of probability

The table-3 illustrates that Educational Qualification, Economic Status and Motivation are positively correlated. Rural youth age is negatively correlated with entrepreneurship traits at 0.05 levels.

Regarding, the traits of educational status i.e. all the traits except determination have been correlated with education at different stages of significance. Likewise, all the traits were positively correlated with economic status of youth. Hope of success, use of feedback and determination have been found significance correlation at 0.05 level.

### **Concluding observation**

The finding of the research is limited to the correlates of psychological and social traits that affect the rural youth. The results were based on primary information from the two districts of Sagar division. My research paper focusses on the correlatives of Psychological and Social factors with rural entrepreneurs. Most of the rural youth have medium level understanding, who desperately need capacity building. Educational, Economic and Aspiration were positively correlated and it demonstrates youngest youth have more entrepreneurship ability whereas older age youth do not have. Lastly, this study shows the factors how the Rural Youth do not opt for entrepreneurship as a career.

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