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MOTIVATIONAL FACTORS THAT INFLUENCE INDIVIDUALS TO BECOME MICRO ENTREPRENEURS IN CHITTOOR DISTRICT

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ABSTRACT

In the recent past, Micro, Small and Medium Enterprises (MSMEs) were assigned a pivotal role in the process of industrialization as an effective tool to sub-serve the national objective of growth with social justice. Keeping in mind the critical role of an entrepreneur in the performance of a venture, in the present article focuses is on the factors which influenced the micro entrepreneurs to take up the present vocation. The specific objective of the study is to examine the factors that motivate individuals to become micro entrepreneurs. The universe of the study is Chittoor district. Of the categories of micro enterprises, as classified by the DIC, for a meaningful analysis of cross sectional data, 20 units each are purposely brought into the sample frame. Stratified random sample technique is conveniently adopted. Likert's five point scale and level of agreement technique were employed for analysis. Ambition to become entrepreneur; desire to earn more income; economic need; need to provide employment to family members; small investment; availability of raw materials; good market potential; and growth potential and high profitability are definitely motivational factors to become micro entrepreneurs. Previous experience has not exercised any influence respondents to become entrepreneurs in glass and ceramics category. Technical qualification /innovative spirit and talent is certainly a motivating factor to become entrepreneurs in agro, food and allied, mechanical and metallurgical and paper only. Suggestion from friends and family members has not prompted the entrepreneurs to take up the industrial activity in agro, food and allied, glass and ceramics and paper. The government encouragement is not a motivating factor in agro, food and allied and mechanical and metallurgical. The self employment schemes and programmes have not motivated any one of the respondents in all the categories.

KEY WORDS: *Entrepreneur, Enterprises, Investment, Self Employment, Technique.*

1.INTRODUCTION

In the recent past, Micro, Small and Medium Enterprises (MSMEs) were assigned a pivotal role in the process of industrialization as an effective tool to sub-serve the national objective of growth with social justice. Keeping in mind the critical role of an entrepreneur in the performance of a venture, in the present article focuses is on the factors which influenced the micro entrepreneurs to take up the present vocation. The specific objective of the study is to examine the factors that motivate individuals to become micro entrepreneurs. The universe of the study is Chittoor district. Of the categories of micro enterprises, as classified by the DIC, for a meaningful analysis of cross sectional data, 20 units each are purposely brought into the sample frame. Stratified random sample technique is conveniently adopted. The motivational factors in terms of ratings are evaluated by assigning scores with the help of scaling technique developed by Likert's. The 5 point scale is employed. For the strongly agreed, the rating is 5 points; agreed 4 points; neither agreed nor disagreed 3 points; disagreed 2 points; and strongly disagreed 1 point. The statements were put to the respondents to elicit their views on motivating factors during the course of administering the interview schedule. Further, the factors/ratings are analysed by means of level of agreement technique in terms of percentage. This is used to know whether the variables that were identified have influenced the respondents to become entrepreneurs or not. If the level of agreement is higher than 50 per cent, the factor might have significantly influenced the respondent to become an entrepreneur and otherwise, vice-versa.

2. MOTIVATIONAL FACTORS

The motivational factors which have influenced the respondents to become micro entrepreneurs are analysed in this section.

2.1 Ambition:-

It can be observed from the Table 1 that, each of 40 per cent of respondents in agro, food and allied industrial groups have strongly agreed and agreed with the statement that ambition to become an entrepreneur is a motivational factor followed by 20 per cent, who neither agreed nor disagreed. The proportion of respondents who either disagreed or strongly disagreed are absent. A similar situation prevails in the case of respondents of chemical, plastic and rubber and glass and ceramics. With regard to mechanical and metallurgical, the highest, 55 per cent, have agreed with the statement followed by 25 per cent disagreed, 15 per cent strongly agreed and the remaining, 5 per cent who expressed no opinion. In the case of paper, half of them agreed, 30 per cent strongly agreed, 15 per cent neither agreed nor disagreed and the rest, constituting 5 per cent, disagreed. If all the respondents are considered as a whole, the strongly agreed, agreed, neither agreed nor disagreed and disagreed constituted 32 per cent, 49 per cent, 13 per cent and 6 per cent respectively. The attitudinal technique shows 84 per cent, 72 per cent, 83 per cent, 87 per cent and 81 per cent of respondents belonging to agro, food and allied, mechanical and metallurgical, chemical, plastic and rubber, glass and ceramics and paper have agreed with the statement respectively. When all the respondents are put together, it works out to 81.4 per cent. Ambition to become an entrepreneur is definitely a motivational factor to become micro entrepreneur. The respondents of glass and ceramics rank first while those of mechanical and metallurgical come last.

Table 1: Ambition to become Micro Entrepreneur among Respondents

Rating	No. of respondents						Points	Scores					Total score
	Agro, food & allied (1)	Mechanical & metallurgical (2)	Chemical, plastic & rubber (3)	Glass & ceramics (4)	Paper (5)	Total		1	2	3	4	5	
Strongly agree	8 (40)	3 (15)	6 (30)	9 (45)	6 (30)	32 (32)	5	40	15	30	45	30	**160**
Agree	8 (40)	11 (55)	11 (55)	9 (45)	10 (50)	49 (49)	4	32	44	44	36	40	**196**
Neither agree nor disagree	4 (20)	1 (5)	3 (15)	2 (10)	3 (15)	13 (13)	3	12	3	9	6	9	**39**
Disagree	-	5 (25)	-	-	1 (5)	6 (6)	2		10			2	**12**
Strongly disagree	-	-	-	-	-	-	1						
Total	20 (100)	20 (100)	20 (100)	20 (100)	20 (100)	100 (100)		84	72	83	87	81	**407**
Average								4.2	3.6	4.15	4.35	4.05	**4.07**
Level of agreement (%)								**84**	**72**	**83**	**87**	**81**	**81.4**

Notes *: Figures in brackets indicate the percentage to total*

Source *: Sample survey*

2.2. Desire to be independent:-

A look at the Table 2 reveals that, out of the entrepreneurs under agro, food and allied category, the highest, 55 per cent, agreed to the statement and the rest, 45 per cent strongly agreed. An identical trend prevails in the case of paper. In the case of mechanical and metallurgical, the agreed, strongly agreed and disagreed account for 60 per cent, 25 per cent and 15 per cent sequentially. With regard to chemical, plastic and rubber, 50 per cent of respondents have strongly agreed, 35 per cent agreed, 10 per cent have no opinion and 5 per cent strongly disagreed. In respect of glass and ceramics, those who agreed with the statement are 55 per cent, strongly agreed 40 per cent and the remaining, 5 per cent, strongly disagreed. On an overall basis, the share of the agreed stood at 54 per cent followed by strongly agreed (39 per cent), disagreed (3 per cent) and each of neither agreed nor disagreed and strongly disagreed (2 per cent). In terms of scores, 89 per cent of respondents in agro, food and allied, 87 per cent in paper and 85 per cent in each of chemical, plastic and rubber and glass and ceramics and 79 per cent in mechanical and metallurgical, agreed with the statement.

Table 2: Desire to be Independent among Respondents

Rating	No. of respondents						Points	Scores					Total score
	Agro, food & allied (1)	Mechanical & metallurgical (2)	Chemical, plastic & rubber (3)	Glass & ceramic (4)	Paper (5)	Total		1	2	3	4	5	
Strongly agree	9 (45)	5 (25)	10 (50)	8 (40)	7 (35)	39 (39)	5	45	25	50	40	35	195
Agree	11 (55)	12 (60)	7 (35)	11 (55)	13 (65)	54 (54)	4	44	48	28	44	52	216
Neither agree nor disagree	-	-	2 (10)	-	-	2 (2)	3			6			6
Disagree	-	3 (15)	-	-	-	3 (3)	2		6				6
Strongly disagree	-	-	1 (5)	1 (5)	-	2 (2)	1			1	1		2
Total	20 (100)	20 (100)	20 (100)	20 (100)	20 (100)	100 (100)		89	79	85	85	87	425
Average								4.45	3.95	4.25	4.25	4.35	4.25
Level of agreement (%)								89	79	85	85	87	85

Notes *: Figures in brackets indicate the percentage to total* ***Source:*** *Sample survey.*

2.3. Desire to earn more income:-

A cursory glance at the table 3 reveals that, those who strongly disagreed with the statement are absent in all the industrial categories, barring chemical, plastic and rubber. The share of agreed is 75 per cent in mechanical and metallurgical, 70 per cent in each of paper and agro, food and allied, 65 per cent in glass and ceramics and 50 per cent in chemical, plastic and rubber. The neutrals have formed 20 per cent in each of agro, food and allied and glass and ceramics, 10 per cent in chemical, plastic and rubber and 5 per cent in each of mechanical and metallurgical and paper. Those who strongly agreed are 15 per cent in mechanical and metallurgical, 10 per cent in each of glass and ceramics and paper and 5 per cent in each of agro, food and allied and chemical, plastic and rubber. The ones who disagreed have accounted for 20 per cent in chemical, plastic and rubber, 15 per cent in paper and 5 per cent in each of agro, food and allied, mechanical and metallurgical and glass and ceramics. If all the respondents are considered together, those who strongly agreed formed 9 per cent, agreed 66 per cent, neither agreed nor disagreed 12 per cent, disagreed 10 per cent and strongly disagreed 3 per cent. With regard to scores, the level of agreement is 80 per cent in mechanical and metallurgical, 76 per cent in glass and ceramics, 75 per cent in each of agro, food and allied and paper and 62 per cent in chemical, plastic and rubber.

Table 3: Desire to earn More Income among the Respondents among Respondents

Rating	No. of respondents						Points	Scores					Total score
	Agro, food & allied (1)	Mechanical & metallurgical (2)	Chemical, plastic & rubber (3)	Glass & ceramics(4)	Paper (5)	Total		1	2	3	4	5	
Strongly agree	1 (5)	3 (15)	1 (5)	2 (10)	2 (10)	9 (9)	5	5	15	5	10	10	45
Agree	14 (70)	15 (75)	10 (50)	13 (65)	14 (70)	66 (66)	4	56	60	40	52	56	264
Neither agree nor disagree	4 (20)	1 (5)	2 (10)	4 (20)	1 (5)	12 (12)	3	12	3	6	12	3	36
Disagree	1 (5)	1 (5)	4 (20)	1 (5)	3 (15)	10 (10)	2	2	2	8	2	6	20
Strongly disagree	-	-	3 (15)	-	-	3 (3)	1			3			3
Total	20 (100)	20 (100)	20 (100)	20 (100)	20 (100)	100 (100)		75	80	62	76	75	368
Average								3.75	4	3.1	3.8	3.75	3.68
Level of agreement (%)								75	80	62	76	75	73.6

Notes : *Figures in brackets indicate the percentage to total*

Source : *Sample survey*

2. 4. Economic need:-

The responses and their ratings on economic need are portrayed in the table 4. A glance at the Table reveals that, out of the aggregate number of respondents, 3 per cent have strongly agreed that there is an economic force behind the decision to start industrial activity on a micro level followed by 80 per cent who agreed, 11 per cent who neither agreed nor disagreed, 5 per cent who disagreed and one per cent who strongly disagreed. The strongly agreed with a share of 5 per cent are spread over in each of mechanical and metallurgical, chemical, plastic and rubber and glass and ceramics. The proportion of agreed respondents is the highest,

85 per cent in each of mechanical and metallurgical, glass and ceramics and paper followed by agro, food and allied (75 per cent) and chemical, plastic and rubber (70 per cent). The share of neither agreed nor disagreed formed 15 per cent in each of agro, food and allied and chemical, plastic and rubber, 10 per cent in each of glass and ceramics and paper and 5 per cent in mechanical and metallurgical.

Table 4: Economic Necessity of Respondents to under take Industrial Activity

Rating	No. of respondents						Points	Scores					Total score
	Agro, food & allied(1)	Mechanical & metallurgical(2)	Chemical, plastic & rubber(3)	Glass & ceramics(4)	Paper(5)	Total		1	2	3	4	5	
Strongly agree	-	1 (5)	1 (5)	1 (5)	-	3 (3)	5		5	5	5		15
Agree	15 (75)	17 (85)	14 (70)	17 (85)	17 (85)	80 (80)	4	60	68	56	68	68	320
Neither agree nor disagree	3 (15)	1 (5)	3 (15)	2 (10)	2 (10)	11 (11)	3	9	3	9	6	6	33
Disagree	2 (10)	1 (5)	1 (5)	-	1 (5)	5 (5)	2	4	2	2		2	10
Strogly disagree	-	-	1 (5.00)	-	-	1 (1.00)	1			1			1
Total	20 (100)	20 (100)	20 (100)	20 (100)	20 (100)	100 (100)		73	78	73	79	76	379
Average								3.65	3.9	3.65	3.95	3.8	3.79
Level of agreement (%)								73	78	73	79	76	75.8

Notes *: Figures in brackets indicate the percentage to total*

Source *: Sample survey*

2. 5. Good market potential:-

A perusal of the table 5 shows that, those who have strongly disagreed with the statement are 10 per cent in chemical, plastic and rubber only. The proportion of disagreed are 5 per cent in each of agro, food and allied and glass and ceramics only. The neither agreed nor disagreed formed the highest, 30 per cent in glass and ceramics followed by paper (20 per cent), chemical, plastic and rubber(15 per cent) and each of agro, food and allied and mechanical and metallurgical (5 per cent). Those who have agreed with the statement constituted the highest, 90 per cent in mechanical and metallurgical, 85 per centin agro, food and allied, 75 per cent in each of chemical, plastic and rubber and paper and the least, 60 per cent in glass and ceramics. Thestrongly agreed are absent in chemical, plastic and rubber. In each of the remaining four categories, they have accounted for 5 per cent. On an overall basis, it can be observed that 4 per cent have strongly agreed with the statement, 77 per cent agreed, 15 per cent expressed no opinion and 2 per cent each disagreed and strongly disagreed. The ratings reveal that, on an average, nearly 76 per cent agreed with the statement. The level of agreement is 80 per cent, 78 per cent, 77 per cent, 73 per cent and 71 per cent in mechanical and metallurgical, agro, food and allied, paper, glass and ceramics and chemical, plastic and rubber serially.

Table 5: Good Market Potential for the Products Manufactured by Respondents

Rating	No. of respondents						Points	Scores					Total score
	Agro, food & allied(1)	Mechanical & metallurgical(2)	Chemical, plastic & rubber(3)	Glass & ceramics(4)	Paper(5)	Total		1	2	3	4	5	
Strongly agree	1 (5)	1 (5)	-	1 (5)	1 (5)	4 (4)	5	5	5		5	5	20
Agree	17 (85)	18 (90)	15 (75)	12 (60)	15 (75)	77 (77)	4	68	72	60	48	60	308
Neither agree nor disagree	1 (5)	1 (5)	3 (15)	6 (30)	4 (20)	15 (15)	3	3	3	9	18	12	45
Disagree	1 (5)	-	-	1 (5)	-	2 (2)	2	2			2		4
Strongly disagree	-	-	2 (10)	-	-	2 (2)	1			2			2
Total	20 (100)	20 (100)	20 (100)	20 (100)	20 (100)	100 (100)		78	80	71	73	77	379
Average								3.9	4	3.55	3.65	3.85	3.79
Level of agreement (%)								78	80	71	73	77	75.8

Notes : Figures in brackets indicate the percentage to total

Source : Sample survey

2. 6. Growth potential and profitability:-

From the perusal of the table 6, it can be observed that, among the entrepreneurs, each of 5 per cent has strongly agreed with the statement. These are found in chemical, plastic and rubber and glass and ceramics only. Those who have agreed with the statement are the highest, 55 per cent in glass and ceramics, 45 per cent in each of agro, food and allied, mechanical and metallurgical, paper and 35 per cent in chemical, plastic and rubber. The proportion of respondents who have neither agreed nor disagreed with the statement have accounted for 50 per cent in each of agro, food and allied, mechanical and metallurgical, chemical, plastic and rubber , 45 per cent in paper and 25 per cent in glass and ceramics. The disagreed have constituted 10 per cent in each of glass and ceramics, chemical, plastic and rubber, paper and 5 per cent in each of agro, food and allied and mechanical and metallurgical. Of the respondents, only 5 per cent in glass and ceramics have strongly disagreed with the statement. If all the respondents are taken as a whole, 2 per cent have strongly agreed with the statement, 45 per cent agreed, 44 per cent neutral, 8 per cent disagreed and one per cent strongly disagreed. In terms of scores, respondents in glass and ceramics have ranked first with 69 per cent closely followed by each of agro, food and allied and mechanical and metallurgical with 68 per cent and each of chemical, plastic and rubber and paper with 67 per cent. The average score works out to 67.8 per cent.

Table 6: Expectation of Growth Potential and High Profitability among Sample Units

Rating	No. of respondents						Points	Scores					Total score
	Agro, food & allied(1)	Mechanical & metallurgical(2)	Chemical, plastic & rubber(3)	Glass & ceramics(4)	Paper(5)	Total		1	2	3	4	5	
Strongly agree	-	--	1 (5)	1 (5)	-	2 (2)	5			5	5		10
Agree	9 (45)	9 (45)	7 (35)	11 (55)	9 (45)	45 (45)	4	36	36	28	44	36	180
Neither agree nor disagree	10 (50)	10 (50)	10 (50)	5 (25)	9 (45)	44 (44)	3	30	30	30	15	27	132
Disagree	1 (5)	1 (5)	2 (10)	2 (10)	2 (10)	8 (8)	2	2	2	4	4	4	16
Strongly disagree	-	-	-	1 (5)	-	1 (1)	1				1		1
Total	20 (100)	20 (100)	20 (100)	20 (100)	20 (100)	100 (100)		68	68	67	69	67	339
Average								3.4	3.4	3.35	3.45	3.35	3.39
Level of agreement (%)								68	68	67	69	67	67.8

Notes : Figures in brackets indicate the percentage to total

Source : Sample survey

3. CONCLUSION

Desire to be independent is clearly a motivational factor among the respondents to become micro entrepreneurs.Desire to earn more income has influenced the respondents to become micro entrepreneurs in all the categories without any exception. Economic necessity is certainly a motivating factor to become an entrepreneur. This is more evident in glass and ceramics. Provision of employment to family members is one of the forces that has driven the respondents to take up the micro enterprise. Previous experience has not influenced the respondents in glass and ceramics to take up the micro enterprise. Technical qualification/ innovative sprit/talent are definitely motivating factors to become micro entrepreneur in agro, food and allied, mechanical and metallurgical and paper only. Small investment is a factor which had influenced the respondents to start micro enterprise. This is more prominent in chemical, plastic and rubber as compared to the remaining four categories. Adequacy of raw materials has influenced the respondents to become micro entrepreneurs. Good market potential has evidently motivated the respondents to become entrepreneurs. It is more pronounced in mechanical and metallurgical. Growth potential and high profitability have significantly motivated the respondents in all the categories to take up theexisting line of activity. Suggestion from friends and family members has not prompted the entrepreneurs to take up the industrial activity in agro, food and allied, glass and ceramics and paper. Government encouragement has influenced the respondents in chemical, plastic and rubber, glass and ceramics and paper only. The self- employment schemes and programmes have not prompted respondents to become micro entrepreneurs. Desire to be independent has influenced the respondents more as compared to the rest of the factors. The attraction of self- employment schemes and programmes came last. This shows that its influence is least on respondents. This finding corroborates the results already stated.

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