Economic Affairs, Vol. 67, No. 02, pp. 31-35, March 2022
DOI: 10.46852/0424-2513.2.2022.6

Research Paper

Factors Influencing the Success of Agripreneurs in Tamil Nadu

Jayasudha, J.[1*] and Shantha Sheela, M.[2]

[1]Department of Agricultural Extension and Communication, NMCA, NAU, Navsari, Gujarat, India
[2]Department of Agricultural Extension and Communication, Directorate of Agri Business Development, TNAU, Coimbatore, Tamil Nadu, India

*Corresponding author: sudhajaganathan97@gmail.com (**ORCID ID:** 0000-0002-5657-2994)

Received: 27-12-2021 **Revised:** 03-03-2022 **Accepted:** 14-03-2022

ABSTRACT

Entrepreneurship encourages the growth of small businesses in society. It was widely acknowledged that small businesses played a critical role in the country's economic development. The study has been conducted to identify the factors influencing the success of agripreneurs. By proportionate random sampling method, 104 respondents were selected from two incubators namely Technology Business Incubator, Coimbatore and Madurai Agribusiness Incubation Forum, Madurai. Factor analysis was used to identify the factors. As a result seven factors such as directorial factor, functional factor, decisive factor, personal factor, financial factor, opportunity factor and ideological factor were identified, which contributed to the success of agripreneurs. From this directorial and functional factors had high variance with factor loadings. Among different variables, innovativeness, family type and credit orientation had highest factor loadings. This study suggested that entrepreneurial traits would be improved by the agripreneurs to achieve the success.

HIGHLIGHTS

- Seven factors were identified contributing to the success of agripreneurs.
- Innovativeness, Family type and Credit orientation had highest factor loadings.
- Entrepreneurial traits should improve to achieve the success.

Keywords: Agripreneurs, Entrepreneurship, Factor analysis, Incubators, Success

Agriculture being the engine of economic growth needs to be supported with efficient marketing system, reduction in post harvest losses and diversification towards high value crops (Nain *et al.* 2019). The company which undertook new arrangements to create new products and services was known as entrepreneurship. Agripreneurs were the person who brought the changes in high agricultural output either directly or indirectly (Heredero, 1979). Agripreneurship program was necessary to cater agricultural industry by developing entrepreneurs and management workforce. It was greatly influenced by education, culture and economic situation (Bairwa *et al.* 2014). Amit *et al.* (2001) stated that simplest way to define entrepreneurial success was to evaluate at tangible factors like revenue or a company's growth, personal wealth creation, profitability, sustainability, and turnover. Persistence, positive attitude, self-confidence, problem solving, need for independence, innovation, creativity and enjoying risks were the attributes most usually connected with the success of entrepreneurs (Martin,1999). Entrepreneur's success was influenced by the assistance of others, which can change the form of both formal and informal help. Financial, technological, and strategic relationships, as well as industry links, provide formal support (Carrier *et al.* 2004). The objective of the study was to study the factors influencing the success of agripreneurs.

How to cite this article: Jayasudha, J. and Shantha Sheela, M. (2022). Factors Influencing the Success of Agripreneurs in Tamil Nadu. *Economic Affairs*, **67**(02): 31-35.

Source of Support: None; **Conflict of Interest:** None

MATERIALS AND METHODS

The study has been conducted among the agripreneurs from two agribusiness incubation forums namely Technology Business Incubator (TBI), Coimbatore and Madurai Agribusiness Incubation Forum (MABIF), Madurai. These two incubators were selected purposively to identify the agripreneurs with minimum three years of experience in agribusiness.

An ex-post facto design was adopted for the study. By proportionate random sampling technique, the 104 respondents were selected from the agribusiness incubation forums. The independent variables fixed for the study *viz*., age, gender, educational status, marital status, family type, experience in business, annual income, credit orientation, economic motivation, risk orientation, self-reliance, managerial ability, self-confidence, social networking, self-actualization, critical thinking, persuasive ability, leadership ability, competition orientation and innovativeness, while success of business was taken as a dependent variable.

The data was collected by using well-structured and pre-tested interview schedule. The agripreneurs were interviewed personally to collect the information. The statistical tool such as Factor analysis was used to identify the factors influencing the success of agripreneurs.

A statistical method for determining the dimensionality of a set of variables is factor analysis. It examines whether a set of interest variables *Y*1, *Y*2.....*Yk* are linearly connected to a smaller set of unobservable factors *F1, F2.....Fk*. The varimax rotation was used to do factor analysis in this study. This was done to figure out how many and what kind of factors influenced the dependent variable. The sub components beneath each major component were chosen based on the factor loadings. The general formula for factor analysis is as follows. The factor analysis model describes the variance and covariation in a collection of observable continuous variables y (j = 1 to p) as a function of factors η (k = 1 to m) and residuals ε (j = 1 to p).

For person i,

$yi1 = v1 + \lambda 11\ \eta i1 + \lambda 12\ \eta i2 + \ldots + \lambda 1k\ \eta ik + \ldots + \lambda 1m\ \eta im + \varepsilon i1$

$yij = vj + \lambda j1\ \eta i1 + \lambda j2\ \eta i2 + \ldots + \lambda jk\ \eta ik + \ldots + \lambda jm\ \eta im + \varepsilon ij$

$yip = vp + \lambda p1\ \eta i1 + \lambda p2\ \eta i2 + \ldots + \lambda pk\ \eta ik + \ldots + \lambda pm\ \eta im + \varepsilon ip$

Where,

vj = Intercepts

λjk = Factor loadings

ηik = Factor values

εij = residuals with zero means and correlations of zero with the factors

RESULTS AND DISCUSSION

The 20 variables related to the business success were selected for factors analysis by using principal component extraction with the help of Varimax rotation. Suitability of the data was checked by Bartlett's test of sphericity giving a significant chi-square value of (420.54%) affirming that the data is sufficient for analysis.

Table 1: KMO and Bartlett's Test

Sl. No	Test	Percent
1	Kaiser-Meyer-Olkin measure of sampling adequacy	0.607
2	Bartlett's Test of Sphericity. Approximate Chi-square	420.546
3	Df	190
4	Sig	.000

Principal component analysis of indicators

The principal component analysis was carried out with all the variables and the results were presented in Table 2.

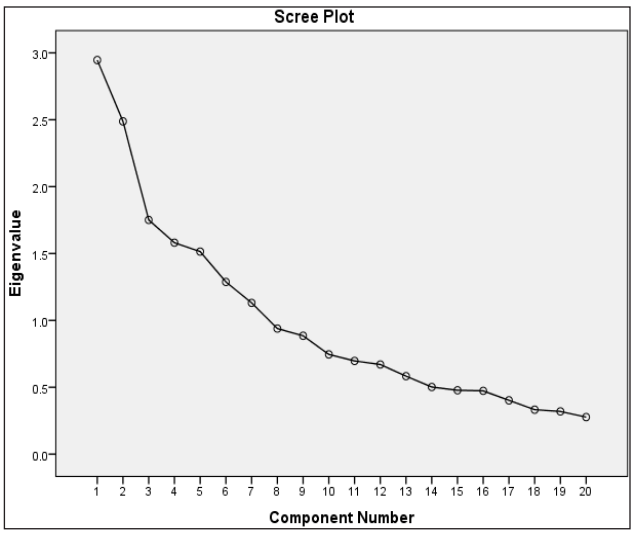

Fig. 1

Table 2: Distribution of factors with variance

Sl. No.	Component number	Eigen values	Percentage of variance	Cumulative variation %
1	Directorial factor (Factor-I)	2.946	14.731	14.731
2	Functional factor (Factor-II)	2.488	12.438	27.170
3	Decisive factor (Factor-III)	1.751	8.755	35.924
4	Personal factor (Factor-IV)	1.580	7.902	43.827
5	Financial factor (Factor-V)	1.514	7.571	51.398
6	Opportunity factor (Factor-VI)	1.287	6.437	57.835
7	Ideological factor (Factor-VII)	1.131	5.654	63.489

Table 3: Distribution of variable wise Rotated Factor (Varimax)

Rotated Component Matrix[a]							
	Component						
	1	2	3	4	5	6	7
Age	-.033	-.415	-.588	-.391	.085	.131	.015
Gender	-.246	-.232	**.703**	.108	-.009	.091	.000
Educational status	-.148	**.657**	.054	.011	-.117	-.044	.143
Marital status	-.174	.295	.119	**.628**	.154	-.106	-.066
Family type	.007	-.312	.073	**.760**	-.190	.019	.126
Experience in business	-.033	-.359	-.518	-.206	**.606**	.026	-.185
Annual income	.004	-.132	.173	-.021	**.648**	.380	-.620
Credit orientation	-.061	-.021	-.097	.038	**.740**	.023	.073
Economic motivation	.314	-.037	-.195	.151	-.045	**.699**	.156
Risk orientation	-.123	.016	.073	-.208	.147	**.725**	-.108
Self reliance	.188	**.821**	-.185	-.080	.113	.051	.038
Managerial ability	**.614**	.198	.102	-.117	-.142	-.168	-.017
Self-confidence	**.726**	-.055	-.069	.185	.101	.152	-.134
Social networking	.216	.462	.280	.062	-.225	.435	-.180
Self-actualisation	.430	-.012	-.307	.409	.312	.016	.098
Critical thinking	.584	.019	-.108	-.127	-.211	.170	.247
Persuasive ability	.425	-.048	**.647**	-.344	.035	-.071	.018
Leadership ability	**.683**	-.053	.020	-.041	.005	.030	-.349
Competition orientation	.578	-.011	.074	-.174	.490	.092	.211
Innovativeness	-.102	.095	.132	.066	.273	.080	**.802**

Extraction Method: Principal Component Analysis
Rotation Method: Varimax with Kaiser Normalization[a]
a. Rotation converged in 23 iterations

The components with more than one Eigen value were chosen, and seven factors were derived from the 20 components, with a total variance of 63.489 percent.

Rotated factor (Varimax)

The results of principal component analysis showed that there were seven factors that constitute the majority of the variation in success of business. The results of the factor loading of each indicator under the seven factors were also examined, as shown in Table 3.

From the results obtained from the loading, with a minimum of 0.60 loading were taken for the study and below 0.60 were neglected.

Factor I

The variable in this factor were identified as Directorial factor, which exhibited 14.731 per cent of variance with cumulative variance of 14.731 on the success of agripreneurs. It includes managerial ability (0.614), self-confidence (0.726), self-actualization (0.430), critical thinking (0.584), leadership ability (0.683) and competition orientation

(0.578). It indicated the ability of individuals towards the success of agripreneurs.

Among these variables, self-confidence and managerial ability had highest factor loadings. Because, majority of the agripreneurs (83.70%) possessed high level of self-confidence and 71.20 per cent of agripreneurs had medium level of managerial ability. Self-confidence gave mental support to face the risk, managerial ability helped to coordinate the business activities, self-actualization helped to realize the personal potential, critical thinking to make appropriate decision, leadership ability to influence others and competition orientation to handle the competitors in better way. Hence these factors were found to be interlinked with each other in determining the business success and have been loaded in the Factor 1.

Factor II

The factor had 12.438 percent variation with 27.170 cumulative variance percent. There were three variables, which had significant loadings on Factor II. They were educational status (0.657), self-reliance (0.821) and social networking (0.462).These variables were grouped under Functional factor.

Among these factors self-reliance had highest factor loading, because the ability to rely on oneself for future prosperity rather than on others which was vital factor to sustain as an entrepreneurs. Education helped to gain knowledge about the entrepreneurship and social networking helped to widen the knowledge by gaining the experience from others, which were necessary to improve the business.

Factor III

The factor explained 8.755 percent variation with a cumulative variance of 35.924 percent. This factor includes age (-0.588), gender (0.703) and persuasive ability (0.647). These variables were indicated as Decisive factor.

Among these factors, gender had highest factor loading because, majority of the respondents (69.20%) were male. The fact might be that male would have been given free choice, liberty and independence to become entrepreneurs to start their own business than the female. Persuasive ability helped to influence an individual's choice pattern in a planned manner which was most important for an entrepreneur.

Factor IV

The factor exhibited 7.902 percent variation with 43.827 of cumulative variance percent. The variables under this factor were marital status (0.628) and family type (0.760). Among these factors, family type had highest factor loadings.

Family support gave great moral impetus to entrepreneurship. Both nuclear family and joint family type had its own advantages and disadvantages. Nuclear family helped to make independent and quick decision-making, whereas joint family could be helpful in sharing of resources as well as risk. Marriage also gave some moral and mental support to the agripreneurs. Hence, these factors were grouped under Personal factor.

Factor V

The factor had contributed 7.571 percent of variance with 51.398 percent of cumulative variance. The variables such as experience in business (0.606), annual income (0.648) and credit orientation (0.740) were included. Among these variables, credit orientation had highest factor loading.

Most of the agripreneurs started their business by their own capital and also from the support of financial institutions. More than half of the respondents (63.50%) had medium level of credit orientation. Annual income plays a vital role in expanding and sustaining the agribusiness. Experience helped to improve the decision making ability and to do right things at right time. These factors were grouped under Financial factor and dealt with financial aspects.

Factor VI

The sixth factor explained 6.437 percent variation with cumulative frequency of 57.835 percent. The variables in this factor were economic motivation (0.699) and risk orientation (0.725). Both variables were grouped under Opportunity factor.

Because economic motivation and risk orientation helped to identify the opportunities in entrepreneurship. They might manage their risk by employing management practices such as risk avoidance by avoiding risky investment,

loss prevention by insuring equipment, people, and assets, and loss reduction by diversifying products, all of which would assure the smooth business of the organization. Economic motivation was a primary and necessary aspect, without which it would be extremely difficult to continue forward commercially. Hence these variables were interlinked in this factor.

Factor VII

The factor seven exhibited 5.654 percent variation with cumulative frequency of 63.489 percent. Innovativeness (0.802) comes under this Ideological factor. It led to a wide range of products, processes, and delivery patterns on the market. They were constantly fine-tuning the product in response to client demand and market conditions. They gathered knowledge about emerging technology and made it available to the public.

CONCLUSION

This study concluded that seven factors influence the success of agripreneurs. They were directorial factor, functional factor, decisive factor, personal factor, financial factor, opportunity factor and ideological factor. From this directorial and functional factors had high variance with factor loadings. Among 20 different variables, innovativeness, family type and credit orientation had highest factor loadings. This study suggested that entrepreneurial traits would be improved by the agripreneurs to achieve the success. Entrepreneurial success as the one who had a successful business and has been operating for at least three years and about 10 per cent of the business survives after three years of operation (Dafna, 2008). Hence, the agripreneurs would work on to improve their skills to sustain the business.

REFERENCES

Amit, Raphael, Kenneth R MacCrimmon, Charlene Zietsma, and John M Oesch. 2001. Does money matter?: Wealth attainment as the motive for initiating growth-oriented technology ventures. *J. Bus. Ventur.,* **16**(2): 119-143.

Bairwa, S.L., Kushwaha, S, Meena, L.K., Lakra, K and Kumar, P. 2014. Agribusiness Potential of North Eastern States: A SWOT Analysis. Edited by Singh et al., 2014 Agribusiness Potentials in India: experience from hill states. EBH Publishers (India) Guwahati New Delhi.

Carrier, Camille, Louis Raymond, and Anissa Eltaief. 2004. Cyber entrepreneurship: A multiple case study. *Int. J. Entrepreneurial Behav. Res.*, **10**(5): 349-363.

Cox, Charles and Reg Jennings. 1995. The foundations of success. *Leadersh. Organ. Dev.,* **16**(7): 4-9.

Dafna, Kariv. 2008. Managerial performance and business success: Gender differences in Canadian and Israeli entrepreneurs. *J. Enterp. Communities,* **2**(4): 300-331.

Heredero, J.M. 1979. Agricultural entrepreneurship: Identification and selection of small scale entrepreneur (Edited Rao, TV and Moulik, TK). Indian Institute of Management, Ahmadabad.

Hisrich, Robert D. and Mikhail V Grachev. 1995. The Russian entrepreneur: characteristics and prescriptions for success. *J. Manag. Psychol.,* **10**(2): 3-9.

Martin, M.M. 1999. Trust leadership. *J. Leadersh. Stud.* **5**(3): 41-49.

Nain, M.S., Rashmi Singh, J.R. Mishra, J.P. Sharma, Anil Kumar Singh, Anjani Kumar, Reshma Gills, and Suman, R.S. 2019. Maximizing farm profitability through entrepreneurship development and farmers' innovations: Feasibility analysis and action interventions. *Indian J. Agric. Sci.,* **89**(6): 1044-49.

Ratvi, Habib. 2013. Entrepreneurs' Personality Traits and their Success: An Empirical Analysis. *Int. J. of Soc. Sci. Manag.,* **3**(7): 99-104.