Chapter IV

Firm Characteristics and Motivational Factors

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FIRM CHARACTERISTICS AND MOTIVATIONAL FACTORS

4.1 INTRODUCTION

The rural Micro, Small and Medium manufacturing enterprises play an important role in socio-economic development process by creating employment and income opportunities for majority of the rural people throughout the country. However, the volatile income from farming has stimulated the rural people to set up an enterprise in the rural areas. In this regard, the first pre-requisite of an enterprise start-up is motivation for an entrepreneur. According to Autin (2010), the motivational factors are the desire for independence, acceleration of growth in markets, capitalizing emerging opportunities, increasing profits and the need for achievement. With this background, an understanding of the rural entrepreneurs' motivational factors is essential, because it influences the development of entrepreneurial activities in rural areas and on the performance of an enterprise.

Along with motivational factors, the characteristics of an enterprise play an imperative role in ensuring the business success. Enterprise characteristics such as size of business, ownership status, location, capital sources and length of time in business operation are the important antecedents influencing the firms' performance (Md.Aminul Islam et.al, 2011; Tresphory O Mgeni and Parameswar Nayak, 2016; Eniola et.al, 2017). Hence, the first objective of the study is to understand the rural entrepreneur firms' characteristics and to assess the motivational factors that inspired the entrepreneurs to initiate an enterprise in rural areas.

Percentage Analysis

The percentage analysis has been applied to assess the distribution of respondents based on their enterprise characteristics.

4.2 RURAL ENTERPRISE CHARACTERISTICS

The factors namely, business age, generation, legal status, nature of business, total investment in plant and machinery, source of finance, permanent employees, daily labourers, annual turnover and annual profit have been analyzed and the results are presented in the table 4.1.

Table 4.1: Rural Enterprise Characteristics

Characteristics		No. of Respondents	Per cent
Business Age (in Years)	5-7	64	17.1
	8-10	92	24.5
	11-13	71	18.9
	More than 13	**148**	**39.5**
Generation	**First generation**	**247**	**65.9**
	Antecedents	128	34.1
Legal status	**Sole proprietorship**	**296**	**78.9**
	Partnership	70	18.7
	Private ltd co	9	2.4
Nature of Business Activity	Textile processing units	103	27.5
	Engineering works	**142**	**37.9**
	Fabrication units	56	14.9
	Food processing units	41	10.9
	Others (Paper, Plastics, Coir, and chemical manufacturing enterprises)	33	8.8
Total Investment in Plant and Machinery	**Less than Rs.25 lakhs**	**267**	**71.2**
	Rs.25 lakhs –Rs.5 crores	60	16.0
	Rs.5 crores– Rs.10 crores	48	12.8
Source of Finance	Own funds	52	13.9
	Borrowed funds	14	3.7
	Both	**309**	**82.4**

Characteristics		No. of Respondents	Per cent
Permanent employees (in numbers)	**Less than 5**	**150**	**40.0**
	5 – 10	105	28.0
	11 – 15	38	10.1
	16 – 20	28	7.5
	More than 20	54	14.4
Daily Labours (in numbers)	**Less than 5**	**141**	**37.6**
	5 – 10	98	26.1
	11 – 15	87	23.2
	16 – 20	22	5.9
	More than 20	27	7.2
Annual Turnover (in Lakhs)	**Less than Rs.20,00,000**	**175**	**46.7**
	Rs.20,00,000-Rs.40,00,000	120	32.0
	Rs.41,00,000-Rs.60,00,000	32	8.5
	Above Rs.60,00,000	48	12.8
Annual Profit (in Lakhs)	Less than Rs1,00,000	99	26.4
	Rs.1,00,000-Rs.5,00,000	**147**	**39.2**
	Rs.5,00,001-Rs.10,00,000	76	20.3
	More than Rs.10,00,000	53	14.1
Total		**375**	**100**

(Source: computed)

Table 4.1 summarizes the Rural enterprise characteristics.

Business Age

Age of the firm is expressed by the number of years the firm operates in the market. It is seen from the above table 4.1 that, out of 375 respondents, most (39.5 per cent) of the respondents have business existence of more than 13 years, 24.5 per cent of them have business existence for about 8-10 years, 18.9 per cent of them have business existence for a period of 11-13 years and 17.1 per cent of the respondents have business existence for about 5-7 years in rural areas. Hence, most of the respondents have survived in business for more than 13 years in rural areas. It infers that, an enterprise which has longer in operation gains knowledge and experience in the field which helps to enhance their performance. Similar finding is in line with Kristiansen, Furuholt and Wahid, 2003; Aminul Islam et al. 2011.

Generation

The enterprise performance varies among the respondents generation. Table 4.1 shows that, 65.9 per cent of the enterprises in rural areas have incepted and run by first generation entrepreneurs and remaining 34.1 per cent of the enterprises run by antecedents who come from an entrepreneurial background family. Hence, majority of the rural manufacturing enterprises have incepted and run by first generation entrepreneurs. It shows the interest of rural people engaging in business activity.

Legal status

The above table 4.1 reveals that, 78.9 per cent of the respondents run their business units in sole proprietorship form of business organisation, 18.7 per cent of the respondents run their business units with partners and 2.4 per cent of the respondents run their business units as private limited companies. Hence, majority of the business units in rural areas are undertaken by sole proprietors.

Nature of business

The Micro, Small and Medium Enterprises (MSMEs) are regionally dispersed in various fields of manufacturing. In the above table 4.1, Out of 375 respondents, 37.9 per cent of the respondents are running engineering units followed by the textile processing units (27.5 per cent), fabrication units (14.9 per cent), food processing units (10.9 per cent) and

the business units such as plastics, paper, coir and chemicals (8.8 per cent). Hence, engineering components are highly manufactured in rural areas.

Total investment in plant and machinery

The Ministry of MSME has clearly defined the Micro, Small and Medium manufacturing enterprises in terms of investment limits. It is observed from the table 4.1 that, Out of 375 respondents, 71.2 per cent of the respondents have invested less than Rs.25 lakhs in plant and machinery, 16.0 per cent of them have invested between Rs.25 lakhs –Rs.5 crores and 12.8 per cent of them have invested between Rs.5 crores–Rs.10 crores in plant and machinery. Hence, majority of the respondents have invested less than Rs.25 lakhs in plant and machinery.

Sources of Finance

Finance is the lifeblood of the business and it is essential for smooth running of an enterprise. It is clear from the table 4.1 that, 82.4 per cent of the respondents have used both own and borrowed funds to run their business units, 13.9 per cent of the respondents have used only own funds to run their business units and 3.7 per cent of the respondents have used only borrowed funds to run their business units. Hence, majority of the respondents have used both own and borrowed funds for the smooth functioning of business.

Permanent Employees

The benefit of locating production units in rural areas is the availability of abundant human resources. Among 375 respondents, 40.0 per cent of the respondents are operating their business units with less than 5 permanent employees, 28.0 per cent of them are operating their business units with 5-10 permanent employees, 14.4 per cent of them are operating their business units with more than 20 permanent employees, 10.1 per cent of them are operating their business units with 11-15 permanent employees and 7.5 per cent of them are operating their business units with 16-20 permanent employees. Hence, most of the respondents are operating their business units with less than 5 permanent employees.

Daily labourers

The table 4.1 reveals that, 37.6 per cent of the respondents are running their business units with less than 5 daily labourers, 26.1 per cent of the respondents are

running their business units with 5-10 daily labourers, 23.2 per cent of the respondents are running their business units with 11-15 daily labourers, 7.2 per cent of the respondents are running their business units with more than 20 daily labourers and 5.9 per cent of the respondents are running their business units with 16-20 daily labourers. Hence, most of the respondents are running their business units with less than 5 daily labourers.

Annual turnover

It is observed from the table 4.1 that, 46.7 per cent of the respondents have an annual turnover of less than Rs.20 lakhs, 32.0 per cent of the respondents have an annual turnover between Rs.20 lakhs -Rs.40 lakhs, 12.8 per cent of the respondents have an annual turnover of above Rs.60 lakhs and 8.5 per cent of the respondents have an annual turnover between Rs.41 lakhs -Rs.60 lakhs. Hence, most of the respondents have an annual turnover of less than Rs.20 lakhs.

Annual profit

It is seen from the table 4.1 that, Out of 375 respondents, 39.2 per cent of the respondents have earned the business profit of Rs.1 lakh-Rs.5 lakhs, 26.4 per cent of them have earned profit of less than Rs.1 lakh, 20.3 per cent of them have earned profit of Rs.5 lakhs-Rs.10 lakhs and 14.1 per cent of them have earned profit of more than Rs.10 lakhs. Hence, most of the respondents have earned the business profit of Rs.1 lakh-Rs.5 lakhs in a year.

Business profits

The profit earned in the business can be used for different purpose. The usage of business profits among the respondents are presented in the following table 4.2.

Table 4.2: Usage of business profits (Multiple Responses)

Purpose	No. of Respondents	Per cent
Used to repay loan	298	39.1
Reinvested in business	**337**	**44.2**
Saved	94	12.3
Used for private purpose	34	4.5

(Source: computed)

It is observed from the table 4.2 that, 44.2 per cent of the respondents have reinvested their profits in to business, 39.1 per cent of the respondents have used their profits to repay the loans, 12.3 per cent of the respondents have reserved their business profits and 4.5 per cent of the respondents have used profits for private purpose. Hence, most of the respondents have reinvested their profits in to the business for expansion and development.

Industrial Association

Industrial Associations play an imperative role in the promotion of rural Micro, Small and Medium manufacturing enterprises. The following table 4.3 exhibits, the holding of membership among the respondents in various Industrial associations:

Table 4.3: Holding of Membership in Industrial associations

Membership	No. of Respondents	Per cent
Yes	**251**	**66.9**
No	124	33.1
Total	**375**	**100**

(Source: computed)

It is noted from the table 4.3 that, 66.9 per cent of the respondents are holding membership in several Industrial Associations and remaining 33.1 per cent of the respondents are not holding membership in any of the Industrial Associations. Hence, majority of the respondents are holding membership in several Industrial associations such as CODISSIA, COTMA, CII etc. to upgrade themselves about the dynamic changes happening in the business environment.

4.3 ENTREPRENEURIAL MOTIVATION

Entrepreneurial motivation is one of the key elements in an entrepreneurial performance. Hence, the study has assessed the motivational factors that inspired the entrepreneurs to incept a manufacturing enterprise in rural areas.

Motivators in starting an enterprise

The following table 4.4 portrays the motivators of the respondents.

Table 4.4: Motivators in starting an enterprise - (Multiple Responses)

Motivators	No. of Respondents	Per cent
Self motivation	**346**	**55.8**
Spouse	118	19.0
Family	136	21.9
Friends and Relatives	20	3.2

(Source: computed)

It is evident from the table 4.4 that, 55.8 per cent of the respondents have been self- motivated to incept an enterprise, 21.9 per cent of the respondents have encouraged by their family members, 19.0 per cent of the respondents have supported by their spouse and 3.2 per cent of the respondents have supported by friends and relatives. Hence, it is revealed that, Self-motivation has been the dominant factor for the respondents to incept an enterprise in rural areas. It is due to the insufficient and volatile agricultural income. The similar finding is reported in the study by Dipanjan Chakmraborty, 2014.

Reasons for business selection

The respondents have been asked to give ranks for the reasons to select the present nature of business activity. They have given rank 1 for the most preferred reason and 6 for the least preferred. The mean value of the rank has been found out for each factor and the results are exhibited in table 4.5

Table 4.5: Reasons for business selection

Reasons	Mean rank	Actual rank
Passion towards entrepreneurship	**2.57**	**1**
Inherited Business	4.15	6
Demand for the product	3.38	2
Market Scope	3.78	5
Profitability	3.55	3
Business Network	3.58	4

(Source: computed)

It is observed from the table 4.5 that, the respondents have given the highest priority for 'Passion towards Entrepreneurship' (Mean 2.57), followed by the 'Demand for the Product' (Mean 3.38), 'Profitability' (Mean 3.55), 'Business Networks' (Mean 3.58), 'Market Scope' (Mean 3.78) and the least priority has been given for 'Inherited Business' (Mean 4.15).

The Friedman Rank test has been applied to find out the significant variation in mean ranks.

H$_0$: "The mean rank of business selection does not differ significantly among the respondents"

Table 4.5(a): Friedman Rank test- Selection of business activity

N	Chi-Square	Df	Sig.
375	156.219	5	**

(** - significant at 1 % level)

The ranking as per the above table 4.5a infers that, the chi square value (χ^2 = 156.219, p<0.000) is statistically significant. It implies that, the respondents have varied in the order of assigning ranks with respect to the reasons for business selection. Hence, the null hypothesis has been rejected at 1 per cent level of significance.

Level of support

The extent of entrepreneurial support obtained from the following members to enhance the business performance has been analysed and are presented in the table 4.6.

Table 4.6: Descriptive statistics-Level of support

Level of support	N	Minimum	Maximum	Mean	Std. Deviation
Spouse	375	1	5	4.07	1.210
Family members	**375**	**1**	**5**	**4.53**	**.938**
Government bodies	375	1	5	2.43	1.173
Banks and Financial institutions	375	1	5	4.34	.951
Promotional institutions	375	1	5	4.29	1.073
Money lenders	375	1	5	3.45	1.397

(Source: computed)

A five point likert scale ranging from 5 to 1 where 5 for very high, 4 for high, 3 for moderate, 2 for low and 1 for very low have been constructed to obtain the opinion of the respondents. From the mean ratings it is inferred from the table 4.6 that, the high mean rating has been found for 'Family members' (Mean 4.53) followed by the 'Banks and Financial institutions' (Mean 4.34), 'Promotional institutions' (Mean 4.29), 'Spouse' (Mean 4.07), 'Money lenders' (Mean 3.45) and 'Government bodies' (Mean 2.43). Hence, based on high mean rating, it is evident that, most of the respondents have been highly supported by their families to enhance their performance and has obtained less support from the Government bodies.

4.4 MOTIVATIONAL FACTORS

Motivational factors have been analysed in four dimensions namely, 'Need for Independence', 'Need for Achievement', 'Social Recognition' and 'Financial rewards' (Christoph Ernst Wilken Kisker, 2016) and are described in the following tables.

Need for Independence

The Rural entrepreneurs' motivation towards independence in business have been analysed and are exhibited in the table 4.7

Table 4.7: Descriptive statistics-Need for Independence

Need for Independence	N	Minimum	Maximum	Mean	Std. Deviation
To be my own boss	375	1	5	4.18	.900
To control in my own timings	375	1	5	4.16	.909
To be greater flexible in life	375	1	5	4.15	.983
To create job instead to seek	**375**	**1**	**5**	**4.20**	**.851**
To adopt freedom work approach	375	1	5	4.05	.988

(Source: computed)

On a five point scale, the respondents have been given ratings for 'Need for Independence' ranging from 5 to 1 where 5 for highly motivated, 4 for motivated, 3 for moderately motivated, 2 for demotivated and 1 for highly demotivated. It is observed from the table 4.7 that, the high mean rating has been found for the statement 'to create job instead to seek' (Mean 4.20), followed by 'to be my own boss' (4.18), 'to control in my own timings' (4.16), 'to be greater flexible in life' (4.15) and 'to adapt freedom work approach' (4.05). Hence, based on the high mean rating, it is inferred that, most of the respondents are highly motivated towards self employment and by creating employment opportunities to the rural people. Similar result is reported in the study by Serazul Islam, 2012.

Firm Characteristics Vs Need for Independence

ANOVA and t-test have been used to test whether the 'Need for Independence' mean score has differed significantly among the respondents classified based on 'Firm characteristics' with the following null hypothesis. When there exists a significant difference in the F-value at 5 per cent level, Post Hoc analysis has been applied to find which group of respondents differs in their mean perception from the others.

H_0: **"The mean score of the need for Independence does not differ significantly among the firm characteristics"**

The null hypothesis has been tested for each of the firm characteristics separately and the results are presented in the table 4.8.

Table 4.8: Firm Characteristics and Need for Independence

Firm Characteristics	Groups	Mean	S.D	No	t-value	F-value	Sig.
Business age (Years)	5-7	4.0562	.66806	64		.530	Ns
	8-10	4.1500	.75221	92			
	11-13	4.1268	.61805	71			
	More than 13	4.0392	.81605	148			
Generation	First generation	4.1086	.77804	247	-2.459		*
	Antecedents	4.2156	.64557	128			
Legal Status	Sole Proprietorship	4.1314	.59747	296		16.682	**
	Partnership	4.1162	.70869	70			
	Private Limited Company	2.7333	1.38924	9			
Nature of Business Activity	Textile units	3.9282	.55367	103		4.193	**
	Engineering units	4.0113	.74597	142			
	Metal Fabrication units	4.2893	.72955	56			
	Food Processing units	4.2927	.83078	41			
	Others	4.2970	.96193	33			
Total Investment in Plant and Machinery	Less than Rs.25 lakhs	4.1208	.71690	264		.063	Ns
	Rs.25 lakhs-Rs.5 crores	4.0857	.74289	63			
	Rs.5 crores – Rs.10 crores	4.0795	.87104	48			

Firm Characteristics	Groups	Mean	S.D	No	t-value	F-value	Sig.
Sources of Finance	Own fund	4.1808	.70988	52		.594	Ns
	Borrowed fund	4.1571	.72824	14			
	Both	4.0667	.74700	309			
Permanent Employees (in numbers)	Less than 5	4.1187	.76889	150		4.691	*
	5 – 10	4.2705	.66041	105			
	11 – 15	4.0000	.62385	38			
	16 – 20	3.9357	.72837	28			
	More than 20	3.3741	.78960	54			
Daily Labourers (in numbers)	Less than 5	4.0511	.79261	141		1.413	Ns
	5 – 10	4.0857	.82437	98			
	11 – 15	4.1563	.62164	87			
	16 – 20	4.3091	.57147	22			
	More than 20	3.8593	.55696	27			
Annual Turnover (in lakhs)	Less than Rs.20,00,000	4.1794	.74032	175		2.909	*
	Rs.20,00,000-Rs.40,00,000	4.0600	.61718	120			
	Rs.41,00,000-Rs.60,00,000	4.0500	.54713	32			
	Above Rs.60,00,000	3.8333	1.03581	48			
Annual Profit (in lakhs)	Less than Rs.1,00,000	4.1980	.76211	99		2.155	Ns
	Rs.1,00,000-Rs.5,00,000	4.0816	.67834	147			
	Rs.5,00,001-Rs.10,00,000	4.0921	.54105	76			
	More than Rs.10,00,000	3.8792	1.03354	53			

(Source: computed) (** - significant at 1 per cent level, * - significant at 5 per cent level)

Business Age

It is observed from the table 4.8 that, the respondents who are existing in business for a period of 8-10 years in rural areas are highly independent (Mean 4.1500) and the respondents who are existing in business for more than 13 years are less independent in their business activity (Mean 4.0392). However, with the F-ratio value it is understood that, there has been no significant difference in the respondents' motivation for independence when they are classified based on business age groups. Therefore, the null hypothesis has been accepted.

Generation

The respondents who come from an entrepreneurial background family have a high mean score (4.2156) for independence which implies that, they enjoy more autonomy in business than the first generation entrepreneurs (4.1086). The t-value has shown that, the need for independence mean score has varied significantly among the respondents classified based on generation. Thus, with the significant t-value, the null hypothesis has been rejected at 5 per cent level.

Legal status

The respondents who run sole proprietorship form of business organization have a high level of motivation (4.1314) and the respondents who run private limited companies have a low level of motivation for independence in business (2.7333). There exists a noticeable difference in the mean score. However, with the F- ratio value it is evident that, the respondents have been varied significantly in their level of motivation towards independence when they classified based on legal status. Thus, with the significant F- ratio value, the null hypothesis has been rejected at 5 per cent level. The following table 4.8 (a) shows the post hoc result

Table 4.8 (a): Post hoc- Tukey B Test

Legal status Vs Need for Independence

Legal status	N	Subset for alpha = 0.05	
		1	2
Private limited companies	9	2.7333	
Partnership	296		4.1162
Sole proprietorship	70		4.1314

(Source: computed)

The Post hoc analysis for 'Need for Independence' has varied across with legal status of the firm and has resulted in 2 subsets. The table 4.8 (a) reveals that, the respondents who run private limited companies (2.7333) fall in subset 1 have a low mean perception for 'need for independence'. Similarly, the respondents who run their business units with partners (4.1162) and the respondents who run sole proprietorship form of business organization (4.1314) fall in subset 2 have a high mean perception for need for independence. It implies that, the rural private limited companies enjoy less autonomy in business due to cumbersome and legal formalities than the other form of business organisations.

Nature of business activity

The need for independence mean score is found to be high (4.2970) among the respondents who run the business units such as coir, paper, plastics etc and it is found to be low (3.9282) among the respondents who run textile processing units. However, with the F-ratio value it is inferred that, the mean score has varied significantly among the respondents when classified based on nature of business activity. Therefore, the null hypothesis has been rejected at 1 per cent level of significance. The following table 4.8 (b) shows the post hoc result.

Table 4.8 (b): Post hoc- Tukey B Test

Nature of business activity Vs Need for Independence

Nature of business activity	N	Subset for alpha = 0.05
Textile processing	103	3.9282
Engineering works	142	4.0113
Fabrication works	56	4.2893
Food processing units	41	4.2927
Others (coir, paper, plastics etc.)	33	4.2970

(Source: computed)

The Post hoc analysis for Need for Independence has varied across with nature of business activity and has resulted in single subset. The above table 4.8 (b) shows that, all business units irrespective of their nature fall in single subset. It is revealed that the respondents are lack in freedom of work approach, because all the registered firms have to abide by the rules of the Government. Hence, they have a low mean perception for independence.

Total investment in plant and machinery

The respondents who have invested less than Rs.25 lakhs in plant and machinery have a high extent of motivation (4.1208) and the respondents who have invested Rs.5 crores–Rs.10 crores in plant and machinery have lack of motivation towards independence (4.0795). The mean score infers that the respondents have not varied significantly in their extent of motivation. Hence, with the F- ratio value it is evident that, there has been no significant difference in the respondents' extent of motivation for independence when classified based on total investment level. Therefore, the null hypothesis has been accepted.

Source of Finance

The mean score is found to be high (4.1808) among the respondents who has used own funds to run their business units and it is found to be low among the

respondents who has used both own and borrowed funds to run their business units (4.0667). However, the F- ratio value has shown that, the need for independence mean score has not varied significantly among the respondents when classified based on sources of finance. Hence, the null hypothesis has been accepted.

Permanent Employees

The need for independence mean score is found to be high among the respondents who run their business units with 5-10 permanent employees (4.2705) and it is found to be low among the respondents who run their business units with more than 20 permanent employees (3.3741). However, the F- ratio value indicates that, there exists a significant difference in the mean score which implies that the respondents have been varied significantly in their extent of motivation towards independence when classified based on permanent employees. Thus, with the significant F- ratio value, the null hypothesis has been rejected at 1 per cent level. The following table 4.8 (c) shows the post hoc result.

Table 4.8 (c): Post hoc- Tukey B Test

Permanent employees Vs Need for Independence

Permanent Employees	N	Subset for alpha = 0.05	
		1	**2**
More than 20	54	3.3741	
16 – 20	28	3.9357	3.9357
11 – 15	38	4.0000	4.0000
Less than 5	150	4.1187	4.1187
5 – 10	105		4.2705

(Source: computed)

The Post hoc analysis for 'Need for Independence' motivation has varied across with permanent employees and has resulted in 2 subsets. The respondents who run their business units with more than 20 employees (3.3741) fall in subset 1. Similarly, the

respondents who run their business units with 16-20 employees (3.9357), 11-15 employees (4.0000) and less than 5 employees (4.1187) fall in both subsets 1 and 2. But the mean values have been found closer to subset 2. Hence, it is appropriate to include the groups falling in both subsets in subset 2. The respondents who run their business units with 5-10 employees (4.2705) fall in subset 2. Hence, the result has indicated that, the respondents who run their business units with less than 20 permanent employees fall in subset 2 have a high mean perception for independence. It implies that they enjoy more autonomy in business when they are operating with less number of work forces.

Daily labourers

The respondents who are operating their business units with 16-20 daily labourers have a high level of motivation (4.3091) and the respondents who are operating their business units with more than 20 daily labourers have a low level of motivation for independence (3.8593). Though, there exists a noticeable difference in the mean score, the F-ratio value has inferred that, there has been no significant difference in the respondents level of motivation for independence when they are classified based on daily labourers. Therefore, the null hypothesis has been accepted.

Annual turnover

The respondents who have an annual turnover of less than Rs.20 lakhs are highly independent (4.1794) due to less business commitments and risk factors and the respondents who have an annual turnover of above Rs.60 lakhs are less independent (3.8333) in business. However, the F-ratio value reveals that, the respondents have varied significantly in their level of motivation for independence when classified based on annual turnover. Hence, the null hypothesis has been rejected at 1 per cent level of significance. The following table 4.8 (d) shows the post hoc result.

Table 4.8 (d): Post hoc- Tukey B Test

Annual Turnover Vs Need for Independence

| Annual Turnover (in lakhs) | N | Subset for alpha = 0.05 | |
		1	2
Above Rs.60,00,000	48	3.8333	
Rs.41,00,000-Rs.60,00,000	32		4.0500
Rs.20,00,000-Rs.40,00,000	120		4.0600
Less than Rs.20,00,000	175		4.1794

(Source: computed)

The Post hoc analysis for 'Need for Independence' motivation has varied across with firms' annual turnover and has resulted in 2 subsets. It is seen from the table 4.8 (d) that, the respondents who have an annual turnover of above Rs.60 lakhs (3.8333) fall in subset 1. Similarly, the respondents who have an annual turnover of Rs.41 - Rs.60 lakhs (4.0500), Rs.20 - Rs.40 lakhs (4.0600) and less than Rs.20 lakhs (4.1794) fall in subset 2. Hence, the result indicates that, the respondents who have an annual turnover of less than Rs.60 lakhs have a high mean perception for 'Need for independence' and the respondents who have an annual turnover of above Rs.60 lakhs have a low mean perception for 'Need for independence'.

Annual profit

The independence mean score is found to be high (4.1980) among the respondents who have earned the profit of less than Rs.1 lakh and it is found to be low (3.8792) among the respondents who have earned the profit of more than Rs.10 lakhs. However, with the F-ratio value it is inferred that, the mean score has not varied significantly among the respondents classified based on annual profit. Therefore, the null hypothesis has been accepted.

Need for Achievement

The respondents' motivation for achievement in business has been analysed and are exhibited in the table 4.9.

Table 4.9: Descriptive statistics -Need for Achievement

Need for Achievement	N	Minimum	Maximum	Mean	Std. Deviation
To prove I can do it	375	1	5	3.93	1.106
To use my knowledge and experience	**375**	**1**	**5**	**4.32**	**.981**
To challenge myself	375	2	5	4.05	1.063
To realize my dream	375	1	5	4.06	1.092
To be innovative in forefront of technology	375	1	5	4.08	1.105
To generate ideas and keep learning	375	1	5	4.07	1.109

(Source: computed)

A five point rating scale ranging from 5 to 1 where 5 for highly motivated, 4 for motivated, 3 for moderately motivated, 2 for demotivated and 1 for highly demotivated have been constructed to obtain the opinion of the respondents for 'Need for Achievement'. It is noted from the table 4.9 that, the high mean rating has been found for the statement 'to use knowledge and experience' (Mean 4.32) followed by 'to be innovative in forefront of technology' (Mean 4.08), 'to generate ideas and keep learning' (Mean 4.07), 'to realize my dream' (Mean 4.06), 'to challenge myself' (Mean 4.05) and 'to prove I can do it' (Mean 3.93). Therefore, based on the high mean rating it is clear that, most of the respondents are highly motivated to achieve in their respective business through knowledge and experience gained. Similar finding is reported in the study by Ivan Stefanovic et.al, 2010; Monica A. Zimmerman and Hung Manh Chu, 2013; Ravindra Jain & Saiyed Wajid Ali, 2012.

Firm characteristics Vs Need for Achievement

ANOVA and t-test have been applied to test whether the score obtained for 'Need for Achievement' has differed significantly among the respondents classified based on 'Firm characteristics' with the following null hypothesis. When there exists a significant difference in F-value at 5 per cent level, Post Hoc analysis has been applied to find which group of respondents differs in their mean perception from the others.

H_0: **"The mean score of the need for Achievement does not differ significantly among the firm characteristics"**

The null hypothesis has been tested for each of the firm characteristics separately and the results are presented in the following table 4.10

Table 4.10: Firm characteristics and Need for Achievement

Firm Characteristics	Groups	Mean	S.D	No.	t-value	F-value	Sig.
Business age (Years)	5-7	4.1042	.70804	64		.473	Ns
	8-10	4.0627	.91695	92			
	11-13	4.1690	.80302	71			
	More than 13	4.0856	.86318	148			
Generation	First generation	4.0520	.87414	247	-1.112		Ns
	Antecedents	4.1536	.76808	128			
Legal Status	Sole proprietorship	4.1075	.78437	296		5.915	**
	Partnership	4.1190	.88015	70			
	Private limited company	3.1481	1.60823	9			
Nature of Business Activity	Textile units	4.1246	.80735	103		.382	Ns
	Engineering units	4.0293	.87503	142			
	Metal Fabrication units	4.0685	.80640	56			
	Food Processing units	4.1870	.93926	41			
	Others	4.1212	.73276	33			

Firm Characteristics	Groups	Mean	S.D	No.	t-value	F-value	Sig.
Total Investment in Plant and Machinery	Less than Rs.25 lakhs	4.1092	.82137	264		.372	Ns
	Rs.25 lakhs-Rs.5 crores	4.0106	.89095	63			
	Rs.5 crores –Rs.10 crores	4.0625	.88234	48			
Sources of Finance	Own fund	4.2115	.75343	52		1.622	Ns
	Borrowed fund	4.3690	.74587	14			
	Both	4.0529	.85528	309			
Permanent Employees (in numbers)	Less than 5	4.2939	.77540	150		3.606	**
	5 – 10	4.0905	.84796	105			
	11 – 15	4.1856	.81136	38			
	16 – 20	3.8869	.72159	28			
	More than 20	3.7623	.98181	54			
Daily Labourers (in numbers)	Less than 5	4.0248	.87172	141		.381	Ns
	5 – 10	4.1395	.91058	98			
	11 – 15	4.1398	.78580	87			
	16 – 20	4.0606	.69683	22			
	More than 20	4.0679	.69531	27			
Annual Turnover (in Lakhs)	Less than Rs.20,00,000	4.1514	.74413	175		2.948	**
	Rs.20,00,000-Rs.40,00,000	4.1458	.80572	120			
	Rs.41,00,000-Rs.60,00,000	3.9740	.99381	32			
	Above Rs.60,00,000	3.7778	1.06599	48			

Firm Characteristics	Groups	Mean	S.D	No.	t-value	F-value	Sig.
Annual Profit (in Lakhs)	Less than Rs.1,00,000 lakh	4.0774	.76090	99		2.583	**
	Rs.1,00,000-Rs.5,00,000 lakhs	4.2052	.79670	147			
	Rs.6,00,000-Rs.10,00,000 lakhs	4.0395	.86318	76			
	More than Rs.10,00,000 lakhs	3.8428	1.01032	53			

(Source: computed) (** - significant at 1 per cent level, * - significant at 5 per cent level)

Business Age

It is inferred from the table 4.10 that, the respondents who are surviving in business for a period of 11-13 years have been highly achieved (4.1690) and the respondents who are surviving in business for a period of 8-10 years have achieved less in business activity (4.0627). However, with the F-ratio value it is revealed that, the respondents have not varied significantly in their extent of motivation for achievement when they are classified based on business age. Therefore, the null hypothesis has been accepted.

Generation

The need for achievement score is found to be high (4.1536) among the antecedents than the first generation entrepreneurs (4.0520). However, the t-value has inferred that, the mean score has not varied significantly among the respondents classified based on generation. Therefore, the null hypothesis has been accepted.

Legal status

With respect to firm's legal status, the need for achievement mean score (4.1190) is found to be high among the respondents who run their business units with partners and it is found to be low among the respondents who run private limited companies in rural areas (3.1481). There exists a noticeable difference in the mean score. However, with the F- ratio value it is clear that, the mean score has varied significantly among the

respondents classified based on legal status. Thus, with the significant F- ratio value the null hypothesis has been rejected at 1 per cent level. The following table 4.10 (a) shows the post hoc result.

Table 4.10 (a): Post hoc- Tukey B Test

Legal status Vs Need for Achievement

Legal status	N	Subset for alpha = 0.05	
		1	2
Private limited company	9	3.1481	
Sole proprietorship	296		4.1075
Partnership	70		4.1190

(Source: computed)

The Post hoc analysis for 'Need for Achievement' motivation has varied across with firms' legal status and 2 subsets have emerged. The respondents who run private limited companies (3.1481) fall in subset 1 have a low mean perception for need for achievement. Similarly, the respondents who run sole proprietorship (4.1075) and partnership firm of business organizations (4.1190) fall in subset 2 have a high mean perception for need for achievement. It implies that, the rural private limited companies are less achieved in business due to the prevalence of constrains in the environment.

Nature of Business

With heterogeneous business nature occupied in rural areas, the respondents who run food processing units have been highly achieved (4.1870) and the respondents who run engineering units have been achieved less in business activities (4.0293). However, with the F-ratio value it is inferred that, the respondents have not varied significantly in their extent of motivation for achievement when they are classified based on nature of business activity. Therefore, the null hypothesis has been accepted.

Total Investment in Plant and Machinery

The achievement mean score is found to be high among the respondents who have invested less than Rs.25 lakhs in plant and machinery (4.1092) and it is found to be low

among the respondents who have invested Rs.25 lakhs- Rs.5 crores in plant and machinery (4.0106). The F- ratio value indicates that, the mean score has not varied significantly among the respondents when classified based on total investment level. Therefore, the null hypothesis has been accepted.

Source of Finance

The respondents who have used borrowed funds to run their business units have high extent of motivation (4.3690) and the respondents who have used own funds to run their business units have low extent of motivation to achieve in their respective business (4.0529). However, the F- ratio value has revealed that, the respondents' extent of motivation for achievement has not varied significantly based on source of finance. Hence, the null hypothesis has been accepted.

Permanent employees

The mean score is found to be high (4.2939) among the respondents who run their business units with less than 5 permanent employees and it is found to be low (3.7623) among the respondents who run their business units with more than 20 permanent employees. However, the F- ratio value indicates that, the need for achievement mean score has varied significantly among the respondents when classified based on permanent employees. Thus with the significant F- ratio, the null hypothesis has been rejected at 1 per cent. The following table 4.10 (b) shows the post hoc result.

Table 4.10 (b): Post hoc- Tukey B Test

Permanent employees Vs Need for Achievement

Permanent Employees	N	Subset for alpha = 0.05	
		1	**2**
More than 20	54	3.7623	
16 – 20	28	3.8869	3.8869
5 – 10	105	4.0905	4.0905
11 – 15	150	4.1856	4.1856
Less than 5	38		4.2939

(Source: computed)

The Post hoc analysis for 'Need for Achievement' motivation has varied across with permanent employees and has resulted in 2 subsets. It is observed from the table 4.10 (b) that, the respondents who are operating their business units with more than 20 employees (3.7623) fall in subset 1. Similarly, the respondents who are operating their business units with 16-20 employees (3.8869), 5-10 employees (4.0905) and 11-15 employees (4.1856) fall in both subsets 1 and 2. But, the mean values have been found closer to subset 1. Hence, it is appropriate to include the groups falling in both subsets in subset 1. Therefore, it indicates that, the respondents who are operating their business units with less than 5 permanent employees have a high mean perception for 'Need for achievement' and the respondents who are operating their business units with more than 5 employees have a low mean perception for 'need for achievement'. It implies that the respondents who work with less than 5 employees are highly achieved in business, because they are exempted from labour laws.

Daily Labourers

The respondents who operate their business units with 11-15 daily labourers have a high level of motivation (4.1398) and the respondents who operate their business units with less than 5 daily labourers have a low level of motivation towards need for achievement in business (4.0248). However, with the F-ratio value it is inferred that, there has been no significant difference in the respondents' level of motivation for achievement when they are classified based on daily labourers. Therefore, the null hypothesis has been accepted.

Annual Turnover

The respondents having an annual turnover of less than Rs.20 lakhs have been highly achieved (4.1514) and the respondents having an annual turnover of above Rs.60 lakhs have achieved less in business (3.7778). There exists a noticeable difference in the mean score. However, with the F-ratio value, it is revealed that, the respondents have been varied significantly in their level of motivation for achievement when they are classified based on annual turnover. Thus, with the significant F-ratio value, the null hypothesis has been rejected at 5 per cent level. The following table 4.10 (c) shows the post hoc result.

Table 4.10 (c): Post hoc- Tukey B Test

Annual Turnover Vs Need for Achievement

Annual Turnover (in lakhs)	N	Subset for alpha = 0.05
		1
Above Rs.60,000,00	48	3.7778
Rs.41,00,000-Rs.60,00,000	32	3.9740
Rs.20,00,000-Rs.40,00,000	120	4.1458
Less than Rs.20,00,000	175	4.1514

(Source: computed)

The Post hoc analysis for 'Need for Achievement' motivation has varied across with annual turnover of the enterprises and has resulted in single subset. The respondents irrespective of annual turnover fall in single subset have a low mean perception for 'Need for achievement'. It is due to the prevalence of constraints in an operating business environment. Hence, they are less achieved in business.

Annual Profit

The mean score is found to be high (4.2052) among the respondents who has earned the business profit of Rs.1 lakh–Rs.5 lakhs and it is found to be low (3.8428) among the respondents who has earned the business profit of more than Rs.10 lakhs. However, with the F-ratio value it is inferred that, the need for achievement mean score has varied significantly among the respondents classified based on annual profit. Thus, with the significant F-ratio value, the null hypothesis has been rejected at 5 per cent level of significance. The following table 4.10 (d) shows the post hoc result.

Table 4.10 (d): Post hoc- Tukey B Test

Annual Profit Vs Need for Achievement

Annual Profit (in lakhs)	N	Subset for alpha = 0.05	
		1	2
More than Rs.10,00,000	53	3.8428	
Rs.5,00,001-Rs.10,00,000	76	4.0395	
Less than Rs.1,00,000	99		4.0774
Rs.1,00,000-Rs.5,00,000	147		4.2052

(Source: computed)

The Post hoc analysis for 'Need for Achievement' motivation has varied across with annual Profits and 2 subsets have emerged. It is observed from the table 4.10 (d) that, the respondents who have earned an annual profit of more than Rs.10,00,000 (3.8428) and Rs.5,00,001-Rs.10,00,000 (4.0395) fall in subset 1. Similarly, the respondents who have earned an annual profit of less than Rs.1,00,000 (4.0774) and Rs.1,00,000-Rs.5,00,000 fall in subset 2. Hence, the result reveals that, the respondents earned an annual profit up to Rs.5,00,000 have a high mean perception for 'need for achievement' because, majority of the respondents have used their profits for business expansion and development. The respondents who have earned an annual profit of more than Rs.5,00,000 have a low mean perception for 'need for achievement'.

Social Recognition

The social recognition gained by the respondents have been analysed and the results are presented in the following table 4.11

Table 4.11: Descriptive Statistics - Social Recognition

Social Recognition	N	Minimum	Maximum	Mean	Std. Deviation
To continue the family business tradition	375	1	5	4.07	1.083
To be respected by family members and friends	375	2	5	4.11	1.031
To follow an example of successful entrepreneur	375	1	5	4.09	1.094
To gain social prestige	**375**	**1**	**5**	**4.25**	**1.019**
To gain higher position in the society	375	1	5	4.07	1.139
To gain well reputation	375	1	5	4.10	1.210

(Source: computed)

A five point rating scale ranging from 5 to 1 where 5 for highly motivated, 4 for motivated, 3 moderately motivated, 2 for demotivated and 1 for highly demotivated have been constructed to obtain the opinion of the respondents on 'Social recognition'. It is seen from the above table 4.11 that, the high mean rating has been found for the statement 'to gain social prestige' (Mean 4.25), followed by 'to gain respect from family and friends' (Mean 4.11), 'to gain well reputation' (Mean 4.10), 'to follow an example of successful entrepreneur' (Mean 4.09), 'to gain higher position in the society' (Mean 4.07) and 'to continue the family business tradition' (Mean 4.07). Hence, based on high mean rating it is clear that, most of the respondents are motivated 'to gain social prestige' for their respective business because, they lack recognition for their potential work. Hence, status and self-esteem according to Maslow's theory is essential for appreciation and acknowledgement for the rural entrepreneurs. Similar finding is reported in the study by Ali Yassin Sheikh Ali and Hussein Abdi Mahamud, 2013.

Firm characteristics Vs Social Recognition

The following ANOVA and t-test table 4.12 reveals whether there exist any significant difference between 'Social recognition' and 'Firm characteristics'. For this purpose, the null hypothesis has been framed and tested. When there exists a significant difference in F-value at 5 per cent level, Post Hoc analysis has been applied to find which group of respondents differs in their mean perception from the others.

H₀: "The mean score of the social recognition does not differ significantly among the firm characteristics"

The null hypothesis has been tested for each of the firm characteristics separately and the results are depicted in the following table 4.12

Table 4.12: Firm characteristics and Social Recognition

Firm characteristics	Groups	Mean	S.D	No	t-value	F-value	Sig
Business age (Years)	5-7	4.0208	.77123	64			
	8-10	4.2446	.70644	92		1.343	Ns
	11-13	4.1291	.82481	71			
	More than 13	4.0698	.79587	148			
Generation	First Generation	4.1147	.78094	247	-.029		Ns
	Antecedents	4.1172	.77368	128			
Legal Status	Sole Proprietorship	3.7593	.78400	296			
	Partnership	4.0890	.69565	70		2.590	Ns
	Private limited Company	4.2738	.84417	9			
Nature of Business Activity	Textile units	4.1521	.73583	103			
	Engineering units	4.0857	.82148	142			
	Metal Fabrication units	4.0298	.80347	56		.434	Ns
	Food Processing units	4.1911	.78578	41			
	Others	4.1818	.67103	33			

Firm characteristics	Groups	Mean	S.D	No	t-value	F-value	Sig
Total Investment in Plant and Machinery	Less than Rs.25 lakhs	4.1225	.77750	264			
	Rs.25 lakhs-Rs.5 crores	4.0608	.85995	63		.211	Ns
	Rs.5 crores –Rs.10 crores	4.1493	.66776	48			
Sources of Finance	Own fund	4.1859	.78912	52			
	Borrowed fund	4.2500	.45644	14		.503	Ns
	Both	4.0976	.78742	309			
Permanent Employees (in numbers)	Less than 5	4.1500	.73471	150			
	5 – 10	4.1460	.80387	105			
	11 – 15	4.1886	.66234	38		.867	Ns
	16 – 20	4.0298	.87142	28			
	More than 20	3.9537	.86416	54			
Daily Labourers	Less than 5	4.0426	.80287	141			
	5 – 10	4.1497	.80537	98			
	11 – 15	4.1686	.71911	87		.941	Ns
	16 – 20	4.3258	.53074	22			
	More than 20	4.0309	.88196	27			
Annual Turnover (in Lakhs)	Less than Rs.20,00,000	4.0905	.73494	175			
	Rs.20,00,000-Rs.40,00,000	4.1347	.82143	120			
	Rs.41,00,000-Rs.60,00,000	4.0521	.95456	32		.349	NS
	Above Rs.60,00,000	4.2014	.69782	48			
Annual Profit (in Lakhs)	Less than Rs.1,00,000	4.0152	.82516	99			
	Rs.1,00,000-Rs.5,00,000	4.1429	.75247	147			
	Rs.6,00,000-Rs.10,00,000	4.1469	.75521	76		.781	Ns
	More than Rs.10,00,000	4.1824	.79007	53			

(Source: computed) (** - significant at 1 per cent level, * - significant at 5 per cent level)

Business Age

It is inferred from the table 4.12 that, the respondents who have business existence of 8-10 years in rural areas have been socially recognized (4.2446) and the respondents who have business existence of 5-7 years have received less recognition in the society (4.0208). However, the F-ratio value shows that, the respondents have not varied significantly with respect to social recognition when they are classified based on business age groups. Therefore, the null hypothesis has been accepted.

Generation

The social recognition mean score is found to be high (4.1172) among the antecedents than the first generation entrepreneurs (4.1147). However, the t-value has shown that, the social recognition mean score has not varied significantly among the respondents classified based on generation. Hence, the null hypothesis has been accepted.

Legal status

The respondents who run private limited company in rural areas have high level of motivation (4.2738) and the respondents who run sole proprietorship business have low level of motivation towards social recognition (3.7593). However, the F-ratio value shows that, the respondents have not varied significantly with respect to 'social recognition' motivation when they classified based on legal status. Hence, the null hypothesis has been accepted.

Nature of Business

The respondents who run food processing units in rural areas have been highly recognized (4.1911) and the respondents who run metal fabrication units have recognized less (4.0298) for their potential work. However, with the F-ratio value it is clear that, there has been no significant difference in the respondents' extent of motivation for 'social recognition' when they are classified based on business nature. Therefore, the null hypothesis has been accepted.

Total Investment in Plant and Machinery

The highest mean score is found among the respondents who have invested Rs.5 crores-Rs.10 crores in plant and machinery (4.1493) and the low mean score is

found among the respondents who have invested Rs.25 lakhs- Rs.5 crores in plant and machinery (4.0608). However, the F-ratio value shows that, the social recognition mean score has not varied significantly among the respondents when they classified based on total investment in plant and machinery. Hence, the null hypothesis has been accepted.

Source of Finance

The respondents who have used borrowed funds to run their business units have been socially recognized and the respondents who have used both own and borrowed funds to run their business units have recognized less in the society. However, the F-ratio value shows that, there has been no significant difference in the respondents' extent of motivation for social recognition when they classified based on source of finance. Hence, the null hypothesis has been accepted.

Permanent employees

With respect to permanent employees, the respondents who are operating their business units with 11-15 employees have been highly recognized (4.1886) and the respondents who are operating their business units with more than 20 employees have received less recognition in business (3.9537). However, the F-ratio value has shown that, the respondents have not varied significantly in their level of motivation towards social recognition when they classified based on permanent employees. Hence, the null hypothesis has been accepted.

Daily Labourers

The mean score is found to be high among the respondents who run their business units with 16-20 daily labourers (4.3258) and it is found to be low among the respondents who run their business units having more than 20 daily labourers (4.0309). However, with the F-ratio value it is inferred that, the social recognition mean score has not varied significantly among the respondents classified based on daily labourers. Hence, the null hypothesis has been accepted.

Annual Turnover

The highest mean score is found among the respondents who have an annual turnover of above Rs.60 lakhs (4.2014) and the low mean score is found among the

respondents who have an annual turnover between Rs.41 lakhs-60 lakhs (4.0521). However, it is understood with the F-ratio value that there has been no significant difference in the mean score. It implies that the respondents have not varied significantly in their extent of motivation towards social recognition when they classified based on annual turnover. Therefore, the null hypothesis has been accepted.

Annual Profit

The respondents who have earned an annual profit of more than Rs.10 lakhs have a high social recognition (4.1824) and the respondents who have earned an annual profit of less than Rs.1 lakh have less social recognition (4.0152) in the society. However, with the F-ratio value it is evident that, there has been no significant difference in the respondents' extent of motivation towards social recognition when they classified based on annual profit. Hence, the null hypothesis has been accepted.

Financial Rewards

The financial rewards received by the respondents have been analysed and are depicted in the table 4.13

Table 4.13: Descriptive statistics- Financial Rewards

Financial Rewards	N	Minimum	Maximum	Mean	Std. Deviation
To self earn	375	2	5	4.19	1.073
To increase my income	375	2	5	4.29	.951
To improve my financial security	375	2	5	3.98	1.173
To improve my standard of living	**375**	**2**	**5**	**4.53**	**.938**

(Source: computed)

The respondents have rated their motivation for financial Rewards in a five point likert scale ranging from 5 to 1 where 5 for highly motivated, 4 for motivated, 3 for moderately motivated, 2 for demotivated and 1 for highly demotivated. It is observed from the table 4.13 that, the high mean rating has been found for the statement 'to improve their standard of living' (Mean 4.53) followed by 'to increase my family

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income' (Mean 4.29), 'to self earn' (Mean 4.19) and 'to improve my financial security' (Mean 3.98). Hence, based on the high mean rating it is inferred that, most of the respondents are highly motivated to improve their socio-economic conditions by making money from business activity. The similar finding has reported in the study by Nandagopal et al. 2004; Ivan Stefanovic, Sloboda Prokic, Ljubodrag Rankovic, 2010; Monica A. Zimmerman and Hung Manh Chu, 2013; Ravindra Jain & Saiyed Wajid Ali, 2012; Sujatha, Yesodha Devi and Nandhini, 2015.

Firm Characteristics Vs Financial Rewards

ANOVA and t-test have been used to test whether the 'Financial Rewards' mean score has differed significantly among the respondents classified based on 'Firm characteristics' with the following null hypothesis. When there exists a significant difference in F-value at 5 per cent level, Post Hoc analysis has been applied to find which group of respondents differs in their mean perception from the others.

H_0: "The mean score of the financial reward does not vary significantly among the firm characteristics"

The null hypothesis has been tested for each of the firm characteristics separately and the results are exhibited in the following table 4.14

Table 4.14: Firm Characteristics and Financial Rewards

Firm Characteristics	Groups	Mean	S.D	No.	t-value	F-value	Sig.
Business age (Years)	5-7	4.2734	.70249	64		1.420	Ns
	8-10	4.3777	.76540	92			
	11-13	4.2606	.91069	71			
	More than 13	4.1503	.90339	148			
Generation	First Generation	4.2277	.87159	247	-0.647		Ns
	Antecedents	4.2871	.78500	128			
Legal Status	Sole proprietorship	4.2897	.79318	296		14.541	**
	Partnership	4.2571	.85441	70			
	Private Limited Company	2.8056	1.13039	9			

Firm Characteristics	Groups	Mean	S.D	No.	t-value	F-value	Sig.
Nature of Business Activity	Textile units	4.3738	.91814	103		4.612	**
	Engineering units	4.2271	.87006	142			
	Metal Fabrication units	4.3036	.69366	56			
	Food Processing units	3.7683	.64078	41			
	Others	4.4470	.73356	33			
Total Investment in Plant and Machinery	Less than Rs.25 lakhs	4.2860	.76623	264		1.237	Ns
	Rs.25 lakhs-Rs.5 crores	4.2143	.82573	63			
	Rs.5 crores– Rs.10 crores	4.0833	.96802	48			
Sources of Finance	Own fund	4.3510	.64977	52		.480	Ns
	Borrowed fund	4.2857	.61125	14			
	Both	4.2290	.87972	309			
Permanent Employees	Less than 5	4.2617	.74486	150		.471	Ns
	5 – 10	4.3190	.79775	105			
	11 – 15	4.1447	.93294	38			
	16 – 20	4.1786	1.05378	28			
	More than 20	4.1806	1.00049	54			
Daily Labourers	Less than 5	4.2376	.87542	141		.521	Ns
	5 – 10	4.1633	.82260	98			
	11 – 15	4.3247	.81511	87			
	16 – 20	4.2727	.72748	22			
	More than 20	4.3426	.93579	27			

Firm Characteristics	Groups	Mean	S.D	No.	t-value	F-value	Sig.
Annual Turnover (in Lakhs)	Less than Rs.20,00,000	4.3300	.69224	175			
	Rs.20,00,000-Rs.40,00,000	4.2458	.84639	120		1.741	Ns
	Rs.41,00,000-Rs.60,00,000	4.0938	1.04871	32			
	Above Rs.60,00,000	4.0573	1.12069	48			
Annual Profit (in Lakhs)	Less than Rs.1,00,000	4.3157	.71570	99			
	Rs.1,00,000-Rs.5,00,000	4.2738	.80044	147		.826	Ns
	Rs.6,00,000-Rs.10,00,000	4.2105	.88417	76			
	More than Rs.10,00,000	4.1038	1.08578	53			

(Source: computed) (** - significant at 1 per cent level, * - significant at 5 per cent level)

Business Age

It is observed from the table 4.14 that, the respondents who have survived in business for a period of 8-10 years have received high financial rewards (4.3777) and the respondents who have survived in business for more than 13years have received less financial rewards (4.1503) in business. However, the F- ratio value shows that, there has been no significant difference in the respondents extent of motivation for financial rewards when they are classified based on business age. Therefore, the null hypothesis has been accepted.

Generation

The mean score is found to be high (4.2871) among the antecedents than the first generation entrepreneurs (4.2277). There exists a marginal difference in the mean score.

However, the t-value shows that the financial rewards mean score has not varied significantly among the respondents classified based on generation. Hence, the null hypothesis has been accepted.

Legal status

The respondents who run sole proprietorship business have been highly rewarded (4.2897) and the respondents who run private limited companies have been rewarded less (2.8056) in business. There exists a noticeable difference in the mean score. However, with the F- ratio value it is evident that the respondents have been varied significantly with respect to 'Financial rewards' motivation when classified based on legal status. Thus, with the significant F- ratio, the null hypothesis has been rejected at 1 per cent level. The following table 4.14 (a) shows the post hoc result.

Table 4.14 (a): Post hoc- Tukey B Test

Legal status Vs Financial Rewards

Legal status	N	Subset for alpha = 0.05	
		1	2
Private Limited Company	9	2.8056	
Partnership	70		4.2571
Sole proprietorship	296		4.2897

(Source: computed)

The Post hoc analysis for 'Financial Rewards' motivation has varied across with firms' legal status and 2 subsets have emerged. The table 4.14 (a) reveals that, the respondents who run private limited companies (2.8056) fall in subset 1 have a low mean perception for financial rewards. Similarly, the respondents who run partnership (4.2571) and sole proprietorship business (4.2897) fall in subset 2 have a high mean perception for financial rewards, because they enjoy limited liability when compared to private limited companies.

Nature of Business

The mean score is found to be high (4.4470) among the respondents who run the business units such as coir, paper, plastics, chemical etc and it is found to be low (3.7683) among the respondents who run food processing units. The F-ratio value has shown that, there exists a significant difference in the mean score, which proves that, the respondents have been varied significantly in their motivation for financial rewards when they are classified based on nature of business. Thus, with the significant F-ratio value the null hypothesis has been rejected at 1 per cent level. The following table 4.14 (b) shows the post hoc result

Table 4.14 (b): Post hoc- Tukey B Test

Nature of business activity Vs Financial Rewards

Nature of business activity	N	Subset for alpha = 0.05	
		1	2
Food processing units	41	3.7683	
Engineering units	142		4.2271
Metal Fabrication units	56		4.3036
Textile units	103		4.3738
Others	33		4.4470

(Source: computed)

The Post hoc analysis for 'financial rewards' motivation has varied across with nature of business activity and has resulted in 2 subsets. It is clear from the table 4.14 (b) that, the respondents who run food processing units (3.7683) fall in subset 1 have a low mean perception for financial rewards due to its perishable nature, infrastructure bottlenecks, poor supply chain linkages etc., and the respondents who run engineering units (4.2271), metal fabrication units (4.3036), textile units (4.3738) and other business units (4.4470) namely, coir, plastics, paper and chemical falls in subset 2 have a high mean perception for financial rewards.

Total Investment in Plant and Machinery

The respondents who have invested less than Rs.25 lakhs in plant and machinery have been highly rewarded (4.2860) and the respondents who have invested Rs.5 crores – Rs.10 crores in plant and machinery have rewarded less in business (4.0833). However, the F- ratio value has shown that, there has been no significant difference in the respondents extent of motivation for 'financial rewards' when classified based on total investment level. Thus, the null hypothesis has been accepted.

Source of Finance

The respondents who have used own funds to run their business units have high motivation (4.3510) and the respondents who have used both own and borrowed funds to run their business units have less motivation for financial rewards (4.2290). However, with the F- ratio value it is understood that, the respondents have not varied significantly in their motivation for 'financial rewards' when classified based on source of finance. Hence, the null hypothesis has been accepted.

Permanent employees

The Financial rewards mean score is found to be high (4.3190) among the respondents who are operating their business units with 5-10 permanent employees and it is found to be low (4.1447) among the respondents who are operating their business units with 11-15 permanent employees. However, the F- ratio value indicates that, the mean score has not varied significantly among the respondents classified based on permanent employees. Thus, the null hypothesis has been accepted.

Daily Labourers

The respondents who run their business units with more than 20 daily labourers have been highly rewarded (4.3426) and the respondents who run their business units with 5-10 daily labourers have been rewarded less in business (4.1633). However, with the F-ratio value it is inferred that, there has been no significant difference in the respondents' motivation for financial rewards when they are classified based on daily labourers. Therefore, the null hypothesis has been accepted.

Annual Turnover

The respondents who have an annual turnover of less than Rs.20 lakhs have high motivation (4.3300) and the respondents who have an annual turnover of more than Rs.60 lakhs have less motivation towards financial rewards (4.0573). However, with the F-ratio value it is evident that, the 'financial rewards' motivation has not varied significantly among the respondents classified based on annual turnover. Therefore, the null hypothesis has been accepted.

Annual Profit

The Financial reward mean score is found to be high (4.3157) among the respondents who have earned an annual profit of less than Rs.1 lakh and it is found to be low (4.1038) among the respondents who have earned an annual profit of more than Rs.10 lakhs. However, with the F-ratio value it is clear that, there has been no significant difference in the mean score, which proves that the respondents have not varied significantly in their motivation for financial rewards when they classified based on annual profit. Therefore, the null hypothesis has been accepted.

4.5 CONCLUSION

In this chapter, the characteristics of Rural Micro, Small and Medium Manufacturing enterprises and the motivational factors that inspired the rural entrepreneurs to incept an enterprise in rural areas have been analysed by using Percentage analysis, Descriptive statistics (Mean and Standard deviation), Friedman Rank test, ANOVA, Post-hoc analysis and t-test. The results of the study have indicated that, the respondents who run sole proprietorship form of business organization, those having more than 13 years of business survival and those who run their business units with limited size and resources are widely established in rural areas. It is revealed that, majority of the respondents belong to first generation and they mainly produce engineering components with an investment of less than Rs.25 lakhs in plant and machinery. Majority of the respondents have used both own and borrowed funds to run their business units and have employed less than 5 permanent employees and 5 daily labourers in their business units. Most of the respondents have an annual turnover of less than Rs.20 lakhs and have earned an annual profit of Rs.1 lakh-Rs.5 lakhs. Most of the

respondents have reinvested their business profits. Among the motivators, self-motivation has been the dominant factor to incept an enterprise in their regional zones. Similarly, the respondents have given the highest rank for 'passion towards entrepreneurship' for selecting the business activity. Most of the respondents have received a high support from their families to run their business units and to enhance the business performance.

Under the dimension 'Need for independence', the statement namely, 'To create job instead to seek' has gained the maximum score revealing its intensity to motivate an entrepreneur. Similarly 'To use my knowledge and business experience' in 'Need for achievement' dimension, 'To gain Social Prestige' in 'Social Recognition' dimension and 'To improve the standard of living' in 'Financial Reward' dimension have scored the maximum as motivational factors of rural entrepreneurs. Among the firm characteristics, the factors namely, generation, legal status, nature of business, permanent employees, annual turnover and annual profit have varied significantly with respect to motivational factors, namely, need for independence, need for achievement and financial rewards. The post hoc result reveals that, the respondents who run sole proprietorship and partnership business, those working with less than 20 permanent employees and those having an annual turnover of less than Rs.60 lakhs have a high mean perception in need for independence dimension. Similarly, the respondents who run sole proprietorship and partnership business, those operating their business units with less than 5 permanent employees and those who have earned an annual profit of less than Rs.5 lakhs have a high mean perception in need for achievement dimension. The respondents who run engineering units, metal fabrication units, textile processing units and other business units in the form of sole proprietorship and partnership organization have been highly rewarded in business and have a high mean perception for financial rewards. With respect to 'Social recognition' motivational dimension, the respondents have similar perception that they lack recognition for their potential work. Hence, there has been no significant difference in the respondents' motivation for 'Social recognition' when they are classified based on firm characteristics. Therefore, creation of employment, attaining knowledge and experience, enhancing the standard of living are observed to be the major motivational factors for rural entrepreneurs. Nevertheless, recognition for their potential work has gained utmost importance in the array of factors motivating the rural entrepreneurs.