

# Push and Pull Factors underlying Agri Enterprise Development in Andhra Pradesh

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## Abstract

*The study endeavored to identify the factors which motivated or compelled agripreneurs to establish business enterprises. To this end, 240 agripreneurs comprising both male and female processors, manufacturers, and traders from Chitoor, Krishna and Visakhapatnam districts of Andhra Pradesh were interviewed personally using a pretested interview schedule. The statistics employed for data analysis were Henry Garrett's ranking method. The findings revealed unemployment at rank I, followed by availability of raw material and marketing facilities for the product, insufficient family income and dissatisfaction with salaried job etc. as the push factors. The ability to use previous experience at rank I, followed by family business tradition, desire to be independent and earning more income etc. were identified as the pull factors.*

**Key words:** pull factors, push factors, agrienterprise development

## Introduction

Agripreneurs are a new breed of entrepreneurs combining their love of farming and agriculture with business. The factors contributing to the development of entrepreneurship in agriculture can be broadly divided into 'pull' and 'push' factors (Turner 1993; Epstein 1993). Pull factors include all those reasons that emphasize entrepreneurship as a positive and desirable alternative that pull the entrepreneurs to their choice. The pull or ambitious factors motivate the entrepreneurs to initiate the ventures. It is needless to say that ambitions differ among individuals on the basis of their personal characteristics. The ambitious factors do not always influence an individual to undertake an activity. Sometimes other factors compel or push one to take the initiative to start a business. The factors which force people to start business enterprises are termed as push or compelling factors. It is very difficult to draw

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a dividing line between entrepreneurs' pull(ambitions) and push (compulsions). What seems to be an ambition for one entrepreneur may be a compulsion for another. Various push and pull factors that can motivate agripreneurs to start their own business as perceived and reported by the agripreneurs are presented in the Tables 1 to 2.1.

In this context, a study was planned with the following specific objective:

1. To study the pull and push factors underlying agri enterprise development in Andhra Pradesh.

### **Material and Methods**

The study was conducted using ex-post facto research design. The state of Andhra Pradesh was selected for an indepth study through personal observation and interview. One district was selected from each region of Andhra Pradesh based on highest number of agro based enterprises i.e. Visakhapatnam from north coastal, Chitoor from Rayalaseema and Krishna from southern region of Andhra Pradesh. From each of the selected districts, 80 agripreneurs were selected using proportionate random sampling. Thus a total of 240 agripreneurs were included in the study. The primary data were collected through personal interview using a pre-tested structured interview schedule. Data was tabulated, classified and analyzed using Henry Garrett's ranking technique. Under this percentage position is calculated by using the following formula:

$$\text{Percentage Position} = 100 (R_{ij} - 0.5) / N_j$$

Where  $R_i$  = Rank given for  $i^{\text{th}}$  factor by  $j^{\text{th}}$  respondent.

$$N_j = \text{Total Number of factors ranked}$$

### **Results and Discussion**

The nature of the push and pull factors underlying agri enterprise development as perceived by the Agripreneurs, and their ranking position of push & pull factors are measured based on Henry Garrett ranking method.

#### **Push Factors**

It is clearly depicted from Table 1 and Table 1.1 that there are various push factors which induce the agripreneurs to start their own business. Among them, the prime factor expressed by the majority of agripreneurs was unemployment which was

assigned rank I. The probable reason might be the rise in unemployment rate which is the result of increasing proportion of educated individuals seeking paid work. Thus, the rising unemployment has pushed a growing number of people into creating their own jobs through setting up their own business. Availability of raw material and marketing facilities for the product was rank II *i.e.*, surplus availability of raw material and good market demand for the product helps in setting up the business. This was followed by insufficient family income at rank III *i.e.* economic necessity of the family pushing to start a business, dissatisfaction with salaried job (IV rank) *i.e.* due to their dissatisfaction with earlier occupations they were compelled to undertake their present business.

The need for flexible work schedule was at rank V, *i.e.* to balance their work and family obligations, to maintain personal freedom (rank VI), *i.e.* setting up their own business for gaining more flexibility in their personal life, lack of proper education to get the job (rank VII) *i.e.* agripreneurs' educational qualifications were not enough to have gainful private or public jobs and hence they were consequently, compelled to commence a business, family hardship or pressure (rank VIII) *i.e.*, family related reasons compelled to start business, staying closer to family was ranked IX *i.e.*, most of the salaried jobs are away from the family but in case of self-employment, business is closer to the family.

The results are in accordance with the findings of Carter and Silva (2010) and Serazul (2012).

### **Distribution of Agripreneurs according to their push factors**

**Table1. Percentage Positions and their corresponding Garrett's Table Values**

<b>Rank</b>	<b>Percentage positions</b>	<b>Garrett's table value</b>
1	5.56	81
2	16.67	69
3	27.78	62
4	38.89	56
5	50.00	50
6	61.11	45
7	72.22	38
8	83.33	31
9	94.44	19

**Table 1.1 Ranking position of each Push Factor according to corresponding Garrets Table values**

S. No.	Factor	Rank									No. of Agripreneurs	Total Score	Mean Score	Rank
		1	2	3	4	5	6	7	8	9				
1	Lack of proper education to get the job	1	4	5	2	50	60	1	32	85	240	8624	35.93	7
2	Dissatisfaction with salaried job	20	45	30	75	50	14	4	1	1	240	14117	58.82	4
3	To stay closer to family	1	2	4	3	9	4	67	86	64	240	7693	32.05	9
4	Insufficient family income	60	25	85	42	10	3	10	4	1	240	15365	64.02	3
5	Unemployment	90	60	35	22	13	11	6	2	1	240	16286	67.86	1
6	To maintain personal freedom	2	1	4	6	11	96	80	30	10	240	9845	41.02	6
7	Need for flexible work schedule	10	20	15	38	75	42	32	5	3	240	12316	51.32	5
8	Family hardship or pressure	5	3	2	7	18	10	40	80	75	240	7903	32.93	8
9	Availability of raw material and marketing facilities for the product	51	80	60	45	4	0	0	0	0	240	16091	67.05	2

### Pull Factors

It is clearly depicted from Table 2 and 2.1 that there are various pull factors which induce the agripreneurs to start their own business. These are, to be able to use previous experience that was assigned rank I. The probable reason might be that, business experience provides confidence to the entrepreneur which helps to reduce the element of uncertainty regarding demand for the product, technology, raw material, etc. This was followed by family business tradition (rank II) *i.e.*, the business activity transferred from generation to generation within the family, desire to be independent was ranked III *i.e.*, agripreneurs want to be their own boss and feel in control of their own destiny. Independence is a strong driver for people who want to set up their own businesses and pursue their dreams. Earning more income (IV rank) *i.e.* earning more money for the family by doing business with freedom to undertake risky ventures was found to be important in

the minds of most of the agripreneurs. To fulfill own ambition in the interested field/job (rank V) *i.e.*, interest in the specific area leads to job satisfaction this inturn being linked to productivity, motivation, absenteeism/tardiness, mental/physical health, and general life satisfaction, to ensure job security (rank VI) *i.e.*, self-employment in business provides greater job assurance that helps to work in your own job as long as you want. Educational background was at rank VII *i.e.*, most of the technically qualified persons had established enterprises in the fields of their specialization which shows that such agripreneurs were prompted by their qualification or specialization to undertake the business activity. Influence of family, friends and business partners was ranked VIII *i.e.*, encouragement of family members, friends, and relatives, etc. serve as facilitating factors for starting the business. To get social recognition was at rank IX, to contribute to the welfare of the community was at rank X -, agripreneurs create employment for a large number of people. Assistance from government and financial institutions was ranked XI *i.e.*, favorable government policy for business and financial institutions provides loan to the business without which the agripreneurs cannot solve their financial problems.

The results are in accordance with the findings of Amarendrapratap (2013).

### **Distribution of Agripreneurs according to their Pull Factors**

**Table 2. Percentage Positions and their corresponding Garrett's Table Values**

Rank	Percentage Positions	Garrett's Table Value
1	4.55	83
2	13.63	72
3	22.72	65
4	31.81	60
5	40.90	55
6	50.00	50
7	59.09	45
8	68.18	41
9	77.27	35
10	86.36	28
11	95.45	17

**Table 2.1 Shows the ranking position of Pull Factors according to corresponding Garrets Table values**

S No.	Factor	Rank											Agri-preneurs	Total Score	Mean Score	Rank
		1	2	3	4	5	6	7	8	9	10	11				
1	Influence of family and friends	29	23	21	16	14	18	20	76	11	4	8	240	12707	52.94	8
2	Earning more income	30	39	21	90	16	9	5	8	7	6	9	240	14512	60.46	4
3	Family business tradition	51	80	52	45	4	8	0	0	0	0	0	240	16693	69.55	2
4	Educational background	32	21	25	26	12	13	78	17	6	7	3	240	13489	56.20	7
5	To get social recognition	21	24	30	19	21	17	15	14	74	5	0	240	12545	52.27	9
6	To ensure job security	26	32	25	25	16	82	10	6	6	7	5	240	13754	57.30	6
7	To be able to use previous work experience	90	60	35	22	13	11	6	2	1	0	0	240	17037	70.98	1
8	To fulfill own ambition on interested field/job	34	21	38	19	86	12	14	4	6	3	3	240	14413	60.05	5
9	Assistance from government and financial institution	20	34	15	17	16	19	8	9	10	73	19	240	11379	47.41	11
10	Desire to be independent	55	25	85	42	10	3	8	2	3	5	2	240	15831	65.96	3
11	To contribute to the welfare of the community	34	36	22	16	18	8	9	7	11	9	70	240	11713	48.80	10

## Conclusion

The main objective of the study was to identify the factors that motivated and/or compelled the entrepreneurs to take risky ventures. The findings of the study help to conclude that entrepreneurship development in agriculture is influenced by different factors including the entrepreneurs' personal traits, socio-economic conditions, etc. However ability to use previous experience, followed by family business tradition were identified as the important pull factors, while unemployment, followed by availability of raw material and marketing facilities

for the product were identified as the important push factors. Though it is very difficult to distinguish between pull and push factors, it can, however, from the preceding findings and analysis, be concluded that entrepreneurs' psychological characteristics and socio-economic conditions played a motivational role for them to undertake risky ventures.

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