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RESEARCH ARTICLE

AN EXPLORATION INTO RURAL ENTREPRENEURSHIP PRACTICES: EVIDENCE FROM THREE DISTRICTS IN TIGRAY

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ABSTRACT

This study has been conducted with the main aim of exploring the rural entrepreneurship practices and rural small business owners' entrepreneurial orientation. Hence the study has collected both qualitative and quantitative data in three were das (districts), selected out of 31 rural were das of tigray region. The study has followed a survey research design with both quantitative and qualitative approaches in which it has been adopted econometrics analysis. The study also follows a cross-sectional research design so as to triangulate the findings of different approaches in an effort to provide greater confidence to the study. Based on the findings, entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill in realizing a profit. Moreover as compared to those who acquire their business by rent those who inherited have low willingness to take risk. Education significantly affects entrepreneurial decision making in which Entrepreneurs with strong educational status makes decision quickly. Enlarging education and career preparation to increase creating and growing businesses is potentially a powerful way to hold young people in rural communities. It also paves new opportunities for dependent employees in trades and other professions

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1. INTRODUCTION

The rural economy encompasses the complete range of on-farm and off-farm business activity. Within this, agriculture and the land-based sector can be of greater or lesser importance depending on region or country, moreover, rural businesses can be of different in sizes and activities. The existence of entrepreneurial innovation, Micro, small and medium-sized enterprises are socially and economically important despite their existence is insignificant in compare to that of urban areas. According to World Bank, 2008, as of consideration to the rural economy, entrepreneurial innovation is central to economic development; of particular interest in developing countries is rural innovation since it is in rural areas that most of the poor live (Lina Sonn, 2010).

The core theme rural entrepreneurship is not far from differing in substance from entrepreneurship in urban areas except that of rural entrepreneur is merely someone who is primed to stay in the rural area and contribute to the creation of local wealth. To some degree, however, the economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in urban areas. For this reason entrepreneurship in rural areas is frequently community based, has strong extended family linkages and a relatively large

impact on a rural community (Andrew Fieldsend *et al.*, 2010) Improving smallholder rural productivity is a central theme in Ethiopia's development discourse. Approximately 80% of the country's population is rural, and rural poverty is widespread. World Bank in 2005 indicates that a range of factors contribute to this situation, including: high rural population densities and extreme land shortages, recurrent droughts, variable rainfall, and declining soil fertility that lead to low output; high variability of agricultural production; limited access to modern inputs and infrastructure such as improved seed, fertilizer, and irrigation; and a weak market for agricultural commodities (David J. Spielman 2010).

Though most nonfarm activities produce goods and services that are linked to agriculture via forward, backward, and consumer demand linkages (Hazell and Haggblade 1993), nonfarm activities of rural business owners could be an independent engine of growth for rural development. Despite many efforts by the government to mitigate the severe impact of poverty in rural areas, rural entrepreneurship has not addressed properly and hindrance factors has not investigated well as a prominent issue to avert underdevelopment since rural entrepreneurship introduces new things in the economy attempting to create value through recognition of business opportunity, and mobilize human, financial and material resources necessary to bring development in rural areas. Entrepreneurship has received increased interest in the context

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of the global financial and economic crisis, with developing and emerging market countries searching for other sources of growth than exports and FDI. As countries vastly integrated into the global economy were hit severely by the crisis, their policy makers shift attention towards domestic and regional demand to diversify risks. The financial and economic crisis has raised the role of entrepreneurship as the potential drivers of employment, and growth despite the increased interest of entrepreneurship, the awareness and practice is still intermittent especially in rural areas (Zuzana Brixiova and Emerta Asaminew, 2010)

Ali'ye A. Akgün *et al.* (2010), point out that, Although traditionally associated with agriculture, the concept of rural entrepreneurship has been a topic of continuing debate, particularly with respect to the relative importance of its sectoral (i.e. agricultural) and territorial dimensions. Rural society traditionally lacked a systematic awareness of the extent to which its man-made and natural environment was capable of innovation and competition. In addition, the rural economy is heavily dependent on self-employment and small business which are fostered through rural entrepreneurship. Rural entrepreneurship emerges as a primarily territorial activity, within which agricultural development has an important role through recognition of the "heavy reliance (of rural areas) on land as a source of livelihood" (Andrew Fieldsend *et al.*, 2010)

Most rural poor are entrepreneurs out of necessity (Lingelbach *et al.*, 2005) and therefore unlikely to have the capacity or willingness to take on risks associated with scaling up to make a real impact on the rural economy. A few, generally those that are relatively less poor, are opportunity entrepreneurs pursuing a profitable business, innovating and a looking to grow (Lina Sonn, 2010). Rural entrepreneurs depict intermittent situation when compared along a number of dimensions: geographic (country, remoteness); demographic (gender, age, and education); production sector (agriculture, tourism, and other sectors); motivation (lifestyle, locality, job opportunities for self and family, and subsidy); and their contribution to the rural capital (natural, man-made, social, and human) (Ali'ye A. Akgün *et al.*, 2010). Whilst Rural entrepreneurs emerges to create the path to escape from underdevelopment, most of the rural entrepreneurs lacks the awareness and face financial crunch in setting up rural entrepreneurship activities since outreach service of financial institutions and banks is highly inaccessible in rural areas.

Prior research that has been done on this issue in Tigray region has focused on urban entrepreneurship with low emphasis towards conquering real awareness and practice of inhabitants in rural areas for which it indicates sporadic atmosphere. So, to explore the practice of rural entrepreneurship, the researchers initiate that, it is the exact time to deal with this issue.

Therefore, this study aims at exploring rural entrepreneurship practice by taking particular evidence from three selected Weredas (districts) of Tigray regional state. More specifically, the study met the following specific objectives:

1. To examine the on farm entrepreneurial practices of rural business owners.

2. To examine the off farm entrepreneurial practices of rural business owners
3. To investigate means of startup capital for rural entrepreneurs
4. To assess the awareness of rural business owners to that of traits of entrepreneurship.

2. Concept of Entrepreneurship

Defining entrepreneurship is not an easy task. However, number of scholars given many definitions in different perspectives. As stated by Slaughter (1996:7), Entrepreneurship is "the process of uncovering or developing an opportunity to create value through innovation and seizing that opportunity without regard to either resources (human and capital) or the location of the entrepreneur-in a new or existing company". Sangya and Roopal (2013) believe that Entrepreneurship has two meanings: First, from its occupational concept, entrepreneurship refers to owning and managing a business. Second, entrepreneurship refers to entrepreneurial behavior in the sense of seizing an economic opportunity. This is the behavioral notion of entrepreneurship. Ganeshan (2001) stated that entrepreneurship is the capacity for innovation and calibre to introduce innovative techniques in the business operations. Bheemappa (2003) described entrepreneurship as the creative and innovative response to the environment, which can take place in variety of fields of social endeavour business, industry, agriculture, education, social work and it is the potent limiting factor in economic development.

As Kuratiko and Hodgetts (2004) "Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks in terms of time, equity or career, the ability to formulate an effective venture team, the creative skill to marshal needed resources, the fundamental skill of building a solid business plan and finally the vision to recognise an opportunity where others sees chaos, contradiction and confusion." Entrepreneurs are a unique group of people. They are owner-managers who assume risk, manage the business's operations, reap the rewards of their success, and bear the consequences of their failure. As managers, they decide when to be innovative, what innovations to adopt, and how to acquire and bundle resources to initiate change and build competitive advantages in the marketplace. Still, there are important differences among entrepreneurs. Different types of entrepreneurs yield different benefits to their community.

On the other hand, According to Sangya and Roopal (2013), those who form new businesses, which help create new jobs to others considered as Entrepreneurs. They help in intensifying competition, with the help of technology they master in increasing productivity and thus contributing in the development of the country, followed by economic growth. Rural entrepreneurship can refer to new ventures that happen to be created in rural regions as the result of an intervention, such as a tax subsidy, to attract businesses into an area or via the immigration of city dwellers that subsequently start businesses (c.f., Wortman, 1990). It can also refer to the creation of

ventures that result from the unique endowments in rural regions that do not exist in metropolitan areas. Such businesses may involve agriculture (viculture or the farming of high-value specialty foods such as organic produce), lifestyles (ecotourism and retreat), and extraction (mining or forestry).

Entrepreneurial traits: Trait/Psychological Approach

The psychological or trait approach to the study of entrepreneurship is perhaps the most widely represented area in the literature studies. The trait approach focuses on personal disposition of individuals and their traits. Traits such as sociable, anxious, energetic were thought to exist within individuals to whom they were applied as well as distinguishing entrepreneurs from other populations of individuals. This is because entrepreneurs were assumed to be a particular fixed state of existence, a describable species that one might find a picture of it in a field guide. entrepreneurs were viewed as the basic unit of analyses and entrepreneurs' traits and characteristics were the key to explaining entrepreneurship as a phenomenon.

Need for achievement

Need for achievement refers to a desire to accomplish something difficult, to excel, and do better than others to achieve a sense of personal accomplishment. This trait is closely linked with entrepreneurship, because high achievers have a strong will to be successful and they satisfy this will by entrepreneurial persistence (Koh, 1996; Wu, Matthews and Dagher, 2007). Research has shown that entrepreneurs have a higher motivation to achieve something than managers (Stewart, *et al.*, 1998). High achievers like to set and cope with challenging goals and they value the feedback to see if their goals have been reached. Once goals are set high achievers stay focused on these and take responsibility for the actions and consequences of their quest. They have the need to plan and control events and they challenge their own standards of excellence constantly and their will to achieve is caused by conscientiousness. Need for achievement is influenced by self-efficacy (Bandura, in Poon, Ainuddin and Junit, 2006; Cools and van den Broeck, 2006), because individuals that have a high self-efficacy set challenging goals and are highly motivated to reach these goals (Lumpkin and Erdogan, 2004).

Risk taking

Risk taking is defined as —indicating a willingness to export oneself to situation with uncertain outcomes. Entrepreneurs have to be willing to take risks in order to be successful. Large risks have to be taken, but too much risk due to for example overconfidence has a negative effect on sales growth. This also applies to taking an insufficient level of risk. Over- and underconfidence both have an adverse effect on the success as an entrepreneur and both will cause dissatisfaction for an entrepreneur. Research has shown that risk taking is a trait that is specific to entrepreneurs, they, the entrepreneurs; demonstrate the propensity to take risks. Managers differ from entrepreneurs in that entrepreneurs have a higher propensity to take risks. However, most entrepreneurs will not take irresponsibly high levels of risks. It is believed that entrepreneurs prefer to take moderate risks in situations where

they have some degree of control or skill in realizing a profit. Several factors are believed to influence risk taking. Risk taking requires a certain level of tolerance for ambiguity, because without ambiguity tolerance situations are perceived as more riskier than they actually are (Lumpkin and Erdogan, 2004). Self-esteem also affects risk taking in that individuals with high self-esteem tend to take more risks because of their believe in their abilities (Envick and Langford, 2003). Risk taking is related to high self-efficacy, because entrepreneurs with high self-efficacy tend to take to high risks in order to reach their goals (Poon *et al.*, 2006).

Innovativeness

Innovation is an entrepreneurial quality (Buttner and Rosen, 1988). It means that —the entrepreneur must have the will to produce new solutions in new situations (Littunen, 2000, p. 295). So, an entrepreneur is a true innovator when it has the willingness to change and generates new opportunities that in the long run cause economic growth (Elenurm and Alas, 2008). Research has shown that people who are entrepreneurially inclined tend to have a higher propensity to innovative (Koh, 1996). An innovator is trying to invent new products, services etc. which are all results from creative processes (Poon *et al.*, 2006). Drucker (in Mueller and Thomas, 2000) sees an innovative entrepreneur as a person that exploits change, in order to do this an entrepreneur must be open to change. Another feature of a innovator is that this person is characterised by high quality communication, as to reduce resistance of other parties towards innovation (Chawla and Kelloway, 2004; Findler and Johnson, 1994). An innovator is also tolerant to ambiguity, since a lot of ambiguity exists in new unknown situations (Entrialgo *et al.*, 2000; Lumpkin and Erdogan 2004). Self-efficacy is important to an innovator as it is a challenging task to produce new solutions (Poon *et al.*, 2006; Stewart *et al.*, 1998).

3. METHODOLOGY OF THE STUDY

This study incorporated both quantitative and qualitative research approaches in order to generate the advantage of both approaches like; to address different objectives of the study, which cannot be achieved by a single method; and to enable one approach to inform another approach, either in design or in interpretation. As well as to triangulate the findings of different approaches (either performed concurrently or sequentially) in an effort to provide greater confidence to the study. McKerchar (2010) argues that “each strategy has its strength and weaknesses and the drive for mixed method research...is to use one strategy to either inform, validate or compensate for the weaknesses of another”.

Quantitative Data

In this study quantitative data have collected to search out desirable answer particularly issues that are directly related to exploration of rural entrepreneurship practices in Tigray regional state. And this will help in order to identify the relationship among variables like practice of individual business owners and their entrepreneurial orientation. Qualitative data also used for this study which focuses to get desirable answers for exploration of rural entrepreneurship

activities in Tigray regional state in order to gather information which is qualitative in nature.

Source of Data

The sources of primary data for this study were rural individual business owners who acquired through probability proportional to size (PPS) using simple random sampling technique), twelve key informants rural individual business owner (four purposively selected business owner individual from each sampled rural who are better in awareness of entrepreneurship were used as a focal primary sources. The instruments that were applied in this study include questionnaires (both close ended and open-ended questions), observation, in-depth interviews, and Focus Group Discussion (FGD) also conducted so as to obtain relevant information to make the research findings more valuable. The source of secondary data for this study were reports of two recent fiscal production year (2010/2011, and 2011/2012) of Tigray region Agriculture and rural development office for checking the progress of output through comparing and contrasting the results obtained in terms of on-farm and off-farm output in relation to rural entrepreneurship practices.

Target Population and Sampling

The study is conducted in Tigray regional state in three zones. Hence, the study has used multi-stage sampling. First, out of the existing seven zones in the region, three zones namely, south eastern zone, South zone, and eastern zone has purposively selected based on number of rural business owners which is high, medium and low respectively. Classification of high, medium and low participant is based on 2005 E.C data obtained from Tigray Bureau of Agriculture and Rural Development. Second to the multi stage sampling, one Wereda each from the Zones has been selected randomly. Fortunately, Klte Awlaelo, Enderta and E/Mohoni have been selected. Finally, business units are stratified as on-farm and off-farm activities of individual business owners. Then by using simple random sampling, the study surveyed 236 on-farm and off-farm business owners.

Method of Data Analysis

The data that collected from data sources organized and following this, statistical computation made to explore the inherent relationships among the different variables. The qualitative data that obtained through in-depth interview has been stated qualitatively in the form of statements. Responses from the smallholder farmers' survey filled in to computer and analyzed using STATA software. Simple quantitative analysis techniques such as percentage and frequency will be employed. Finally, the results summarized into simple tabulations and cross tabulations, and the analysis and meaningful interpretation of results made to draw implication and conclusion.

Econometrics model specification

In order to investigate the **fourth objective** of the study binary logistic regression is employed with the following model specification:

$$P(Y_i|X_i) = \beta_0 + \beta_1 X_i + \epsilon_i$$

More specifically the model is specified as:

The traits of entrepreneurship $Y = f$ (Age, marital status, education level, distance to market, number of family engaging in business, no of children, child at school, business acquisition, working hour, no of employee, etc... ϵ)

Where,

- Y = traits of entrepreneurship
- X = determinant variables such as age, sex, etc...
- β_0 = is a constant by a mathematical process called least square
- The value of $\beta_1, \beta_2, \beta_3, \beta_4$ are coefficient to be estimated
- ϵ = the adjusting error

4. RESULTS AND DISCUSSION

A study on the status of entrepreneurial characteristics of rural business owners and its practice is a necessary issue to policy decisions for the sustainability of rural livelihoods. Thus, it is important to know if rural business owners are entrepreneurial conscious and how they apply it.

4.1. Respondents' Socio-economic attributes

Table 4.1. Descriptive Statistics of Respondents' Demographic and socio-economic characteristics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Sex (0=female, 1=male)	236	0	1	.67	.470
Age group	236	15	84	38.71	13.363
education level	236	1	7	2.73	1.596
Family Size	234	0	14	4.74	2.556
work experience	236	1	60	12.96	11.818
land size of the holder(in hectare)	152	1	30	4.28	3.746

Source: Own survey, 2014

As depicted in the above table, 67% of the total sampled respondents are male, whereas the rest 33% are female. The survey result shows also that the average age group of sampled respondents is about 36 years with the minimum and maximum ages of 18 and 84 years, respectively. Evidence from others works suggests that the older an individual is, the less his willingness to try out new ideas or take risk and younger business owners and/or farmers may also have not more confidence in their ways of doing things because of experiences. Generally, risk aversion is said to increase with age. Moreover, in the level of entrepreneurship of business owners and/or farmers is to be lower among older and younger ones (Reij and Waters-Bayer, 2001). Higher in entrepreneurial mind is found among farmers in the age years of 35-50. Thus, the most sampled members are expectable to do so. On the other hand, the data indicated that the average education level of respondents is grade 8, with the range from who cannot read and write to BA Degree holders. Almost all previous

researchers (e.g. Robins and Sexton (1994), Kolstad and wig (2009)) find out that education is influential for the performance of entrepreneurs. As far as this study's finding concerned, 28% are illiterate whereas 72% are literate, indicating that most of the respondents can, at least, read and write and this can be important factor in the entrepreneurial orientation of farmers and non-farm business owners.

Regard to working experiences, most of the sampled farm and non-farm business owners have about 13 years of work experience, with the range of 1 to 60 years. Specifically, most farm business owners started their own farming during their early 18s. According to Bönnte, Falck and Heblich (2007), lack of experience can also, of course, be a disadvantage—a dearth of know-how regarding a market or industry can lead to costly mistakes or unprofitable use of time and energy. Sometimes, it is very useful to know exactly what is impossible. Generally, experience can also contribute much too entrepreneurial success. Thus, the experience of sampled business owners enable member to have better knowledge which in turn may be the basis for innovativeness and risk taking abilities. Farm business owners who have been involving in agriculture comprise 60% of the total sampled respondents.

Respondents' business type participation

Countries vary radically in terms of the structure, size and composition of their farm and non-farm economy, and in their level of economic prosperity. Ethiopia's rural economy is unusually fragmented and rural labor markets are very thin. In this context, self-employment in non-farm enterprises is predominantly a means to supplement farm earnings, as well as an important source of income for those lacking alternative options (Loening *et al.*, 2008).

Table 4.2. Types of business respondents engaged in

Type of business	Response	Frequency	Percent
Petty trade	no	183	77.5
	yes	53	22.5
Stone and sand query	no	224	95
	yes	12	5
Brick production	no	230	97.5
	yes	6	2.5
Metal and wood work	no	222	94
	yes	14	6
Sewing	no	231	97.9
	yes	5	2
weaving	no	232	98
	yes	4	1.7
Leather and leather products	no	233	98.7
	yes	3	1.3
Barberry	no	226	95.8
	yes	10	4.2
Food processing and restaurant	no	221	93.6
	yes	15	6.4
Crop production	no	105	44.5
	yes	131	55.5
Service	no	229	97.0
	yes	7	3.0
Handicraft	no	235	99.6
	yes	1	0.4
Selling Tella, Areqe, Tej, Kollo, and Injera, etc	no	225	95
	yes	11	5
Livestock	no	192	81
	yes	44	19
Dairy Processing	no	218	92
	yes	18	8

Source: Own survey, 2014

As indicated in the above table, a significant number of sample respondents participate in multiple businesses like crop production, livestock, and dairy processing. Other 22.5% of the sample respondents use petty trade as a main source of capital while engaging in crop production for home consumption purpose. The rest respondents participate in food processing and restaurant, metal and wood works, stone and sand query, brick production, selling tella, weaving and sewing to generate their income. On the basis of the finding, most of rural tigray dwellers use agriculture as a sole income source while insignificant numbers of respondents supplement their income by off-farm activities particularly grain trade. As per findings of Tamizharasi and Panchanatham (2010), the higher the income of the entrepreneur, the higher is the mean score of entrepreneurial attitudes. Hence, respondents who engage themselves in off-farm business activities (petty trade, weaving and selling tella) as a main occupation participate in agriculture which in-turn help to increase their income and expand the business they are engaged in entrepreneurial ways.

Rural Entrepreneurship Source of Startup capital

Rural entrepreneurship faces an even more challenging environment in terms of accessing capital to support their business because of three significant constraints. First, there are fewer capital providers in most rural communities, and the transaction costs associated with identifying and accessing capital outside the community are high. Second, in many rural communities entrepreneurs are not adequately prepared to access capital from available suppliers- a case of undeveloped deal flow. To obtain a loan from a bank or an investment from a venture capitalist, an entrepreneur must present a business plan and financial statements that provide adequate information to justify the lending or investment decision. Third, as cited in walzer 2009, the study by Bhide (2000) notes that most entrepreneur ventures start with little outside capital. The entrepreneurs' assets, and those of family and friends, are most often used to launch a venture. In rural communities, entrepreneurs often lack the asset to commit to the startup process-accessing any source of capital may first require some focus on asset building especially among low- and moderate income rural entrepreneurs.

As the above table depicts, 5(3%) of on-farm business owners obtained their initial capital borrowing from their relative, while 9 (11% of) of respondents who engage in off-farm rural business borrowed from relatives for their initial capital. On the other hand, half of both sector business owners used their own personal savings as an initial capital for their current business. Moreover, 40 (47%) of respondents who have been using off-farm business as sole source of capital and 76 (50%) Farmers borrowed from microfinance institutions for their startup capital. However, as shown in the table, No off-farm business owner respondents have obtained bank loan while insignificant number of on-farm business practitioners borrowed from bank for their startup capital. From this it can be noticed that, on one hand, almost all of rural business owners are not as much strong and capable of fulfilling bank borrowing requirements. On the other hand, the accessibility of microfinance institutions in the area is limited.

Table 4.3. Source of capital

Source of capital	Response	Involvement on agriculture		Total
		no	yes	
borrowed from relatives	no	76	146	222
	yes	9	5	14
Total		85	151	236
personal saving	no	42	77	119
	yes	43	74	117
Total		85	151	236
household	no	80	129	209
	yes	5	22	27
Total		85	151	236
micro finance	no	45	75	120
	yes	40	76	116
Total		85	151	236
equib	no	73	144	217
	yes	12	7	19
Total		85	151	236
from friends	no	72	119	191
	yes	13	32	45
Total		85	151	236
inheritance	no	84	122	206
	yes	1	29	30
Total		85	151	236
from bank	no	85	149	234
	yes	0	2	2
Total		85	151	236
from NGO	no	83	147	230
	yes	2	4	6
Total		85	151	236

Source: Own survey, 2014

Moreover, as a response obtained through interview conducted with business owner respondents, they have been facing challenging situation to run their business because of inadequate disbursement of loans from microfinance institution.

Table 4.4. Trends in income

Trend of business income	Freq.	Percentage
Decrease	11	5
drastically decline	7	3
Increase	161	68
no change	56	24
Total	236	100

Source: Own survey, 2014

As indicated in the above Table, 11 (5%) and 7 (3%) of the respondents who engaged in rural entrepreneurship of the sampled area replied that the trend of their business income have been decreasing drastically decreasing respectively. The other 161(68%) of business owner respondents replied as the income generated from the business is increasing through time while the rest 56 (24%) of respondents' business income trend showed no change. This implies that rural businesses are growing time to time and which in return contributing in creating local employment opportunities. With regard to spending, most of the respondents spend the income generated from their business to buy household asset and small items, to send their children to school, debt settlement and to pay tax. However, 95 (40%) of the respondents have bank savings and relatively insignificant numbers (21 and 19) of the respondents have used part of the income generated from the business to invest and expand their business and to go to school respectively.

Entrepreneurial Traits

Risk Taking Behavior

Entrepreneurs are apt to be risk takers. Generally, the existence of risk does not daunt an entrepreneur, where others may well decide to walk away. Triumphant entrepreneurs understand how to measure the balance between risk and reward and, on the basis of this, will make their calculated decision. (Utd, 2010)

Table 4.6. Risk taking behavior and willingness to take financial and career risk is considered as dependent variable

Variables	Parameter Coefficient	Std. Err.
Age	-.01	.03
Gender of the HH head	-.87	.65
Education of the HH head	.10	.22
Marital status	.33	.41
Family size	.34**	.15
Experience in business	.02	.04
Family Members participation	1.18**	.46
Same crop	.09	.53
Generated	-1.43	1.26
Inherited	-2.66**	1.21
Farming	-1.21	1.13
Personally	-2.08*	1.22
Constant	.92	2.05
Number of obs	195	
LR chi2(12)	37.14***	
Pseudo R2	0.26	

***, **, *; significant at 1%, 5% and 10% level respectively

As it is depicted in the above table, as family size increases the willingness to take both financial and career risk increases, moreover as members of family which are actually involving in the business increases entrepreneurs tendency to consider both financial and career risk also increases. It is believed that entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill in realizing a profit (Koh, 1996; Sexton and Bowman, 1985). Moreover as compared to those who acquire their business by rent those who inherited have low willingness to take risk.

Decision making

Variables	Parameter Coefficient	Std. Err.
Age	.01	.01
Gender of the HH head	.08	.38
Education of the HH head	.26*	.14
Marital status	.14	.20
Family Size	-.02	.07
Time spent on business	-.01	.01
Stop business	1.01	.73
Looking for advise	.54*	.32
Advice from family	.64	.35
Advice friend	2.11*	1.10
Advice professional	.09	.47
Constant	-1.41	.98
Number of obs	209	
LR chi2(11)	27.60	
Pseudo R2	0.0980	

***, **, *; significant at 1%, 5% and 10% level respectively

Risk taking is related to high self-efficacy, because entrepreneurs with high self-efficacy tend to take to high risks in order to reach their goals (Poon *et al.*, 2006). Since risk taking is distinct as a willingness to engross oneself to situation with uncertain outcomes; Entrepreneurs have to be willing to take risks in order to be successful (Buttner and Rosen, 1988).

As it is mentioned in table above education significantly affects entrepreneurial decision making in which Entrepreneurs with strong educational status makes decision quickly as per the given result above. Moreover as compared to those who sell their business when exposed to financial and career risk those entrepreneurs who looks for an advice makes quick decision in their entrepreneurial effort. The result also shows those who solicit an advice from their families and friend in relation to their business made a positive and fast decision to issues in their business in compare to those who consult no one.

Hardworking

Variables	Parameter Coefficient	Std. Err.
Age	-.005	.01
Gender of the HH head	.47	.37
Education of the HH head	.14	.12
Marital status	-.29	.19
Family size	-.06	.12
Number of child	.27	.17
Child at school	-.02	.41
Family Members participation	-.98***	.20
Market distance	.006	.005
Working hour generated	-.15**	.06
inherited	-.45	.55
farming	-.68	.57
personally	.06	.68
Number of obs	209	
LR chi2(14)	66.61	
Pseudo R2	0.15	

***, **, *, significant at 1%, 5% and 10% level respectively

As a result of the above, as members of family which are involving in a family business increase, individual members tend to awaken from their beds late and went to their jobs. This indicate that the involvement of more family in particular business makes members of family to share burdens in its positive side, however it also makes them to be delinquent. Hardworking is perhaps the hardest trait to cultivate. In the beginning of any business venture, you work long hours. In some business owners give up their jobs or decide to work fewer hours in pursuit of their new business. A successful entrepreneur makes sure that their family is on board with their new pursuit. (Pam and Suey 2010)

Business practice and growth orientation

Entrepreneurs often see and make the most of opportunities that others miss. They need the ability to challenge everything and every way things are done. The successful entrepreneur will pursue an opportunity regardless of the resources currently available to them. (Utd, 2010)

Based on the results above entrepreneurs who have been at their particular business for long period of time have less network or business relationship with individuals or traders which are found in other location. This results due to the fact that their business orientations remain only in their surrounding

place. However entrepreneurs with permanent and clear financial and accounting record tend to have a good relationship of business with individuals or traders which are found in other location, this result due to legal aspect of any business transaction which requires safe and clear transaction so as to avoid any fraud.

Table 4.9. Business practice and growth orientation

Variables	Parameter Coefficient	Std. Err.
Age	.01	.02
Gender of the HH head	1.31**	.56
Education of the HH head	.14	.19
Marital status	-.63**	.31
Child at school	-.82	.56
Initial capital	-.00	.00
Time spent on business	-.07**	.03
Family Members participation	-.00	.21
Market distance	.01	.00
Havig business record	3.28***	.62
Selling in surrounding	1.25*	.66
Selling to big cities	3.34**	1.37
Constant	-2.20*	1.33
Number of obs	180	
LR chi2(11)	116.23	
Pseudo R2	0.4664	

***, **, *, significant at 1%, 5% and 10% level respectively

As compared to those who sell their product where they felt convenient those who send it to big cites and sell in their surrounding place have high aspiration to business practice and growth orientation.

Entrepreneurs have the ability to challenge the status quo and come up with new and better solutions to address social or environmental problems. They have the ability to shrug off constraints and are not tied down to specific ideologies or disciplines.

Conclusion and implications

- Members of family which are actually involving in the business increases entrepreneurs tendency to consider both financial and career risk also increases. It is believed that entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill in realizing a profit. Moreover as compared to those who acquire their business by rent those who inherited have low willingness to take risk due to the fact that their effort in acquiring the business was much easier than those who start business by renting.
- Education significantly affects entrepreneurial decision making in which Entrepreneurs with strong educational status makes decision quickly. The result also shows those who solicit an advice from their families and friend in relation to their business made a positive and fast decision to issues in their business in compare to those who consult no one.
- This indicate that the involvement of more family in particular business makes members of family to share burdens in its positive side, however it also makes them to

be delinquent. Most entrepreneurs make sure that their family is on board with their new pursuit. The support of their family is crucial.

- Entrepreneurs with permanent and clear financial and accounting record tend to have a good relationship of business with individuals or traders which are found in other location, this result due to legal aspect of any business transaction which requires safe and clear transaction so as to avoid any fraud.
- As compared to those who sell their product where they felt convenient those who send it to big cities and those who sell in their surrounding place have high aspiration to business practice and growth orientation.

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