

Perceived Constraints of Agriculture and Animal Sciences Undergraduates for Entrepreneurial Activity

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ABSTRACT

The present study was undertaken in Telangana state; with the aim to assess the constraints perceived by undergraduates to take up entrepreneurship as a career choice among 120 final year agriculture and animal sciences undergraduates. The study suggests establishing a knowledge and capacity building network on entrepreneurship, linking educational institutions with local business communities and financial institutions there by implementing graduate entrepreneurship opportunity training initiatives at the college level would allow students to obtain first hand experiences in business and explore the opportunities and possibilities of self-employment.

Key words: Constraints, career, entrepreneurship

INTRODUCTION

Entrepreneurship as a career option has become increasingly desirable in the present globalization era. Responding to this need, many colleges and universities around the world have significantly increased their course offerings on entrepreneurship over the past 25 years. After the global financial crisis, encouraging university graduates entrepreneurship to create more self-employment opportunities has become a key strategy to deal with unemployment problems faced by the governments of different countries. Through entrepreneurship tutoring, increasing entrepreneurship opportunities are always possible and could be the ways for encouraging university students to start up business activity resulting of which, more college students can become entrepreneurs. Add some entrepreneurial avenue based study to support paper

Agricultural graduates are neither confident nor competent to create their own employment they generally lack entrepreneurship skills (Katyal, 2003). The interest of university graduates in entrepreneurship has traditionally been low (Tonttila, 2001). The challenge of encouraging young people to launch knowledge-intensive enterprises confronts academics and policy makers. In recent years, however, change appears to take

place in new and youth entrepreneurial activity (Karhunen *et al.* 2008). Nowadays every graduate looks for a white-collar job preferably in the public sector. Job opportunities in government sectors are shrinking faster than the number of graduates coming out of State Agriculture/Veterinary Universities and other educational institutions. One of the reasons for graduates' unemployment seems to be the lack of adaptability between graduates abilities and skills needed by labor and productive units (Shahbazi and Alibeigi, 2007).

Lack of entrepreneurship skills among the agricultural students and graduates is another reason for unemployment in developing countries (Sabouhi, 2000). According to Zamani (2001), poor practical skill abilities of agricultural graduates, the irrelevancy of university subjects and curricula to the current labor market needs, governmental limitations in providing opportunities for employment for agriculture graduates are some of the reasons behind the deterioration of employment opportunities. As a result, it is becoming increasingly difficult for agricultural graduates to find jobs in the public sector. Consequently, graduates need to find employment in the private sector or have to be self-employed otherwise (Movahedi *et al.*, 2011).

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METHODOLOGY

Design was employed for the present study. Telangana state was purposively selected as it had all desired streams of graduates in agricultural higher education *i.e.*, agriculture, horticulture, veterinary and dairying. In Telangana, agriculture education is under Professor Jaya Shankar Telangana State Agricultural University (PJ TSAU), Horticulture education is under Sri Konda Laxman Telangana State Horticultural University (SKLTSHU) and Veterinary and Dairy Technology education is under P.V. Narasimha Rao Telangana State Veterinary University (PVNRTSVU). From each major stream, one well-established college under these three universities was selected purposefully. To make uniform sampling 30 final year bachelor's degree students from each selected college in each stream *i.e.* B.Sc., (Agri.), B.Sc., (Horti.), B.V.Sc & A.H and B.Tech. (Dairy) were selected randomly from the list, making total sample size of 120 respondents. Entrepreneurship is a multifaceted endeavor that is affected by a variety of social, cultural, environmental, demographic and economic factors. The study was carried out under two broad categories, viz. endogenous (in the entrepreneur's control) and exogenous barriers (beyond the entrepreneur's control) factors that affect their performance. Endogenous or intrinsic factors included personal characteristics and weaknesses in financial and operational management. Personal skills like creativity, the ability to take appropriate risks and effective time management tend to affect the success or the failure of a business also taken into account (Ibrahim & Goodwin, 1986). Exogenous factors included environmental characteristics such as high interest rates, taxes and government regulations (Theng & Boon, 1996). A set of possible constraints to establish new enterprise were enlisted after thorough review of relevant literature, discussion with the experts by consultation and the responses were taken from the respondents through personal interview schedule.

RESULTS AND DISCUSSION

Intrinsic constraints for entrepreneurship

Table 1 revealed that agriculture undergraduates had the following constraints as perceived by them; insecure income (Rank I), sufficient opportunities in the government sector (Rank II) and fear of loan (Rank III). Other important constraints as they prioritized were lack of personal skills and competence (Rank IV), lack of practical experience (Rank V), lack of experience (Rank VI), lack of awareness on government entrepreneurial schemes (Rank VII), general lack of appreciation of entrepreneurship (Rank VIII), fear of debt (Rank IX) and lack of knowledge on successful entrepreneurs (Rank X).

Gender aspects, excessively irregular working hours, fear of tough competition, lack of business idea, entrepreneurship does not suit my character, and the adverse social reaction were the factors having less importance if they think so about becoming an entrepreneur. Similar findings were also reported by Yadav (2014) and Bhai (2016).

In the case of horticulture undergraduates, three top most constraints were a lack of practical exposure to run a commercial enterprise (Rank I), fear of loan (Rank II), lack of experience and fear of debt (Rank III). Other important constraints were sufficient opportunities in government sector (Rank IV), insecure income, lack of personal skills and competence (Rank V), lack of business idea (Rank VI), general lack of appreciation of entrepreneurship (Rank VII) and lack of knowledge on successful entrepreneurs and gender (Rank VIII). Comparatively lesser felt constraints were, lack of awareness of government entrepreneurial schemes, adverse social reaction, fear of loan, excessively irregular working hours and entrepreneurship' suitability of ones' character.

The major constraints perceived by veterinary undergraduates were non-deviance owing to sufficient opportunities in government sector (Rank I), lack of experience (Rank II), adverse effect on social reactions and lack of practical exposure of running commercial enterprise (combined rank III), fear of loan (Rank IV), lack of personal skills and competence (Rank V), lack of awareness on government entrepreneurial schemes and lack of knowledge of successful entrepreneur (Rank VI), fear of debt (Rank VII). Other important constraints were fear conscious about the toughness of competition (Rank VIII), insecure income (Rank IX), and gender aspects (Rank X). Constraints to bother minimally were, lack of business idea, general lack of appreciation of entrepreneurship, excessively irregular working hours and entrepreneurship unsuitability of individual's character.

In the case of dairy technology undergraduates' three top most constraints were fear of loan (Rank I), lack of practical exposure of running a commercial enterprise (Rank II), and lack of experience (Rank III). Other important constraints were anticipated adverse effects on social relations (Rank IV), lack of business ideas, insecure income (combined rank V), lack of personal skills and competence (Rank VI), sufficient opportunities in government sector (Rank VII), fear of tough competition (Rank VIII), lack of awareness on government entrepreneurial schemes (Rank IX) and gender (Rank X). The less important constraints were lack

of knowledge on successful entrepreneurs; fear of debt, entrepreneurship does not suit one's character, general lack of appreciation about entrepreneurship and excessively irregular working hours.

Sufficient opportunities in the government sector were the one of the main obstacles in undergraduates' entrepreneurial activity. In the study area undergraduates perceived that they have an opportunity in public sector jobs in their major fields even through the scenario had been gradually decreasing in terms of government jobs over the year. Still, students are looking for government jobs; they were probably interested in steady, white collared job, better promotion chances, higher studies with the scope of exploring deeper into the choice subject, less transferable and a peaceful job. All category of respondents perceived that employment security was the major factor influencing their career path decisions. The

probable reasons for this might be availability of constant income and high status in the society. Lack of experience and lack of practical exposure to commercial entrepreneurial venture were also perceived as major constraints. Graduated male or female student, or more precisely, 'the budding workman', does not have adequate job experience and practical expertise and he or she does not consider entrepreneurship as a career option. Low levels of knowledge and experience in terms of business management required to start and run a new venture also prevent them. This clearly indicates that there is a gap of knowledge and skill, which could possibly hinder the growth of entrepreneurship development among undergraduates. The need could be met through proper designing of the course curricula with considerable emphasis on business management and entrepreneurial training in education institutions for the undergraduates by the university (Temesgen and Baldeo Singh, 2008).

Table 1: Distribution of undergraduates according to their perceived constraints (intrinsic)

n=120

Constraints	B.Sc.(Agri) n=30			B.Sc.(Horti.) n=30			B.V.Sc& A.H n=30			B.tech (Dairy) n=30		
	TWS	TWMS	Rank	TWS	TWMS	Rank	TWS	TWMS	Rank	TWS	TWMS	Rank
Fear of loan	114	3.800	III	122	4.067	II	109	3.633	IV	102	3.400	I
Insecure income	126	4.200	I	116	3.867	V	99	3.300	IX	94	3.133	V
Fear of tough competition	100	3.333	XII	104	3.467	XI	102	3.400	VIII	91	3.033	VIII
Excessively irregular working hours	101	3.367	XI	100	3.333	XII	93	3.100	XII	72	2.400	XIV
Lack of business idea	98	3.267	XIII	114	3.800	VI	97	3.233	XI	94	3.133	V
Adverse social reaction	92	3.067	XV	106	3.533	X	110	3.667	III	96	3.200	IV
Entrepreneurship does not suit my character	94	3.133	XIV	93	3.100	XIV	86	2.867	XIV	82	2.733	XII
Lack of personal skills and competence	112	3.733	IV	116	3.867	V	107	3.567	V	93	3.100	VI
Lack of experience	108	3.600	VI	120	4.000	III	111	3.700	II	98	3.267	III
Fear of debt	106	3.533	VIII	120	4.000	III	104	3.467	VII	84	2.800	XI
General lack appreciation of entrepreneurship	106	3.533	VIII	109	3.633	VIII	91	3.033	XIII	80	2.667	XIII
Sufficient opportunities in government sector	116	3.867	II	118	3.933	IV	113	3.767	I	92	3.067	VII
Lack of awareness on govt. entrepreneurial schemes	107	3.567	VII	107	3.567	X	106	3.533	VI	90	3.000	IX
Lack of knowledge on successful entrepreneurs	103	3.433	IX	112	3.733	VII	106	3.533	VI	86	2.867	X
Lack of practical exposure of running commercial enterprise	110	3.667	V	126	4.200	I	110	3.667	III	99	3.300	II

TWS-Total weighted score TWMS- Total weighted mean score

Extrinsic constraints for entrepreneurship

Table 2 revealed that among agriculture undergraduates, the most important extrinsic constraint were lack of own financial resources (Rank I), difficulties in getting external financing (Rank II) and bureaucracy (Rank III); while other important constraints were tough competition (Rank IV), procedure of registration of the company (Rank V), state taxation (Rank VI), marketing difficulties (Rank VII), local infrastructure (Rank VIII), frequently changing or unclear legislation, labor problem (combined rank IX) and corruption (Rank X) as did the graduates perceive.

In the case of horticulture undergraduates, the top three extrinsic constraints were difficulties in getting external financing (Rank I), lack of own financial resources (Rank II), tough competition, corruption, and labor problem (Rank III). Other important constraints were difficulties in hiring labour (Rank IV) company registration related procedures (Rank V), marketing difficulties (Rank VI), frequently changing or unclear legislation (Rank VII), bureaucracy (Rank VIII), state taxation (Rank IX), crime (Rank X), and local infrastructure (Rank XI).

The major extrinsic constraints perceived by the veterinary undergraduates were lack of own financial resources (Rank I) and tough competition (Rank II). Other important constraints were marketing difficulties (Rank III), procedures to be followed towards registration of company (Rank IV), corruption (Rank V), labour

problem (Rank VI), difficulties getting external financing (Rank VII), state taxation (Rank VIII), bureaucracy (rank IX), frequently changing or unclear legislation (rank X), local infrastructure (Rank XI) and crime (Rank XII).

In the case of dairy technology undergraduates three most important extrinsic constraints were getting external financing (Rank I), lack of own financial resources (Rank II) and labor problem (Rank III). Other important constraints were corruption (Rank IV), procedure of registration of the company (Rank V), tough competition (Rank VI), frequently changing or unclear legislation (Rank VII), bureaucracy (Rank VIII), marketing difficulties (Rank IX), local infrastructure (Rank X), crime (Rank XI) and state taxation (Rank XII).

Majority of the undergraduates perceived financial and marketing risk, less access to finance, lack of managerial skill and low profit as demotivating factors in entrepreneurial activities. Financial constraints are one of the biggest concerns impacting potential entrepreneurs is an issue for every business, regardless of size, industry or location especially for any budding entrepreneurs, it should be made more easily available and accessible for unemployed undergraduates so that they can start their own businesses and at that time of graduation. Awareness should be created among students regarding different central and state financial resources available for startup which will motivate the undergraduates to plan their own business after graduation.

Table 2: Distribution of undergraduates according to their perceived constraints (extrinsic)

	n=120											
	B.Sc.(Agri) n=30			B.Sc.(Horti.) n=30			B.V.Sc& A.H n=30			B.tech (Dairy) n=30		
	TWS	TWMS	Rank	TWS	TWMS	Rank	TWS	TWMS	Rank	TWS	TWMS	Rank
Tough competition	114	3.800	IV	120	4.000	III	109	3.633	II	96	3.200	V
Procedure of registration of the company	113	3.767	V	116	3.867	V	106	3.533	IV	94	3.133	VI
Bureaucratic procedure	115	3.833	III	112	3.733	VIII	94	3.133	IX	86	2.867	VIII
Labor problem	106	3.533	IX	118	3.933	IV	102	3.400	VI	99	3.300	III
Frequently changing or unclear legislation	99	3.300	XI	113	3.767	VII	90	3.000	X	92	3.067	VI
Lack of own financial resources	126	4.200	I	122	4.067	II	112	3.733	I	100	3.333	II
Marketing difficulties	110	3.667	VII	114	3.800	VI	108	3.600	III	84	2.800	VIII
Difficulties in getting external financing	121	4.033	II	130	4.333	I	100	3.333	VII	112	3.733	I
Corruption	92	3.067	XII	120	4.000	III	103	3.433	V	98	3.267	IV
Crime	102	3.400	X	98	3.267	X	78	2.600	XII	80	2.667	XI
State taxation	112	3.733	VI	110	3.667	IX	97	3.233	VIII	72	2.400	XII
Local infrastructure	107	3.567	VIII	96	3.200	XI	87	2.900	XI	82	2.733	X

TWS-Total weighted score TWMS- Total weighted mean score

CONCLUSION

The study concludes that greater proportion of undergraduates had poor knowledge and experience to start and run a business. Lack of applied knowledge and experience is an important limiting factor for entrepreneurial activity. This might have contributed to the widespread youth underemployment and lack of entrepreneurial interest. The fact that there is no social safety exists for young people who seek to pursue entrepreneurial skills and thus making self-employment a risky business. If the universities can implement the concept of "Earn while Learn" in undergraduate level and students were exposed more to it, undergraduates would learn to know the practicality in developing entrepreneurial skills and management.

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