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## Research Paper

## Factors Influencing Entrepreneurial Behavior of Selected Micro Entrepreneurs of Tripura

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### ABSTRACT

The mindset of young people who aspire to be entrepreneurs significantly impacts the economic development of any state or country. This study aims to objectively investigate the characteristics that influence young people in Tripura who are inclined to pursue entrepreneurship as a vocation. The present research imbibes data of 50 young small entrepreneurs involved in different kinds of entrepreneurship endeavors in Tripura. Data analysis has been done using various statistical tools. According to the analysis's findings, personal factors, business opportunities, the need for achievement, and entrepreneurial compulsion generally influence an entrepreneur's decision to engage in entrepreneurial activities in Tripura.

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**KEYWORDS:** Employment, Entrepreneurship, Career Choice, Achievement, Business Opportunity, Individual Factors.

### 1. INTRODUCTION

Entrepreneurship is one of the big causes of the economic progress of any nation. Simply put, entrepreneurship is the practice of operating one's own company. However, when viewed from a wider angle, it also symbolizes initiative, innovative thinking, and the structuring of social and economic systems to transform human and natural resources and circumstances into reality. An entrepreneur accepts the challenge of taking risks and failure with an expectation of earning profit in the long run. Entrepreneurial activities reduce the unemployment level of a territory and flourish economic development. As entrepreneurship is the richest source of job creation and economic growth, youth entrepreneurship has become a subject of major concern for

the nation. Different educational institutions along with Governments across the country have acknowledged that to accelerate regional growth promoting entrepreneurship among youth is a very important issue. However, the youths are influenced towards entrepreneurship by several factors. This study attempts to explore the factors that provide impetus for youths of northeastern parts of the country to indulge in entrepreneurial activities. The research ascertains that the major factors of rejuvenating entrepreneurial activities in the region are the need for achievement, business opportunities, lack of employment opportunities, training facilities, business creativity, and other individual factors that influence the youth toward entrepreneurial activities.

## 2. REVIEW OF LITERATURE

Carsrud & Brannback (2007) assert that entrepreneurship is critical to the economic well-being of people, communities, and countries. The terms innovator, risk-taker, organizer, creative thinker, risk-bearer, opportunity-taker, resource-creator, and others have been used by various academics and specialists to refer to entrepreneurship (Knight 1965; Huefner and Hunt 1994). These entrepreneurial activities are moved by different kinds of factors. The study of Goel *et al.* (2007) reported that by and large there is a positive attitude among the youth towards entrepreneurship both in India and China. Sharma & Madan (2014) identified the factors namely education and the personality of the students which have a strong influence on students choosing entrepreneurship as a career. According to Kabui & Maalu (2012), it has been observed that youths who had parents/guardians in self-employment were not highly motivated to go into entrepreneurship to continue the family business. Saikia (2001) traced that entrepreneurs are facing several problems mainly financial problems while managing their units. Although Obembe *et al.* (2014) students' perception of the word entrepreneurship is gender-free; it does not make any significant relationship between entrepreneurship and gender. However, in their study, Manuere *et al.* (2013) noted that male students were more likely than female students to launch a firm following graduation. According to Fatoki & Oni (2014), one of the key elements that motivate students to pursue entrepreneurship as a career in South Africa is entrepreneurship education. As a result, numerous research has been conducted on the elements that influence young people's intention to start their businesses both domestically and internationally. Since there isn't much research on the subject of entrepreneurship in the country's northeastern states, this study aims to identify the variables influencing young people's ambition to start their businesses.

## 3. OBJECTIVE OF THE STUDY

The objective of this research attempt is to identify the major factors that influence the young minds of the northeastern

region of the country in indulging themselves in entrepreneurial activities.

## 4. RESEARCH METHODOLOGY

The study is based on primary data which is collected through a questionnaire, consisting of 20 variables, from 50 entrepreneurs in the year 2022. The respondents are chosen randomly belonging to different districts of the state. Factor analysis is used as a statistical tool to analyze the collected data.

### Data analysis and findings

Factor analysis is used to reduce the intricate relationship between entrepreneurial operations and eliminate multicollinearity issues. After checking the KMO, the data's suitability for exploratory factor analysis was confirmed by Bartlett's Test KMO, which had a value of 0.600. Furthermore, factor analysis is possible with the Bartlett test of sphericity ( $p \leq 0.000$ ). The criterion used to determine the number of factors with an eigenvalue larger than one is that the cumulative percentage of variance explained must be greater than 50% to determine the smallest number of factors that would account for the maximum share of variation of the original variables. Seven parameters are extracted based on this criterion. When taken as a whole, these variables explained a reasonable degree of variance (72.88%). According to the cumulative factors, 17.03% of the variance is explained by the first factor. 29.57% of the variance may be explained by the second cumulative factor. 39.62% of the variance may be attributed to the third cumulative factor. Of the variance, 49.49% can be explained by the fourth cumulative factor. 58.99% of the variation can be explained by the fifth cumulative factor. Sixty-five percent of the variance can be explained by the sixth cumulative factor. Additionally, 72.88% of the variance is explained by the seventh cumulative factor. Factor loadings greater than 0.500 have now been found in Exhibit 1, and the corresponding variable's score is bolded.

**Exhibit 1: Rotated Factor Loadings and Communalities**

Variables	Factor <sub>1</sub>	Factor <sub>2</sub>	Factor <sub>3</sub>	Factor <sub>4</sub>	Factor <sub>5</sub>	Factor <sub>6</sub>	Factor <sub>7</sub>	Communalities
Unemployment	-.003	.155	.157	<b>.847</b>	.082	.084	-.132	.797
Dissatisfaction with the job so far held or occupation	.105	-.185	.006	<b>.813</b>	-.069	.009	.216	.759
Use of idle time	.169	.520	<b>.570</b>	-.130	-.093	.149	-.362	.802
Use of surplus fund	.288	.463	<b>.574</b>	.096	.155	-.328	.029	.768
Fulfilling need of family	.274	.125	-.248	.314	<b>.725</b>	.028	-.088	.785
Family business compelled to continue	.023	<b>.885</b>	-.062	.106	-.022	.020	.063	.803
Source of earnings	.526	-.123	.185	.041	<b>.553</b>	.043	.121	.650
Self-employment	.381	-.103	.475	.347	.127	.368	.061	.657
Acquiring social prestige	<b>.871</b>	.057	.018	.179	.005	.055	.101	.808
Independence in work life	<b>.798</b>	-.019	.270	.063	.163	-.067	.141	.764
Availability of business place	.040	<b>.584</b>	.363	-.235	-.036	.335	.334	.755
Availability of raw materials	.188	.187	.191	.072	.099	.101	<b>.854</b>	.862
Availability of infrastructural facilities	.273	<b>.562</b>	.077	.018	.428	-.217	.373	.766
Government assistance	-.112	<b>.603</b>	.173	-.118	.475	.128	.021	.663

Subsidized capital	-.225	.095	.357	-.230	<b>.718</b>	.100	.176	.796
Creativity	.514	.026	.136	-.174	.147	<b>.618</b>	.070	.722
Risk Tolerance	.520	.029	-.047	-.012	<b>-.657</b>	.250	.085	.601
Managerial Leadership	<b>.619</b>	.243	-.025	.009	.084	.319	-.231	.605
Technical or professional skill	.223	.109	-.083	.358	.034	<b>.606</b>	.049	.568
Training programme	.012	.027	<b>.757</b>	.117	.089	-.007	.222	.645

The Varimax rotation is then used to create seven factors out of 19 variables, with only one (self-employed) weighting below 0.5. The significant constructions with all positive loadings are represented by the rotating factors that developed with the items. Since the seventh component only

has one item, we discard it. Lastly, six elements or determinants are identified that affect young people's intention to start their businesses in the nation's northeastern states. The factors may be referred to as follows (Exhibit: 2):

**Exhibit 2: Naming of Factors Consisting Items**

Name of Factors/ Components	Consists of items/variables
A. Need for achievement	1. Acquiring social prestige 2. Independence in work life 3. Managerial Leadership
B. Business Opportunity	1. Family business compelled 2. Availability of business place 3. Availability of infrastructural facilities 4. Government assistance
C. Training facility & surplus of fund	1. Use of idle time 2. Use of surplus fund 3. Training programme
D. Lack of employment opportunity	1. Unemployment 2. Dissatisfaction with the job so far held or occupation
E. Basic need	1. Fulfilling the needs of family 2. Source of earnings 3. Subsidized capital
F. Business Creativity	1. Creativity 2. Risk Tolerance 3. Technical or professional skill

## CONCLUSION

This research explores the factors that provide impetus to entrepreneurs in delving deep into entrepreneurial activities; and the major factors have been identified as a need for achievement, business opportunity, lack of employment opportunity, training facility, and creativity. Having identified the major factors for accelerating entrepreneurial activities, this study further ascertains the need for the creation of an appropriate environment to accelerate entrepreneurial activities. Through structured curricular activities, the youths of the country need to be trained from their very formative stage till the completion of higher education about the scope and prospects of entrepreneurship. Alongside this, appropriate initiatives also need to be undertaken by public bodies to enhance a healthy environment for the promotion of entrepreneurial activities. However, it is the development of the right attitude among prospective entrepreneurs that remains all the more important for achieving success in the field. When an entrepreneur becomes assured about the need for achievement, recognizes business opportunities, becomes creative, and gains leadership and communicative skills, he tends to become a successful entrepreneur. However, unlike all other research activities, this study is not free from certain limitations. Firstly, the selection of respondents could not be done by incorporating the vividness of different regions of the

country. Secondly, the number of variables considered for the study is not all exhaustive where some more could have been incorporated in the study.

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