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Abstract

The purpose of this article is to understand the human resource management practice by rural entrepreneurs. In literature on established practices of human resource management or the practice we see in the text books we could see a number of processes such as planning human resource requirements, recruitment, conducting interview, conducting test, selection of candidate, placement, training employees, induction, and performance appraisal and remunerating. These phases are generally followed by the corporate sectors, multi-national companies and industrial entrepreneurs. We need not say that rural entrepreneurs would not follow the human resource management practices of the corporate world. Therefore in this article we are looking into the human resource management practices of rural entrepreneurs. This is an empirical study based on data collected from rural entrepreneurs located in three taluks of Bangalore district and Tumkur district respectively. Villages from Doddaballapura taluk, Devanahalli taluk and Madhugiri taluk were selected for data collection on random sampling method. 90 entrepreneurs were selected based on convenient and snow ball sampling methods. Data was collected from primary and secondary source. Collected data were processed and tabulated by using the statistical package for social sciences. Using three data analyzing methods the processed data were analyzed. They are – one, univariate analysis, two, bi-variate analysis and three, comparative analysis. The article concludes that human resource management of rural entrepreneurs is not at all comparable to what we read in the text books. Leaving a small fraction of the rural entrepreneurs majority depend on their family members to run the business. Remuneration is done in cash is made on daily basis or weekly basis or monthly basis. Advance payments are also made on the occasion of festival or marriage or birthday or death day.

Key words: *Entrepreneurs, Human Resource Management, Rural Entrepreneur, Recruitment, Remuneration.*

Introduction

The intention of this article is to examine the human resource management practice by rural entrepreneurs. In literature on established practices of human resource management or the practice we see in the text books we could see a number of processes such as planning human resource requirements, recruitment, conducting interview, conducting test, selection of candidate, placement, training employees, induction, and performance appraisal and remunerating. These phases are generally followed by the corporate sectors, multi-national companies and industrial entrepreneurs. In this article we are looking into the human resource management practices of rural entrepreneurs. We need not say that rural entrepreneurs would not follow the human resource management practices of the corporate world. But we do also assume that running a business is not simply confined to dealing with the material. It is more than buying or producing and selling. Big or small all enterprises need to perform certain functions. These functions cannot be performed single handed by the entrepreneur. He or she needs assistance to help him or her in running the business. Our purpose here is to see what the rural entrepreneurs do to get this assistance. Manufacturing sectors are established to take benefit of low-cost labour but also to carry about an integrated rural growth in rural areas. But it is also important to note that majority of the entrepreneurs of rural areas are not able to find workers with extraordinary skills. Their training is normally a severe problem for the entrepreneurs as they are generally uneducated. They have to be provided with on the job training. They have to be educated in local language which they understand simply.

Experts vary on the issue of human resource management practices of the rural entrepreneurs. Some say human resource management in rural area or in unorganized sector is nothing but discussing the family members and family backgrounds of rural entrepreneurs. The existing literature on human resource management practices focus on family, friends, neighbors and parents of the entrepreneurs. In fact the major supporters for entrepreneurs are family members. Therefore study on support from family is nothing but study on human resource. This article contains firstly, theoretical background of human resource management by rural entrepreneurs. Secondly, analysis of empirical data on human resource management by rural entrepreneurs and finally, discussion on theoretical background and empirical evidences collected for the present study. Rural entrepreneurs who manage alone and who are assisted in management, methods of recruitment of workers by rural entrepreneurs and training and

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remuneration of workers by rural entrepreneurs are the indicators used to analyze human resource management by rural entrepreneurs.

Problematization

Equipping ourselves with the literature on rural entrepreneurship in general and human resource management practices by rural entrepreneurs in particular is essential to understand the complex scenario of non-farm entrepreneurial activities. Non-agricultural revenues contribute considerably to entire revenues of farming households in developing societies. Unfortunately this part of rural development has not attracted the attention of scholars. Neglect of rural entrepreneurial process has been highlighted by Sarasvathy, when she made an observation that “unfortunately the increasing interest in entrepreneurship in cities has left rural areas under-researched”.¹ Not only physical capital even social capital and network also plays important role in the formation of non-farm entrepreneurship.

Young believed that “due to tighter associations among residents of rural location business networking becomes easier and more effective. Businesses cooperate based on trust”. For the development of rural firms’ local networks plays crucial role. These local networks together can spread larger markets, increase resilience, and give capacity for every member to take up extra risks. Even globally oriented rural ventures rely severely on their local networks. Social capital and networks work both ways – positively and negatively based on one’s position in the social hierarchy. For those who are at the lowermost of the social pyramid social marginalization can limit access to non-farm activities. Individuals and households with limited access to social networks may not participate profitably in non-farm entrepreneurial activities. For the purpose of survival strategy in many instances woman-headed households or widows living alone may be forced to find employment in unprofitable occupations. Therefore in a rural setting more than earning profit from business survival itself is a big issue. Hence, rural non-farm activities cannot be understood as one way traffic towards profit. It acts as one of the sources of addition to agriculture income. Thus regional studies and entrepreneurship scholars have established that entrepreneurship is mainly dependent on its background. Biradar expressed the rate of participation of workers in non-farm sectors depends on the level and quality of their education, which can be considered as a surrogate to human capital. Nanda and Sørensen expressed that “furthermore, individuals are further likely to become successful entrepreneurs if

their family members or former work colleagues have entrepreneurial knowledge. Because with the support of family, friends and with their timely assistant one can achieve the goals easily”.

The above literature leads us raise number of questions. What is the significance of human resource to rural entrepreneurs? Whether rural entrepreneurs managing the venture with the or without the help of family members? Do they require outside human resource to run the business? Do they recruit the human resource through formal recruitment process stated in the text book? What are the methods of payment to human resource if they recruit outside human resource? In order to answer all these questions an extensive and in depth study is needed. This study is an attempt in that direction and attempts to examine human resource management practices of rural entrepreneurs.

Objectives

The main purpose of this article is examining the human resource management practices by rural entrepreneurs in selected areas. The specific objectives are:

1. To understand the theoretical background of human resource requirement for rural entrepreneurs
2. To examine the method of recruitment by rural entrepreneurs in selected areas
3. To identify the payment pattern to employees by rural entrepreneurs in selected areas

Method of Study

This is an empirical study based on data collected from rural entrepreneurs located in two districts of Karnataka. Districts were selected based on their level of development. Two documents produced by the Government of Karnataka were used to decide the level of development. They are - one, High Power Committee for Redressal of Regional Imbalance Report, 2002, and two, Human Development Report, 2014 taking rate of development as the basis these reports have ranked the taluks of the state. Based on these data two taluks (Doddaballapura and Devanahally) were selected from the developed district (Bangalore Rural) and one taluk (Madhugiri) was selected from the backward district (Tumkur). Under random sampling method 23 villages were selected in Devanahalli taluk for data collection. In Doddaballapura taluk 18 villages were selected randomly for data collection. In Madhugiri taluk 19 villages were selected randomly for the purpose of data collection. All the entrepreneurs were

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selected based on convenient and snow ball sampling methods. In the selected villages the following tiny non-farm activities were considered for data collection. They are provision stores, stationery shops, bakery shops, flower sellers, vegetable sellers, medical shops, mutton shops, timber sellers, cloth sellers, brick makers, toy traders, beedi manufactures, garage centers, fruit sellers and street vendors.

In order to collect data from the above primary sources schedule method, that is, combination of questionnaire and interview method was used. Questionnaire contained 145 questions and 90 rural entrepreneurs were chosen as samples for the purpose of research. 17 rural entrepreneurs who were engaged in manufacturing units and 73 rural entrepreneurs who were engaged in service units were interviewed to elicit information. In addition to the primary sources, data were also collected from secondary sources. The major secondary sources used were journals, articles, books, research papers, reports, and websites. Collected data were processed and tabulated by using the statistical package for social sciences. Frequencies were found and frequency tables were prepared. Using three data analyzing methods the processed data were analyzed. They are – one, univariate analysis, two, bi-variate analysis and three, comparative analysis.

Operational Definition

Rural entrepreneurs engaged in varied commercial and petty production activities are scattered in villages of the districts. For the purpose of the study tiny unorganized rural non-farm entrepreneurial activities were considered. Tiny non-farm activities were identified using the definition given by the National Commission for Enterprises in the Unorganized Sector, 2007 (NCEUS).⁷ NCEUS considers the following as tiny and unorganized or informal activities – “all unincorporated private enterprises owned by individual or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers. The above definition applies equally to all the sectors of the economy including agriculture. However, statistical operations in India so far have been covering only non-agricultural enterprises in the unorganized sector surveys”. Based on the above definition the concepts like non-farm sectors, non-agricultural sectors, rural self-employment and rural entrepreneurship are considered in the present study.

Discussion

1. Rural Entrepreneurs Who Manage Alone and Who are Assisted in Management

Existing body of literature on the human resources management practices of rural entrepreneurs is very less. Some studies equate human resource to human capital. Human capital denotes to a set of features that provide individuals with more talents, namely, cognition, experience and information which make them more productive, provide an advanced potential for efficiency and improve the development of activities. Shane expressed “Individuals through higher levels of human capital have a higher propensity for entrepreneurial activity as a result of greater levels of self-confidence and decreased concerns over risk”. Sanders and Nee expressed that “In the case of immigrant self-employed prominence of family and friends are comparable to that of highly paid employees. They are the vital supporters in achieving business aims and who look at business survival and development”. Nanda and Sørensen viewed that “Additionally; individuals are more likely to become successful entrepreneurs if their parents or previous work colleagues have entrepreneurial skill. One can achieve the goals easily with the support of family members, friends and with their timely assistant”.

Social networks play important role in fulfilling human resource requirement of entrepreneurs. As stated by Dubini, and Aldrich, “Social network studies of entrepreneurial start-up and performance frequently split network ties into strong ties and weak ties depending on the degree of faith between persons. Strong ties are often simplified to be spouse, parents, other relatives, and close friends while weak ties are business partners, (former) employers and co-workers, and other acquaintances”. Some other studies opined that a “social network mainly containing of strong ties can be efficient for obtaining resources given the high degree of trust. On the other hand such a network can be inefficient given the assumed low diversity and high density, that is, the people share the same features and contacts outside the network”. According to Ostgaa and Birley, “Colleagues or business partners in the personal network positively acts all performance measures while more profitable entrepreneurs are found to have a denser (less diverse) personal network. However, the individual network size and frequency of communication with the personal network are not found to influence business performance.

In spite of the above importance of social network in fulfilling human resource requirements, small enterprises depend on family members and close relatives. It is because these people are in close circle and it is likely to have more trust with these people and due to

these factors relations stay longer term. This human capital movements from a variety of sources, stretching from family background, education, work experience, specific training connected to the new venture, and general human capital as well as key attitudes such as creativity, passion and self-reliance. As quoted by Purna Prabhakar Nandamuri and Gowthami “these skills contribute not only to business start-ups, but similarly to the others who often essential additional revenue sources. The business may also appeal upon family members for paid and unpaid labour, both in terms of front-line operations and back-room support, such as book-keeping, household management and mentoring. Family businesses can provide a personal touch normally not found with superior businesses. In addition, customers may have a priority for family businesses over non-family ones, a preference that can be strengthened through marketing materials in which the family is pictured prominently”.

As per Chrisman et al “growing in a household where one of the relatives and particularly parents run their own venture not only provides an inspiring and supportive environment for entrepreneurship but also helps as an opportunity to learn and experience the challenges of venture. Participation of family in entrepreneurship creates a profound opportunity for understanding how entrepreneurial abilities and perceptions develop among the offspring”. Matthews and Moser emphasized that “family background has been found to be the most prominent aspect that affects early socialization and hence creation of attitude towards entrepreneurship. An entrepreneur parent provides solid inspiration at an early age and help to teach the independent nature of self-employment”. Kolvereid explained like “entrepreneurs tend to have parents with entrepreneurial mind set. Thus entrepreneurs having entrepreneurial parents are more likely to act entrepreneurially and to work with higher entrepreneurial orientation than other whose parents are job oriented and finally increase firm's entrepreneurial orientation. The successful entrepreneur shapes up through family occupation. Informal relations play very important part in this context especially from family member's side because those whose family members are business oriented their participation is high. Early communication established and imbibed by an individual from the family would impact career choices by inducing individuals to choose a career in which they are viewed positively by society”. “Social capital resulting from family background is a non-financial resources and support obtainable by family members to the entrepreneur affects positively the start-up decision making”. According to Basu and Virick “It is derived from the experiences gained through early childhood and socialization at home and in

school. These experiences form the attitudes of young people towards entrepreneurship". It is since parents act as initial role models and the parents active in a family business influence the future entrepreneurial targets through changing attitudes and beliefs" stated by Krueger, Jr., Reilly, M. and Carsrud.

In Indian context focus on human resource management of entrepreneurship is found in a few studies. For instance, Gadgil and Singer, found that "the joint family provides undivided family property to invest in and expand the family firm". Sharma and Singh, observed that "capital creation and the confidence to administer venture are essential for the development of industrial entrepreneurship and these are easily available with people who have a business or industrial contextual". Family occupation and inter-generational occupational mobility are addressed in a study by Khanka, which shows that "there is a high propensity for the members of the next generation to select an occupation connected to business and industry, if the first generation belonged to the same occupation. By super imposing age and family background one could locate a section of entrepreneurs who have inherited a business legacy through familial relations in terms of tangible and intangible assets, as well as the suitable environment and expertise at a young age". Patnaik and Pradhan found that "high relationship between the occupational background and nature of units promoted in some regions of Orissa. The study additionally shows that experience had more bearing on the performance of entrepreneurs than the educational qualification on entrepreneurial performance".

In the above paragraphs we have seen some of the human resources management practices of small entrepreneurs. Most of the studies focused on the assistance by the family members and close relatives. In small enterprises the question of managing hired labourers comes very rarely. So a number of things which we normally discuss under management of human resource in the case of enterprises in the organized sector are irrelevant here. To make things more specific things such as planning the human resource requirements, recruiting, selecting, training, placing, remunerating and disciplining which are found in the case of organized sector units are rarely found in the case of rural entrepreneurs. But as said in the first paragraph of this section rural enterprises alone cannot run the business and they do require some assistance to run the business. In the following table we have given how many of the rural entrepreneurs run their business alone and how many of them take assistance from others. If they

business. The data in the above table show that majority depend on either husband or wife or children or parents to run the business. It means only a small minority of the rural entrepreneurs hire outsiders to run the business. In this case in all the three taluks put together 16 percent of the rural entrepreneurs take the assistance of their children and 18 percent take the assistance of their parents to run their business. Among the taluks more entrepreneurs of Devanahally take the assistance of their children and more number of entrepreneurs of Doddaballapura take the assistance of their parents. Only 6 percent of the rural entrepreneurs hire outsiders to assist them to run the business.

In the review of literature we have seen that family plays important role in infusing the spirit of entrepreneurship and also in giving basic lesson on running the business. Growing in a household where one of the relatives and mainly parents run their own business not only provides a stimulating and helpful environment for entrepreneurship but also serves as an opportunity to acquire and experience the challenges of venture. Participation of family in entrepreneurship makes a profound opportunity for understanding how entrepreneurial abilities and opinions develop among the offspring. Entrepreneurs tend to have parents with entrepreneurial mind set. Consequently entrepreneurs having entrepreneurial parents are more expected to act entrepreneurially and to work with greater entrepreneurial orientation than other whose parents are job oriented and finally increase firm's entrepreneurial orientation. Through family occupation the successful entrepreneur builds up his abilities. Informal relations perform very important role in this background especially from family member's side because those whose family members are business oriented their contribution is high. Initial communication received and imbibed by an individual from the family would influence career choices by inducing individuals to choose a career in which they are regarded positively by society. Income and economic environment is also vital aspect for rural entrepreneurs to choose the family members for business. They have to pay if they appoint non-family members. For instance rural business are not much profit oriented, if they appoint external workers, it is extra burden for entrepreneurs.

2. Methods of Recruitment of Workers by Rural Entrepreneurs

Generally entrepreneurs select the workers through formal or informal methods. It could be from internal source or from external sources. We have already discussed based on the data

given in the previous table that rural entrepreneurs generally go for internal source of recruitment and selection. If it is family business it is quite sure that the venture would be continued by successors. It is very rare to see a situation where rural entrepreneurs would appoint external workers for venture either in part time or full time. In manufacturing sectors which are involved in production and distribution entrepreneurs would employ workers or labourers. For retail business external recruitment is not necessary because of low income and low productivity. In the present study rural entrepreneurs were asked whether entrepreneurs employ outside workers, in case they employ outsiders, what are the methods of recruitment and selection they opt for? In the case of big enterprises or corporate operating in organized sector the normal methods of selection of candidate includes the following steps - notification for recruitment, receiving application, scrutinize the application, conducting various tests, conducting interviews, medical test, selection of candidate, issuing offer letter of appointment, conducting training, induction, performance appraisal and related other things. We cannot expect a rural entrepreneur who starts business to earn his or her basic necessities of life to follow the above lengthy processes of recruitment and selection. But it is also true that some rural entrepreneurs hire outsiders to assist them to run the business. We are interested to know what method they adopted to select those outsiders. In the below given table details of method of hiring outsiders are given.

Table 2. Methods of Recruitment of Workers by Rural Entrepreneurs (in percentage)

Indicators	Devanahally	Doddaballapura	Madhugiri	Total
Customers	30	20	24	25
Family Members	13	00	00	04
Friends Circle	20	04	00	08
Mouth to Mouth	34	33	23	30
Orally	03	00	00	01
Relatives	00	43	53	32
Total	100	100	100	100

Source: Data Collected from Field Work.

It is important to note family relationship and family business and family bandage develops entrepreneurs to build proper structure for business. In addition to rural entrepreneurs who depend on family members there are some entrepreneurs who hire outsiders to assist them to run the business. The above table shows the informal methods of selection of workers by rural entrepreneurs for business in selected taluks. As the table indicates the method of choosing workers for venture by rural entrepreneurs are informing customers, intimating family members

or relatives or friends regarding requirements through mouth to mouth, social network, direct oral communication through. In rural areas networking with relatives, friends' circles and customers through oral communication plays an important role. The table shows that putting all the taluks together 32 percent of the rural entrepreneurs recruit and select outside workers with the help of relatives. Relatives may include parents, sisters and brothers and other blood and close relatives. In all the three taluks put together around 30 percent of the rural entrepreneurs using mouth to mouth communication or using social network recruit and select the workers to assist them. Regular customers are also important source of recruitment. In this study also we found more or less 25 percent of the rural entrepreneurs depended on their customers' recommendation to hire workers to run their business. Distant relatives and friends were not playing important role in recruiting outside workers to the rural entrepreneurs.

Both urban and rural areas for start-ups social network are important. For the purpose of survival most of the rural entrepreneurial ventures are survival strategies social network plays important role. In other words, as mentioned by Aldrich and Zimmer "persons do not make decisions in a vacuum but rather consult and are subtly influenced significantly by others in their environments like family, friends, co-workers, employers, casual acquaintances, and related others. Therefore social networks are not only related to inspiration but also influences access to resources like labour, customers, suppliers, information and capital".²⁵ The motivation to become an entrepreneur, remain as an entrepreneur, or become a successful entrepreneur is all supposed to be positively connected to having entrepreneurial family or entrepreneurial friends. These individuals can provide access to the essential resources, provide accurate insight into the values, abilities and skills connected with entrepreneurship, and provide given the many ups and downs entrepreneurship can lead to. Social capital leads to business success in rural areas.

Hence selection of workers for venture in rural cannot in be in formal way (phases of recruitment) as per theories. Only informal source and family support and social networks are significant. In fact data produced by this study also tells the same story so far as sources of hiring workers. In less number of cases rural entrepreneurs have gone for outside workers. But even the less number of workers need to be tuned or trained to assist the entrepreneur. So we asked entrepreneurs how do they train or prepare the outside workers to assist them in the works of their business. Answers given by the rural entrepreneurs to the above question are given in the below given table 2. Generally outside selection are very rare cases in rural entrepreneurship. The retail sectors like hotels, bakery shops, furniture shops, mechanic shops and small

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manufacturing sectors require few workers for help. During selection rural entrepreneurs do not follow strict selection processes. Through social network they will employ helpers from outside. Rural entrepreneurs do not much importance to formal education or skill or training background of the worker. Workers are also come with intention of earning some money to meet their basic needs. As helpers they join the enterprises and they do not have special training program teach the requirements of the job. On the other hand the outside employees are supposed to learn how to perform by looking at the entrepreneurs work.

3. Training and Remuneration of Workers by Rural Entrepreneurs

Table 3. Training and Remuneration of Workers by Rural Entrepreneurs (in percentage)

Indicators	Devanahally	Doddaballapura	Madhugiri	Total
Training				
On the Job	100	100	100	100
Total	100	100	100	100
Remunerating				
In Cash	100	97	100	99
In Kind	00	03	00	01
Total	100	100	100	100

Source: Data Collected from Field Work.

As shown in the above table out of 90 sample rural entrepreneurs only one entrepreneur said he arranged for formal training for the employee. Rest of the rural entrepreneurs said they trained their hired employees on the job. In the initial phase rural entrepreneurs instruct the hired workers what they are supposed do. Some rural entrepreneurs do not instruct but tell the hired worker to observe their work and follow them. Entrepreneurs were asked suppose the worker failed to perform or made any mistakes during work process, what remedial steps they normally take against the worker? Entrepreneurs told they normally take the following remedies or rectification such as correcting the workers mistakes, explaining workers about the work, giving proper time to learn work, showing the method of work and related other things. It is basically a trial and error process of learning. In the process if a hired worker fails in spite of giving large chances he would be sent home and somebody else would be appointed in his/her place. There are very less literature on rural entrepreneur's selection and training methods. So it is very difficult to compare the findings of the present data with the experiences of other entrepreneurs in other places. In same table we have given data on the mode of payment to workers by rural entrepreneurs.

The above table 3 shows the mode of payment to the workers followed by rural entrepreneurs in selected taluks in the present study. Most of the rural entrepreneurs pay their hired worker salary in cash. But the term salary should not be taken in the sense of salary paid in the organized sectors. In the organized sector salary includes the following – basic pay, dearness allowances, provident fund contribution, travelling allowances, house rent allowances and other allowances. But in the case of rural entrepreneurs salary has only one component that is basic pay. No dearness allowances or other allowances. In this sense the remuneration hired workers get from the rural entrepreneurs may be termed as wages. Most of the rural entrepreneurs make payment to the workers on weekly basis or daily basis or according to the requirement of workers. Sometime during festivals, social gathering like fairs (jathre, santhe) and on occasions like marriage, birthdays and death workers get advance payments. Advance payments may be in the form of loan or in the form of salary advance. If it is in the form of loan worker has to pay back on the agreed time. If it is advance salary it would be adjusted against future salary of the worker. It is important to note that in all the three taluks most of the entrepreneurs pay their workers in cash and not in kind. As shown in the above table 3 in all the three taluks put together 99 percent of the rural entrepreneurs said they make payment to workers in cash mode.

As quoted by India Rural Development Report (IRDP) “a striking feature of non-farm employment is the casualization of labour. Today, two out of three new rural non-farm jobs are casual labour, i.e. unskilled daily wage jobs. Unlike regular salaried jobs, casual labour typically requires little or no education and none of the financial capital that self-employment requires. Casual labour offers no security or benefits, but because it is both perceived and compensated much better than agricultural labour, offers the chance of social mobility. For this reason, the move to casual labour is often not a distress move away from agriculture labour, but rather an intentioned one”.²⁶ World Bank, specified, “over time move from agriculture to casual work has also contributed to a narrowing of the gap between casual non-farm and farm wages, as agricultural labour is becoming scare. The wage gap between regular employment and casual labour has also narrowed. One possible explanation is that the growth in regular jobs has largely been in lower paying contract-based jobs”.²⁷ According to Planning Commission, “the main demand for casual labour has come from the construction industry, which has now over taken manufacturing as the highest provider of non-farm employment. A majority of the construction workforce is characterized by unskilled workers who secure work on a day-to-day basis through

a spot or 'naka' market. But the demand for skilled workers in the construction sector has risen from 73 percent in 1995 to 83 percent in 2005²⁸. So, workers ready to work in small enterprises of the rural entrepreneurs are very less in rural areas. The present study also reflects the same situation from another dimension, from the dimension of rural entrepreneurs depending more on their family members for assistance and less on outside workers. In order to hire outside workers rural entrepreneurs use informal method of recruitment and for training they use on the job training method and through cash rural entrepreneurs remunerate their workers.

Conclusion

In this article we have discussed the management of human resource practices of rural entrepreneurs. Management of human resource of rural entrepreneurs is not at all comparable to what we read in the text books. Leaving a small fraction of the rural entrepreneurs majority depend on their family members to run the business. Among the family members wife, children and parents were the main source of assistance to the rural entrepreneurs. Most of the rural entrepreneurs using family members to run the business with intention of reducing cost of managing business. Small numbers of entrepreneurs hire outsiders to assist them. Even while hiring outsiders rural entrepreneurs do not follow the methods of hiring described in the text book. We in the study found that outside workers were selected based on the information given by customers, friends and relatives. Social network plays important role for the rural entrepreneurs in hiring the outside workers. We also found that that on the job training was the popular form of training to workers. They appoint casual labourers without the protection of salary, employment and social security. Remuneration is done in cash is made on daily basis or weekly basis or monthly basis. Advance payments are also made on the occasion of festival or marriage or birthday or death day.

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