



## Training at Rural Self Employment Training Institute (Rseti) and Its Influence on the Financial Literacy and Entrepreneurial Intention of Women

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**ABSTRACT:** Financial literacy and good financial decision is very vital in the success of business life. The financial literacy and entrepreneurial intention of rural women of Palakkad district are studied here. The Rural Self Employment Training Institutes are working in almost all the district in India and they are provided with several programmes to develop self employment in rural youth. This study is intended to know the influence of these programmes in the entrepreneurial intention and financial literacy. The research was aimed to know the relationship between the two variables and collected data from sixty two women by using the financial literacy test and entrepreneurial intention wuestionnaire. The research is hypothesized the significant differences of trained and untrained women in the entrepreneurial intention and financial literacy. The statistical techniques used are correlation, t test and chi square test. The study found there is a significant difference between trained and untrained in their entrepreneurial intention and financial literacy and there is a significant correlation between the entrepreneurial intention and financial literacy.

**KEY WORDS:** Rural Self Employment Training Institute, entrepreneurial intention, financial literacy

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### I. INTRODUCTION

RSETIs are Rural Self Employment Training Institutes, an initiative of Ministry of Rural Development (MoRD) to have dedicated infrastructure in each district of the country to impart training and skill up gradation of rural youth geared towards entrepreneurship development. RSETIs are managed by banks with active co-operation from the Government of India and State Governments. There are RSETIs in all the fourteen district in Kerala which have been operated by the lead banks of the area. They are provided with several skill development trainings, soft skill training for rural youth. The study have conducted at Palakkad and Thrissur districts of Kerala. Financial literacy is defined as “The ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.”It has gained attention of a wide range of financial services and investment avenues in different sectors. But the rural people in different parts of the country including investors, policy makers and interested groups are lack of knowledge in financial concepts. They also lack in using the tools for taking most appropriate financial decisions and move towards economic wellbeing. Government of India now provided with several policies and initiatives to develop financial literacy and financial inclusiveness in rural India. There are Financial Literacy Centers almost all the districts in Kerala. RSETIs are working with the financial literacy centers for training the rural youth. Entrepreneurship has become much more important in the contemporary world where financial crises have been occurring. In the paper we investigate the relationship between financial literacy as one of the entrepreneurship competencies and entrepreneurial intention. Entrepreneurship is becoming a very relevant instrument to promote economic growth and development in different national economies. Entrepreneurial intention can be defined as an indicator of the will to try something or the effort one is prepared to apply to behave in a particular manner (Ajzen, 1991). The intention is defined as cognitive representation of a person’s willingness to display certain behaviour (Fayolle et al., 2006).

#### Need and significance of the study

Rural self employment training institutes are working in all the fourteen districts in Kerala. The skill development courses and short term courses held at the institute are widely accepted by rural women. In

Palakkad district the institute is situated at Vellinezhi Grama Panchayat managed by Canara bank. The process programmes more demanded are the tailoring, fashion designing; agarbati and soap making are the most demanded product programmes and there is also demand for agricultural programmes like rubber tapping. From the present study the investigator is intended to study the entrepreneurial intention and financial literacy of the women both trained and untrained for the purpose of comparison.

The present study aims to detect the factors affecting entrepreneurial intentions of the trainees of RSETIs and to determine the effect of training on entrepreneurial intention and financial literacy.

### **Reviews**

Wang, Chang, Yoa and Liang (2015) studied on the personality traits and entrepreneurial intention and their result indicated that the entrepreneurial intention have two dimensions named as conviction and preparation and the dimensions of personality included big five personality trait. The study recommended that, in addition to adopting individual personality and enhancing student intention toward rural entrepreneurship, learning activities such as business-plan writing and entrepreneurial competence development should be embedded into agricultural curriculum and placement.

Aleesa(2019) studied the personal attitudes, subjectivity norms and perceived behavioural control on the entrepreneurial intention of Saudi students. The study revealed that students' personal attitude, subjective norm, and perceived behavioural control were significantly associated with each other and it showed that personal attitude, subjective norm, and perceived behaviour alone could explain only a small portion of the variability of the entrepreneurial intention

### **Objectives of the study**

To know the different factors determining financial literacy and entrepreneurial intension

To study the relationship between financial literacy and entrepreneurial intension

To study the difference between the trained and untrained in their financial literacy and entrepreneurial intension

To study the association between the percentage score of financial literacy and chance of settlement

### **Hypotheses**

There is no significant relationship between financial literacy and entrepreneurial intension

There is no significant difference between the trained and untrained in their financial literacy and entrepreneurial intension

There is no significant association between the percentage score of financial literacy and chance of settlement within five years

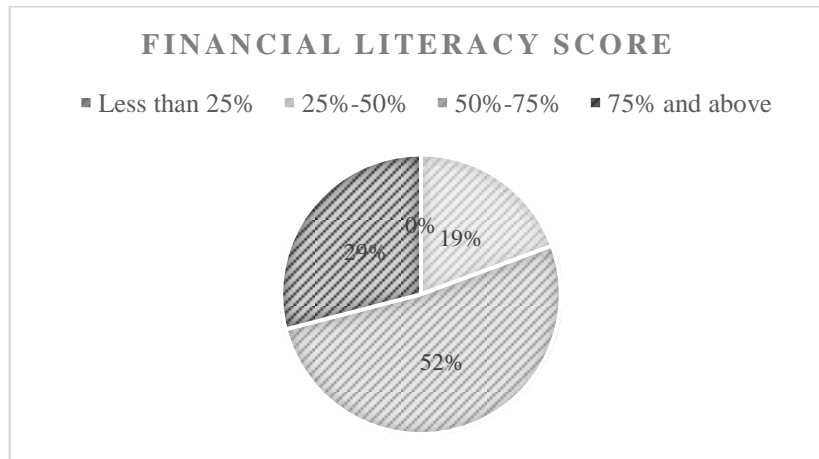
## **II. METHODOLOGY**

The study was conducted as survey from Vellinezhi Grama Panchayat, Kerala and sampling technique used was purposive sample. The self-made financial literacy test and entrepreneurial intention questionnaire were used as too for collecting data. The statistical techniques used for testing hypotheses were correlation, t test and Chi square test.

## **III. RESULTS AND DISCUSSION**

The dimension of financial literacy included the readiness, interest, availability of information, sources of information and ability to take financial decisions. The educational factors, personality factors and demographic factors are considered in entrepreneurial intention.

The rural women population have more than average score of financial literacy. The majority of the sample that is of fifty two percentages are between 50-75% score and twenty nine percentage are included in more than 75% category.



**Table no.1**  
**Correlational analysis**

	Financial Literacy	
<b>Entrepreneurial Intention</b>	Pearson Correlation	.707**
	Sig. (2-tailed)	.000
	N	62

The correlation coefficient is significant at 0.05 level and thus the hypothesis there is no significant relationship between financial literacy and entrepreneurial intension is rejected.

**Table no.2**

**Group Statistics**

	Training	N	Mean	Std. Deviation	Std. Error Mean
Financial Literacy	Not Attended	32	11.06	3.636	.643
	Attended	30	14.87	2.501	.457
Entrepreneurial Intention	Attended	30	73.53	2.609	.476
	Not Attended	32	69.81	3.542	.626

**Table no.3**

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
<b>Financial Literacy</b>	Equal variances assumed	3.984	.050	-4.768	60	.000	-3.804	.798
	Equal variances not assumed			-4.824	55.170	.000	-3.804	.789
<b>Entrepreneurial Intention</b>	Equal variances assumed	2.798	.100	4.684	60	.000	3.721	.794
	Equal variances not assumed			4.729	56.900	.000	3.721	.787

As both the t values are significant at 0.05 level there may be a significant difference between trained and untrained in their financial literacy and entrepreneurial intention. Thus the hypothesis i.e., there is no significant difference between the trained and untrained in their financial literacy and entrepreneurial intension is rejected.

**Table no. 4**

**Chance to settle within 5 years \* percentage of Financial literacy score Cross tabulation**

		percentage of Financial literacy score			Total
		Between 25%-50%	Between 50%-75%	Above 75%	
<b>Chance to settle within 5 years</b>	Below 25%	2	12	5	19
	25-50%	8	11	5	24
	50-75%	4	7	8	19
<b>Total</b>		14	30	18	62

**Table no. 5**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.606 <sup>a</sup>	4	.231
Likelihood Ratio	5.650	4	.227
Linear-by-Linear Association	.051	1	.822
N of Valid Cases	62		

a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 4.29.

The chi square value is not significant at 0.05 level and thus the hypothesis is accepted. There is no significant association between the chance of settle within five years and the percentage score in financial literacy is accepted.

#### IV. CONCLUSION

Current study is related to the entrepreneurial intention and financial literacy of women. The training under Rural self employment training institute and its influence on the variables are studied. The study reveals that there is a significant relationship between financial literacy and entrepreneurial intention. As the statistical analysis is evidenced, the women population have more than average financial literacy and they have better entrepreneurial intention. The trained women are more financially literate and their entrepreneurial intention are significantly high than their counter parts. The programmes conducted at Rural Self Employment Training Institute help the women to develop readiness to make financial decisions and entrepreneurial intention. The study concludes that the training under Rural Self Employment Training Institute is helpful for rural female population to make their living by self employment or entrepreneurship.

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