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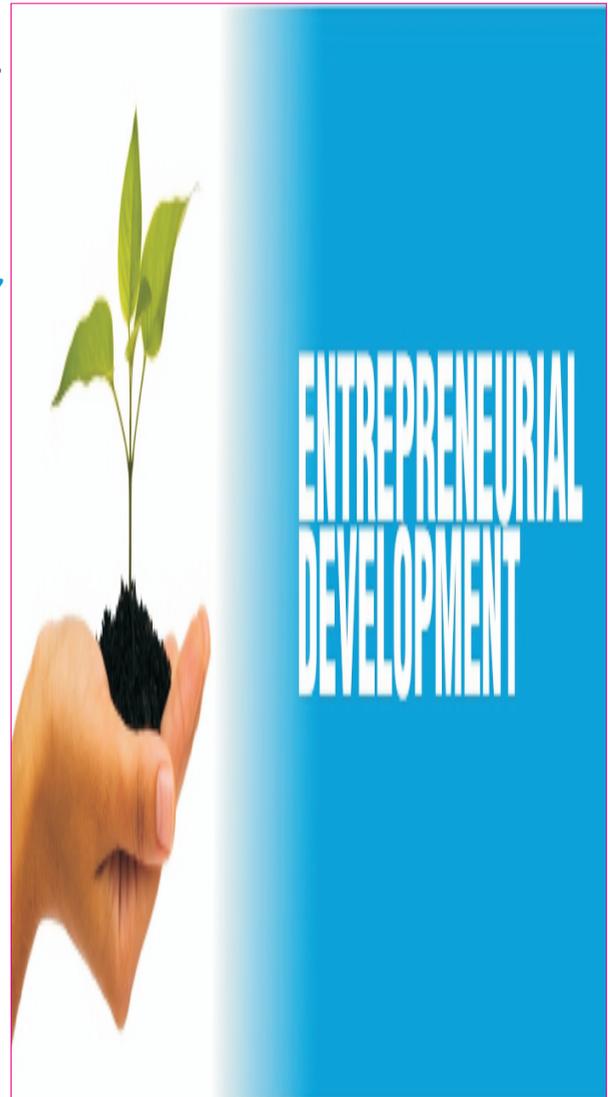
ENTREPRENEURIAL DEVELOPMENT IN AND AROUND TIRUCHIRAPPALLI DISTRICT - A STUDY

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ABSTRACT:

Today entrepreneurship development in India is concerned; the advent of globalisation in India heralded a new beginning for Indian Entrepreneurs. They have been exposed to the world of opportunities and international exposures. However the economic reforms have also brought newer challenges to Indian Entrepreneurs in terms of quality, technology, capital adequacy and business practices. The growth of healthy and competitive small and medium Entrepreneurs calls for an intense study of the problems and future prospects of this significant sector. The present study thus focused on identifying the problems afflicting the small and medium Entrepreneurs and also suggesting policy interventions for its rapid and balanced development. This is study descriptive in nature and the study consists of 379 SMEs as respondents by using Morgan sample method. The result shows that



KEYWORDS: Entrepreneurial Development, Economic Development, Challenges and Factors Affecting.

INTRODUCTION:

The role of an entrepreneur is of decisive significance at all stages of economic development. A successful entrepreneur is one who makes realistic plans and takes moderate and calculated risk. He will definitely obtain a clear perception and attitude towards the past, present and the future. He faces hurdles in the entrepreneurial career bravely with a firm determination. Several psychologists, sociologists, economists and management researchers have given a list of behavioral attributes of an entrepreneur. The most essential among them are passion about doing something new or a specific idea, confidence about winning, persistence with the idea and actions to accomplish the goal, persuasion to win the support of others, hardworking and extracting work from others, adaptable to situations and flexible, team-oriented to build and grow fast, innovative to achieve better results, optimistic and not giving up in the face of major difficulties, independent thinking and not carried away by the ideas of a few others, ability to manage risk, orientation to build technical,

financial and human resources, ability to observe and identify changing customer needs, relevant technical and managerial skills, etc. The extent to which these qualities are required, and in what combination, to become a successful entrepreneur obviously varies, depending on the external environment and challenges involved in converting the idea into a commercially attractive product or service. While some are knowledge driven, the others are either skill or attitude driven.

The satisfaction in the endeavor of doing business or rendering service is also as important as the success of the entrepreneur. The relativity of success and satisfaction is a very significant factor for the growth of the industry or business. Moreover the awareness of the necessary aspects which are very relevant and significant for the welfare of oneself and the society is to be given much importance by the entrepreneurs.

The present study has evolved a profile of successful entrepreneurs in the micro, small and medium enterprises sector, based on their views, in the environment of Tiruchirappalli District.

REVIEW OF LITERATURE

Sorin – George toma and Ana Maria Grigore (2014) Several dynamic forces, such as technological disruption, fluctuating economies or demographical changes, have brought new opportunities and threats for organizations, and transformed societies from all over the world. The aims of the paper are to examine in brief the concepts of economic development and entrepreneurship, and to emphasize the role of entrepreneurship in economic development. The methodological approach is literature review. Our paper provides a theoretical model that highlights some of the main factors involved in the relationship between entrepreneurship and economic development. More than ever in the history, economic development and entrepreneurship have become strongly interconnected.

Deepak Bhagat (2014) pointed out in his article that rural entrepreneurship is now seen as the strategic driver of rural development. Rural areas of the countries offer enough resources (both agro-based and non-agro-based) for the development of entrepreneurship and most importantly, a rural entrepreneur lives in the rural areas and thus helps in the formation of local wealth. There are many other factors including need for dominance, passion for work, and time preference. The background factors of the entrepreneurs also cannot be ignored and he attempted to investigate the factors that determine entrepreneurial selection and success in rural hilly areas by studying the entrepreneurs in the IFAD project villages of the district and also an effort was made to find out the correlation between the variables and relations between those variables and sales (income from enterprise) to find out factors having significant impact on entrepreneurial success in rural hilly areas.

Malcolm Small (2012) says that starting, running or continuing in individual business or entrepreneurial activity would appear to be surprisingly commonplace amongst the research sample, suggesting that there might be older entrepreneurs among the population as a whole than might have previously been supposed. For those with the requisite skills and personal attributes, entrepreneurship in later life would appear to be a valid option for extending working lives.

Sarah Thebaud (2010) pointed out that the gender gap in entrepreneurship has typically been understood through women's structural disadvantages in acquiring the resources relevant for successful business ownership and built on resource-based approaches to investigate how cultural beliefs about gender influence the process by which individuals initially come to identify entrepreneurship as a viable labor-market option. Results suggest that women are significantly less likely to perceive themselves as able to be an entrepreneur and they hold themselves to a stricter standard of competence when compared to similarly situated men where this gender difference in self-assessments accounts for a significant portion of the gender gap in entrepreneurship after controlling for relevant resources and additional analyses reveal that significant gender differences in self-assessed ability persist among established business owners and existing entrepreneurs.

SCOPE OF THE STUDY

The present study covers the functional aspects of the enterprises managed by the small and medium entrepreneurs. The functional areas include purchase function, storage function, production function, finance

function, human resource function and marketing function of the firms. There is also an analysis of their satisfaction, degree of success and the awareness of the entrepreneurs of the SMEs about government schemes, information and communication technology, social responsibility and environmental issues. Further, the present study discusses the whole gamut of issues affecting the small and medium entrepreneurs concentrated primarily in three regions of the Tiruchirappalli District. However the study is limited to ascertain and understand the problems and future prospects of entrepreneurs belonging to small and medium segments alone.

STATEMENT OF THE PROBLEM

Though the problems affecting the entrepreneurs may differ in size, nature and intensity across different geographical regions, it is important to understand the problems of each of these regions and provide customised solutions to their problems. However, the Small and Medium Entrepreneurs in general have been constrained by the problems of raw material procurement, acquisition of finance, underutilisation of capacities, poor project plan, inadequate infrastructure, inadequate marketing, outdated technology, insufficient skilled man power and other managerial concerns. These problems have individually and collectively contributed to the dismal performance of many entrepreneurs in this part of the country. This has added to the woes of the entrepreneurs who already received body blows due to economic reforms. The SMEs globally have carved out a niche of their own and have proved their mettle in boosting the national and regional economy. It is also imperative for supporting institutions, policy makers, and other stake-holders to be vigilant and sensible to the problems of this vulnerable category of entrepreneurs with volatile business fortunes.

OBJECTIVE OF THE STUDY

- o To study the demographic profile of the study-respondents namely the SMEs in Tiruchirappalli District.
- o To identify the functional factors affecting the performance of the SMEs.
- o To make suggestions for enhancing the prospects of SMEs in holistic manner.

RESEARCH METHODOLOGY

This present research study is fundamentally descriptive in nature with an accent on discussing problems and prospects of SMEs of Tiruchirappalli District. The total population of the study consists of 12322 SMEs who have been registered with the district industrial centre of Tiruchirappalli. The sample size of the present study consists of 379 SMEs as respondents by using Morgan determinants of sampling method. This study has made use of both primary and secondary sources of data. The primary data are collected through pre-tested questionnaires while the secondary data are compiled from published information available with different government agencies, libraries and other sources.

DATA ANALYSIS AND INTERPRETATION

Table- 1
Showing Oneway ANOVA Test on Degree of Success with Demographic Variables

	Sum of Squares	df	Mean Square	F 0.01
Gender				
Between Groups	1.192	2	.596	3.799
Within Groups	58.967	376	.157	
Age				
Between Groups	4.698	2	2.349	1.505
Within Groups	587.001	376	1.561	
Domicile				
Between Groups	1.134	2	.567	.973
Within Groups	219.124	376	.583	
Education				
Between Groups	2.319	2	1.159	.572
Within Groups	761.987	376	2.027	
Marital status				
Between Groups	.116	2	.058	.656
Within Groups	33.272	376	.088	
First generation				
Between Groups	1.377	2	.688	2.875
Within Groups	90.048	376	.239	
Nature of enterprise				
Between Groups	.612	2	.306	1.415
Within Groups	81.393	376	.216	

The table 1. displays the 'Analysis of Variables' test on the degree of success. In other words, the three categories of the respondents of the present study namely 'low successful', 'medium successful' and 'high successful' are tested with the variables such as gender, age, domicile, educational qualification, marital status, first generation status and nature of enterprise.

The table value of F with $df_1=2$ and $df=376$ at 1% level of significance is 6.69*. If the calculated 'F' value is less than the Table value, then there is no significant difference among the different categories of gender-wise, age-wise, domicile-wise, education-wise respondents regarding the three levels of success i.e. low-level success, medium-level success and high-level success. Since all the calculated 'F' values in the above tabulation are smaller than the table value (6.69), it is concluded as follows:

- 1) There is no significant difference between or among the gender-based groups (male and female) with regard to the three levels of success. The first main hypothesis "Gender of entrepreneurs is directly related to the success ratios of business enterprises" is disproved in the present study.
- 2) There is no significant difference between or among the age-wise groups with regard to the three levels of success.
- 3) There is no significant difference between or among the domicile-based groups with regard to the three levels of success.
- 4) There is no significant difference between or among the education-based groups with regard to the three levels of success.
- 5) There is no significant difference between or among the marital status-wise (married and Unmarried) groups with regard to the three levels of success.
- 6) There is no significant difference between or among the First Generation-based groups (New Entrepreneurs and Traditional Entrepreneurs) with regard to the three levels of success.
- 7) There is no significant difference between or among the Nature of Enterprise-based groups (manufacturing entrepreneurs and service/business entrepreneurs) with regard to the three levels of success.

The above analysis can bring a conclusion that the three levels of success namely low-level, medium-level and high-level success are common in all the categories of the respondents based on gender, age, domicile, educational qualification, marital status, first generation status and nature of enterprise.

The next table 4.2.26 will show the application of Kruskal-Wallis test on success levels with the reasons to be successful in the enterprises. The following table will help the researcher to analyse and find out the significant association between the three categories of the respondents on the basis of success and each reason to be successful.

Table - 2
Showing Oneway Anova Test on Satisfaction with the Attributes of the Respondents

	Sum of Squares	df	Mean Square	F 0.01
Innovation				
Between Groups	13.586	1	13.586	7.087
Within Groups	722.772	377	1.917	
Risk taking				
Between Groups	13.338	1	13.338	6.994
Within Groups	719.043	377	1.907	
Coordinating Resources				
Between Groups	2.261	1	2.261	1.178
Within Groups	723.897	377	1.920	
Wealth Creation				
Between Groups	14.805	1	14.805	7.286
Within Groups	765.921	377	2.032	
Opportunity Recognition				
Between Groups	13.876	1	13.876	7.231
Within Groups	723.432	377	1.919	
Focus On action				
Between Groups	.184	1	.184	.095
Within Groups	726.576	377	1.927	
Leadership				
Between Groups	.384	1	.384	.201
Within Groups	721.315	377	1.913	
Anxiety				
Between Groups	2.261	1	2.261	1.178
Within Groups	723.897	377	1.920	
Creativity				
Between Groups	5.892	1	5.892	3.064
Within Groups	724.991	377	1.923	
Control				
Between Groups	1.106	1	1.106	.572
Within Groups	728.915	377	1.933	

The above table 2. Projects the application of ANOVA test on satisfaction with entrepreneurial attributes of the respondents of the present research study. The table value of F with df1=1 and df2=377 at 1% level of significance is 6.69. If the calculated value is less than the table values, then there is no significant difference among the two categories of respondents namely i) respondents with satisfaction and ii) respondents without satisfaction in having each of the entrepreneurial attributes. From the calculated F values available in the above table, the following inferences are drawn:

1) There is significant difference between the two categories of respondents namely i) respondents with satisfaction and ii) respondents without satisfaction regarding the four entrepreneurial attributes namely Innovation, Risk-taking, Wealth-creation and Opportunity Recognition. People with innovation, risk-taking and opportunity-recognition are undoubtedly expected to have satisfaction. Moreover the respondents who can create wealth could also derive satisfaction.

2) There is no significant difference between two categories of respondents namely i) respondents with satisfaction and ii) respondents without satisfaction regarding the entrepreneurial attitudes like coordinating resources, focus on action, leadership, creativity, anxiety and control.

SUGGESTIONS

o The fact that the highly successful entrepreneurs have emanated from the category of HSC/PUC and technical degree holders is not amusing for they would have learnt the nuances of entrepreneurship in their formal education but the government and the quasi-government cannot brush aside the needs and problems of entrepreneurs belonging to illiterate and primary education category as the literacy level is relatively low in India. This warrants target oriented, need-based initiatives to educate the people with low educational qualifications but high desire to succeed in business.

o The cause of concern for all stake-holders in entrepreneurship is that the success eludes many entrepreneurs since they failed to recognise the business opportunities that emerge in external environment. The entrepreneurs need to be vigilant in looking for business opportunities in a timely manner so that they get the scope to expand their business or at least to survive in the existing business.

o Many low-successful respondents have attributed their failure to the lack of awareness of government programmes and subsidies. It thus becomes imperative for the state authorities to empathies with these entrepreneurs and initiate measures to reach these programmes and subsidies to the doorsteps of entrepreneurs.

CONCLUSION

The growing importance of SMEs in developing the economic status of the country and dispersion of wealth has been acknowledged by the power centres across the whole nation. The Union Finance Minister Arun Jaitley, in his maiden budget speech, corroborates the claims of SMEs about their nation building goal. The entrepreneurs seek specific assistance from state and central authorities to ward off their financial and marketing challenges. It should become the duty of the nation to protect, preserve and promote the SMEs for its own survival and prosperity.

The researcher believes earnestly that the findings of the study will lead to new thinking and new initiatives from the State authorities, policy-makers and the public that will help this sector. The similar studies on this topic may be done on this area of social relevance by all the future researchers.

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