

A Study on Problems and Challenges Faced by New Entrepreneurs in Tiruchirappalli City

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Abstract

Entrepreneurship is also one of the important branch in management science. This is thoughtful growth of the Start-Up process in the study of Entrepreneurship. Entrepreneurship is starting process of economic growth of the state. Trade and entrepreneur is main process for business and economical development. Entrepreneurship is the initiative process starts business process consists of production to consumption. This study is used primary and secondary data for their analysis process. The sample of 100 entrepreneurs was selected and collected data from the respondents. The convenience sampling technique was adopted for the present study.

I. INTRODUCTION

Entrepreneurship is also one of the important branch in management science. This is thoughtful growth of the Start-Up process in the study of Entrepreneurship. Entrepreneurship is starting process of economic growth of the state. Trade and entrepreneur is main process for business and economical development. Entrepreneurship is the initiative process starts business process consists of production to consumption.

The stages leading up to the legal creation of the organization, when it becomes an organization or active legal business entity, is also referred to as biological terms; the journey from conception to birth. Weick (1979) defined “New business enterprise Creation as the organizing of new organizations to organize is to assemble ongoing interdependent actions into sensible sequences that generate sensible outcomes”. Reynolds and Miller (1992) referred to the start-up process as a biological cycle in that the process can be described as a “gestation process” from conception to birth. There has been little study on the gestation of firms.

The individual(s) who finds manages and drives the creation of the new firm is commonly referred to as the nascent entrepreneur. Endemic to the process of business start up, the backgrounds and character traits of nascent entrepreneurs have been a common theme of research in understanding the start-up process.

Entrepreneurs are generally defined as an innovative, a risk taker, a resource assembler, an organization builder and so on. Entrepreneurship is essential for increasing production, utilizing materials and employing human resources and improving the problems of unemployment. The basic objective of developing entrepreneurship is to enable the society to generate productive human resources as well as to mobilize and sustain them for the subsequent process of development.

A. Challenges Faced By The New Entrepreneurs

1) Financial Sustainability

Access to resources is a major factor that either promotes or deters the person’s intentions to create social value. Creating a sustainable organization by overcoming funding constraints is a major challenge before all the social entrepreneurs.

2) Organizational Effectiveness

Maintenance of personnel within the organization is another major hurdle faced by the social entrepreneurs. Another problem faced by the social entrepreneurs is developing and leveraging valuable capabilities that can garner resources for the fulfillment of the social mission.

3) Leadership And Team Building

Succession planning for effective leadership over a long term has been a neglected area for social entrepreneurship organizations. In all the organizations studied, there were the first line leaders/founders that still held the reins of the organizations. A second line of leadership is important to bring up for the continuity of the change process.

II. REVIEW OF LITERATURE

David H. Holt (2003) in his book, “Entrepreneurship – New Venture Creation” excellently chronicled the growth of USA. America was discovered by entrepreneurs and nourished by entrepreneurs, and the United States become a world economic power through entrepreneurial activity. According to Holt in all the service categories there are critical factors that helped entrepreneurs succeed. The nature of a service venture is different from a product based company in that services require exceptional human resource skills.

He also makes an interesting point by stating a good service idea can also be easily copied; therefore as competitors flock to a growth market, having committed people will often make the difference between success and failure.

Sutter(2009) sets out to test the impact of a composite factor defined as “psychological capital”. Compared to previous studies, Sutter’s embrace a more varied set of individually defined characteristics, such as those related to enjoying other people’s and one’s own life, ability to control emotions, capability to enthusiasm other people, etc., which are all in corporate in a “psychological capital” index. Controlling for other individual factors related to access to opportunities, education, social capital, creativity and trust, the empirical analysis conclude that the psychological index is an important determinant of entrepreneurial endeavor.

The next review by Ahl and Nelson (2010) presents an analysis of the research trends on gender and entrepreneurship and offers recommendations for new directions. They suggest that there is a need to contrast empirical findings using male/female entrepreneurs as binary independent variables. More research is required on differences between male and female entrepreneur’s behavior in the context of social forces impacting them. They suggest that there is a need to re-frame the perspective on gender (differing from biological sex) in entrepreneurship research to include aspects of men, women, femininity or masculinity. They assert that a better dialogue can be achieved by using the word gender as a socially constructed phenomenon. In other words, scholars need to focus on understanding the distinguishing process of “doing entrepreneurship” in terms of “what women do” and “what men do”.

III. STATEMENT OF THE PROBLEM

Entrepreneurship is something that should be taken up with passion and courage. It also requires some special skills like doing things in advance, in an innovative way and with lot of care and professionalism. New starting businesses and entrepreneurs facing problems like financial crisis, production, lack of skilled labours, heavy competition, lack of marketing strategy, and lack of self confidence. The present study is an attempt to know major curdles faced by the new entrepreneurs.

IV. OBJECTIVES OF THE STUDY

The following objectives are framed for the present study

1. To study the problems faced by new entrepreneurs in Tiruchirappalli city.

2. To know the factors influence the entrepreneurial development.
3. To give suitable suggestions to improve the performance of creating entrepreneurs in small scale industries.

V. METHODOLOGY

The present study is descriptive by nature. This study is used primary and secondary data for their analysis process. The sample of 100 entrepreneurs was selected and collected data from the respondents. The convenience sampling technique was adopted for the present study.

VI. SIGNIFICANCE OF THE STUDY

The study is attempted to address the challenges and opportunities of entrepreneurs in Tiruchirappalli city. The results of the study will provide a better understanding and awareness to policy makers, to design an effective and efficient strategy for the improvement of the livelihood of the entrepreneurs and for the development of new start ups. The study will also serve as a stepping-stone and make the modest contribution for those who are interested to conduct research on entrepreneurship. In addition, the finding of the study will provide information to make decision makers and responsible bodies aware of the challenges and prospects of entrepreneurs in the city and alleviate or minimize the challenges. Moreover, it will help planners and government bodies as a source of information.

Perception Entrepreneurs about their Financial Problems

S. No	Particulars	No. of Respondents	Percentage
1.	strongly disagree	8	8.0
2.	fairly disagree	9	9.0
3.	Disagree	16	16.0
4.	Agree	29	29.0
5.	fairly agree	21	21.0
6.	strongly agree	17	17.0
	Total	100	100.0

Source: field data

The above table shows that maximum 29% of the respondents agree that they have financial problems. 21% of the respondents fairly agree that they have financial problems. 17% of the respondents strongly agree that they have financial problems. 16% of the respondents disagree that they have financial problems.

Perception Entrepreneurs about their Marketing Problems

S. No	particulars	No. of Respondents	Percentage
1.	strongly disagree	10	10.0
2.	fairly disagree	12	12.0

3. Disagree	14	14.0
4. Agree	27	27.0
5. fairly agree	22	22.0
6. strongly agree	15	15.0
Total	100	100.0

The above table shows that maximum 29% of the respondents agree that they have cut through competition and marketing problems. 21% of the respondents fairly agree that they have cut through competition and marketing problems. 17% of the respondents strongly agree that they have cut through competition and marketing problems. 16% of the respondents disagree that they have cut through competition and marketing problems.

“Kruskal Wallis Test

	Gender	N	Mean Rank	Chi-square value	df	Statistical inference
Production problem	Male	57	103.58	.054	1	.479 > 0.05 Not Significant
	Female	43	101.57			
	Total	100				
Financial Problems	Male	57	104.76	.534	1	.465 > 0.05 Not Significant
	Female	43	98.65			
	Total	100				
Marketing problems	Male	57	104.11	.207	1	.643 > 0.05 Not Significant
	Female	43	100.25			
	Total	100				
Communication problems	Male	57	100.75	.823	1	.816 > 0.05 Not Significant
	Female	43	108.58			
	Total	100				
Overall perception about problems faced by entrepreneurs	Male	57	98.98	2.662	1	.206 > 0.05 Not Significant
	Female	43	112.94			
	Total	100				

A. Research hypothesis

There is significant variance between sex of the respondents and their overall perception of problems faced by entrepreneurs

B. Null hypothesis

There is no significant variance between sex of the respondents and their overall perception of problems faced by entrepreneurs

C. Statistical tools

Kruskal Wallis Test was used for the above table

VII. FINDINGS

The above table reveals that There is no significant variances between sex of the respondents and their overall perception of problems faced by entrepreneurs. Hence, the calculated value is greater than table value ($P > 0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

A. Findings of the Study

- Majority of entrepreneurs are belonging to primary school educational background.
- Although all entrepreneurs are faced different obstacles but majority of entrepreneurs is suffering from financial problems.
- Majority of entrepreneurs say that’s their family is supportive.
- Majority of entrepreneurs take decision on the basis of own judgment.
- Nearly 67.6 per cent of the respondents belong to the nuclear families.
- A majority, i.e., 53.7 per cent of the family members of the respondents, earn an annual income which ranges from Rs. 10,000 to Rs. 20,000/-. Their expenditure pattern shows that the major portion of their income is spent on food.

B. Suggestions

- It is found that from the 52.2% entrepreneur facing financial problems. So the government and bank management has taken initiative to provide financial assistance for entrepreneur
- Government and policy makers help the entrepreneurs to provide loan and technical support to the new business.
- Banks makes advertisement for their loan and interest details for motivating new entrepreneurs for their financial crisis.
- Government take initiatives for arrangement of training and technical training for new entrepreneur for their successful business opportunities.

VIII. CONCLUSION

At the end of the study, it may be suggested that micro enterprises in the district needs proper governmental and social support. Government policies and regulations need to be more friendly, transparent and widely publicised. Steps should be taken to reduce the administrative hurdles. Higher education incentives with special impetus on vocational training, skill development and entrepreneurial knowledge should be the key thrust areas. Ventures should be encouraged in new and innovative areas taking examples from successful projects of other states apart from the

traditional areas of engagements. Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioural games.

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