

“ENTREPRENEURS: SELF-MADE OR SUPPORTED? A STUDY WITH REFERENCE TO MADURAI DISTRICT”

D. Deepa¹ & G. Priyanka²

*¹Assistant Professor, Department of Management Studies, School of Business Studies,
Madurai Kamaraj University, Madurai, Tamil Nadu, India*

*²Research Scholar, Department of Management Studies, School of Business Studies,
Madurai Kamaraj University, Madurai, Tamil Nadu, India*

Received: 01 Mar 2019

Accepted: 12 Mar 2019

Published: 21 Mar 2019

ABSTRACT

This study quickly clarified that the business visionary is conceived or learned with existing entrepreneurs. India is looked with joblessness issue which influences the adolescent to set out on independent work through the development of possess ventures. To escalate further into the factors underlying the business interest is viewed to be vital at this moment. The research paper has dissected on three particular gatherings: assembling, administrations and trade sub-divisions to find out what incited business visionaries in the nation to go into business. It was discovered that the requirement for support is greater to supplement the self made entrepreneurship abilities to fetch productive results. It was in this manner suggested that more help ought to be rendered to business people in the nation by imparting on them the feeling of intensity.

KEYWORDS: *Competitiveness, Education, Entrepreneurship, SMEs, Training, Unemployment*

INTRODUCTION

Youth unemployment is an endemic problem that threatens the stability, social fabric and economic progress of India. The country's impressive economic growth failed to generate sufficient employment and underemployment is widespread. The Indian government has long realized that the only way to solve the unemployment problem is through the encouragement of entrepreneurship amongst the youths. The belief of the leadership and stakeholders in India is that youths are unemployed because of low levels of entrepreneurship amongst this crucial group in India. Through entrepreneurship, youths can create small and medium enterprises (SMEs), manage them, earn income and alleviate themselves from poverty. Legally operating enterprises also contribute to the Government's offers through taxations, exercise duties and contributions to the provident fund. The government has however not clearly defined how entrepreneurship can be promoted in India.

REVIEW OF LITERATURE

The review of related literature will outline the concept of entrepreneurship, and other areas of interest related to this concept, especially when applied to the youth.

The theory of entrepreneurship refers to an individual's ability to turn their ideas into actions for doing their business. (Ong'olo & Awino, 2013). As indicated by his idea mulls over the intensity of activity, development, imagination and hazard taking, including the capacity to design and oversee distinctive way for endeavors to achieve the points.

(Nagler&Naudé, 2014). Business is along these lines considered as an indispensable linchpin for the survivability and manageability of a little firm and an important element for animating monetary development and work openings in all perspectives (Backes-Gellner & Moog, 2013;

Bowale&Ilesanmi, 2014). The theory of the entrepreneur is related to the theory of the market making firm, according to Casson (2005). The entrepreneur operates in a market economy by the firm, of which the entrepreneur is the founder or proprietor-manager (Alrumaithi et al., 2015). The entrepreneur can internalize the exploitation of commercial information upon which his superior judgment is based. The market for entrepreneurs operates uniquely; it allocates judgment decisions to entrepreneurs (Bergmann & Stephan, 2013).

Baig (2007) emphasizes that entrepreneurship is significant for economic growth, and entrepreneurial associations are also more open to progress and innovation. Schumpeter stresses that innovation is the decisive dimension of economic change and that economic transformation revolves around innovation, entrepreneurial activities, and market power (Licht, 2010). The author reckons that Schumpeter presupposes a perfectly competitive economy which is in stationary equilibrium. Śledzik (2013) explains that Schumpeter's 'entrepreneur' definition has functional character and concerns only with ideas and activities related to innovation. The entrepreneur's function is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on (Schumpeter, 2000).

RESEARCH METHODOLOGY

The study's research problem is to identify the entrepreneurship in Madurai district which is inheritably inborn, or if it is acquired by learning and training and development programme where they acquired the drive for entrepreneurship and what prompted them to launch their businesses. The study was carried out abiding to three constructs:

- Does the entrepreneur have any formal education?
- Did the entrepreneur receive any kind of training prior to setting own business.
- What motivated the owner-manager into starting own business.

In order to attain an in-depth analysis of the study it was deemed appropriate to separate SMEs businesses into three distinctive groups, being the manufacturing, services and commerce sub-sectors. The stratified random sampling strategy was adopted to select samples in order to collect actual representation of each group and avoid biasness. A total of 275 SMEs samples were selected from the population of SMEs of Madurai District, of which 241 samples were fully completed and usable. Data was collected from SMEs owner-managers through interviews carried out on the basis of face-to-face approach, using structured, closed ended questionnaires. The study employed the quantitative methodology, and data was analysed by the use of descriptive statistics that generated frequencies and percentages results.

RESULT AND DISCUSSION

The following sections give results on the research of SMEs in Madurai district following the face to face interviews and data gathering exercise from the SMEs owner-managers.

Possession of Formal Education

The results of the survey on the level of education amongst owner-managers of SMEs from the three separate sub-sector, manufacturing, services and commerce are shown in Table 1.

Table 1: Education Levels of Owner-Managers of SMEs in Madurai District

Sl. No	Education Levels	Manufacturing F %		F	Services %	Commerce F %	
1	No education at all	1	1.58	2	1.69	1	1.53
2	Primary education	9	14.28	7	5.78	2	3.07
3	Secondary education	27	42.85	40	33.05	24	36.92
4	Technical education	18	28.60	29	23.96	19	29.23
5	University education	8	12.69	43	35.53	19	29.23
	Total	63	100	121	100	65	100

(Sources: Primary data)

The table has reveal that a significant proportion of business owners from the three sub-sectors had secondary education with the manufacturing sector leading by 42.85 followed by the commerce sector with 36.92% and lastly the services sector with 33.05%. The services sector leads the group with 35.53% of the firm owners having university education. The prevalence of university education in this sub-sector was expected as the group is composed of professional people such as lawyers, medical doctors, dentists, insurance brokers, accountants and auditors; professionals that would require advanced education. Amongst the three sub-sectors, the manufacturing category had more technical educated owner-managers at 27.6%, which was expected as manufacturing required technical knowledge.

The Respondents were probed to find whether they had received specialized training in any field prior to setting up their enterprises. The questionnaires encompassed various other related government support components relevant to the owner-manager including training. The other support features were added to substantiate the impact of the survey on support to SMEs and the results are shown in Table 2.

Table 2: Training of Entrepreneurs and Other Support to SMEs From Government

Sl. No	Types of Government	Manufacturing F %		F	Services %	Commerce F %	
1	Financial assistance	12	18.4	11	7.97	2	3.27
2	Business administration	1	1.53	20	14.49	5	8.19
3	Marketing expert	2	3.07	4	2.89	4	6.55
4	Exemption from tax	2	3.07	5	3.62	2	3.27
5	Didn't received any support	35	53.84	76	55.07	42	68.85
6	Improvement in infrastructure	3	4.61	2	1.44	1	1.63
	Training of owner	10	15.38	20	14.49	5	8.19
	Total	65	100	138	100	61	100

(Sources: Primary data)

The results showed that more than half of the respondents from all the three sub-sectors had not received any support especially training in any field. The worse results were recorded by the commerce sub-sector whereby 68.85% said

they had not received any government support and only 8.19 % ever received training support prior to setting their businesses. The commerce sub-sector is prevalent with business people selling general merchandise, including groceries, restaurants, clothes shops, ; occupations which in many cases do not require expert training. Most of these would start their activities by mere chancing, or from experience they acquired working with families. The services and manufacturing sub-sectors had more trained owner-managers, at the rates of 14.49% and 15.38% respectively. The reasons the services sub-sector had more owners with previous training tended to be linked with the reality of their professions. Medical personnel, owners of legal practices or accounting firms normally undergo extra training and by law they have to serve internships and articles before being legalized and admitted to the relevant professional bodies. The Owners of manufacturing firms also need additional training to manage their technical oriented fields. The low levels of training recorded within the two sub-sectors however can be associated to the low levels of vocational training available in Madurai district.

SUGGESTIONS AND CONCLUSIONS

The study probed into the research problem of whether entrepreneurship was intuitive especially among the youth, or it came through education, training or having undergone some sort of apprenticeship.

A sample of entrepreneurs in Madurai, were selected for the study to find out what really motivated them to go into business. For the study to be comprehensive and to cover in details all areas of the economy, it was carried out through the analysis of three separate sub-sectors, the manufacturing, services and commerce sub-sectors.

From the study, the level of education, training in the relevant field, and having experience working in family businesses may have been significant in stimulating young people to venture into their own enterprises.

The finding in this study however, showed that a greater percentage of respondents indicated the wish for self – Motivation and business independence are reason for starting a business. The results therefore tilt the balance to the conviction that the presence of natural and congenital entrepreneurship in Madurai district is what actually motivates entrepreneurship.

This does not mean that support should not be rendered to young entrepreneurs in Madurai District. More support of all kinds should be emphasized to potential entrepreneurs prioritizing on competitiveness. The youth may have good business ideas, but they lack the forum, the platform and assistance of bringing them forward. The seminars, conference also called entrepreneurial incubators aim at training young people to fill the gaps of the entrepreneurs, in terms of skills; to provide service support for business. Growth and access to markets; to connect entrepreneurs with a network of customers and suppliers, as well as assisting in mentoring on access models to funds (Standard Bank, 2018). More of such initiatives are welcomed, but the focus should be on implanting the spirit of competitiveness.

The essence of entrepreneurship already exists in Madurai District, what lacks is support to enhance competitiveness and productivity to produce better goods, improve services, and to compete in the market, against imported goods and services from outside. Incubators should be used to promote productivity in manufacturing, innovative skills, negotiations tactics and bargaining powers with buyers and suppliers.

Incubators should be restructured to empower owner-managers with the instincts of competitiveness rather than emphasizing purely on entrepreneurial promotion.

REFERENCES

1. Achtenhagen, L., Naldi, L. & Melin, L. (2010), “Business growth’: do practitioners and scholar really talk about the same thing”? *Entrepreneurship Theory and Practice*, 34 (3), 289-316.
2. Alpfält, T. (2011), “The Impact of Entrepreneurial Climate on Youth Unemployment: A Study of This Relationship in Swedish Municipalities”, Jönköping International Business School, Jönköping University.
3. Alrumaithi, E., Guerrero, M., & Peña, I. (2015), “The Role of Employee’s Human Capital and the Work Environment on the Creation of Organizational Spin-Offs: Evidence from Spain”, In: Baptista R., Leitão J. (Eds.), *Entrepreneurship, Human Capital, and Regional Development, International Studies in Entrepreneurship*, Vol. 31, pp. 59-74.
4. Aremu, A. & Adeyemi, S. (2011), “Small and Medium Scale Enterprises as a Survival Strategy for Employment Generation in Nigeria”, *Journal of Sustainable Development*, 4 (1), 200-205.
5. Arzeni, S. (2013). *Small Business: the Heart of the Global Economy*, 8th World Chambers Congress – Doha, Qatar, 24 April, [Online] Available: <http://www.oecd.org/cfe/smes/arzenidohaspeech.htm>. Backes-Gellner, U. & Moog, P. (2013). “The disposition to become an entrepreneur and the jacks-of-all-trades in social and human capital”, *The Journal of Socio-Economics*, 47, 55–72.
6. Baig, A. (2007). *Entrepreneurship Development for Competitive Small and Medium Enterprises, Report of the APO Survey on Entrepreneur Development for Competitive SMEs’*, Asian Productivity Organization, Tokyo, [Online] Available at: e-mail: apo@apo-tokyo.org.
7. Banerjee, A., Galiani, S., Levinsohn, J., McLaren, Z. & Woolard, I. (2008), “Why Has Unemployment Risen in the New South Africa’”, *Economics of Transition*, 16 (4), 715–740.
8. Bergmann, H. & Stephan, U. (2013), “Moving on from nascent entrepreneurship: measuring cross-national differences in the transition to new business ownership”, *Small Business Economics*, 41 (4), 945-959.
9. http://www.qualidade.co.mz/documentos/maio_24/Apresentacao-IPEME-24.05.2012.pdf. IPEME (2015). *Study of Mozambican Small and Medium Sized Enterprises, USAID/SPEED Report*, [Online]
10. Available at: [http://www.speed-program.com/wp-content/uploads/2015/01/2014-SPEED -Presentation-012-Small-and-Medium-Size-Firms-in-Mozambique](http://www.speed-program.com/wp-content/uploads/2015/01/2014-SPEED-Presentation-012-Small-and-Medium-Size-Firms-in-Mozambique). Isaga, N. (2015), “Owner-Managers’ Demographic Characteristics and the Growth of Tanzanian Small and

