

# A STUDY ON ENTREPRENEURIAL MOTIVATION AMONG SMALL SCALE INDUSTRY ENTREPRENEURS IN PUDUKKOTTAI DISTRICT

<sup>1</sup>Dr. J. Gajendra Naidu, <sup>2</sup>Mr. Kishore Jatty Gajendra

<sup>1</sup>Faculty <sup>2</sup>Accounting Student

Commerce & Business, Gaborone University College, Gaborone, Botswana- Africa.

Email - <sup>1</sup>profnaidugn@gmail.com, <sup>2</sup>kishorejatty2002@gmail.com

**Abstract:** *In a first developing country like India, the forces of commercialization, modernization and industrialization are actively operating and transforming the traditional modes of production in to modern capitalistic enterprises women are the most preponderant segment of the society. In order to improve the status and position of women at home and in the society at large, it is necessary to achieve economic independence for women among the internal motivating factors, the desire to do something creative is important. It means the desire to make a contribution to the development of the state, to introduce an entirely new product in the market, to place the home town on the country's industrial map, to make full use of technical skills, to provide employment to intelligent young men and women in the community, etc. Business experience provides confidence for starting a new enterprise. Technicians, engineers and executives rated business experience more important motivator than other types of entrepreneurs.*

**Key Words:** *Entrepreneurial Motivation, small scale industry.*

## 1. INTRODUCTION:

A country may be rich in material resources and capital. But if entrepreneurship is lacking the utilization of resource would not be as expected. The entrepreneur is a part of industrial society and as such. He/she should be considered as an asset. The entrepreneur is responsible for not only earning his/her own livelihood but also for creating avenues of employment for others and contributing to the gross national product.<sup>1</sup> Indian women have traveled with the times for centuries and have proved to the world that the hand that rocks the cradle can rule the world<sup>2</sup> In both the industrially advanced and less developed countries women are bound with cumulative inequalities as a result of socio-cultural and economic discriminating practices.<sup>3</sup> In a first developing country like India, the forces of commercialization, modernization and industrialization are actively operating and transforming the traditional modes of production in to modern capitalistic enterprises women are the most preponderant segment of the society. In order to improve the status and position of women at home and in the society at large, it is necessary to achieve economic independence for women.

Jawaherlala Nehru, the former Prime Minister of India observed the economic freedom of entrepreneurs and it is quoted by Azad Gulab Singh<sup>3</sup>. Freedom depends on economic condition even more than political. If a SSI entrepreneurs not economically free without self-employment and self earning she will have to depend on her husband or someone else and dependents are never free". Economic growth and development of a country is determined by human, physical and financial resources. An economy can move on to higher level of growth either by acquiring a large quantum of the factors of production or through technical progress. The objective of any planned development is to develop human resources to their brimming utilization. Therefore industrialization is one of the ways of brining about socio-economic development in any country. The economic development of a nation is a parked largely by its enterprising spirit. The characteristic of enterprising emerges from the interplay of behavior and activity of a special segment of the population known as entrepreneurs<sup>4</sup>. India's economy is today poised for a flourishing entrepreneurial activity. It is also known that a healthy business environment is an essential requirement of entrepreneurial growth. Since a higher quality entrepreneurial skill tends to attain industrial growth, talent must come from with the environment for rapid and sustained growth of the economy<sup>5</sup>. Small scale industries, conceived and developed as an integral part of the total industrial structure of the country, help achievement not only of the purely economic objectives, but also of certain socio economic objectives, these industries create employment opportunities; help introduction of new products and diversify the existing production lines; facilities import substitution; assist the development of new skills;

<sup>1</sup> Srivastava S.B; Practical Guide to Industrial Entrepreneurs, Suttan Chand & Sons, New Delhi, 1992,p.36

<sup>2</sup> Kirmandevendra, Status and Position of women in India, Sakthi Books, New Delhi, 1985, p.13. <sup>3</sup> Rajiv Gandhi," Wome the Social Conscience of the country, "Social welfare, May 1985,p.12.

<sup>3</sup> Lbid; pp.41.47

<sup>4</sup> Hans Schollhammer & Arthur Kuriloff. H; Entrepreneurship and Small Business Management, Joho Wiley and Sons, New York, 1933.

<sup>5</sup> Tandon.B.C; "Entrepreneurial Inputs in Management Studies", Economic Times, December 1990.p.13.

contributed to the export promotion of manufactured products; offer potentials to save and form capital; and promoted an increase in the production economics of the large scale industries through the instrumentality of a sub-contracting system. Concerning social-economic goals, these industries promote entrepreneurship and strengthen the democratic base of the country through the creation and sustenance of middle classes of the society. Small industries have immense potentialities to contribute to the economic development of a country by prospering in the surpassing varieties of products and market situation „Their juxtaposition with the objectives of economic growth of a country is, therefore, not a paradox<sup>6</sup>. Economic independence makes women conscious of their rights. Working outside the home and coming in the contract with other people have broadened their outlook and mental horizon<sup>7</sup>. Entrepreneurial work is regarded as an unfortunate economic necessity or that it is seen as very much a secondary activity to the main business of running home and looking after children<sup>8</sup>.

### 1.1. SMALL SCALE INDUSTRY ENTREPRENEURS:

Small-scale industries play a key role in the industrialization of a developing country. This is because they provide immediate large-scale employment and have a comparatively smaller markets to be economic; they need lower investments, offer a method of ensuring a more equitable distribution of national income and facilitate an effective mobilization of resources of capital and skill which might other-wise remain unutilized; and they stimulate the growth of industrial entrepreneurship and promote a more diffused pattern of ownership and location. Small scale industries function as ancillaries to large scale industries. They produce parts, components and accessories required by large scale industries. Such small scale industries not only generate more employment opportunities, they are also instrumental in removing imbalance in the distribution of wealth amongst the people particularly the rural mass. The employment potentiality of small scale industries is very significant for a country like India where unemployment, under employment and seasonal employment are common. From the points given above, we can conclude that small scale industries which have been the backbone of the economy of our country need greater emphasis. The educational environment and policy framework offer opportunities for sustainable self-employment to ensure the contribution of the workforce to the industrial economy. Entrepreneurship, selfemployment and enterprise creation thus provide a solution to the crisis of both unemployment and disguised unemployment.

### 2. MOTIVATION FOR STARTING ENTREPRENEURS:

Several research studies have been carried out to identify the factors that motivate people to start business enterprises. Some of the main factors are as follows:

#### 2.1. Internal Factors:

- Educational background
- Occupational experience
- Desire to do something pioneering and innovative
- Desire to be free and independent
- Family background

#### 2.2. External Factors:

- Assistance from Government
- Financial assistance from institutions
- Availability of technology and / or raw materials
- Encouragement from big business units.
- Heavy demand for product
- Others

Internal factors constitute the personality of the entrepreneur and thereby generate an inclination to adopt entrepreneurial activity. The presence of these factors is essential for entrepreneurial activity to take place. But entrepreneurial ambitions cannot fructify without a supporting environment. External factors providing this environment and give a spark to entrepreneurship. Among the internal motivating factors, the desire to do something creative is important. It means the desire to make a contribution to the development of the state, to introduce an entirely new product in the market, to place the home town on the country's industrial map, to make full use of technical skills, to provide employment to intelligent young men and women in the community, etc. Business experience provides confidence for starting a new enterprise. Technicians, engineers and executives rated business experience more important motivator than other types of entrepreneurs. Among the external factors, assistance from financial and other Governmental institutions has been rated the strongest motivator. Other factors include availability of surplus funds,

<sup>6</sup> Eugene Staley and Ricard Morse, Modern Small Industry for Developing Countries, Mc.Graw Hill pub. Co. , 2006, p.7.

<sup>7</sup> Margret Cormack, The Hindu Women, Asia Publishing House, Bombay, 1976,P.12

<sup>8</sup> Pramila Kapur, Marriage and the Working women in India, Vikas Publication House Private Limited, New Delhi, 1970, P.72

sick units being available at a cheap price, success stories of first generation entrepreneurs, support of friends and relatives etc. in some cases there may be compelling reasons like loss of job, death of the father, dissatisfaction with the job held, etc., prompting people to launch their own industries.

### 3. STATEMENT OF THE PROBLEM:

According to Mccllelland D.C; „two characteristics of entrepreneurs namely are doing things in a new and better way and decision making under uncertainty<sup>9</sup>. responsibility thrust due to death or incapacitation of a nearer relation, tax benefit for self and for relatives external motivation like creating employment to the needy by setting up an ancillary unit and business already in the family are some of the other factors which gives stimulus to entrepreneurial motivation to start business. The government of India has been unable to solve the socio-economic issues of high unemployment and poverty reduction because of the constraints that hampers entrepreneurship. Key constraining factors such as a lack of knowledge and insufficient business start-up information have been some of the major contributors to the decline in entrepreneurship. During the past years, issues of a lack of funding, a complex business environment and deficiencies in training have featured prominently in Indian policy discussions regarding entrepreneurship. The small business sector adds to the socio-economic growth of India, the majority of small businesses are victims of challenges such as excessive costs due to fraudulent activities and lack of financial assistance. The owner-managers (entrepreneurs) of small businesses who use business assets for personal gain at the expense of the business, is a cause for concern. The most important reason for studying entrepreneurial motivation in business is the significant role it plays in our lives. It is believed that educated men and women alone can become entrepreneurs. Can we guess about the women at foot path? What education background they have? Almost Nil! Even they are also the women entrepreneurs and we all come across them every now and then. **This had encouraged in research a study on entrepreneurial motivation among small scale industry entrepreneurs in Pudukkottai district.**

### 4. OBJECTIVES OF THE STUDY:

- To gain an understanding of the research process by means of a literature study.
- To analyze the socio-economic status of small scale industry entrepreneurs in Pudukkottai District.
- To examine the factors influencing entrepreneurial motivation among small scale industry entrepreneurs.
- To examine the various factors responsible for the entrepreneurial success.
- To offer suggestions based on the findings of the study.

#### 4.1. HYPOTHESIS OF THE STUDY:

The study aims at testing the following hypothesis in line with the objectives mentioned above:

**H<sub>0</sub>1:** A Literacy level of the women entrepreneurs influences the level of motivation to start the enterprise.

**H<sub>0</sub>2:** marital status of the women entrepreneurs influences the level of motivation to start the enterprise.

**H<sub>0</sub>3:** Experience of the women entrepreneurs influences the level of motivation to start the enterprise.

**H<sub>0</sub>4:** type of business influences the level of motivation to start the enterprise.

#### 4.2. SCOPE OF THE STUDY:

This study is confined to the entrepreneurs mainly engaged small scale industry Pudukkottai District, Tamil Nadu. It provides the details of the status, motivational factors with regard to their relation to the socio-economic background of SSI entrepreneurs. It covers the entrepreneurial motivation among small scale industry and the various problems encountered by them at various stages.

### 5. RESEARCH DESIGN AND METHODOLOGY:

In view of getting considerable data from survey research as well as secondary sources. Collected and presented in this research report, „descriptive research“ is considerable the most appropriate for the present study. Hence, the study has been descriptive and analytical. The research problem, Objectives and the interview schedule have been formulated accordingly. The suggestions of the study emerge from the influence drawn from the sample survey of entrepreneurial motivation among small scale industry entrepreneurs in Pudukkottai District.

**5.1. Primary Data:** The present study is an empirical one based on survey method. Data were collected from the field through interview schedule and observation.

**5.2. Secondary Data:** The study has also depended on the secondary data. The secondary data were collected from standard textbooks of related topics and various magazines, leading journals, women's statistical records and web sites.

**5.3. Pre Test:** The pre-test was conducted during the month of June 2015 with 30 respondents. The draft schedule was revised according to the requirements of the pre-test in Pudukkottai district. The specimen of the interview schedule used for the present study is shown in Appendix I.

<sup>9</sup> Mccllelland. D.C; „The Achieving Society; D.Van Norstrand Co; Inc; New York, 1961. P.210-215.

**5.4. Sampling Design:** This study cover both registered and unregistered unit in the study area. A sample of 200 respondents were selected and interviewed in Pudukkottai District, Tamil Nadu. Proper care was taken to see that the respondents vary with age, community, religion, educational status. Therefore the random sampling method has been used.

**5.5. Field Work and Collection of Data:** Field work for the present study was carried on personally by the researcher himself. Through the interview schedule for the sample entrepreneur was in English, it was administered in the vernacular. The opinions and suggestions of the respondents on the topic under discussion were also elicited and recorded at the end of the schedule; completed schedules were checked immediately on the spot in order to avoid revisits.

**5.6. Data Processing:** After the completion of data collection, the filled up interview schedules have been edited properly to make them ready for coding.

**5.7. Statistical Tools Employed:** Most of the analysis is based on the responses shown in the form of frequency tables. Firstly, simple tables were prepared for understanding the general profile of the respondents and simple statistical techniques is used for analyzing the data and findings differences in the responses. The responses observed for each of the items in the schedule has been scored and tabulated into a master sheet. The scoring of level of motivation scale in the second part of the schedule is based upon „Likert Method“. The relationship between the level of entrepreneurial motivation of SSI entrepreneurs in the study area and their socio- economic background and success rate has been examined by adopting chi-square test, Rank correlation analysis, etc.,

## 6. LIMITATIONS OF STUDY:

Every research study suffers from errors and limitations. Some of these are inherent in the research design while some others become part of the study during various stages of operation. The present study is subject to the following constraints and limitations.

- The limitation and biasness of sampling technique namely “Random sampling” used in this study may influence the finding of the study.
- The data-gathering instrument is a source of error. The interview schedule used for the study despite pre-testing does remain a source of error. Moreover, the translation of the questions in Tamil could create response errors especially ambiguity in undertaking the question as well as the answer.
- One of the limitation of the study relates to the qualitative nature of several responses which could be analyzed properly only on the basis of scoring method. The result is limited to the reliability of the method used in measurement and analysis of the data.

## 7. SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS :

Economic growth and development of a country is determined by human, physical and financial resources. The objectives of any planned development are to develop human resource to their brimming utilization. The economic development of a nation is sparked largely to its enterprising spirit. In India, entrepreneurial world is men’s world predominately. Recent emphasis is, on the idea that woman can also contribute towards the economy of the nation. The low status of women in large segment of Indian society can be raised only by opening up of opportunities for self employment. Economic independence for all women with equal opportunities brings out their full potential as human beings instead of being considered appendages to males. Hence the present study makes an attempt, to identify the various motivational factors to start the enterprise and relationship between entrepreneurial performances. For the purpose of analysis, Women Entrepreneurship in have been chosen and various aspects of the women entrepreneurs have been analyzed. To analyze the motivation of Women Entrepreneurship in Pattukkottai taluka, a random sampling technique is adopted.

**8. FINDINGS OF THE STUDY:** A great majority 60.7% of the respondents are in the age group below 30.

- It is evident that, a majority of 64% respondents are in the migration from other places.
- Majority of 67% respondents belong to backward class.
- In India small scale industrial units are owned both by women entrepreneurs in Kerala, tops the list with 1.5 lakhs units, followed by Tamil Nadu with 1.40 lakhs units.
- This survey reveals that, a majority of 58.67% are unemployed
- The age period of most of the respondents’ enterprise is between 5-10 years.
- Majority of 46% respondents are running service enterprise.
- Only 42.3% respondents have experience of the enterprise.
- A majority of the 86.67% respondents is sole traders in the study area.
- A majority of 60.33% respondents are investing below Rs.1,00,000/-

- The majority of 54.67% respondents are running their business in the town limit.
- It is clear from the above table that, a great majority of 54.67% entrepreneurs have not registered their enterprise.
- A great majority of 70% the respondents have faced the problem in setting up and running the unit in the study area South Tamil Nadu
- A great majority of 52.14% respondents have faced the problem of financial difficulty in setting up and running the unit.
- It is clear that majority of 32% respondents have started their business with own financed.
- A majority of 66.67% respondents are not attended any entrepreneurial development Programme.
- The survey reveals that, for a great majority of 76% respondents opinioned that programme is very useful.
- The slackness in demand by the entrepreneurs ranked second by fetching a percentage 88.50
- The price control by the government of the entrepreneurs stood third by obtaining a percentage of 88.27.
- The difficulty in getting money from buyer after credit states of the entrepreneurs occupied the fourth position by getting a percentage of 87.77
- The absenteeism by the entrepreneurs ranked second by fetching a percentage 90.28
- The negative attitude of banks of the entrepreneurs stood third by obtaining percentage of 89.
- The lack of collateral security of the entrepreneurs occupied the fourth position by getting a percentage of 89.18
- The limited working capital ranked fifth with a percentage of 89.15
- The problem of inadequate assistance form financial agencies and banks occupied the sixth rank with a percentage of 80.81
- The excessive tension and challenges of the entrepreneurs stood third by obtaining percentage of 82.84
- The lack of leisure of the entrepreneurs occupied the fourth position by getting a percentage of 82
- The lack of proper training ranked fifth with a percentage of 88.8
- The problem of lack of systematic planning and working occupied the sixth rank with percentage of 80.54
- The High wage rates of the entrepreneurs stood third by obtaining a percentage of 81
- The high training cost of the entrepreneurs occupied the fourth position by getting a percentage of 78
- The lack of turn over ranked fifth with a percentage of 79
- The problem of Non-availability of skilled workers occupied the sixth rank with a percentage of 88.67
- The lack of storage facility of the entrepreneurs stood their by obtaining a percentage of 89.48
- The high transport cost of the entrepreneurs occupied the fourth position by getting ap percentage of 89.25
- High price ranked fifth with a percentage of 89.1
- The problem of lack of working capital occupied th sixth rank with a percentage of 89.04
- The lack of technological know how about the unit of the entrepreneurs occupied the fourth position by getting a percentage of 87.94
- The difficulty in maintenance and repairing machinery ranked fifth with a percentage of 87.57
- The lack of specialized skill to work on specific project of the entrepreneurs stood sixth by obtaining a percentage of 87.30
- The non availability of professional managers ranked seventh with a percentage of 76.92

## 9. SUGGESTIONS:

- Central and State Governments should assist SSI entrepreneurs to participate to participate in international trade fairs, exhibition and conferences.
- The family members of SSI entrepreneurs should also actively participate and extend all possible support in the matter of managing units set up by women entrepreneurs.
- The legislative measures for dealing with problems of small scale units run by SSI entrepreneurs should by relaxed and more liberal policies should be adopted.
- Adequate Training programmes to women including mobile training centers.

## **10. CONCLUSION:**

Many of the authors and researchers are of the view that the success of an enterprise largely depends on the orientation of an entrepreneur in the family towards business. This orientation leads to a higher level of commitment and greater degree of probability of success. Many of the Small scale units and startups found successful today are largely being promoted by entrepreneurs with solid work experience. The factors like change from present life style, childhood family environment, education, personal values, age, work history, role models and support systems, moral support network and professional support network which goes in building successful entrepreneurs. In the present study many of the SSI entrepreneurs in Pudukkottai district startups found successful today are largely being promoted by entrepreneurs with solid work experience. The factors like change from present life style, childhood family environment, education, personal values, age, work history, role models and support systems, moral support network and professional support network which goes in building successful entrepreneurs. Ambitions alone are not sufficient for entrepreneurship to emerge. They are to be transformed into reality and entrepreneurs have to work in order to materialize these ambitions. This requires a positive outlook, encouragement, and drive apart from capital and other infrastructural prerequisites. Factors like previous experience in the same line of activity, the availability of investible surplus, encouragement from family members and friends and others, getting hold of a new idea, product of marketing possibility, government help etc., are some of the factors that influence entrepreneurial motivation.

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