

PROBLEMS AND PROSPECT OF RIG ENTREPRENEURS WITH SPECIAL REFERENCE TO NAMAKKAL DISTRICT

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ABSTRACT

Generally an entrepreneurs are driven to achieve success in their business along with the qualities of a Leader, Manager, Dreamer, Innovator, risk taker, continues learner, decision maker & most important is to implement all these qualities into the work. There are a lot of examples of the entrepreneurs in North East India who are now called synonymous of 'Success'. They saw the bigger picture but wisely started their business as a very small unit. Entrepreneurs set the example of turning their dream into reality. And the story behind to achieve the dreams into reality is to set massive goals for themselves and stay committed to achieving them regardless of the obstacles they get in the way, with the ambition and the unmatched passion towards achieving the goal. It looks fascinating, attractive and motivating after listening stories of the entrepreneurs, but success is not as easy as it looks always. There are some obstacles which we call the challenges to overcome by looking forward the prospects to be a successful entrepreneur. This research paper focuses on the challenges available in the rig Indian market by en-cashing the possibilities and prospects of the same to be a successful entrepreneur. The study is mainly aimed problems and prospects of rig entrepreneurs particularly in Namakkal district

INTRODUCTION

Marketing efficiency is one of the most important factors for the success of an entrepreneur. Against this background, an attempt is made to analyse the marketing problems faced by the entrepreneurs and different marketing problems faced by the sample entrepreneurs. The analysis of the problems faced by the rig enterprises was taken up with a view to evaluate the entrepreneurship on the basis of their magnitude and the intensity. Here, the self-assessment of the problems faced by the rig entrepreneurs themselves was sought. They were asked about the problems which were faced by them as regards marketing, raw materials, power, labour, finance and internal management of the business. The rig

entrepreneurs were asked to mark out the major problems faced by them. They were further asked to specify the nature of particular problems. For example, if the problem faced was relating to marketing, the entrepreneurs were asked to clearly specify whether it is a problem of competition from other small units, competition from large units, slackness in demand, lack of advertising efforts, transport problems or any other problems. In the same way, the enquiry into other major problems is also made.

Entrepreneurship is the activity of venturing into new enterprises. As distinct from management, entrepreneurship is the creation of new enterprises to meet new challenges and opportunities presented by a given situation. It is a process of bearing a non-insurable risk as to achieve business objectives (Awe, 2006). Thus, entrepreneur perceives the commercial potency of an idea mobilizes the needed resources and provides the force to detonate the commercial exploitation of the business idea, the business idea then turns into a commercial venture; which adds economic value and has profit as its main objective. Consultants have had to prepare feasibility reports on a number of occasions. It might be for a start-up business or for the expansion of an existing one. As countries develop industries become more complex. This is a direct outcome of technological improvements that increase alternatives in production methods. Information flows more freely and even more easily than ever.

Rig Entrepreneur is one of the important inputs in the economic development of a country or of regions within the country. Entrepreneurial competence makes all the difference in the rates of economic growth. The small-scale industrial sector and business are left completely by private entrepreneurs. Several factors go into the making of an entrepreneur. Individuals, who initiate, establish, maintain and expand new enterprises, constitute the entrepreneurial class. The socio-political and economic conditions, the availability of industrial technology and know-how, state of art and culture of business and trading, existence of markets for products and services and the incentives and facilities available for starting an industry or business, all have a bearing on the growth of entrepreneurship. Conducive environment is created through the policies and interest of the government in economic and industrial development. Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services, and generating taxes for governments. That is why entrepreneurship has closely been linked to economic growth in the literature on the subject. India has been growing at a relatively high rate in the last few years, and is likely to be the largest economy in the world by 2050

PROBLEMS FACED BY RIG ENTREPRENEURS

Unstable Political System- The various crises rocking the various Governments at the three-tiers of government causes certainty and increased the risk associated with investments.

Poor Government Policy- Though the government of India is fully aware of the importance of entrepreneurial development, yet we do not have a proper national policy on entrepreneurship (Rig & Borewells). It is expected that the government will formulate and enforce a policy aimed at promoting balanced regional development of various areas through promotion of Rig entrepreneurs.

Poor Response of Financial Institutions- Rig Entrepreneurs are not able to offer collateral security for the grant of loans. Banks are not prepared to play with the public money and hence they impose various conditions for the grant of loans, these entrepreneurs who fail to comply with the conditions are not able to get loan and hence, the dream of starting-up their own entrepreneurship is shattered. Helpful attitude of lending institutions will go a long way in stimulating entrepreneurial climate.

Lack of education- Rig entrepreneurs are lagging far behind in the field of education. Most of them (around sixty per cent of total) are illiterate. Due to lack of proper education, Rig entrepreneurs remain in dark about the development of new technology, new methods, and other governmental support which will encourage them to flourish.

Tough competition- Usually Rig entrepreneurs employ low technology in the process of production. In a market where the competition is too high, they have to fight hard to survive in the market against the organized sector and capacity to adopt advanced technology in managing enterprises.

Lack of entrepreneurial aptitude - Lack of entrepreneurial aptitude is a matter of concern for Rig entrepreneurs. They have no entrepreneurial bent mind. Even after attending various training programmes on entrepreneurship they are failed to tide over the risks and troubles that may come up in an organizational working

Limited managerial ability - Management has become a specialized job which only efficient managers perform. Rig entrepreneurs are not efficient in managerial functions like planning, organizing, controlling, coordinating, staffing, directing, motivating etc. of an enterprise.

Legal formalities - Fulfilling the legal formalities required for running a business becomes an upheaval task on the part of a Rig entrepreneur because of the prevalence of corrupt practices in government offices and procedural delays for various licenses, and etc.,. In such

situations they find it hard to concentrate on the smooth working of the business.

Low skill level of workers - Most of the entrepreneurs of rural areas is unable to find workers with high skills. Turnover rates are also high in this case. They have to be provided with on the job training and their training is generally a serious problem for the entrepreneur as they are mostly uneducated and they have to be taught in the local language which they understand easily.

Lack of self-confidence - Arig entrepreneurs because of their inherent nature, lack of self-confidence which is essentially a motivating factor in running a business successfully. They have to strive hard to strike a balance between managing a family and managing a business.

Conclusion In summary, one can learn the following things from my study project. First, entrepreneurs are going to be the backbone of any country so that economic development depends upon them. Second, government must frame the policies to motivate the Rig and the financial institutions must try to close a financial gap by providing a diverse portfolio of financial products to underserved communities

REVIEW OF LITERATURE

Timmons, J.A., (2010) highlighted the cultural and psychological factors influencing the entrepreneurship in rural areas. It is mentioned that most people in rural areas are engaged in the traditional occupations which are land-based and, therefore, had developed an orientation to think of their occupational life in term of interaction with land and whatever it can produce. Therefore, gradually an attempt has to be made to diversify large sections of the rural people who are guided by traditional culture in their occupational choices to occupations in the non-traditional areas like small scale, cottage and household industries,etc.

Petrin (2012) in another article concluded that rural development is now being largely linked to entrepreneurship. It acts as a vehicle to improve the quality of life for individuals, families and communities in order to sustain a healthy economy and environment.

GhoshBishwanath, (2015) found that the rural entrepreneurs started their enterprises as a part time activity in small villages while it is a main business in the large villages. The fathers of the most rural entrepreneurs were businessmen and they are engaged in the same line of business or allied line of business. Majority of the rural entrepreneurs purchase their materials once in a month. The major problem of the rural entrepreneur is credit sale because the demand characteristics for a product are closely connected with agricultural income.

Ashokan, (2016)¹, B.C Mitchell, (2004)³, Jayanta Kr. Gopal, (2004)⁸, Prabha Devi,(2005)⁵, stated that rurality defines a territorially specific entrepreneurial milieu with distinct physical, social and economic characteristics. Location, natural resources and the landscape, social

capital, rural governance, business and social networks, as well as information and communication technologies, exert dynamic and complex influences on entrepreneurial activity in rural areas.

VenkateshBabu, (2012)opinioned that rural entrepreneurship should not only set up enterprises in rural areas but should be also using rural produce as raw material and employing rural people in their production processes. Rig entrepreneurship is, in essence, that entrepreneurship which ensures value addition to rural resources in rural areas engaging largely rural human resources. In other words, this means that finished products are produced in rural areas out of resources obtained in rural areas by largely rural people.

OBJECTIVES OF THE STUDY

The purpose of the study is to identify the problems encountered by rig entrepreneur and to suggest such measures as would solve them. The detailed objectives to the study are as follows:

- To enquire into the socio-economic background of rig entrepreneurs in NamakkalDistrict
- To examine the problems of rig entrepreneurs related to financial problems and labour in NamakkalDistrict.
- To find out the sources of capital raised for starting the business of rig entrepreneurs
- To study the Opinions on Prospects of rig Entrepreneurship Development in study area
- To give appropriate prospects to overcome the problems of rig entrepreneurs in NamakkalDistrict.

METHODOLOGY OF THE STUDY

In order to accomplish the objectives, the present study is mainly based on both primary and secondary sources of information.

The primary data has been collected mainly from extensive field survey of the sample units. To obtain primary information, personal interview has been conducted through well designed questionnaires especially prepared in view of the objectives of the study. The secondary data is mainly congregated from published and unpublished works on the related topics. Census reports, economic surveys, journals, newspapers were major source for secondary information. Moreover, web resources also an important source of secondary information. Sources of capital rose for starting.

TABLE NO : 01

SOURCES OF CAPITAL RAISED FOR STARTING THE BUSINESS

Sources of Capital	Frequency	Percentage
Own Capital	66	27.27
Loans from Financial Institutions	72	29.75
Sale of properties	55	22.73
Loans from friends and relatives	39	16.12
Any other (Specify)	10	4.13
Total	242	100

Sources: Primary data

The above table focuses on the sources of capital raised for starting the business, and the results reveal that majority of 29.75 per cent entrepreneurs raised their capital in the form of loans from financial institutions, 27.27 per cent entrepreneurs raised their own capital, and 22.73 per cent entrepreneurs gathered their capital by selling their properties. However, the proportion of entrepreneurs who raised capital in the form of loans from friends and relatives is 16.12 per cent and 4.13 per cent from other sources.

It can be inferred from the above analysis that there is a dire need for the government to take initiatives in promoting rig entrepreneurship by providing easy access to loans from financial institutions. This action of government develops rig entrepreneurship which in turn leads to economic development of the nation as a whole.

TABLE NO: 02

Respondents Opinions on Government Role on Entrepreneurship Development

Government role on Entrepreneurship	Excellent	Good	Neutral	Average	Poor	Mean	SD	Percentage Score
Role of State and Central Governments in the development of rig Entrepreneurship in India	6.7	18.3	11.7	48.3	15	2.53	1.16	38.3
Government policies and schemes towards rig Entrepreneurship development	3.3	25	23.3	31.7	16.7	2.67	1.13	41.6
Implementation of rig Entrepreneurship Development Programmes by State and Central	11.7	10	46.7	31.7	--	2.02	0.95	25.4

Governments in India								
Finance support provided by the State and Central Government for Entrepreneurship Development	6.7	20	16.7	33.3	23.3	2.53	1.24	38.3
Finance support provided by the private organizations like Banks and finance Institutes for rig Entrepreneurship Development	6.7	33.3	16.7	28.3	15	2.88	1.22	47.08
Average Percentage	7.02	21.32	23.02	34.65	14.00	2.53	1.14	38.17

Analysis:-

F-Value: 4.604, P-value: 0.001 the average percentage score of all the statements is 38.17 Which is 1/3rd of 100 which reveals that only 1/ 3rd percentage respondents are opined positively on government role on rig entrepreneurship. Further, the differences in the percentages score among the five statements are statistically significant as per the significant p-value of ANOVA test mentioned above. Further, the percentage score are all below 50% which shows that government does not support to grow rig entrepreneurship development in India.

TABLE NO: 03
Respondents Opinions on Prospects of Rig Entrepreneurship Development

Prospects on Entrepreneurship	Excellent	Good	Neutral	Average	Poor	Mean	SD	Percentage Score
Rig Entrepreneurship Development promotes Economic Development of India	33.3	53.3	10	3.3	--	4.17	0.74	79.17
Entrepreneurship promotes to development of India	40	50	6.7	3.3	--	4.27	0.73	81.67
Entrepreneurship development creates jobs which reduce unemployment in India	61.7	35	3.3	--	--	4.58	0.56	89.58
State and Central Governments focus on Entrepreneurship development programmes for economic growth and development of Indian Economy.	16.7	20	38.3	18.3	6.7	3.22	1.14	55.42

Entrepreneurship development helps to increase gross national product as well as per capita income of the people in our nation.	50	41.7	5	3.3	--	4.38	0.74	84.58
Average Percentage	40.35	40.01	12.66	5.64	1.34	4.12	0.78	78.08

Analysis:-

F-Value: 25.779, P-value: 0.000

The percentage score of third prospect “Entrepreneurship development creates jobs which reduce unemployment in India”(89.58) is significantly higher than the remaining four prospects followed by the second Prospect. Further a very less majority of the respondents are in view with the four prospect i.e., State and Central Governments are not satisfactory in focus for economic growth and development of Indian Economy

CONCLUSION

Thus, the problems faced by the rig entrepreneurs are multi-dimensional which can be solved by coordinated efforts of entrepreneurs, supporting institutions and government agencies without red-tapism and bureaucratic attitude. The entrepreneurs should be educated and proper training should be given so that the entrepreneurial mind would be strengthened. Therefore, the need of the hour is to strengthen the sector so that it could adapt to the liberalized environment and contribute to the state’s economy. In summary, one can learn the following things from my study project. First, entrepreneurs are going to be the backbone of any country so that economic development depends upon them. Second, government must frame the policies to motivate the Rig and the financial institutions must try to close a financial gap by providing a diverse portfolio of financial products to underserved communities.

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