



PROBLEMS OF ENTREPRENEURSHIP AMONG COLLEGE STUDENTS- A STUDY WITH REFERENCE TO CHENNAI CITY

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Introduction

In the current scenario, the government as well as the organised sector together can create job opportunities far less than the demand. The only viable option left is to orient more and more youth into the fold of entrepreneurship. Since the youth are going to be the drivers of the development process, it is high time to ensure that they are equipped with appropriate skill-sets and resources to take-up gainful economic activities and thus contribute towards economic growth and development. (Tripathi P.S, Pandey R.K, Dubey S.K and Mishra O.N, 2013). However several problems emerge in this regard.

One reason why young people struggle to sustain their business is that their business model is often focused on low entry barrier and low value added sectors. This exposes them to very competitive marketplaces. There is potential value, therefore, in actively targeting assistance to young people who can identify particular niches or innovative sectors. More needs to be known about the efficacy of different types of finance to address the undercapitalization of businesses set up by young people. This is important because undercapitalized businesses are more likely to fail. What is clear from the evidence is that, even with support, young people's businesses remain significantly undercapitalized. (OECD report 2013)

From a recent study done, it is evident that, the major hurdle faced is mostly financial (41%), like lack of access to funds, lack of capitals, inability to avail loans and so on. Others include political or economic landscape, failure to set up a team, fear of failure in the mentioned order.

Many new businesses fail to survive in their initial periods and never take off. This depends upon various factors like risks, resources and so on. Women entrepreneurs face problems in getting finances for their business, management of business, marketing and in hiring suitable workers for their business, Lack of related field experience and Unfavourable market behaviour, Non-availability of raw material, lack of related skills, Un-skilled group members and Shortage of working capital, lack of entrepreneurial and management competence and exposure, problems in finding markets and distribution networks, absence of technological know-how, lack of support from family, lack of education and skills. (Sumaira Aslam, Madiha Latif and Muhammad Wasim Aslam, 2013).

The central as well as state governments in India are taking so many steps to promote entrepreneurial activities. But the simple announcement of concessions and other policies may not lead to entrepreneurial activities unless people are convinced about it. (Krishna Kumar Agarwal, Rajesh Kumar Upadhyay ,2009). Once these obstacles are cleared at least to some extent automatically students will be motivated to get entrepreneurial intention which ultimately enable them to start and establish their business.

Review of Literature

The literature review serves as a framework of reference while data is being collected, processed and interpreted. The literature review forms a vital component of the research process. The aim of the literature review is to provide a set of explanatory concepts related to entrepreneurship.

Entrepreneurship is likely to flourish among the present youth but lack of entrepreneurial skills and prior experience is the limiting factor that affects the growth and the success of the businesses. (AT Agbenyegah, 2013) .Many youngsters are not willing to take up entrepreneurship as their career because of the fear of the risk. The risk determines entrepreneurial survival. (Matthias Brachert, Walter Hyll, Mirko Titze ,2014). Like leaders, some entrepreneurs are born and some are made. "Entrepreneurs can be taught and made." In India, illiteracy has been the main stumbling block for entrepreneurship development. Therefore, the first step to adopt is to provide suitable education and training to the people. The encouragement and development of entrepreneurship culture should become the core part of our education system, so that the young men and women can become "job givers" and not "job seekers". (Suresh Mallya L, 2011).

Another study, clearly states the obstacles faced by entrepreneurs. They are mostly believed to be administrative (37%), followed by various forms of communication, management of staff, invoicing and book keeping , branding and marketing.



The main factors which affects the youth is their attitude towards entrepreneurship. Students have problem in lack of capital and this is a main barrier in entrepreneurship as a career. Students have their perception, that parents' having their own business has greater impact on their children's career as an entrepreneur. (Dr. Suhas B. Diwate , Rohini Shivankar, 2015): Youth perceive lack of capital, lack of skill, lack of support, lack of market opportunities and the risk. (Gilbert O. Boateng, Takoradi Polytechnic, Akwasi A. Boateng, Harry S. Bampoe , 2014).

Francis Green recommends a pilot project which tests which forms of finance are best able to support young entrepreneurs. It should also consider what amount of finance young people need to start up businesses (OECD report 2013) Former work experience and personal skills including access to working premises, market linkage and trainings affect women entrepreneurial start-ups. (Singh, G. and R. Belwal, 2008) Business education is contributing to the development of entrepreneurial capabilities but, there is a lack of entrepreneurial Skills Building Courses in all the public and private universities. (Rai Sachin and Dubey Shefali ,2012) .

There is a gap exists between the entrepreneurial intentions and action amongst young people. Also there is a need for training and mentoring for youth entrepreneurs, to identify the specific requirements of youth entrepreneurs. Monitoring and evaluation programmes are not effective; therefore it is important to have new programmes to increase their effectiveness. (Seminar organised by the OECD and the European Commission, Brussels, 2014) Entrepreneurship education leads to the acquisition of wealth as well alleviate poverty and improve Competencies. It provides students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of setting.(Idayat Jumoke Salaudeen ,2015). Most of the entrepreneurs of rural areas are unable to find workers with high skills. 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.(Brijesh Patel, Kirit Chavda ,2013)

Oversupply of graduate manpower pay more attention to entrepreneurship education as a fundamental issue in creating job opportunities among the younger generation (Golnaz Rezai, Zainalabidin Mohamed, Mad Nasir Shamsudin, 2011). Entrepreneurship education can be an important component of economic strategies for fostering job creation.(Sundar C. & Madhavan B., 2013). Students can become entrepreneurs through right grooming by ensuring better entrepreneurship program as well as the curriculum. (Muhammad Amsal. S, Dileep Kumar, M., & Subramaniam Sri Ramalu, 2014).

From the above literature reviews it is clear that , the challenges faced by entrepreneurship are lack of capital, lack of skill, lack of support, lack of market opportunities and risk and the main obstacles is lack of entrepreneurial Skills Building Courses in all the public and private universities.

Research Gap

Every academic year thousands of students are graduating from different colleges and institutions across the city. On completing their graduation, some look out for job opportunities, some are lucky to get into big MNC's by interviews based on merit, some will pursue higher degrees, and a considerable amount of graduates remain unemployed. Among those who take up a job, they are forced to continue because of their financial circumstances to draw a good substantial income. In such cases most of the students ends up devoting their entire work life to the welfare of company, remaining loyal to it and enhance its growth and development. This kind of employment is demanding and stressful. At the end of it, all they work hard for the growth of a company that is not their's. This brings in the question – "How else can a graduate student find a satisfying job with a good source of income?" This is where entrepreneurship comes into play.

Previous studies clearly point out that, entrepreneurship is indispensable for the overall development of the nation. There are number of studies have been undertaken in India and other countries as well to investigate the various aspects of entrepreneurship. Studies indicate that factors like the attitude of the students, motivation level of the students, entrepreneurship skills, family business, and intention to become an entrepreneur, societal recognition or educational institutions influencing entrepreneurship.

Different researchers have been engaged in finding empirical evidence related to the important aspect of entrepreneurship and different findings have been provided by them. These studies related to various college students like Business Department Students in Technological Colleges and Universities in Taiwan, Business and Counselling Students in Lagos State University, Malaysian Community College Students, and the entrepreneurship potential among students from various universities of Pakistan and so on.

Since the overall development of a nation is closely depends on the development of entrepreneurship especially among young college students, **the present study has conducted to investigate the influence of entrepreneurship skills among college**

students of various arts and science colleges in Chennai city. The reason for conducting this study is because entrepreneurship is the key factor to develop country's economic growth and to face the increasing trends of globalization. This may help academicians and other stakeholders of educational sector to ensure the present educational system has a significant impact on grooming and developing entrepreneurship skills among the graduates.

Methodology

This study is based on both primary and secondary data. The primary data is collected through a structured questionnaire where as secondary data is obtained through reports, journals and magazines.

Sample Collection

After deriving the structured questionnaire from the literature reviews and tested questionnaire the researcher intended to collect the sample from arts and science college students in Chennai city. Convenience sampling method is applied to collect the sample from B.Com, B.Se and other Arts group students conveniently. The researcher made the personal inter action with students and ascertain the curiosity to become an entrepreneur through the appropriate responses to the questionnaire.

Sample size

The researcher visited two pure government colleges, two government aided colleges and two self – financing colleges. In each college the researcher collected 30 questionnaires 10 each to B.Com, B.Se other arts and science groups out of 180 questionnaires the researcher is able to found that 19 of them are not filled properly the remaining 161 questionnaires considered for the research. Hence, the sample size of the study is 161 samples.

Data analysis

After obtaining the appropriate 161 samples, the researcher entered the data and converted the responses into numerical values. These numerical data were analysed through Factor Analysis, Linear, Multiple Regression Analysis and Analysis of Variance.

Analysis and Discussions

In this section the researcher analysed the primary data obtained from the college students by using the multivariate statistical technique .At the point of inception the researcher exploited the factor analysis by principle component method and obtained the following result:

Factor analysis by principle component method is applied on 9 variables of problems.

Table .1, Total Variance Explained for analysis by principle component method is applied on 9 variables of problems.

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.391	37.675	37.675	3.319	36.879	36.879
2	1.232	13.688	51.363	1.304	14.484	51.363
3	.994	11.045	62.408			
4	.814	9.046	71.455			
5	.670	7.443	78.897			
6	.630	7.004	85.901			
7	.494	5.487	91.388			
8	.428	4.756	96.144			
9	.347	3.856	100.000			

Extraction Method: Principal Component Analysis.

Table .2, Rotated Component Matrix for analysis by principle component method is applied on 9 variables of financial problems.

	Component	
	1	2
Problem38	.825	
Problem34	.789	

Problem36	.751	
Problem35	.726	
Problem37	.660	
Problem33	.504	
Problem31		.739
Problem30		.554
Problem32		-.437

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

From the tables .1 and .2, it is ascertained that the variables explain 51.363% of the total variance and two factors are extracted. The first factor is called “skill lacking” (SLG) and the second factor is named as “Training and Risk” (TRK) due to following factor loadings.

Factor 1

1. Lack of entrepreneurial skills and prior experience
2. Fear of the risk
3. Suitable entrepreneurship education and training
4. Development of entrepreneurship culture
5. Right grooming by ensuring better entrepreneurship program
6. Lack of entrepreneurial skills and prior experience

Factor 2

1. Fear of the risk
2. Suitable entrepreneurship education and training
3. Lack of related field experience

The one sample t-test and paired sample test are applied on the factors of financial problems. The factors SLG (mean = 4.37) is prevailing more in SMEs in Chennai and Trivalluvar district followed by TRK (mean = 3.78). Between these two financial problems SLG has more vigour in affecting the progress of student entrepreneurs.

Table .3,One-Sample Statistics for principle component method is applied on 9 variables of problems.

	N	Mean	Std. Deviation	Std. Error Mean
SLG	161	4.3673	.69770	.03480
TRK	161	3.7819	.83012	.04140

Table 3 clearly revealed that SRG (mean=4.37) is existing more than TRK (mean=3.78). The significance of the mean is checked by the following one sample t-test

Table .4,One-Sample Test for principle component method is applied on 9 variables of financial problems.

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
SLG	39.293	160	.000	1.36733	1.2989	1.4357
TRK	18.886	160	.000	.78192	.7005	.8633

Table .4 revealed that both the IRDP (t=39.293) and LD (t=18.886) are significant among the college students.

Table .5,Paired Samples Test

	t	df	Sig. (2-tailed)
Pair 1 SLG - TRK	12.991	160	.000

Table 5 indicates that there is a significant difference between the two problems of college students. Between these two factors, the SLG is dominant factor affecting the SME than TRK. It is ascertained that the college students in Chennai are continuously affected by the problems lack of acquiring skills before they start their business. They are not able to obtain their entrepreneurial skills in time. They are not exposed adequate training opportunities by the educational institutions or the state or central government. Most of them are demoralized by the risk involved in the business venture.

Findings and Conclusions

The rigorous statistical analysis reveals that the entrepreneurship predominantly faced the problem of bad experience of students on the point of inception, difficulty in coping up with the risk and limited education and relevant skills. It is found that all the students unanimously revealed that they have economic problems and fear of failure in the business and non availability of training program. It was suggested that the government and non government organizations should come forward to train the young entrepreneurs and to give continuous motivation to them. This would enable them to have grand success in acquiring the entrepreneurial skills as well as in their entrepreneurship.

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