

Problems faced by Rig entrepreneurs in Namakkal District, Tamilnadu, India

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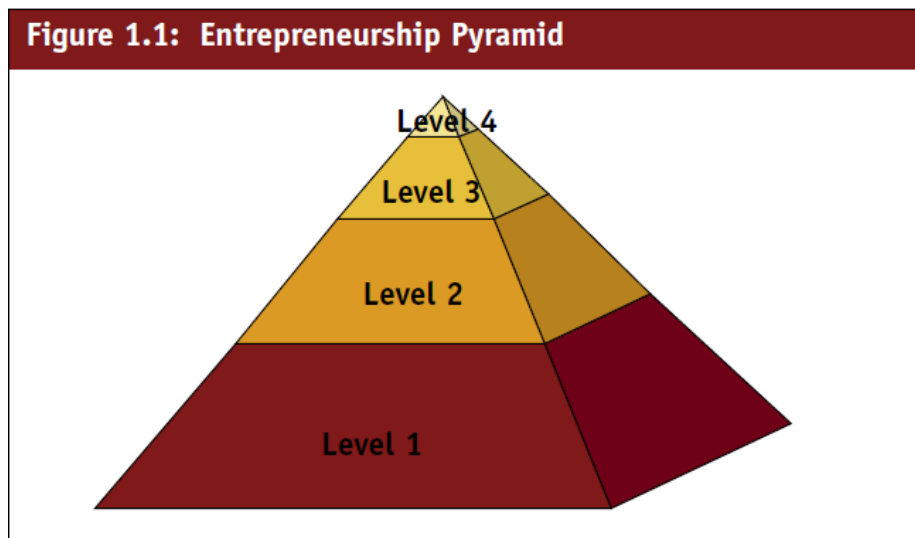
Abstract: Entrepreneur is one of the important inputs in the economic development of a country or of regions within the country. Entrepreneurial competence makes all the difference in the rates of economic growth. As the only source to unemployment, they definitely opt for a career in entrepreneurship. There is no need to possess previous experiences in business or no need to run the family business. The act of setting up an innovative business or invigorating an existing business in order to take advantages from new opportunities and take risk from new challenges is defined as Entrepreneurship. Entrepreneurs shape the economy by creating wealth and provide jobs to others and also are involved in creating innovative products and services. The relevance of entrepreneurship and business management practices to the development of any nation cannot be over-emphasized. Data for this study was basically an evaluative approach. The study seeks to assess the problems and to ascertain the challenges of Rig entrepreneurs in Namakkal District Tamilnadu, India. The study was carried out primarily through the survey method and interview of entrepreneurs in the selected region. Secondary data were obtained through books, journals, and internet.

Introduction

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. 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.

Entrepreneurship Pyramid



Source: Entrepreneurship in India, National Knowledge Commission 2008

level 1	<ul style="list-style-type: none">• Agriculture and other activities: Crop production, Plantation, Forestry, Livestock, Fishing, Mining and Quarrying.
Level 2	<ul style="list-style-type: none">• Trading services: Wholesale and retail trade; Hotels and restaurants
Level 3	<ul style="list-style-type: none">• Old economy or traditional sectors: Manufacturing, Electricity, Gas and Water supply
Level 4	<ul style="list-style-type: none">• Emerging sectors (including knowledge intensive sectors) : IT, Finance, Insurance and Business services, Construction, Community, Social & Personal Services, Supply Chain, Transport-Storage-Communications etc.

Literature Review

The Concept of Total Quality Management (TQM) is applicable to the study. Total Quality Management is total in three senses, namely the process, the job, and the person. First, it covers every process involved in arriving at the final product, namely the planning, designing, maintenance, accounting, marketing, manufacturing/creating in the job place. Secondly, total quality is total in the sense that, it covers every job, as opposed to only those involved in making the product. Business men and women, as well as entrepreneurs for example, constitute a major link in the services chain as they are to ensure quality services delivery in business activities. Third, total quality recognizes that each person is responsible for the quality of business management strategies and entrepreneurship development practices. Total quality also radically alters the nature and basic operating philosophy of business management practices. The specialized separated system developed early in the twentieth century is replaced by a system of mutual feedback and close interaction of different sectors of the nation's economy. Empowering all entrepreneurs and business managers on how to apply process control and improvement. Performance techniques make them party to their own destiny and enable them to achieve their fullest potentials.

Meredith (1992) sees entrepreneurs as people who have the ability to see and evaluate business opportunities to gather the necessary resources to take advantage of them and to initiate appropriate action to ensure success.

Hisrich and Peters (2002) see entrepreneur as a person who searches for change, who responds to the change and who exploits the change as an opportunity. They, thus see the entrepreneurs as someone, who is proactive, unassuming and ready to move at the slightest opportunity, who pursues the opportunity and brings together all factors of production to make profits.

Clark (1999) described business management as the control and supervision of a company's business asset and operations; the group of people who control and administer a company's business activities as distinct from the workforce.

Adeusi and Kolapo (2006) noted that management is said to do with the control and having decision in a business organization. Hence, effective business management they said is the desire of producing an intended result in the process of control and decision making in any business operation.

crucial for success as an entrepreneur — such as business thinking (69%), optimism (66%), and persistence (65%) — which suggests a wealth of entrepreneurial capacity.

An **effectual** Entrepreneur requires certain additional essential qualities, which can be listed as follows.

- Innovative thinking and farsightedness.
- Often relatively comfortable with ambiguity, uncertainty and risk.
- Quick and effective choice making skill.
- Strongly influence events (or self-efficacy).
- Strong determination.
- Have high levels of work motivation.
- Preparedness to take risks.
- Characterized by high levels of social competence and social intelligence
- Accepting changes in right time.
- Has an ability to build relationships and to connect with others on a social and interpersonal level
- Access and alertness to latest scientific and technological information.
- Single-minded and devoted to their unique passions.
- Efficient execution of decisions imposed on them.
- May judge ambiguous business conditions in more positive, enthusiastic, and optimistic terms.
- Takes advantage of resources such as mentoring, counselling and other small business development assistance.
- Patience and bearing the sufferings on behalf of others.
- Has some blend of critical analytical thinking, creativity, and practical implementation of ideas.
- Ability to work physically more at any age.

Problems faced by Rig entrepreneurs:

Unstable Political System

The various crisis 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 in Namakkal, Tamilnadu, India 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 organised 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 are 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:

A rig entrepreneur 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.

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