ENTREPRENEURSHIP IN INDIA: A CASE STUDY OF YOUNG ENTREPRENEURS IN NCR DELHI

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ABSTRACT

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world. In the present study we tried to examine the entrepreneurship pattern and the challenges behind the growth of entrepreneurship in India. A Sample of 200 respondents has been taken for the study. We found that India has a great pool of talent and it is necessary to retain it in the country for the development of the nation. And thus entrepreneurship is the best way to use this talent in a progressive way. The present study recommended that the Government should arrange special training programs of entrepreneurial development and shall introduce special rates at which the emerging entrepreneurs can take loan so that they are able to bud and survive in cost-cutting competition.

KEYWORDS: Entrepreneurship, Cost-Cutting, Initiatives, Innovation

INTRODUCTION

The word “entrepreneur” is derived from the French verb entreprendre, which means ‘to undertake’. This refers to those who “undertake” the risk of new enterprises. An enterprise is created by an entrepreneur. The process of creation is called “entrepreneurship” The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.

Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

Characteristics of Entrepreneurship:
Economic and dynamic activity: Entrepreneurship is an economic activity because it involves the creation and operation of an enterprise with a view to creating value or wealth by ensuring optimum utilisation of scarce resources. Since this value creation activity is performed continuously in the midst of uncertain business environment, therefore, entrepreneurship is regarded as a dynamic force.

Related to innovation: Entrepreneurship involves a continuous search for new ideas. Entrepreneurship compels an individual to continuously evaluate the existing modes of business operations so that more efficient and effective systems can be evolved and adopted. In other words, entrepreneurship is a continuous effort for synergy (optimization of performance) in organizations.

Profit potential: Profit potential is the likely level of return or compensation to the entrepreneur for taking on the risk of developing an idea into an actual business venture.” Without profit potential, the efforts of entrepreneurs would remain only an abstract and a theoretical leisure activity.

Risk bearing: The essence of entrepreneurship is the ‘willingness to assume risk’ arising out of the creation and implementation of new ideas. New ideas are always tentative and their results may not be instantaneous and positive.

An entrepreneur has to have patience to see his efforts bear fruit. In the intervening period (time gap between the conception and implementation of an idea and its results), an entrepreneur has to assume risk. If an entrepreneur does not have the willingness to assume risk, entrepreneurship would never succeed.

CURRENT SCENARIO: India currently has more than 48 million small businesses, double the number of the small companies here in the U.S. (23 million). According to a report by Business Today (India). Breakdowns among the top industries are as follows

Retail(except motor vehicles): 40%
Clothing manufacturing: 8.75%
Food & Beverage: 7%
Services: 6.2%
Auto (sales, maintenance, repairs): 3.6%

Furniture: 3.2% According to Indian government data, Micro, Small and Medium Enterprises (MSME) contribute nearly 8 percent of the country's GDP, 45 percent of the manufacturing output, and 40 percent of the country's total exports. Small businesses in India create 1.3 million jobs every year and provide the largest share of employment after agriculture. They play a significant role in the country's GDP. Yet, only 7% of people used their savings account to start a business (the proportion is even smaller for those in the bottom 40% of the income distribution).

A last-placed ranking on small business ownership is evidently not for want of good ideas, as India scores fourth on a measure of patent applications. But budding entrepreneurs are held back by red tape and an inefficient justice system, with relatively low rankings for indicators such as
the time and cost of starting a business, enforcing a contract and resolving insolvency.

Ministry of MSME, Govt. of India

Schemes for Entrepreneurs: Government of India operates many schemes for the benefit of existing and prospective entrepreneurs. Schemes for existing entrepreneurs help the MSMEs to upgrade their technology, to develop their market, to acquire international/national quality standards, to adopt energy saving measures, to enter export market etc. The schemes aim to increase the competitiveness of the MSMEs by adopting these measures. Schemes of MSMEs:

1. Credit Guarantee Scheme for collateral free loan
2. Credit linked Capital Subsidy scheme for technology upgradation
3. ISO 9000/14000 expenses reimbursement scheme
4. Participation in International Trade Fairs
5. MSE-Cluster Development Scheme
6. National Awards

NMCP Schemes:

1. Bar Coding Scheme
2. Lean Manufacturing
4. Design Clinic
5. Business Incubators
6. Mini Tool Room
7. Technology and Quality Upgradation
8. Marketing assistance and Technology upgradation
9. Intellectual Property Rights
10. Information & Communication Technology
Indian Industry Associations

These associations provide support & strength to the entrepreneurs & the organizations they setup. Additionally, industry association networks are crucial in steering government policy & action as well.

- National Bank for Agriculture & Rural Development (NABARD)
- Laghu Udyog Bharati (LUB)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Federation of Indian Micro and Small & Medium Enterprises (FISME)

LITERATURE REVIEW:

RRG Javalgi (2011) in his article "Entrepreneurial orientation, management commitment, and human capital: The internationalization of SMEs in India" extends the literature addressing the relationships surrounding the internationalization of SMEs in India as related to entrepreneurial behavior, firm resources, and commitment to internationalization. Entrepreneurial orientation, a commitment to internationalization, and the ability to leverage human capital influence the international success of Indian SMEs, based on the analysis of data collected from 150 Indian SMEs. Research concerning the internationalization of SMEs is available in the context of developed economies but less is can be found dealing specifically with the entrepreneurial behavior and international expansion of SMEs in emerging markets such as India. Punita Bhatt Datta (2012) in her article “Empowering Women Through Social Entrepreneurship: Case Study of a Women's Cooperative in India” explains how Women's cooperatives offer self-employment opportunities that can contribute to women's social inclusion and empowerment. This article seeks to broaden existing understandings of women's entrepreneurship by focusing on less studied types of ventures and contexts—namely, a social entrepreneurial venture in India. A case study analysis was used to assess two primary areas of interest: (1) elements of empowerment embedded in the venture's business model and (2) individual perceptions of empowerment. The personal accounts of sister members reveal that this collective form of entrepreneurship has empowered them in three ways: economic security, development of entrepreneurial behavior, and increased contributions to the family. Garry D. Bruton, David Ahlstrom and Krzysztof Obloj
(2007) in their article “Entrepreneurship in Emerging Economies: Where Are We Today and Where Should the Research Go in the Future” explains the role of Entrepreneurship in economic development of Emerging economies, these are characterized by an increasing market orientation and an expanding economic foundation. The success of many of these economies is such that they are rapidly becoming major economic forces in the world. This article to the special issue on entrepreneurship in emerging economies examines the literature that exists to date in this important domain. It then reviews the research that was generated as part of this special issue on this topic. The article concludes with a discussion of the critical future research needs in this area. Entrepreneurship compared with incumbent industry locations.

OBJECTIVES OF THE STUDY:

The present study revolves around the following broad objectives:-

- To study the entrepreneurship pattern in India
- To understand the challenges behind the growth of entrepreneurship in India.
- To know the various government schemes and policies for entrepreneurial growth in India
- To suggest recommendations for an effective growth of entrepreneurship in India.

RESEARCH METHODOLOGY:

A Research Methodology defines the purpose of the research, how it proceeds, how to measure progress and what constitute success with respect to the objectives determined for carrying out the research study.

RESEARCH DESIGN:

Usually, there are 3 types of approaches used during any research :-

1. Exploratory
2. Descriptive
3. Experimental

The present study contemplated an exploratory research. This kind of research has the primary objective of development of insights into the problem. It studies the main area where the problem lies and also tries to evaluate some appropriate courses of action. The research methodology for the present study has been adopted to reflect these realties and help reach the logical conclusion in an objective and scientific manner.

NATURE OF DATA:-

PRIMARY DATA: Data which is collected through direct interviews and by raising questionnaires.

SECONDARY DATA: Secondary data that is already available and published .it could be internal and external source of data. Internal source: which originates from the specific field or area where research is carried out e.g. publish broachers, official reports etc. External source: This originates outside the field of study like books, periodicals, journals, newspapers and the Internet.
DATA COLLECTION:-

Primary Data:
Collected through structured questionnaires and interview. Sampling unit:
(a) Entrepreneurs
(b) Students
(c) Professionals
Sample size: 200 Respondents

SECONDARY DATA:-
Secondary data was collected through the following sources:- Articles, Reports, Journals, Newspapers and Internet.

DATA ANALYSIS AND INTERPRETATION

1. **For how many years you are in your present occupation?**
   - **Less than one year** 10 per cent
   - **More than one but less than five years** 22 per cent
   - **More than five but less than ten years** 30 per cent
   - **More than ten years** 28 per cent
   - **Do not know/ Can not say** 10 per cent

   Interpretation: Most of the entrepreneurs who were studied have been in the present occupation for more than five years. They were included through purpose random sampling so that they can contribute to the study because of their experience.

2. **Did you pursue any other occupation before you became a entrepreneur?**
   - **Yes** 77 per cent
   - **No** 23 per cent
Interpretation: 67 per cent of the respondents informed that they were pursuing other occupations before they became entrepreneurs.

3. **before you started business, did you know friends or relatives who had managed or run a business?**
   - Yes ---------------------------------------- 68 per cent
   - No ---------------------------------------- 32 per cent

Interpretation: The respondents had stated that they had information about their friends or relatives in the entrepreneurship and that encouraged them to join the business.

4. **Did anyone among your acquaintances – parents, friends or relatives - help you start your first business with concrete actions or recommendations?**
   - Yes ---------------------------------------- 70 per cent
   - No ---------------------------------------- 21 per cent
   - Do not know/ Can not say ------------------ 09 per cent
Interpretation: The study has revealed that the entrepreneurs get their primary level of support from their friends and relatives which constitute the non-institutional support base.

5. Are you qualified enough to run the business?

- Yes --------------------------------- 76 per cent
- No --------------------------------- 08 per cent
- Do not know/ Can not say ------------ 16 per cent

Interpretation: The major samples of the total entrepreneurs were found to be in the age group of 40-45 and they are found well qualified.

6. Do you find government initiatives helpful enough for existing and emerging entrepreneurs?

- Yes --------------------------------- 62 percent
- No --------------------------------- 17 percent
- Do not know / Cannot say ----------- 21 percent
Interpretation: Most of the people were happy with the initiative and policy decisions of the government regarding entrepreneurship development in India.

7. What according to is the major concern during or while starting the business?

- Raising Capital --------------------- 58 percent
- Finding good employees -------------- 8 percent
- Increased competition --------------- 27 percent
- Do not know/ Can not say ------------ 7 percent

Interpretation: Major issue for a business concern seems Raising Capital, as it is a key essential for the working of the business. Getting right amount of capital at the right rate of interest is very essential for the survival and success of business. Increased Competition is also a major issue for the start-ups and the existing business.

CONCLUSION OF THE STUDY:

Entrepreneurship must be developed and supported so that there is a proliferation of SMEs in the country. An entrepreneur's entry into business does not guarantee his/her survival. Attrition rate for new entrepreneurs is very high in many countries of the world. While this may be because
their chosen business inappropriate or a lack of adequate technical or business expertise, one critical reason is that overall macro and micro environment in which they are forced to operate. Therefore a key consideration by the government should be to critically evaluate the exiting macroeconomic policies and their impact on grassroots entrepreneurship development. Entrepreneurship is influenced by four distinct factors: economic development, culture, technological development and education. In areas where these factors are present, you can expect to see strong and consistent entrepreneurial growth. These conditions may have both positive and negative influences on the emergence of entrepreneurship. Positive influences constitute facilitative and conducive conditions for the emergence of entrepreneurship, whereas negative influences create inhibiting milieu to the emergence of entrepreneurship. India has a great pool of talent and it is necessary to retain it in the country for the development of the nation. And thus entrepreneurship is the best way to use this talent in a progressive way.

RECOMMENDATIONS OF THE STUDY

✔ Awards are to be given to entrepreneurs who demonstrate extraordinary success in the areas of innovation.

✔ Innovation and growth can be achieved by systematic planning and not by suddenly by Pressure. Change the mindset of youth from entrepreneurship to innovative Technopreneurship. / Entrepreneurship is essential

✔ Entrepreneurship Business Development Cell needs to be established at all Level and Entrepreneurship Guidance and Counseling cell also must function to motivate the use innovation in technology in each and every sphere of Business Management.

✔ The State Governments must eliminate red-tapism and bureaucracy if any and must help entrepreneurs on priority basis

✔ More SEZ (Special Economic Zones) should be established that has a good road network and other amenities..

✔ The Government should arrange special training programs of entrepreneurial development

✔ The government shall introduce special rates at which the emerging entrepreneurs can take loan so that they are able to bud and survive in cost-cutting competition.

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